



CEYLON YEAR BOOK

DEPARTMENT OF CENSUS AND STATISTICS
COLOMBO, CEYLON

1959

V. Mahadevan

8

5/9/1960



Ceylon Year Book

1959

DEPARTMENT OF CENSUS AND STATISTICS

COLOMBO, CEYLON

PRINTED AT THE GOVERNMENT PRESS, CEYLON, TEXT PRINTED ON PAPER
MANUFACTURED AT THE EASTERN PAPER MILLS CORPORATION, VALAICHCHENAI,
CEYLON

TO BE PURCHASED AT THE GOVERNMENT PUBLICATIONS BUREAU, COLOMBO

Price : Rs. 7.50

Postage : 55 cents

J. N. R. 8409—2,315 (3/60)

PREFACE

THE Ceylon Year Book, 1959, which is the eleventh in a series which began after the termination of the Annual General Report in 1947, contains in a compact form factual and statistical data compiled from official authoritative sources, relating to the Dominion of Ceylon. The book does not attempt to give exhaustive accounts of the topics covered, but presents salient facts relating to the Dominion its history and geography, the condition of its people, its resources, its constitution and Government and the activity of the Government Administration in the economic, social and other allied fields for furthering the progress of the country. As readers of the booklet usually want complete information a large amount of repetition from year to year is unavoidable.

The photographs included in this issue largely feature "Ceylon Scenes, including Scenes of Wild Life". The Department is indebted to various persons and sources for the material supplied for the Year Book, in particular to the various Heads of Departments who have readily placed at its disposal accounts of the activities of their respective Departments.

Owing to the varied nature of the subject matter covered in the Year Book, it is inevitable that a number of errors and omissions may have escaped notice. The Department will be grateful for any information which may lead to the elimination of such errors and for suggestions which may help enlarge the scope and usefulness of this publication.

N. MANICKA IDAIKKADAR,
Director of Census and Statistics.

Department of Census and Statistics,
P. O. Box 563,
Colombo, January 27, 1960.

PREFACE

The purpose of this book is to provide a comprehensive and up-to-date account of the history of the United States from the time of the first settlement to the present. It is intended for the use of students and teachers in the study of American history. The book is divided into two parts. The first part covers the period from the first settlement to the end of the Civil War. The second part covers the period from the end of the Civil War to the present. The book is written in a clear and concise style, and it contains many illustrations and maps. It is hoped that this book will be of great value to all who are interested in the history of the United States.

The author is a member of the faculty of the Department of History, University of California, Berkeley. He has written many books and articles on the history of the United States. He is also a member of the American Historical Association. The book is the result of many years of research and study. It is hoped that it will be of great value to all who are interested in the history of the United States.

The author is a member of the faculty of the Department of History, University of California, Berkeley. He has written many books and articles on the history of the United States. He is also a member of the American Historical Association. The book is the result of many years of research and study. It is hoped that it will be of great value to all who are interested in the history of the United States.

The author is a member of the faculty of the Department of History, University of California, Berkeley. He has written many books and articles on the history of the United States. He is also a member of the American Historical Association. The book is the result of many years of research and study. It is hoped that it will be of great value to all who are interested in the history of the United States.

Published by the University of California Press
1914
Copyright, 1914, by the University of California Press

CONTENTS

	PAGE
PREFACE	iv
INTRODUCTION	xiii
Section (i) Important Events	xiii
„ (ii) Economic Review	xiv
„ (iii) The Ten-Year Plan.. .. .	xv
CHAPTER I. HISTORICAL SKETCH	1
CHAPTER II. GEOGRAPHICAL FEATURES	3
Section (i) General	3
„ (ii) Relief of the Land	3
„ (iii) Climate and Meteorology	4
„ (iv) Geology	7
CHAPTER III. CONSTITUTION AND GOVERNMENT	8
Section (i) The Government of Ceylon	8
„ (ii) Parliamentary Elections	11
„ (iii) The Administrative System	11
„ (iv) Local Government	15
„ (v) Diplomatic Service	18
„ (vi) The Judicial System of Ceylon	22
„ (vii) Defence	23
CHAPTER IV. POPULATION AND VITAL STATISTICS	25
Section (i) Population Census, 1953	25
„ (ii) The Growth of Population	31
„ (iii) Vital Statistics of Ceylon, 1958	33
„ (iv) Migration	35
CHAPTER V. AGRICULTURE	39
Section (i) General	39
„ (ii) Tea Cultivation	39
„ (iii) Rubber Cultivation	42
„ (iv) Coconut Cultivation	46
„ (v) Other Commercial Crops	47
„ (vi) Paddy and Other Food Crops	49
„ (vii) Agrarian Services	53
„ (viii) Animal Production and Health Division	55

				PAGE
CHAPTER VI.	INDUSTRY			58
	Section (i) Government Industrial Undertakings ..			58
	„ (ii) Public and Private Sector ..			59
	„ (iii) Coconut Industries ..			61
	„ (iv) Cottage Industries ..			63
CHAPTER VII.	SCIENTIFIC RESEARCH			68
	Section (i) Agricultural Research ..			68
	„ (ii) Industrial Research ..			73
CHAPTER VIII.	MINERAL RESOURCES			75
	Section (i) Minerals ..			75
	„ (ii) The Salt Industry ..			78
CHAPTER IX.	FORESTS AND WILD LIFE PROTECTION			80
	Section (i) Forests ..			80
	„ (ii) Botanic Gardens ..			81
	„ (iii) Wild Life Protection ..			82
CHAPTER X.	FISHERIES			84
CHAPTER XI.	FOREIGN TRADE			90
	Section (i) General Review ..			90
	„ (ii) Import and Export Control ..			100
	„ (iii) Share Market Review ..			102
CHAPTER XII.	MONEY, BANKING AND INSURANCE			104
	Section (i) General ..			104
	„ (ii) The Central Bank and its Functions ..			104
	„ (iii) Commercial Banks ..			107
	„ (iv) Money Supply ..			112
	„ (v) Insurance ..			115
CHAPTER XIII.	PUBLIC FINANCE AND TAXATION			116
	Section (i) Fiscal and Monetary Measures ..			116
	„ (ii) Public Finance ..			119
	„ (iii) Public Debt ..			122
	„ (iv) Taxation and Yields ..			123
	„ (v) National Savings Movement ..			128
CHAPTER XIV.	LABOUR AND EMPLOYMENT			131
	Section (i) Employees Provident Fund Act ..			131
	„ (ii) Wages Boards and Other Ordinances ..			131
	„ (iii) Industrial Relations and Trade Unions ..			133
	„ (iv) Employment Service ..			136
	„ (v) Safety and Welfare in Factories ..			139
	„ (vi) Occupational Health ..			140
	„ (vii) Wages and Cost of Living ..			141
	„ (viii) General ..			146

	PAGE
CHAPTER XV. EDUCATION	147
Section (i) The Swabasha Programme	147
" (ii) University, Legal and Technical Education	151
CHAPTER XVI. PUBLIC HEALTH	153
Section (i) General	153
" (ii) Medical Care	154
" (iii) Laboratory Services	156
" (iv) Public Health Services	157
" (v) Special Diseases	161
" (vi) Quarantine and International Health	163
" (vii) Indigenous Medicine	164
CHAPTER XVII. SOCIAL SERVICES, RURAL WELFARE AND NATIONAL HOUSING	166
Section (i) Social Services	166
" (ii) Rural Development	169
" (iii) The Co-operative Movement	170
" (iv) National Housing	174
CHAPTER XVIII. TRANSPORT AND COMMUNICATIONS	176
Section (i) Railways	176
" (ii) Roads, Road Transport and Canals	179
" (iii) Shipping	182
" (iv) Civil Aviation	184
" (v) Postal and Telecommunication Services	185
CHAPTER XIX. LAND DEVELOPMENT	188
Section (i) Progress of Land Development	188
" (ii) Irrigation	193
" (iii) Land Registration and Valuation	195
" (iv) Land Surveys	197
" (v) Town and Country Planning	200
CHAPTER XX. ELECTRICITY, WATER SERVICES AND PUBLIC WORKS	202
Section (i) Electricity	202
" (ii) Water Services	203
" (iii) Public Works	205
CHAPTER XXI. THE PRESS, INFORMATION AND PUBLICITY	207
Section (i) The Press	207
" (ii) Department of Information	207
" (iii) Broadcasting Services	208
" (iv) Government Tourist Bureau	208
" (v) Tea Propaganda Board	210

	PAGE
CHAPTER XXII. MUSEUMS, ARCHAEOLOGY, FINE ARTS AND CULTURAL ACTIVITIES	212
Section (i) National Museums	212
„ (ii) Archaeology	212
„ (iii) Fine Arts	213
„ (iv) Cultural Activities	214
CHAPTER XXIII. POLICE AND PRISONS	218
Section (i) Police System and Crime Statistics	218
„ (ii) Prisons	219
„ (iii) Probation and Child Care Services	221
CHAPTER XXIV. CENSUSES AND SURVEYS	223
Section (i) Household Budget Survey	223
„ (ii) Employment, Unemployment and Under-Employment Survey	223
„ (iii) Social Survey	223
„ (iv) Census of Agriculture, 1960	223

LIST OF TABLES

GEOGRAPHICAL FEATURES

TABLE	2-1	Chief Mountain Peaks of Ceylon
„	2-2	Lengths of Principal Rivers
„	2-3	Annual Rainfall, Temperature and Relative Humidity at Nine Principal Stations during 1957 and 1958.

POPULATION AND VITAL STATISTICS

TABLE	4-1	Population of Ceylon by Sex and Revenue District, 1953.
„	4-2	Distribution of Population by Sex for Municipal and Urban Council Areas, 1953.
„	4-3	Distribution of Population in Ceylon according to Race, Census Year, 1953
„	4-4	Distribution of Population in Ceylon according to Religion, Census Year, 1953.
„	4-5	Population classified by Sex and selected Age groups, 1946 and 1953.
„	4-6	Percentage of Literates in Ceylon, relative to Population Aged five years and over 1881-1953.
„	4-7	Population of Ceylon at Censuses, 1871-1953
„	4-8	The Natural Increase, Migration Increase and Intercensal Increase
„	4-9	Births and Deaths, 1947-1958
„	4-10	Immigration and Emigration, 1939-1958.
„	4-11	Migration excess of Arrivals over Departures

AGRICULTURE

TABLE	5-1	Tea Acreage by size of holding, 1958
„	5-2	Monthly Production of Tea, 1957 and 1958
„	5-3	Rubber Acreages by size of holding, 1957 and 1958
„	5-4	Monthly Production of Rubber, 1957 and 1958
„	5-5	Local Consumption of Rubber
„	5-6	Paddy Acreages and Average Yields by Districts, Yala, 1957.
„	5-7	Paddy Acreages and Average Yields by Districts, Maha, 1957-58.
„	5-8	Paddy Acreages and Average Yields by Districts, Yala, 1958

MINERAL RESOURCES

TABLE	8-1	Salt Statistics, 1948-1958
-------	-----	----------------------------

FISHERIES

„	10-1	Quantities of Fish landed by Provinces—1958. (Excluding Trawler Landings) in Cwt.
„	10-2	Quantities of Fish landed by kind—1958 (Excluding Trawler Landings) in Cwt.
„	10-3	Quantities of Cured Fish Produced by provinces—1958 (Dried Weight) in Cwt.

FOREIGN TRADE

TABLE	11-1	Summary Statistics of Ceylon's Foreign Trade
„	11-2	Major Exports (Domestic) 1957-1958
„	11-3	Imports, 1957 and 1958
„	11-4	Exports (Domestic)
„	11-5	Imports by Country of Origin

MONEY, BANKING AND INSURANCE

TABLE 12.1	Assets and Liabilities of the Central Bank
„ 12.2	Commercial Banks Deposits, 1940-58
„ 12.3	Commercial Banks Assets and Liabilities, 1948-58
„ 12.4	Bank Clearings, 1939-1958
„ 12.5	Ceylon State Mortgage Bank : Loans Granted, Repaid and Outstanding
„ 12.6	Agricultural and Industrial Credit Corporation : Loans Granted, Repaid and Outstanding
„ 12.7	Money Supply

PUBLIC FINANCE AND TAXATION

TABLE 13.1	External Assets of Ceylon
„ 13.2	Balance of Payments for 1957 and 1958
„ 13.3	Sources of Finance for Capital Expenditure
„ 13.4	Receipts and Payments of the Government of Ceylon
„ 13.5	Total Public Debt, 1955-1958
„ 13.6	Funded Debt
„ 13.7	Floating Debt
„ 13.8	Taxation and Yields, 1956-57 and 1957-58
„ 13.9	Government Revenue
„ 13.10	Savings Deposits, 1947-58

LABOUR AND EMPLOYMENT

TABLE 14.1	Strikes, 1957 and 1958
„ 14.2	Trade Unions Number and Membership
„ 14.3	Employment Exchange Placements
„ 14.4	Registered at Employment Exchanges
„ 14.5	Registered Unemployed at the end of the Year
„ 14.6	Statistics Relating to the Factories Ordinance
„ 14.7	Cost of Living Index Numbers
„ 14.8	Colombo Consumers' Price Index Numbers 1953, 1954, 1955, 1956, 1957 and 1958 (Monthly) Base : Average Prices, 1952=100.
„ 14.9	Cost of Living Indices, Wage Rate Index Numbers and Index Numbers of Real Wages 1939-1958 of Workers in Tea and Rubber Estates
„ 14.10	Average Rates of Wages Cost of Living Index Number of Colombo Working Class, Wages Index Numbers and Real Wage Index Number of Unskilled Male Workers 1939-1958
„ 14.11	Minimum Average Daily Rate of Wages and Minimum Wage Rate Index Numbers—Agricultural and Other Trades, 1952-1958
„ 14.12	Average Earnings Per Day and Index Numbers of Earnings—Agricultural and Other Trades, 1952-1958

EDUCATION

TABLE 15.1	Census of University Students, 1953-58
„ 15.2	Degrees awarded other than Honorary Degrees, 1943-58

PUBLIC HEALTH

TABLE 16.1	Total Number of Beds for Indoor Patients, 1958
„ 16.2	Colombo Group of Hospitals and Bed Strength, 1958
„ 16.3	Special Institutions and Bed Strength, 1958
„ 16.4	Health Centres and Clinics

SOCIAL SERVICES

- TABLE 17·1 Public Assistance
 „ 17·2 Workmen's Compensation Claims, 1956-1958
 „ 17·3 Progress of Co-operative Societies, 1921-41
 „ 17·4 Analysis of Co-operatives by type of Society, 1942-58
 „ 17·5 Statistics of Co-operative Societies as at December 31, 1958

TRANSPORT AND COMMUNICATIONS

- TABLE 18·1 Volume of Railway Traffic
 „ 18·2 Expenditure and Revenue of the Railway, 1943-44 to 1957-58
 „ 18·3 Annual Capital Outlay, 1952-53 to 1957-58

LAND DEVELOPMENT

- TABLE 19·1 Nature and Number of Deeds Registered Affecting Immovable Property

PRESS, INFORMATION AND PUBLICITY

- TABLE 21·1 Daily Newspapers

POLICE AND PRISONS

- TABLE 23·1 Crime Statistics, 1952-58
 „ 23·2 Road Accidents, 1949-58
 „ 23·3 Prison Statistics, 1955-58

SOCIAL SERVICES

Table 174 Public Assistance
175 Women's Organizations
176 Progress of Cooperative Movement
177 Analysis of Cooperative Movement
178 Statistics of Cooperative Movement

TRANSPORT AND COMMUNICATIONS

Table 181 Volume of Railway Traffic
182 Expansion and Retraction of the Railway, 1947-48 to 1957-58
183 Postal Office Traffic, 1947-48 to 1957-58

LAND DEVELOPMENT

Table 184 Means and Methods of Land Development

PRESS, INFORMATION AND PUBLICITY

Table 185 Press Statistics

PRISON AND PRISONS

Table 186 Prison Statistics, 1957-58
187 Prisons, 1957-58
188 Prisons, 1958-59

INTRODUCTION

1—IMPORTANT EVENTS

1958

THE year 1958 dawned with the ravages of unprecedented floods which had occurred in late December 1957 in the Northern, Eastern, North-Central and North-Western Provinces. During the first few weeks of January, the Government was engaged in making an all-out effort to alleviate distress among the flood victims. The Government was assisted in this task by several foreign Governments and private organisations, both local and foreign.

The bus services in the country that had hitherto been run by private monopolists were nationalised on 1st January, 1958.

The Prime Minister of the United Kingdom, the Rt. Hon. Harold Macmillan, arrived in the Island on 16th January on a three-day visit.

He was accompanied by Lady Dorothy Macmillan and a party of thirteen, among whom was the Secretary of the British Cabinet, the Rt. Hon. Sir Norman Brook.

The President of the Republic of Indonesia, His Excellency Dr. Soekarno, arrived here on 23rd January in the course of a goodwill tour of Asian countries.

The Prime Minister of the Republic of Czechoslovakia, Mr. V. Siroky, arrived in the country on 30th January on a three-day visit. He was accompanied by a party of twenty-five, among whom were the Minister of Foreign Affairs, Deputy Minister of Foreign Trade and the Ambassador for Czechoslovakia in India.

On the 4th February Ceylon celebrated her tenth anniversary of Independence. Among the highlights of the day's celebrations was an Independence Commemoration meeting held at the Independence Square in Colombo, in which several distinguished visitors from the Commonwealth participated.

On the 15th February the Prime Minister, Mr. S. W. R. D. Bandaranaike, inaugurated the Asian and African Women's Conference at the Grand Oriental Hotel in Colombo. The countries represented at the conference were : Burma, India, Indonesia, China, Vietnam, Egypt, Japan, Singapore, Thailand, Uganda, Tunisia, Afghanistan, Iran, Pakistan, Ghana, the Philippines, Mongolia, Turkey and Ceylon.

The National Provident Fund Bill was passed by the House of Representatives on 8th March.

A joint Select Committees of the two Houses of Parliament appointed to consider the revision of the Constitution began its sittings on March 14, with the Prime Minister in the chair. The Committee consists of 7 Representatives from the Senate and 11 from the House of Representatives.

The Prime Minister of New Zealand, Rt. Hon. Walter Nash, arrived here on 21st March on a three-day visit.

The six-member Salaries and Cadres Commission had its first meeting on 20th May. The Commission consisted of Mr. C. Nagalingam, Q.C. (Chairman) ; Mr. R. L. Brohier ; Mr. Wilmot A. Perera ; Mr. N. S. Perera ; Mr. N. A. D. Karunatileke and Mr. N. J. L. Jansz (Secretary). Later on the death of Mr. Nagalingam, Mr. Wilmot Perera became chairman of the Commission.

H. E. the Governor-General, Sir Oliver Goonetilleke, declared on 27th May a state of Emergency throughout the island " in the interests of public security, the preservation of public order and the maintenance of supplies and services essential to the life of the community ". The declaration of the state of Emergency followed widespread communal disturbances in many parts of the Island.

The third session of the third post-Independence Parliament of Ceylon was ceremonially opened on June 24th by H. E. the Governor-General. In his speech from the Throne, His Excellency referred to the declaration of the state of Emergency and said that the position was continuing to improve and that his Government was taking all steps necessary to maintain law and order.

The Port (Cargo) Corporation was inaugurated on 31st July giving the Government complete control of the commercial sector of the Port of Colombo. The Tamil Language (Special Provisions) Bill was passed by the House of Representatives on 5th August.

The Canadian Minister of Finance, Mr. Donald Fleming and Mrs. Fleming arrived here on 24th October, in the course of a tour of Asian countries. The Deputy Prime Minister and the Minister of Economics of the Federal Republic of Germany, Dr. Ludwig Erhard, visited Ceylon on 1st November. The Prime Minister of Canada, the Rt. Hon. John Diefenbaker arrived here on 24th November on a goodwill tour, accompanied by his wife.

A Commission has been appointed to recommend—

- (a) a national wage policy in respect of employees in the private sector including corporations established for the purpose of trade or otherwise, and
- (b) changes where considered desirable on cognate questions such as leave, living allowance, rent allowance and any other terms of employment, having regard to the urgent need for national economic development.

II—ECONOMIC REVIEW

The downward trend of the economy was arrested to some extent in 1958. The value of exports at Rs. 1,711 million was Rs. 29 million higher than in 1957 and was the result of an increase in production combined with a moderate drop in export prices. The value of imports was Rs. 1,717 million compared with Rs. 1,804 million in the previous year. The fall in the value of imports was due to lower prices. From an adverse balance of trade of Rs. 123 million in 1957 the deficit was reduced to only Rs. 6 million in 1958. Ceylon's external assets at Rs. 883.3 million at the end of 1958, showed a decline of Rs. 59.8 million over the year as against the drop of Rs. 236.2 million in 1957. In money terms the National Income increased from Rs. 5,200 million in 1957 to Rs. 5,493 million in 1958, an increase of 5.6 per cent. Increases in the output of tea, paddy and the contribution of the Government in the operation of trading services and the provision of other services were the main contributory factors.

New tax proposals were introduced by the Government with a view to a radical revision of the existing tax structure. The tax base was enlarged by the inclusion of capital gains in income for income tax purposes, by taxes on expenditure, gifts and wealth and deepened by disallowing certain expenditure which are now allowed in assessing income tax.

Wages and Employment

The Colombo Consumers' Price Index was on the average 2.1 per cent higher in 1958 than in 1957. The rise in the Index which appeared in the 4th quarter of 1957 continued in 1958. There was an all-round increase in minimum wage rate indices caused largely by changes in special allowances. Indices of real wage rates showed an upward movement except in the case of workers in agriculture. The numbers registered at the Employment Exchanges which includes both unemployed and those seeking better employment was 117,796 at the end of 1958. The Employees' Provident Fund Act came into operation in June 1958 and covers all employees other than those in Government and Local Government Services. When fully operative it is expected that seven to eight lakhs of employees will be brought into the Fund.

In December, 1958 the Government appointed a National Wages Policy Commission to report on the existing wage and salary structure of persons employed in the private sector and by Corporations.

Agriculture

The Paddy Lands act became Law in February, 1958, and the provisions of the Act have been made operative in six districts. Cabinet sanction was obtained for the Crop Insurance Pilot Project in November, 1958, and legal sanction will be given when the Bill is passed in Parliament. In October, 1958, the Government launched a scheme for giving financial assistance to owners of tea estates and small holdings for (i) replanting uneconomic areas in tea with high yielding strains of tea and (ii) for rehabilitating estates and small holdings by the adoption of improved agricultural methods.

During 1958 under the Rubber Replanting Subsidy Scheme permits were issued to replant 23,917 acres.

Industry

Two new State Corporations were established in 1958, viz., the National Textiles Corporation and the Ceylon Carpentry Corporation. In addition to plans for the expansion of a number of Government industrial ventures, eight new major projects were sponsored by the Government during the year. A number of new industries were also established in the private sector.

Transport

Under the Motor Transport Act, No. 48 of 1957, the Ceylon Transport Board took over the service of providing public road transport as from January 1, 1958. The Port (Cargo) Corporation Act was passed in 1958 and since 1st August, 1958, cargo handling operations have been undertaken by the Port (Cargo) Corporation.

Housing

As a result of loans granted 1,301 houses were completed in 1958 and 3,364 houses were under construction at the end of the year.

At Bambalapitiya 12 shops and 36 flats were under construction and will be ready in mid 1959. 316 flats and 29 shops at Bloemendhal Road and Messenger Street, Colombo, were nearing completion at the end of the year.

Rent-purchase schemes were extended to practically every district of the Island.

III—THE TEN-YEAR PLAN

The National Planning Council in June 1959 published a 10 Year Plan of Development. The Plan was tabled in Parliament by the Honourable Minister of Finance on the occasion of the second reading of the Budget in the same year.

The aim of the Plan

The aim of the Plan is to meet the needs of the people. These are food, clothing and shelter ; health and education ; work and leisure. It aims to provide for schools, hospitals and houses. It must try to make sure that there are enough jobs—be they for peasant or labourer, factory worker, nurse, teacher, manager or civil servant—so that the people may earn incomes and so provide for their daily needs and for the enjoyment of leisure. It seeks first that all shall be able to do this. It seeks next to provide for an increase in the level of their standards of living. The Plan presents for the first time a comprehensive and integrated programme of development for the entire economy. It covers both the public and the private sectors.

National Income

The Plan aims at increasing national income from Rs. 4,742 million in 1957 to Rs. 8,905 million in 1968. Population will rise by 3,693,000 during this period. Even when allowance is made for the increased population in 1968 and for the increased share of investment in national income there will still be substantial increases in the real living standards of the people. The percentage of national income devoted to gross investment will rise from 12.9 per cent. to 21.1 per cent. by 1968. Income per head will rise by 36 per cent. and consumption per head by 19 per cent.

Employment

In addition to raising incomes, the Plan provides for creating employment opportunities for 1.4 million people which includes the expected addition to the work force and a reduction in unemployment. Under-employment will also be reduced by the Plan.

Self-Sufficiency in Foodstuffs

By 1968, under the Plan, there will be a major reduction of the Island's present dependence on imported foodstuffs despite the increase in population. An expanded production of rice and a virtual transformation of the fishing industry account for a large part of the development but provision is also made for major increases in supplies of other domestic products, particularly sugar, milk and meat products, eggs, tobacco, chillies, potatoes and so on.

Industrialisation

While a full-scale programme of agricultural development is envisaged, the Plan also proposes a major step forward towards industrialisation. Investment in industry will increase by 550 per cent. between 1957 and 1968. By 1968 there should be a sound foundation of basic industries for further development in the future. The Plan provides, in addition to large and medium scale industries, for a vigorous programme of small scale and cottage industries. Allied to the industrial programme is a plan for the rapid expansion of power supplies. Power output would increase from 82 MW in 1957 to 382 MW in 1968.

Exports

Export earnings are important for development. The Plan aims at raising export earnings by 35 per cent. By 1968 12 per cent. of the acreage under tea, 58 per cent. of the acreage under rubber and 33 per cent. of the acreage under coconuts will be replanted.

Diversification

The increased rate of industrialisation, the expansion of power supplies and greater domestic agricultural production together will permit sound growth in the transport and services industries. As a result of all this, domestic economy will become more diversified and less dependent on externally induced fluctuations in economic activity.

Housing Needs

The Plan places much emphasis on housing. Over the ten years it is proposed that 952,000 houses will be built in both the urban and the rural areas. This takes account not only of the housing needs of the increase in population but also the existing backlog.

Health and Education

Adequate provision is made for the increased needs for health and education. The school building programme will measure up to the increase in the school-going population. In the field of health investment per head has been substantially stepped up to meet the needs of enhanced urbanisation and other factors.

Positive Role for Private Sector

While the Plan expects a major share of new investment to be initiated by the Government it also assumes expansion in the private sector.

Self-Help

The Plan stresses popular participation through self-help programmes. It requires the co-operation and enthusiasm of the people. The scope for self-help is particularly large in such fields as rural housing, road building, village irrigation works, schools, dispensaries, &c.

A Realistic Plan

The Plan is ambitious but is not beyond the capacity of the economy or the people to achieve. It will need determined implementation and popular support. Although consumption will rise above present levels a proportion of increased incomes must be set aside for investment.

Cost of the Plan

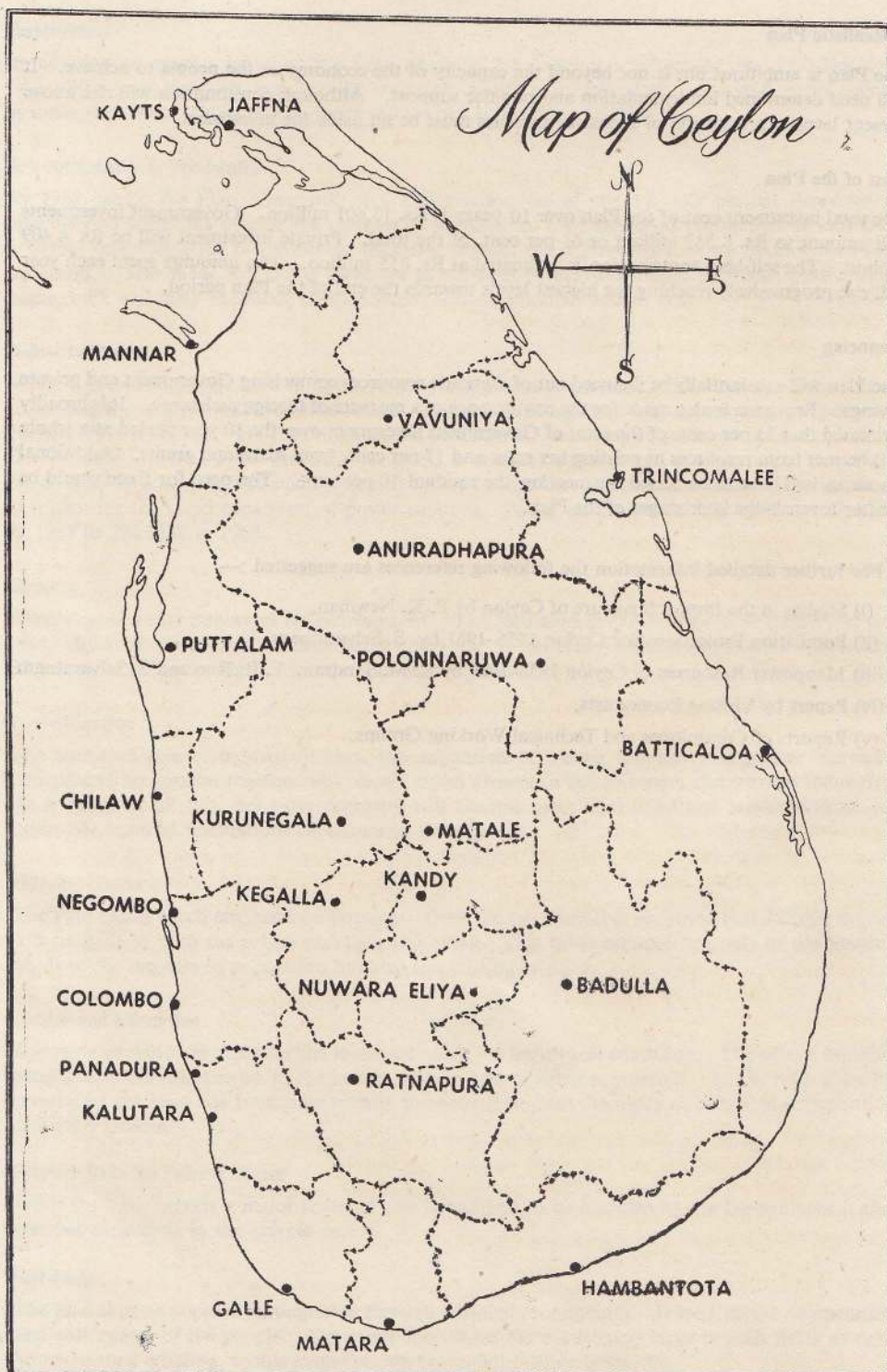
The total investment cost of the Plan over 10 years is Rs. 13,601 million. Government investments will amount to Rs. 8,337 million or 61 per cent. of the total. Private investment will be Rs. 4,409 million. The self-help contribution is estimated at Rs. 855 million. The amounts spent each year will rise progressively reaching the highest levels towards the end of the Plan period.

Financing

The Plan will substantially be financed out of domestic resources comprising Government and private savings. Provision is also made for the continuance of a measure of foreign assistance. It is broadly estimated that 73 per cent. of the total of Government investment over the 10 year period as a whole will be met from resources at existing tax rates and 17 per cent. from loans and grants. Additional resources will have to be raised for meeting the residual 10 per cent. The need for these would be greater towards the later stages of the Plan.

For further detailed information the following references are suggested :—

- (i) Studies in the Import Structure of Ceylon by P. K. Newman,
- (ii) Population Projections for Ceylon 1956–1981 by S. Selvaratnam,
- (iii) Manpower Resources of Ceylon 1956–1981 by R. M. Sundram, V. R. Rao and S. Selvaratnam
- (iv) Papers by Visiting Economists,
- (v) Reports of Committees and Technical Working Groups.



CHAPTER I

HISTORICAL SKETCH

Recent studies regarding pre-historic and proto-historic ages in Ceylon have revealed traces of pre-historic man. A small race with heavy brow ridges named *Homo Sinhaleyus* is known from a single brow ridge that occurred in association with hippopotamus fossils in a gem pit in Ratnapura District is the earliest race known for Ceylon. Primitive stone artefacts assignable to the second Interglacial are not uncommon and the palaeolithic of Ceylon, is termed the "Ratnapura culture phase". Succeeding it is a combination of the meso and neolithic, termed the "Balangoda culture phase". Its humans known from a number of skeletons, were dolichocephalic, the males were about 5' 10½" and the females 5' 5" in height, the brow ridges were heavy but diffuse, the palate wide, the bit of the edge to the edge type, and the last molars were as large as the others and always well worn with usage. This race named *Homo Sapiens Balangodensis*, persisted into early historic times. Of special interests is the fact, that many of the stone implements found with these skeletons are of the palaeolithic type and these as well as pitted pebbles, microliths and ground and polished artefacts, were used simultaneously by this race. When *Homo Sinhaleyus* inhabited Ceylon, the fauna included such large mammals as hippopotamus, rhinoceros and two species of elephants with heavy brow ridges. All these became extinct and *Homo Sapiens Balangodensis* came up on the scene together with the animals that now inhabit Ceylon, including species which although extinct locally, occur in India such as lion and gaur. Eventually waves of metal using races crossed from India over Adam's bridge, and the degenerated hybrid descendants of these stone age and metal using races came to be known as veddahs. (1)

According to the Mahavamsa an Indian Prince named Vijaya, with his band of 700 men, colonized the Island of Ceylon in about 543 B.C. The present day Veddahs are the survivors of the legendary tribes of Yakkas and Nagas who inhabited Ceylon then. Travellers from the West have also made certain references in their writings to ancient Ceylon. These too help to obtain more information regarding the ancient period. The Sinhalese royal line consisting of 180 rulers held sway in unbroken succession for nearly 2,300 years. King Pandukabhaya who founded the City of Anuradhapura, stands out as the most important ruler of the ancient period. It was this city which later became the political capital of the Island for nearly a thousand years. Anuradhapura has been the spiritual home of the Buddhists for well nigh 2,300 years.

In the 3rd century B.C. there occurred an event which changed the whole complexion of the Island and the faith of its people. King Asoka, emperor of India, sent to his friend King Devanampiyatissa of Ceylon, the Message of the Buddha through his own son, Thera Mahinda. The Island embraced Buddhism. Quick progress followed and art and architecture developed. These were used to subserve the needs of the new religious movement. Another unique event, which occurred at this time, was the arrival of the Bodhi Tree from India. It has survived to this day and is said to be the oldest tree in the world.

South Indian contacts disturbed the peace of the Island from about the 1st century B.C. The Northern part of the Island was held by King Elara but after a time he was vanquished in battle by Prince Dutugemunu from Ruhuna. The establishment of peace under one sovereign ruler was the direct result. There followed a period of prosperity leading to the spread of learning, development of art and architecture, and foundation of temples.

Irrigation engineering had attained an unique position in ancient Ceylon as is evidenced by the large tanks. These ensured a proper food supply to the population. In the sphere of learning and arts the Indian influences have been considerable, particularly the Gupta influence is noticeable in the monuments of the 6th century. The fortress at Sigiriya was converted to the living palace of

(1) This paragraph is based on the researches conducted by Mr. P. E. P. Deraniyagala, Director of National Museums.

Kasyapa where the well-known frescoes are still preserved. Somewhat later in the 7th century the Pallava influence was also felt in the Island. The monuments at Isurumuniya bear witness to this tradition.

The 9th century is a dark period in Ceylon history. Little recorded evidence, either as rock inscriptions or in any other tangible form, is yet available. This may be due to religious differences or political disputes which troubled the land.

During the mediaeval period Ceylon suffered again at the hands of Cholas and Pandians who from time to time over-ran the capital, burnt the buildings and looted the wealth. Anuradhapura had to be abandoned. Finally the scattered Sinhalese forces rallied together under Prince Kitti who later defeated the enemy and brought complete victory to the Island and ruled at Polonnaruwa as Vijaya Bahu I. To him, more than to any other ruler, the Sinhalese owe an eternal debt for preserving their race. The results of his victory were realised during later times.

King Parakramabahu the Great used his mighty influence to further the good of the Island. The revival of learning, restoration of monuments and the construction of buildings were organised on a scale that was not to be surpassed since. Some of these monuments stand to this day as worthy records of the spirit of greatness of a great ruler. He also developed irrigation and constructed new tanks with the sole object of attaining economic self-sufficiency in food. After his reign, there followed a period of stress and struggle. The capital shifted to other sites, such as Ruhuna, Dambadeniya, Yapahuwa, Polonnaruwa, Kurunegala, Gampola, Dedigama, Rayigama, Kotte, Sitawaka and Kandy. The kings contended with each other as well as with outsiders at times to preserve freedom, peace and prosperity. It was with considerable sacrifice through centuries that the nation preserved its spirit and recovered from intermittent feuds.

During the 15th century the capital was at Kotte. It was during this period that the first European contact was felt. This was the beginning of a crucial change which was to lead to further complications and difficulties. It was also the beginning of the eventual loss of freedom. The Portuguese arrived in 1505 A.D. and conquered parts of the Island. They were the first to introduce Christianity. The Portuguese were ousted by the Dutch who ruled over their possessions in the Island from 1640 A.D. They established trade and ruled the maritime provinces through a Governor. In 1796 A.D. the Dutch too yielded these to the English and in 1815 A.D. the Sinhalese surrendered their country to British. New changes took place. The country was ruled by a Governor appointed from England. New laws were introduced and European ways and beliefs influenced the people. However, the Island regained its Independence in 1948 and today is ruled by the elected representatives of the people themselves under a democratic Constitution based on the British model. Nevertheless Ceylon continues to be a member of the British Commonwealth of Nations. (2)

(2) For further detailed information the following references are suggested :

- (i) The Mahavamsa—Wilhelm Geiger (English translation).
- (ii) Short History of Ceylon—H. W. Codrington.
- (iii) Ceylon and the Hollanders—Paul E. Peiris.
- (iv) History of Ceylon (I and II) Father S. G. Perera.
- (v) Early History of Ceylon and } Dr. G. C. Mendis.
- (vi) Ceylon under the British }
- (vii) The Pleistocene of Ceylon—P. E. P. Deraniyagala. (Colombo Museums Published 1958).
- (viii) An open air habitation site of Homo Sapiens Balangodensis—P. E. P. Deraniyagala (Colombo Museums Published 1958).

CHAPTER II

GEOGRAPHICAL FEATURES

I—GENERAL

AREA and Location—Ceylon has an area of 25,332 sq. miles as compared with the United Kingdom (93,053 sq. miles), Canada (3,845,774 sq. miles), Australia (2,974,581 sq. miles), India and Pakistan (1,686,695 sq. miles), Union of South Africa (790,275 sq. miles), New Zealand (105,072 sq. miles) and Eire (26,631 sq. miles).

The island is situated between 5° 55' and 9° 50' N. latitude, and between 79° 42' and 81° 52' E. longitude. It is separated from the Indian sub-continent by a narrow strip of shallow water, the Palk Strait.

Next to India the nearest neighbours of Ceylon are the Maldiv Islands to its West, the Nicobar and Andaman Islands to its East North-East respectively.

The Island has a compact land area except for Mannar Island in the North-West, the Jaffna Peninsula in the North and its satellite islands, the largest of which are Kayts and Delft. The greatest length of the Island North to South is 270 miles, from Point Palmyrah in the North to Don-dra Head in the South. The greatest breadth is 140 miles, from Colombo in the West to Sangaman-kande on the East coast.

Ceylon's position in the Indian Ocean has proved favourable and today Colombo forms an important port of call (passenger, bunkering, repairs, &c.) for all steamships that cross the Indian Ocean from East to West and vice versa via the Suez Canal.

With the development of air travel the Colombo Air Port situated at Ratmalana about 8 miles South of the City of Colombo has become a busy centre where the chief airways of the world call regularly.

II—RELIEF OF THE LAND

Generally speaking, the relief of the Island may be said to comprise a mountainous area about the central part or more correctly the South-Central part, averaging in elevation from about 3,000 to 7,000 feet which is again surrounded by an upland belt of about 1,000 to 3,000 feet, while the coastal plain occupies the rest of the Island and is narrower on the West, East and South but broadens out to a vast tract in the North.

The Coastal Plain continues for some distance out to sea as the Continental Shelf. The 100 fathoms line is close to the coast, except about the North-West where it opens out to include a large area continuous with the Indian Continental Shelf. A coral reef lies close to the coast, which, though for the most part submerged, can be discerned by the breaking of the waves at a short distance from the coast line. The following table shows the relative heights of various peaks :—

TABLE 2-1 CHIEF MOUNTAIN PEAKS OF CEYLON

<i>Mountain Peak</i>	<i>Height (in feet)</i>
Pidurutalagala	8,291
Kirigalpotta	7,856
Totapola	7,741
Adam's Peak	7,360
Namunukula	6,679
Knuckles	6,112
Haycock	2,167

The essential frame work of the Hill Country over 5,000 feet appears in the form of an inverted "T" or anchor, with the Central Ridge forming the shank on which are some of the highest peaks in Ceylon—Pidurutalagala (8,291 feet), Kirigalpotta (7,856 feet), Totapola (7,741 feet), and also the high plains, such as Nuwara Eliya (over 6,000 feet), Elk Plains (6,000 feet), and Horton Plains (over 7,000 feet). At the base of the shank is Kirigalpotta from where one arm of the anchor extends westwards to terminate at Adam's Peak (7,360 feet) while the Eastern arm extends through Haputale and continues North-East to form the Namunukula which is part of the North-South aligned Lunugala ridge. To the North-East of the shank are the Matale hills, with Knuckles (6,112 feet) forming the highest point. On either side of this central mountainous anchor-shank are two plateaus—the Hatton Plateau to the West and the Uva Basin (or Welimada Plateau) to the East—each averaging 4,000 feet. The East-West arm of the "anchor" is termed the Southern Mountain Walls, because here it presents a sheer drop of over 4,000 feet to the Southern platform lying at its foot. Forming a detached portion from the massif to its South-West lies the Rakwana Hill Country and the Bulutota massif averaging 3,000 feet; the intervening tract being occupied by the upper tributaries of the Kalu and Walawe rivers. Monadnocks or "relict mountains" composed of resistant rock like granite, stand out to break the monotony of the level stretches. The Jaffna Peninsula and the Island of Mannar are entirely featureless plains.

Rivers and Waterways

The hydrographic pattern is a function essentially of relief and structure, and in Ceylon with its central hilly mass the radial pattern is clearly revealed—the rivers flowing to the West, East and South being shorter than those flowing to the North, North-West and North-East. The most important and longest river is the Mahaveli-ganga, which rises on the Western side of "shank" of the anchor.

TABLE 2-2 LENGTHS OF PRINCIPAL RIVERS

<i>River</i>	<i>Length in miles</i>	<i>River</i>	<i>Length in miles</i>
Mahaveli-ganga	206	Menik-ganga	81
Aruvi-aruv	104	Maha-oya	78
Kala-oya	97	Kirindi-oya	73
Yan-oya	94	Kalu-ganga	70
Kelani-ganga	90	Gin-ganga	70
Deduru-oya	87	Kumbukkan-aruv	70
Maduru-oya	86	Mi-oya	67
Walawe-ganga	83	Gal-oya	62

Waterfalls girdle the central mountain massif and offer some of the best scenic features in Ceylon, e.g., Laxapana, Aberdeen, Dunhinda (Badulla), Diyaluma (Koslanda), Elgin (Hatton Plateau) and Perawella. They are found to occur especially to the West, South and East, and are perennial owing to the heavy rainfall on the central mountain mass, though the fluctuations in their volume occur as a result of changes in the seasonal rainfall.

III—CLIMATE AND METEOROLOGY

Climate

Although, on account of its situation close to the equator within the latitudes of 6° to 10° N, the mean temperature is high (ranging from 80° to 82° F in the low-country), the oceanic effect, due to the fact that the maximum breadth of the Island is only 140 miles, helps to reduce the temperature in the plains. The hills in the central regions enhance this effect.

Temperature

Variations with altitude—In the Hill Country the temperature falls off at a steady rate of about 1°F for each 300 feet rise. Thus at Kandy, 1,600 feet above sea level, it is 77°F , at Diyatalawa, 4,100 feet, it is 68°F , and at Nuwara Eliya, the chief hill station in the Island, 6,200 feet it is 60°F .

Seasonal Variation

A noteworthy feature in many parts of Ceylon is the small variation in the mean monthly temperatures throughout the year. The mean temperature at Colombo during the coolest months, November to February, is 79°F — 3° cooler than that during the warmest months, April and May. At the other stations the mean annual range of temperature does not vary very much, though in the North and East it is slightly higher.

Highest Temperatures

Highest temperatures are experienced in the districts to North or North-West of the hills and in the Eastern and North-Eastern low-country.

Diurnal Variation

The diurnal variation of temperature, the rise to a maximum early in the afternoon and the fall to a minimum shortly before dawn, is well marked in Ceylon. Its magnitude depends on the direction of the prevailing wind. There is a gradual increase in the range, with altitude as well as with distance from the sea.

Humidity

The relative humidity varies generally from about 70 per cent. during the day to about 90 per cent. at night, rising as the temperature falls. In the dry zone, however, these values are lower by about 5 per cent., while in the driest areas in the North-West and South-East, the day humidity goes down to about 60 per cent. In the South-Western parts, the absolute humidity is rather high on account of the high mean temperature.

Rainfall

Rainfall is of three types—monsoonal, convectional and depressional. Monsoon rain occurs during the two monsoons, South-West and North-East, and is responsible for a major part of the annual precipitation. Convectional rain occurs during inter-monsoon periods, mainly in the afternoon or evening, and is likely to be experienced anywhere over the Island. Depressional rain also occurs mainly during the inter-monsoon periods.

The annual average rainfall varies from below 40 inches in the driest zones in the North-West and South-East of the Island to over 200 inches at certain places on the South-Western slopes of the hills.

There are roughly four rainfall seasons during the year, the periods being as follows :—

- (i) the South-West monsoon period, May to September,
- (ii) the inter-monsoon period, following the South-West monsoon, October and November,
- (iii) the North-East monsoon period, December to February, and
- (iv) the inter-monsoon period, following the North-East monsoon, March and April.

South-West Monsoon

The rainfall is mostly confined to the South-Western parts. But as winds strengthen, it spreads gradually to the interior, with considerably heavy rain in the hill-country from June to August. South-West monsoon rainfall is considerably heavy in the South-Western hill-country, where some stations receive over 100 inches of rain for the whole period. During periods of active monsoon weather, these stations aggregate monthly totals of 50 to 60 inches.

North-East Monsoon

The rainfall is mainly confined to the North-Eastern parts. Most of the rain occurs in December and January, February being normally a dry month. The heaviest rain is experienced on the North-Eastern slopes of the hills, where some stations receive about 50 inches for the two months. There have been occasions when over 100 inches of rain were recorded at some of the hill-stations in December or January.

Inter-Monsoon Periods

During inter-monsoon periods winds are generally light, except for the sea breeze which develops from about noon and results in evening thundershowers. These showers may occur anywhere over Ceylon. Another source of rain during these periods is depressional activity. A depression in the Bay of Bengal will cause rainfall in the eastern parts of the Island, while one in the Arabian Sea will cause rainfall in the Western parts. If the depression is of great extent, however, the rainfall will be heavy and widespread.

These depressions are most frequent in October and November, and are responsible for a good part of the precipitation during these two months. Rainfall during the first inter-monsoon period is therefore widespread and exceeds 20 inches at many stations. Taking the Island as a whole, this is the rainiest period of the year.

Conditions are similar during the second inter-monsoon period, March and April, but the rainfall received is less, mainly because of less depressional activity.

Hail

During intense thunderstorms, hail is occasionally experienced. It occurs mainly in the hill-country but reports have been received of the occurrence of hail in low-country stations too.

TABLE 2-3 ANNUAL RAINFALL, TEMPERATURE AND RELATIVE HUMIDITY AT NINE PRINCIPAL STATIONS DURING 1957 AND 1958

Stations	Annual Rainfall (Inches)		Mean Annual Temperature (Degrees Fahrenheit)		Mean Annual Relative Humidity (Per Cent.)			
	1957	1958	1957	1958	1957		1958	
					Day	Night	Day	Night
Colombo	97.31	87.69	80.5	81.1	76	91	74	86
Jaffna	77.36	40.09	81.8	82.3	73	83	74	85
Trincomalee	99.42	67.39	83.0	83.3	69	81	68	81
Hambantota	51.42	23.96	80.9	81.5	77	89	76	88
Ratnapura	152.00	139.72	81.1	81.5	71	97	70	87
Anuradhapura	95.53	40.30	81.9	81.8	69	93	71	93
Kandy	108.01	69.56	76.0	76.4	70	89	73	92
Diyatalawa	83.83	70.26	68.7	69.0	72	88	74	88
Nuwara Eliya	104.66	75.09	60.3	61.2	76	86	78	85

Meteorology

Climatic data have been collected in Ceylon since 1880 and today there are altogether 18 main Meteorological Observatories which make daily records of temperature, rainfall, wind, pressure and humidity.

The Colombo Observatory, which for over 40 years was a branch of the Survey Department, was established as an independent department, with effect from October, 1948, and functions now as the Department of Meteorology. In addition to climatological and weather forecasting work, services performed by this Department include seismological work and determination and distribution of correct time.

IV—GEOLOGY

The Island of Ceylon forms part of the "old massifs" of the world, and is to a great extent composed of some of the oldest rocks of the earth's crust. These rocks belong to the "Archaean" or Precambrian era. The basement upon which the geological structure of the Island lies is of a very complex character and exhibits "foliation" as a result of metamorphism. The striking resemblance of the Ceylon Archaean basement to that of the Canadian Shield has been recognised.

Resting on the Archaean Gneisses and Schists are the Khondalite group of metasediments which are of somewhat later geological age than the Gneisses. Being metamorphosed sedimentaries, they exhibit differences in their original sediments. The following are the principal types of rock belonging to this group :—

- (a) Quartzite
- (b) Crystalline limestone
- (c) Granulite
- (d) Leptynite
- (e) Type Khondalite

These rocks occupy a belt of the Island extending from the South-West to the North-East coast (about Trincomalee). They are folded into a "Synclinorium" with a general axial trend, or strike, running North-North-West to South-South-East in the veering to West-East in the centre and North-North-East to South-South-West in the North-East.

While the Archaean rocks are fairly well represented, the rocks of the Palaeozoic era are strangely enough completely absent from the Island's surface. This is fair evidence that the Island must have remained above sea-level throughout the pre-Mesozoic era. The Mesozoic era is represented only by two small pockets of Jurassic deposits at Tabbowa and Andigama.

Rocks of the Cainozoic or Tertiary era are represented by a large tract of clearly distinct limestone of the Miocene period. This area underlies the whole of the Jaffna Peninsula and continues South-Westwards as a coastal belt to the North of Puttalam and Kalpitiya Peninsula.

Structure

Structurally the Island represents a major Syncline with minor contortions within this central down-warp and is termed a "Synclinorium". The rocks are seen to dip towards the centre so that the rocks on the West dip to the East and those on the East dip to the West. As referred to above the Archaean Gneissic terrain forms the basement upon which the Island evolved. Thus while in the centre the Surface rocks are Khondalites, older Schists and Gneisses outcrop on either side in the West and East.

Important References :

- (1) Geography of Ceylon—E. K. Cook (Revised K. Kularatnam).
- (2) Geography of Ceylon—S. F. de Silva.
- (3) Geology of Ceylon—Adams (Canadian Journal of Science).
- (4) Annual Report of the Colombo Observatory.
- (5) The Face of Ceylon—K. Kularatnam (Ceylon Association for the Advancement of Science ; Presidential Address to Section D, 1953).

CHAPTER III

CONSTITUTION AND GOVERNMENT

I—THE GOVERNMENT OF CEYLON

CEYLON at present possesses a broad-based democratic Government after the British pattern. Her position is that of an independent nation within the British Commonwealth enjoying the same status as the other Dominions.

Law of the Constitution

The fundamental law embodying the constitution is contained in an Act of Parliament and a number of Orders-in-Council which have been referred to in the earlier issues of the Ceylon Year Book.

The Parliament of Ceylon

The Parliament of Ceylon consists of (a) The QUEEN (Represented by the GOVERNOR-GENERAL) and (b) Two Houses, namely the SENATE and the HOUSE OF REPRESENTATIVES.

The QUEEN is represented by the Governor-General—The GOVERNOR-GENERAL is appointed by the QUEEN on the advice of the Prime Minister. The constitution lays down that all powers exercisable by the QUEEN or the GOVERNOR-GENERAL shall be exercised as far as shall be in accordance with the constitutional conventions applicable to the exercise of similar powers, authorities and conventions in the United Kingdom by HER MAJESTY.

The first GOVERNOR-GENERAL was Sir Henry Moore who was succeeded by Lord Soulbury on July 8, 1949. Sir Oliver Goonetilleke G.C.M.G., K.C.V.O., K.B.E. succeeded Lord (later Viscount) Soulbury as the first Ceylonese Governor-General on July 17, 1954.

The Senate consists of 30 members, half appointed by the Governor-General and half elected by the House of Representatives, in accordance with the system of proportional representation by means of the single transferable vote. Senators serve for a period of six years, one-third retiring after every two years.

The Senators appointed by the Governor-General are chosen on the advice of the Prime Minister. It is however laid down that the "Governor-General shall endeavour to appoint persons who, he is satisfied, have rendered distinguished public services or are persons of eminence in professional, commercial, industrial or agricultural life including education, law, medicine, science, engineering and banking".

The President of the Senate is Senator the Hon. Sir Cyril de Zoysa and Senator Lady Molamure, C.B.E., is the Deputy President.

The joint Select Committee of the two Houses of Parliament appointed to consider the revision of the Constitution, began its sittings on March 14 with the Prime Minister in the chair. The Committee consists of seven representatives from the Senate and eleven from the House of Representatives.

The Committees terms of reference were as follows :—

- (1) The establishment of a Republic
- (2) The guaranteeing of fundamental rights
- (3) The position of the Senate and Appointed Members of the House of Representatives, the Public Service Commission and the Judicial Service Commission and any other matters as the Committee may consider necessary.

THE HOUSE OF REPRESENTATIVES consists of 101 members, 95 of whom are elected and six are appointed. The HOUSE OF REPRESENTATIVES is elected on a wide franchise, every adult citizen of Ceylon being entitled to the vote. The representation has been arranged as to enable every community and interest to have its voice heard in Parliament. The first delimitation of the constituencies under the new constitution was carried out by a Commission. Each Province of the Island was divided into electoral districts, the total number of which is specified in the Order in Council and the aggregate of which totals ninety-five for the whole Island. The electoral districts have been demarcated so as to render possible representation of minorities united by the tie of race, religion or by any other tie. Where after any general election the Governor-General is satisfied that any important interest in the Island is not represented he may appoint any persons, not exceeding six in number, to be members of the House of Representatives. The duration of the HOUSE OF REPRESENTATIVES is five years unless Parliament is dissolved earlier.

The Cabinet

The Executive consists of the Prime Minister and his Cabinet chosen from the Party which has the majority in the HOUSE OF REPRESENTATIVES. The Prime Minister is the Head of the Cabinet.

The Prime Minister is also in charge of the Ministry of Defence and External Affairs in addition to such other matters as he may decide to retain in his charge. Every other Minister shall be charged with the administration of such subjects and functions as may be assigned to him by the Prime Minister. Not less than two Ministers one of whom shall be the Minister of Justice must be appointed from the SENATE.

The Prime Minister is the leader of the largest party or group in the House of Representatives and he is appointed by the GOVERNOR-GENERAL. The other Ministers are appointed by the Governor-General on the advice of the Prime Minister. The number of Ministers is not fixed and in the present Cabinet there are fifteen including the Prime Minister and Minister of Defence and External Affairs.

The Parliamentary Secretaries are appointed from the SENATE and HOUSE OF REPRESENTATIVES by the GOVERNOR-GENERAL on the advice of the Prime Minister, to assist the Ministers in the exercise of their parliamentary and departmental duties.

The following is a list of the Ministers and Parliamentary Officials of the present administration :—

THE HON. H. S. ISMAIL, M.B.E. (Puttalam)	Speaker
MR. R. S. PELPOLA (Gampola)	Deputy Speaker and Chairman of Committees
MR. L. B. S. JINASENA (Second Kadugannawa)	Deputy Chairman of Committees
THE HON. S. W. R. D. BANDARANAIKE (Attanagalla)	Prime Minister and Minister of Defence and External Affairs
THE HON. W. DAHANAYAKE (Galle)	Minister of Education
THE HON. C. P. DE SILVA (Polonnaruwa)	Minister of Lands and Land Development, and Leader of the House
SENATOR THE HON. M. W. H. DE SILVA, Q.C.	Minister of Justice
THE HON. P. H. W. DE SILVA, (Second Ambalangoda-Balapitiya)	Minister of Industries and Fisheries
THE HON. STANLEY DE ZOYSA (Ja-ela)	Minister of Finance
THE HON. D. P. R. GUNAWARDENA (Avissawella)	Minister of Agriculture and Food

THE HON. T. B. ILANGARATNE (Galaha)	Minister of Labour, Housing and Social Services
SENATOR THE HON. A. P. JAYASURIYA	Minister of Home Affairs
THE HON. JAYAWEERA KURUPPU (Ratnapura)	Minister of Local Government and Cultural Affairs
THE HON. C. A. S. MARIKKAR (first Kadugannawa)	Minister of Posts, Broadcasting and Information
THE HON. R. G. SENANAYAKE (Dambadeniya and Kelaniya)	Minister of Commerce and Trade
THE HON. MAITHRIPALA SENANAYAKE (Medawachchiya)	Minister of Transport and Works
SENATOR THE HON. C. WIJESINGHE, O.B.E.	Minister of Nationalised Services and Road Transport
THE HON. VIMALA WIJEWARDENE (Mirigama)	Minister of Health
MR. HENRY ABEYWICKRAMA (Baddegama)	Parliamentary Secretary to the Minister of Transport and Works
MR. W. P. G. ARIYADASA (Haputale)	Parliamentary Secretary to the Minister of Posts, Broadcasting and Information
MR. M. P. DE ZOYSA (First Ambalangoda-Balapitiya)	Parliamentary Secretary to the Minister of Labour, Housing and Social Services
MR. HUGH FERNANDO (Nattandiya)	Parliamentary Secretary to the Minister of Agriculture and Food
MR. P. B. G. KALUGALLA (Kegalla)	Parliamentary Secretary to the Minister of Health
GATE MUDALIYAR M. S. KARIYAPPER (Kalmunai)	Parliamentary Secretary to the Minister of Justice
MR. NIMAL KARUNATILLAKE (Matale)	Parliamentary Secretary to the Minister of Finance
MR. M. B. W. MEDIWAKE (Minipe)	Parliamentary Secretary to the Minister of Local Government and Cultural Affairs
MR. D. B. MONNAKULAMA (Kurunegala)	Parliamentary Secretary to the Minister of Nationalised Services and Road Transport
MR. J. C. MUNASINGHE (Chilaw)	Parliamentary Secretary to the Minister of Industries and Fisheries
MR. D. A. RAJAPAKSE (Beliatta)	Parliamentary Secretary to the Minister of Lands and Land Development
MR. LAKSHMAN RAJAPAKSA (Hambantota)	Parliamentary Secretary to the Minister of Commerce and Trade
MR. M. SAMARAWEERA (Matara)	Parliamentary Secretary to the Minister of Home Affairs
MR. P. B. A. WEERAKOON (Wattegama)	Parliamentary Secretary to the Minister of Education

II—PARLIAMENTARY ELECTIONS

At the last General Elections held in 1956, there were 95 elected Members in the House of Representatives. These members represent 89 electoral districts.

Qualification of Electors—Parliamentary

No person shall be qualified to have his name entered or retained in any register of electors if such person—

- (a) is not a citizen of Ceylon ;
- (b) was less than 21 years of age on the first day of June in the year of the preparation of the register ;
- (c) has not for a continuous period of six months in the 18 months immediately prior to the first day of June in the year of the preparation of the register resided in the electoral district to which the register relates ;
- (d) is serving a sentence of imprisonment for an offence punishable with imprisonment for a term exceeding 12 months, or is under sentence of death, or is serving a sentence of imprisonment awarded in lieu of execution of any such sentence of death ;
- (e) is under any law in force in the Island, found or declared to be of unsound mind ;
- (f) is incapable of being registered as an elector by reason of his conviction of a corrupt or illegal practice, or by reason of the report of an election judge in accordance with the Ceylon (Parliamentary Elections) Order in Council, 1946, or by reason of his conviction of any offence under Section 52 or Section 53, or of the operation of Section 4A of the Ceylon (Parliamentary Elections) Order in Council, 1946.

Every person, who is not disqualified by any one of the above circumstances shall be qualified to have his name registered as an elector.

No person shall be entitled to have his name entered in more than one register, notwithstanding that he may be qualified to have his name entered in two or more registers.

Qualifications of Voters—Local Authorities

Every person—

- (a) whose name is entered in any parliamentary register for the time being in operation for any electoral district ; and
- (b) who was on the date of the commencement of the preparation or revision of that parliamentary register resident in any ward which is situated wholly or partly within the electoral district, shall be entitled to have his name entered in the electoral list of that ward. Provided, however, that no person shall, at any time, be qualified to vote at any election of a member of a Village Committee if such person at that time—

is a labourer, or kangany in charge of labourers employed on any plantation and in occupation of any building on the plantation provided by the employer for the accommodation of any such labourer or kangany or is the spouse or a child or a dependent of any such labourer or kangany and is living with him in any such building on any such plantation.

III—THE ADMINISTRATIVE SYSTEM

The Cabinet as in other Commonwealth Countries is responsible for the formulation of Governmental Policy. Day to day administration of the Island is carried on by the Public Service comprising officers of various grades and services.

For purposes of administration a number of departments of Government are grouped under each Ministry. There is a Permanent Secretary in each Ministry entrusted with the general control and direction of Departments under the Ministry. The functions of the various Ministries and the chief departments under their control are given below.

Functions of Ministers and Departments of Government

A Permanent Secretary, subject to the general direction and control of his Minister, supervises the Department or Departments of Government in charge of his Ministry. When a decision has been taken it is his business to see that it is carried out with all possible energy and skill. The Minister takes responsibility for his Departments' acts.

DEFENCE AND EXTERNAL AFFAIRS

The Prime Minister is in charge of Defence and External Affairs. The following are the departments under the Ministry of Defence and External Affairs :—

- Department of Defence,
- Department of External Affairs abroad,
- Police Department,
- Department of Immigration and Emigration,
- Department for Registration of Indian and Pakistani Residents.

The Prime Minister has retained in his special charge the Official Language Department, which is responsible for the implementation of the Official Language Act, No. 33 of 1956.

The Ministry of Defence and External Affairs, which is directly in charge of Foreign and Commonwealth Relations, International Agreements and Treaties, Protocol, and Citizenship, also supervises the work of Ceylon's Ambassadors, High Commissioners, Ministers and Trade Commissioners Abroad. It is in charge of the Army, Navy, Air Force and the Police Department, which are responsible for defence and internal security. The Department of Immigration and Emigration, which is responsible for the enforcement of the Immigration and Emigration laws and for Repatriation, and the Department for Registration of Indian and Pakistani Residents which administers the Indian and Pakistani Residents (Citizenship) Act, No. 3 of 1949 also work under the direction of this Ministry.

FINANCE

The Ministry of Finance generally manage the finance of the country. It scrutinises the draft estimates of the Annual Appropriation Bill, collects taxes, pays bills and debts of the Government, supervises public expenditure and safeguards the currency through financial institutions under its control. In financial policy it has the advice of the Central Bank which also raises loans on behalf of the Government.

The Ministry of Finance, under which the Treasury functions, is also responsible for establishments and salary scales of Government Servants. The Departments under the Ministry are :—

- Treasury,
- Loan Board,
- Government Stores,
- Department of Inland Revenue,
- Customs,
- Widow's and Orphans' Pension Office,
- Department of Census and Statistics,
- National Savings Movement,
- Government Press,
- Public Service Provident Fund Office,
- Teachers' W. & O. P. Fund Office.

JUSTICE

The subjects and functions of the Ministry of Justice, include the Administration of Courts of Justice, criminal prosecutions and civil proceedings on behalf of the Government, drafting of legislation and legal advice to public Departments. The Departments under the Ministry of Justice are :—

- Department of Attorney-General,
- Department of the Legal Draftsman,
- Department of the Public Trustee,
- Department of the Custodian of Enemy Property,
- Fiscal's Department of the Provinces of the Island,
- District Courts,
- Magistrates' Courts,
- Courts of Requests,
- Rural Courts,
- Department of the Headquarters Officers Rural Courts,
- Debt Conciliation Board,
- Conciliation Boards,
- Department of the Registrar of the Supreme Courts.

HOME AFFAIRS

The Ministry of Home Affairs is in charge of district administration, prisons and probation services, excise, land registration, registration of marriages, births and deaths, parliamentary elections, public ceremonials, administration of the Muslim Mosques and Charitable Trusts or Wakfs Act, No. 51 of 1956, rural development, cottage industries and promotion of arts and crafts. It has the following Departments under it :—

Government Agencies (Kachcheries)	Zoological Gardens
Excise	Registrar-General
Government Analyst	Rural Development and Cottage Industries
Elections	Probation and Child Care Services
Prisons	Muslim Mosques and Charitable Trusts.

LOCAL GOVERNMENT AND CULTURAL AFFAIRS

The Ministry generally supervises the Local Bodies including Municipal Councils, Urban Councils, Town Councils and Village Committees and is also in charge of Cultural Affairs. The Departments under the Ministry are :—

Department of Local Government	Department of Town and Country Planning
Department of the Local Government Service Commission	Department of National Museums
Department of Cultural Affairs	Department of Archaeology
Department of the Government Archivist	Government College of Fine Arts

POSTS, BROADCASTING AND INFORMATION

The principal function of the Ministry of Posts, Broadcasting, and Information is to maintain inexpensive and efficient public means of communication through the Postal and Telecommunication

services. It is also responsible for the maintenance of broadcasting services, weather forecasting and distribution of official news. The Departments under the Ministry are :—

Post and Telecommunications Department	Department of Broadcasting
Department of Meteorology	Department of Information

TRANSPORT AND WORKS

The Ministry has among its subjects and functions, public works, Government roads, buildings, airports and waterworks, inland waterways, civil aviation, Government railways, electrical undertakings and basic technical training. The Departments under the Ministry are :—

Public Works Department	Department of Government Electrical Undertakings
Railway Department	
Civil Aviation Department	Basic Technical Training Institute.

COMMERCE AND TRADE

The duties of the Ministry are promoting and developing the Island's trade and commerce. It is concerned with tourism, trade exhibitions, copyright, patents, trade marks, business names, weights and measures, merchant shipping, control of imports and exports of commodities, commercial matters relating to the tea industry. The Departments under the Ministry are :—

Commerce Department	Department of the Registrar of Companies
Department of Control of Imports and Exports	Department of Commodity Purchase
Government Tourist Bureau	Tea Control Department.

EDUCATION

The Ministry of Education is primarily responsible for the implementation of Government's policy on educational matters and has under its jurisdiction schools, training colleges, technical colleges, junior technical schools, finances University education and conducts public examinations. It is also entrusted with engineering, commercial and vocational education in the trades, handicrafts and industries. It has among its subjects and functions the recommendation of books suitable for schools and manuscripts for publication. The Departments under this Ministry are :—

Department of Education	Educational Publications Advisory Board
Department of Examinations	UNESCO Secretariat for Ceylon.
Ceylon Technical College Department	

LABOUR, HOUSING AND SOCIAL SERVICES

The Ministry of Labour, Housing and Social Services concerns itself with wages and other conditions of work of labour (including Indian Labour), employment, industrial welfare and disputes ; assistance and advice for housing development, public assistance and social insurance.

The Departments under its control are :—

Department of Labour	Department of Social Services
Department of National Housing	

AGRICULTURE AND FOOD

The responsibility of the Ministry of Agriculture and Food concerns food production and other forms of agriculture, animal husbandry and veterinary services, control, distribution and rationing of food, co-operative development, and development of marketing. The Ministry has the following Departments under it :—

Agriculture	Rubber Control
Food Production	Marketing
Department of the Food Commissioner (Supply and Control)	Department of Co-operative Development
Tea Control	Registrar of Co-operative Societies and Department of Coconut Rehabilitation

LANDS AND LAND DEVELOPMENT

The Ministry has under its charge the custody of Crown Lands, colonization and land settlement, the development and maintenance of irrigation works, flood protection, development and exploitation of forests, the protection of fauna and flora, game sanctuaries, elephant kraals, valuation on behalf of Government and surveying. The Departments under the Ministry are :—

Department of the Land Commissioner	Irrigation Department
Land Settlement Department	Valuation Department
Survey Department	Department of Wild Life
Forest Department	Land Development Department (excluding Food Production Division)

INDUSTRIES AND FISHERIES

The Ministry of Industries and Fisheries has among its other functions, the development and control of industries, and fisheries. The Departments under the Ministry are :—

Industries Department	The Department of Fisheries
Department of Mineralogy	Department of Salt

HEALTH

The Ministry of Health is responsible for the public health services and control of hospitals and other medical institutions, medical education and research, medical inspection of schools and promotion of health education. The Departments under the Ministry are :—

Department of Health	Department of Indigenous Medicine
----------------------	-----------------------------------

NATIONALISED SERVICES AND SHIPPING

The Ministry has among its subjects and functions, Ports, cargo handling in Colombo Port, harbour oil installations other than those belonging to the Admiralty, Light Houses and Beacons and road transport. The Departments and Nationalised Services under the Ministry are :—

Ceylon Transport Board	Colombo Port Commission
Port (Cargo) Corporation	Department of Motor Traffic.

DISTRICT ADMINISTRATION

For administrative purposes, Ceylon has been divided into twenty Administrative Districts. This number will increase to twenty-one with the creation of the new district of Moneragala in 1959. These districts are in the charge of officers known as Government Agents who are experienced members of the Civil Service and appointed by the Central Government. They also hold a number of subsidiary appointments. They are subject to the control of the Ministry of Home Affairs, but perform agency functions for other Ministries which have no regional organisations for their purposes.

Their offices known as Kachcheries are situated in District Capitals. District Administration goes down right to the village through Divisional Revenue Officers who are in charge of Divisions, each comprising a number of Headmen's areas. There are today 115 such divisions. Each D. R. O. has a number of officers under him known as Village Headmen who are in charge of a group of villages.

IV.—LOCAL GOVERNMENT

Historical

There is evidence that in Ceylon there existed in ancient times (in the 4th Century B.C.) institutions which exercised functions which by modern concepts could be considered as those generally performed by local governing bodies.

3—J. N. R 8409 (3/60)

The systems of Local Government in ancient Ceylon were of a patriarchal type, in which the affairs of every village were directed and controlled by its natural leaders, whose decisions were accepted and obeyed by the community in general. The village elders met from time to time at a convenient spot, where surrounded by those who cared to hear and see and criticise their proceedings, they deliberated affairs of common interest, adjusted civil disputes, and awarded punishments to ordinary offenders against persons and property. Cases of serious crime were reserved for the consideration of the King himself. These Village Councils of Ancient Ceylon, which were known as "Gansabhas" were not controlled or directed by the King or any central authority. It is not certain whether there were formal rules of procedure laid down, but matters of common interest were fully discussed by the Village Councils and the decisions of the majority were accepted and acted upon by the community without dissent. There were too in time, large Councils known as "Rata Sabhas", which dealt with matters affecting a whole District, or Province. The fundamental ideas of Democracy seem to have been in active operation in these institutions.

With the occupation of Ceylon successively by the Portuguese, the Dutch and the British the ancient systems of Local Government began to disappear. The British administrators, however, realised the value of a system of Government which had taken deep root in the life of the rural population and began to revive the ancient system. When first revived and given statutory recognition in 1871, the Village Community was given limited powers and responsibilities which were mainly in regard to village cultivation and irrigation. Successive legislation enlarged the powers of Village Committees.

This period marked the beginning of modern Local Government in Ceylon. The structure of Local Government as found to-day began to be built up gradually from this period onwards, and other local governing institutions, based however, after the British Model began to be established. The first Ordinance establishing Municipalities was enacted in 1865 and the first Local Board of Health and Improvement, which may be regarded the precursor of the Urban Council, was established in 1876. The Twentieth century saw the creation of Urban Councils and Town Councils.

Modern Local Authorities

There are today 4 types of local authorities, viz., Village Committees in rural areas, Town Councils in rural towns, Urban Councils in Urban Towns and Municipalities in very highly developed Urban areas. Village Committees control a vast area of the country. The total area of Ceylon is 25,331 7/8 sq. miles out of which approximately 192 square miles are administered by either Municipal, Urban or Town Councils. The rest of the area, except the undeveloped area controlled by the Gal Oya Development Board, is under Village Committee Administration.

There are at present 407 Village Committees, 42 Town Councils, 36 Urban Councils and 7 Municipal Councils.

Village Committees although the least developed type of local authority form the broad base on which the whole structure of local government has been built. These Committees are constituted for areas consisting of one or more villages. Town Councils have been established in small rural towns which by their development are urban in character. This type of local authority was established as recently in 1947 to fill the wide gap which existed between Village Committees and Urban Councils. They have power and duties substantially similar to those of Urban Councils. The main difference being, however, that Town Councils cannot impose and levy a rate of more than nine per centum. Further, there must be not less than three or more than eight members for each Town Council.

Urban Councils

Urban Councils have been established in important urban towns. They have powers and duties similar to Town Councils but the control exercised by Government over this type of local authority is less than over the Town Council. The distribution of Urban Council in particular gives an indication of the urbanisation of the country. Colombo District, apart from the Municipality of Colombo, has the largest number of Urban Councils.

At the very apex of the structure of local government is the Municipal Council. This type of local authority is the most developed. The degree of control exercised by the Central Government over those authorities is small and Municipal Councils are therefore virtually autonomous. Colombo, the Capital City of the Country, is a Municipality. The other Municipalities are Kandy, Galle, Jaffna, Kurunegala, Nuwara Eliya and Negombo, the last four of which were formerly Urban Councils.

Functions and Powers of Local Authorities

Local Authorities are independent statutory corporations and their constitutions, powers and duties as well as their areas of Authority are provided for in the respective Ordinances which apply to them. The functions of these local authorities are broadly the same, viz., generally to promote the comfort, convenience and welfare of the people and to develop amenities in the fields of public health, public utility services and public thoroughfares. These functions take the form of provision of water supply schemes, electricity schemes, street lighting, housing schemes, construction and maintenance of roads other than trunk roads, provision of market, conservancy and scavenging services, sewage disposal schemes, maternity and child welfare clinics, milk schemes, cemeteries, public baths and bathing places, free dispensaries, recreation grounds, parks, resthouses, libraries, fire brigades &c.

For carrying out these functions and duties, the inhabitants of each city, town or village elect their own representatives every three years. The franchise is almost an universal one, the qualifications of a voter being the same as those applicable to voters for Parliamentary Elections. Representation is on the basis of wards and voters elect representatives for their wards. The elections to the wards are conducted by the Commissioner of Elections.

The Mayor in the case of Municipal Councils, or the Chairman in the case of the other local authorities is the Chief Executive Officer of the respective local authority and it is his function to see that the resolutions of the Council are speedily and efficiently carried out through the staff of the Council.

Employees of Local Authorities

The staff employed fall into two categories—

- (i) those recruited by the Local Government Service Commission (about 7,700 in all) on terms and conditions fixed by it, and appointed to posts in local authorities who pay their salaries, &c.
- (ii) those recruited direct by the local authorities totalling about 7,000.

The Local Government Service Commission was established in 1946 to deal centrally with appointments, transfers, disciplinary control of the majority of local authority staffs. Uniformity in the services was thus established and better trained and experienced personnel were made available to local authorities.

Finance of Local Authorities

The following are the prescribed sources by which Local authorities obtain their finances—

- (1) By local taxation
- (2) By grants from Central Government
- (3) Loans from the Central Government obtained through the Local Loans and Development Fund.

Services of Local Authorities

Central Government assistance to Local Authorities has been considerably increased consequent on Government's acceptance that schemes such as water supplies, electricity, housing, drainage, village wells, village roads and works, cannot be handled alone by local authorities.

Commissioner of Local Government

Recommendations of the Choksy Commission with regard to the establishment of Regional Committees, a central water and drainage board and the reconstruction of the Local Government Service Commission are under consideration.

Financial relief in the form of enhanced Block Grant to Local Authorities has been granted.

V—DIPLOMATIC SERVICE**External Affairs**

The Government of Ceylon, in its external relations, has followed a policy of friendship towards all nations and of non-alignment with any Power block. The Ceylon delegate functioned as the Chairman of the Human Rights Commission and he was elected as Chairman of the Fifth Committee at the 13th Session of the General Assembly.

The following countries have established diplomatic missions in Ceylon—

Australia	Netherlands
Austria	Norway
Belgium	Pakistan
Burma	Phillippines
Canada	Poland
People's Republic of China	Portugal
Czechoslovakia	People's Republic of Rumania
Denmark	Spain
Finland	Sweden
France	Switzerland
Germany	Thailand
Greece	United Arab Republic
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	United States of America
Israel	Union of Soviet Socialist Republic
Italy	Yugoslavia
Japan	

Ceylon's Representation Abroad

Ceylon has established diplomatic missions in the following countries :—

Australia	Netherlands
Burma	New Zealand
Canada	Pakistan
People's Republic of China	Singapore
France	Thailand
Germany	United Arab Republic
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	United States of America
Italy	Union of Soviet Socialist Republic
Japan	
Federation of Malaya	

Ceylon Representation Abroad

At present Ceylon has Missions only in the countries shown below ; the names and designations of our Representatives in these countries are also shown.

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Australia	His Excellency Mr. B. F. Perera, C.M.G., O.B.E.	High Commissioner
Afghanistan	His Excellency Mr. M. M. Maharoo	Envoy Extraordinary and Minister Plenipotentiary (Resident in Karachi)
Belgium	Mr. J. H. O. Paulusz	Charge d'Affaires en pied (Resi- dent at the Hague)
Burma	His Excellency Mr. W. D. Guna- ratne, O.B.E.	Envoy Extraordinary and Minis- ter Plenipotentiary
Bombay	Mr. A. M. Jayasinha	Trade Commissioner
Czechoslovakia	His Excellency Dr. G. P. Malalase- kera, O.B.E.	Ambassador Extraordinary and Plenipotentiary (designate) (Resident in Moscow)
Canada	His Excellency Sir Velupillai Coo- marasamy, C.M.G.	High Commissioner
[People's Republic of China]	His Excellency Mr. W. Gopallawa, I.M.B.E.	Ambassador
France	His Excellency Mr. P. R. Gunasekera	Ambassador
Federation of Malaya	His Excellency Mr. D. C. R. Guna- wardena	High Commissioner
Germany	His Excellency Mr. S. P. Wickrama- singha	Ambassador
Greece	His Excellency Mr. H. A. J. Hulu- galle, M.V.O.	Ambassador (Resident in Rome)
India	His Excellency Sir Richard Aluvihare, K.C.M.G., C.B.E.	High Commissioner
Indonesia	(Vacant)	Envoy Extraordinary and Minister Plenipotentiary
Italy	His Excellency Mr. H. A. J. Hulu- galle, M.V.O.	Ambassador
Japan	His Excellency Sir Deepal Susanta de Fonseka, KT.	Ambassador
Netherlands	Mr. J. H. O. Paulusz	Charge d'Affaires en pied
New Zealand	His Excellency Mr. B. F. Perera, C.M.G., O.B.E.	High Commissioner (Resident in Canberra)
Phillippines	His Excellency Sir Deepal Susanta de Fonseka, KT.	Envoy Extraordinary and Minister Plenipotentiary (Resident in Tokyo)
Pakistan	His Excellency Mr. M. M. Maharoo	Ambassador
Poland	His Excellency Dr. G. P. Malalase- kera, O.B.E.	Ambassador Extraordinary and Plenipotentiary (designate) Resident in Moscow
Rumania	His Excellency Dr. G. P. Malase- kera, O.B.E.	Ambassador Extraordinary and Plenipotentiary (designate) (Resident in Moscow)
Singapore	His Excellency Mr. D. C. R. Goona- wardena	Commissioner (Resident in Kuala Lumpur)

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Sydney	Mr. E. M. O. Martenstyn	Commercial Attache and Trade Commissioner
Switzerland	His Excellency Mr. P. R. Gunasekera	Envoy Extraordinary and Minister Plenipotentiary (Resident in Paris)
Thailand	His Excellency Mr. W. D. Gunaratne, O.B.E.	Envoy Extraordinary and Minister Plenipotentiary (Resident in Rangoon)
Thailand	Mr. M. Saravanamuttu	Honorary Consul-General
United Kingdom of Great Britain and Northern Ireland	His Excellency Mr. P. R. Gunasekera	High Commissioner (concurrent appointment)
United States of America	His Excellency Mr. R. S. S. Gunawardena	Ambassador
United Nations New York	His Excellency Sir G. Claude S. Corea, K.B.E.	Permanent Representative
Union of Soviet Socialist Republic	His Excellency Dr. G. P. Malalasekera, O.B.E.	Envoy Extraordinary and Minister Plenipotentiary (Resident in Moscow)
United Arab Republic	His Excellency Mr. A. B. Perera	Ambassador
Yugoslavia	His Excellency Mr. A. B. Perera	Ambassador (Resident in Cairo)

Foreign Representatives in Ceylon

DIPLOMATIC CORPS

Afghanistan	His Excellency Dr. Abdul Zahir	Envoy Extraordinary and Minister Plenipotentiary (Resident in Karachi)
Australia	His Excellency Mr. John Charles George Kevin	High Commissioner
Austria	His Excellency Dr. Arno Halusa	Envoy Extraordinary and Minister Plenipotentiary (Resident in New Delhi)
Belgium	Mr. W. J. D. Phillippes	Charge d' Affaires <i>ad interim</i>
Burma	His Excellency Dr. Htin Aung	Envoy Extraordinary and Minister Plenipotentiary
Canada	His Excellency Mr. Nik Cavell	High Commissioner
Czechoslovakia	His Excellency Mr. Jiri Nosek	Ambassador (Resident in New Delhi)
Peoples' Republic of China	His Excellency Mr. Chang Tsang-Ming	Ambassador
Denmark	Mr. Kaj Repsdorph	Charge d' Affaires <i>ad interim</i> (Resident in New Delhi)
Finland	His Excellency Mr. Aaro Pakaslahti	Envoy Extraordinary and Minister Plenipotentiary (Resident in New Delhi)
France	Monsieur T. Sekutowicz	Charge d' Affaires <i>ad interim</i>
Germany	His Excellency Dr. Theodor Auer	Ambassador
Greece	His Excellency Mr. Nicolas Hadji Vassiluou	Ambassador (Resident in New Delhi)
India	His Excellency Shri Y. D. Gundevia	High Commissioner
Indonesia	His Excellency Mr. R. M. M. Soerianata Djoemena	Envoy Extraordinary and Minister Plenipotentiary

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Israel	His Excellency Dr. Daniel Lewin	Envoy Extraordinary and Minister Plenipotentiary (Resident in Rangoon)
Italy	His Excellency Count Faolo de Michellis Di Slonghello	Envoy Extraordinary and Minister Plenipotentiary
Japan	His Excellency Mr. Akira Matsui	Ambassador
Netherlands	His Excellency Mr. Willem Dominicus Philipse	Envoy Extraordinary and Minister Plenipotentiary
Norway	His Excellency Monsieur Hans Olav	Envoy Extraordinary and Minister Plenipotentiary (Resident in New Delhi)
Pakistan	His Excellency Mr. Mirza Hamid Hussain	High Commissioner
Phillippines	His Excellency Mr. Manuel A. Alzate	Envoy Extraordinary and Minister Plenipotentiary (Resident in New Delhi)
Poland	His Excellency Dr. Julius Katz-Suchy	Ambassador (Resident in New Delhi)
Portugal	Dr. Jose Moreira de Campos Alves	Charge d'Affaires
Rumania	His Excellency Mr. Nicloae Cioroiu	Envoy Extraordinary and Minister Plenipotentiary (Resident in New Delhi)
Spain	His Excellency Count De Artaza	Ambassador (Resident in New Delhi)
Sweden	Her Excellency Madame Alva Myrdal	Envoy Extraordinary and Minister Plenipotentiary (Resident in New Delhi)
Switzerland	His Excellency Dr. C. Rezzonico	do.
Thailand	Mr. Chuai Mekhachamrun	Charge d'Affaires <i>ad interim</i> , (Resident in New Delhi)
Turkey	His Excellency Mr. Kadri Rizan	Ambassador (Resident in New Delhi)
United Kingdom of Great Britain and Northern Ireland	His Excellency Mr. A. F. Morly, C.M.G., C.B.E.	High Commissioner
United States of America	His Excellency Mr. James Lamp-ton Berry	Ambassador
Union of Soviet Socialist Republic	His Excellency Mr. Vladimir G. Yakovlev	Ambassador
United Arab Republic	His Excellency Mr. A. F. Naguib	Envoy Extraordinary and Minister Plenipotentiary
Yugoslavia	His Excellency Mr. D. Kveder	Envoy Extraordinary and Minister Plenipotentiary (Resident in New Delhi)

CONSULAR CORPS

The following countries are represented by Consuls :—

Australia, Bolivia, Brazil, Denmark, Dominican Republic, Finland, Greece, Irak, Liberia, Mexico, Norway, Panama, Peru, Portugal, Spain, Sweden and Turkey.

Other Representation

Other Representation in Ceylon includes Maldivé Islands, United Nations Technical Assistance Board, and Colombo Plan Council for Technical Co-operation in South and South East Asia.

VI—THE JUDICIAL SYSTEM OF CEYLON

Supreme Court

The Supreme Court consists of a Chief Justice and eight Puisne Justices. It has appellate and revisional jurisdiction in Civil matters and as a general rule it exercises no original jurisdiction in civil cases. However, under Ordinance, No. 2 of 1891, it is a Colonial Court of Admiralty.

The Supreme Court has original jurisdiction in criminal cases and exclusive jurisdiction in respect of the more serious offences such as homicide, rape, and the graver types of house-breaking and robbery. In practice it seldom tries cases which do not fall within its exclusive jurisdiction. It usually sits with a jury and tries cases committed for trial by a Magistrate's court. Special jurisdiction is conferred on the Supreme Court to hear election petitions.

District Courts

The District Courts have unlimited original civil (including testamentary and matrimonial) jurisdiction and criminal jurisdiction in respect of all offences which are not within the exclusive jurisdiction of the Supreme Court. District Courts try only cases committed to them for trial by Magistrate's Courts.

Under Section 3 and 4 of Ordinance, No. 2 of 1891, the Minister of Justice has power to appoint a District Court to have a limited Admiralty jurisdiction. The District Court of Colombo alone has been appointed to exercise such jurisdiction.

Magistrate's Courts

The offences which a Magistrates' Court may try are specified in the schedule to the Criminal Procedure Code, 1898. Various Ordinances have also made other offences triable by a Magistrates' Court. There are also a Municipal Magistrates' Court and a Juvenile Court in Colombo. In other stations the Magistrate performs the duties of a Municipal and Children's Magistrate in addition to his normal functions.

Special jurisdiction is conferred on Magistrates' Courts to make orders for the maintenance of wives and children.

Courts of Requests

Courts of Requests have original Civil jurisdiction to hear (subject to certain exceptions) all actions in which the debt, damage or demand or value of the land in dispute does not exceed Rs. 300. Two Courts of Requests, the Colombo Court and the Kandy Court, are presided over by a separate Commissioner. All the others are presided over by a District Judge or a Magistrate who acts as Commissioner of Requests in addition to his duties as District Judge or Magistrate.

Rural Courts

The Rural Courts Ordinance, No. 12 of 1945, which repealed sections 64-128 of the Village Communities Ordinance and the fourth schedule to that Ordinance was brought into operation from October 1, 1946.

The civil Jurisdiction of a Rural Court extends to the trial of all actions in which the debt, damage or demand or the value of the land in dispute does not exceed Rs. 100. A Rural Court has criminal jurisdiction to try the minor offences enumerated in section 10 of the Ordinance and is presided over by a President appointed by the Judicial Service Commission.

The Judicial Service Commission

The Judicial Service Commission as constituted under the provisions of Section 53 (1) of the Ceylon (Constitution) Order in Council, 1946, assumed office in October, 1947. From that date until February 3, 1948, the powers of appointment, transfer, dismissal and disciplinary control of Judicial Officers remained vested in the Governor acting on the recommendations of the Judicial Service

Commission. With the coming into effect of the Ceylon Independence Act, 1947 and the Ceylon Independence Order-in-Council, 1947, from February 4, 1948, appointments, transfers (including those involving increase of salary), dismissal, and disciplinary control of Judicial Officers became vested in the Commission.

In addition to the above powers vested in the Commission, section 6 of the Minute on the Ceylon Judicial Service, modified and published in the *Gazette Extraordinary* of September 24, 1947, placed the Judicial Service for the purpose of leave and general administration under the general control of the Judicial Service Commission.

Activities of the Ministry of Justice

Legislation—Among the important Acts that were passed during the year 1958, are—

1. Conciliation Boards Act, No. 10 of 1958.

The purpose of this Act is to bring about harmony in Village life by the settlement of disputes among villagers, whether civil or criminal, by a panel of Conciliators, with expedition and without expense to the parties. Ten Boards under this Act have already been established.

2. The Suspension of the Death Penalty Act No. 20 of 1958.

This Act provides for the Suspension of the death penalty for murder and attempted suicide for a trial period of three years and for a further period if so desired by the Parliament. A Commission consisting of three persons under the Chairmanship of Professor Norval Morris was appointed during this year to consider whether the death penalty should be abolished, limited or modified. The Report of the Commission is awaited.

3. The Civil Procedure Code (Amendment) Act, No. 49 of 1958.

This Act exempts from seizure in execution of a money Decree the special living allowance of a public officer or servant, as well as any house which is the actual residence of the judgment debtor at the time of the execution of such decree and has been such residence from the time of the institution of the action in which such decree has been entered.

New Courts

This year saw the establishment of several new Court Houses in various parts of the Island. A separate combined court (District Court and Magistrate's Court) to hear both civil and criminal cases was established at Kalmunai in Batticaloa District. Circuit Magistrate's Courts were established at Maho in Kurunegala District and Kalawana in Ratnapura District. New Rural Courts were established at Blackpool in Nuwara Eliya District, Mandaitivu in Jaffna Islands Division, and Elayapattu in Anuradhapura District. New Buildings for the Rural Courts at Muthur in Trincomalee District, Pilessa in Kandy District, Maho in Kurunegala District, Kadawata in Matale District and Blackpool in Nuwara Eliya District were also completed during the year.

The Commission appointed by the Hon. Minister to report on free legal aid and advice, concluded its sittings during the year under review.

VII—DEFENCE

The Army

The Ceylon Army Act, No. 17 of 1949, which came into operation on 10th October, 1949, provides for the Army in Ceylon. The Army is composed of the main elements of a modern conventional Army and has passed the initial stages of its formation. The Army consists of the Regular Force, the Regular Reserve, the Volunteer Force and the Volunteer Reserve. Service is entirely voluntary, there being no form of conscription.

The most important event during the year 1958, was that the Army was called upon to perform internal security duties consequent on the declaration of a state of emergency on 27th May, 1958. Within a few hours of the declaration of the Emergency Army Detachments were stationed

throughout Ceylon and were largely responsible for the restoration of law and order in the worst affected areas. The whole of the voluntary force was mobilised within 48 hours of the declaration of the Emergency and served alongside the Regular Force throughout the country.

The Army continued to provide a Detachment stationed in the Mannar area to assist the civil authorities in anti-illicit immigration duties.

The Royal Ceylon Navy

The Navy Act, No. 34 of 1950, which came into operation on 9th December, 1950, provides for the Navy in Ceylon. The Royal Ceylon Navy consisting of the Regular Navy, the Regular Reserve, the Volunteer Naval Force and the Volunteer Naval Reserve, mans two Fleet Minesweepers, one Seaward Defence Boat, one ocean tug and several fast patrol craft. Besides the main Naval Barracks in Colombo, there are shore Establishments at Trincomalee, Karainagar and Diyatalawa.

The functions of the Navy in peacetime are the prevention of smuggling and illicit immigration and provision of assistance to the civil power in times of emergency.

Royal Ceylon Air Force

The Air Force Act, No. 41 of 1949, was promulgated on 10th October, 1949, but the Air Force was established as a fighting service on 2nd March, 1951, when the first Commander of the Air Force was appointed.

The Air Force is responsible for the provision of air patrols for combating illicit landing, medium range Air Sea operations, Army co-operation duties and Air Survey work. In addition to its normal duties the Air Force played an active part in restoring order in various parts of the Island during the Emergency of 1958.

CHAPTER IV

POPULATION AND VITAL STATISTICS

I—POPULATION CENSUS, 1953

THE last Census of Population was conducted on March 20, 1953. The total number of persons enumerated was 8,097,895 consisting of 4,268,730 males and 3,829,165 females. Immediately after the Census a Post Enumeration Survey was conducted to check the accuracy of the enumeration. The Survey revealed that for Ceylon there was a net under-enumeration of 54,559 persons or that 7 persons in every 1,000 persons were probably omitted, reasonably safe limits being, however, 4 and 9.

The general Report on the Census of 1953 was published in August, 1957. The report contains some of the more important Statistical Tables on the growth of Population, Age, Conjugal Condition, Race, Literacy, Religion and Estate Population.

Volume II of the Census Report was published in 3 parts. Part I contains the projected tables on Growth of Population, Place of Birth and Movement and Nationality. Part II contains the tables on Age and Part III contains tables on Conjugal Condition and Orphanhood.

Volume III of the Census Report which contains the projected tables on Race, Literacy and Religion is with the Government Printer and will be published shortly.

A few important tables on the Census of 1953 are reproduced below :

Distribution of Population

The population of Ceylon as at March 20, 1953, was 8,097,895.

The Table 4.1 shows the distribution of population according to various revenue districts of the Island (inclusive of municipal and urban population).

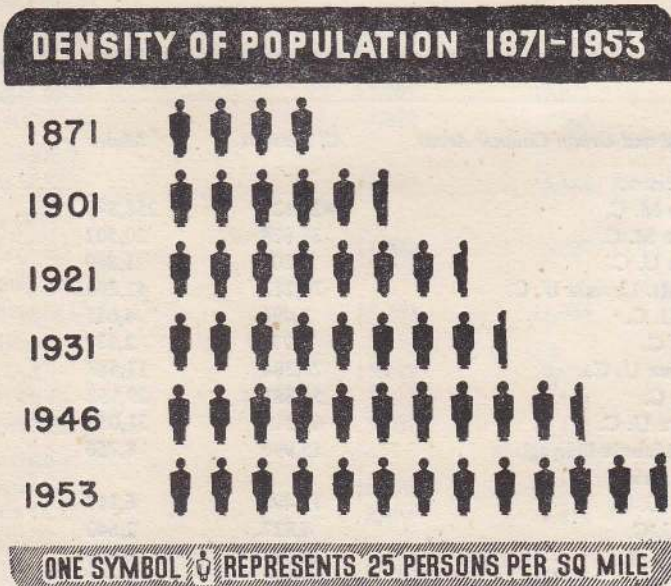


TABLE 4-1 POPULATION OF CEYLON BY SEX AND REVENUE DISTRICTS, 1953

<i>Revenue Districts</i>	<i>All Persons</i>	<i>Males</i>	<i>Females</i>
CEYLON	8,097,895	4,268,730	3,829,165
Colombo	1,708,726	924,475	784,251
Kalutara	523,550	268,111	255,439
Kandy	840,382	437,761	402,621
Matale	201,049	107,692	93,357
Nuwara Eliya	325,254	170,226	155,028
Galle	524,369	257,691	266,678
Matara	413,431	208,431	205,000
Hambantota	191,508	99,974	91,534
Jaffna	491,849	246,377	245,472
Mannar	43,689	25,866	17,823
Vavuniya	35,112	20,260	14,852
Batticaloa	270,493	144,242	126,251
Trincomalee	83,917	49,584	34,333
Kurunegala	626,336	334,664	291,672
Puttalam	58,820	32,974	25,846
Chilaw	170,072	89,979	80,093
Anuradhapura	229,282	131,863	97,419
Badulla	466,896	246,772	220,124
Ratnapura	421,555	225,302	196,253
Kegalla	471,605	246,486	225,119

Urban Population

The following table gives the distribution of the population among the principal cities and towns (Municipal Councils and Urban Councils).

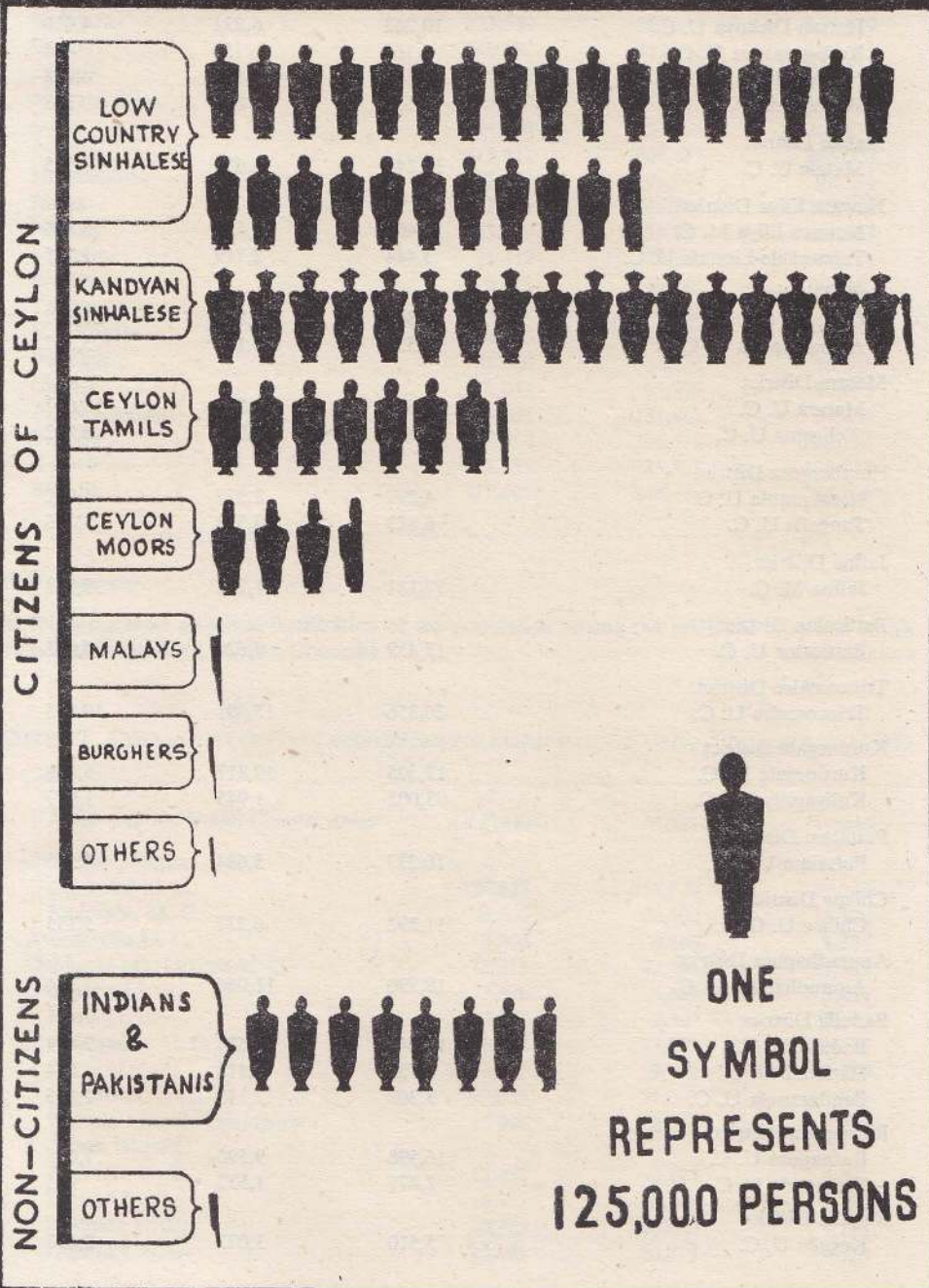
TABLE 4-2 DISTRIBUTION OF POPULATION BY SEX FOR MUNICIPAL AND URBAN COUNCIL AREAS, 1953

<i>Municipal and Urban Council Areas</i>	<i>All Persons</i>	<i>Males</i>	<i>Females</i>
Colombo District			
Colombo M. C.	426,127	258,878	167,249
Negombo M. C.	38,628	20,502	18,126
Avissawella U. C.	3,205	1,869	1,336
Dehiwala-Mt. Lavinia U. C.	78,213	42,290	35,923
Gampaha U. C.	7,496	4,055	3,441
Ja-ela U. C.	3,777	2,137	1,640
Kolonnawa U. C.	21,384	11,588	9,796
Kotte U. C.	54,381	29,152	25,229
Moratuwa U. C.	60,215	31,053	29,162
Wattala-Mabole-Peliyagoda	15,996	8,756	7,240
Kalutara District			
Beruwala U. C.	12,498	6,117	6,381
Horana U. C.	4,827	2,640	2,187
Kalutara U. C.	20,323	10,605	9,718
Panadura U. C.	20,395	10,875	9,520

TABLE 4.2—(contd.)

<i>Municipal and Urban Council Areas</i>	<i>All Persons</i>	<i>Males</i>	<i>Females</i>
Kandy District			
Kandy M. C.	57,200	32,924	24,276
Gampola U. C.	10,773	5,977	4,796
Hatton-Dickoya U. C.	10,242	6,232	4,010
Kadugannawa U. C.	1,168	754	414
Nawalapitiya U. C.	9,862	5,834	4,028
Wattegama U. C.	1,162	804	358
Matale District			
Matale U. C.	17,244	9,679	7,565
Nuwara Eliya District			
Nuwara Eliya M. C.	14,405	8,599	5,806
Talawakele-Lindula U. C.	3,444	2,319	1,125
Galle District			
Galle M. C.	55,848	28,871	26,977
Ambalangoda U. C.	10,554	5,169	5,385
Matara District			
Matara U. C.	27,641	14,034	13,607
Weligama U. C.	12,834	6,022	6,812
Hambantota District			
Hambantota U. C.	4,299	2,327	1,972
Tangalla U. C.	6,823	3,528	3,295
Jaffna District			
Jaffna M. C.	77,181	41,278	35,903
Batticaloa District			
Batticaloa U. C.	17,439	9,628	7,811
Trincomalee District			
Trincomalee U. C.	26,356	15,491	10,865
Kurunegala District			
Kurunegala M. C.	17,505	10,817	6,688
Kuliyapitiya U. C.	3,002	1,945	1,057
Puttalam District			
Puttalam U. C.	10,237	5,684	4,553
Chilaw District			
Chilaw U. C.	11,392	6,237	5,155
Anuradhapura District			
Anuradhapura U. C.	18,390	11,066	7,324
Badulla District			
Badulla U. C.	17,043	9,624	7,419
Haputale U. C.	1,732	1,118	614
Bandarawela U. C.	3,307	2,112	1,195
Ratnapura District			
Ratnapura U. C.	16,598	9,595	7,003
Balangoda U. C.	2,477	1,532	945
Kegalla District			
Kegalla U. C.	5,510	3,073	2,437

DISTRIBUTION OF POPULATION BY RACE 1953 CENSUS



Race

The Distribution of the population in Ceylon by Race is given in table 4.3.

TABLE 4.3 DISTRIBUTION OF POPULATION IN CEYLON ACCORDING TO RACE—
CENSUS YEAR, 1953

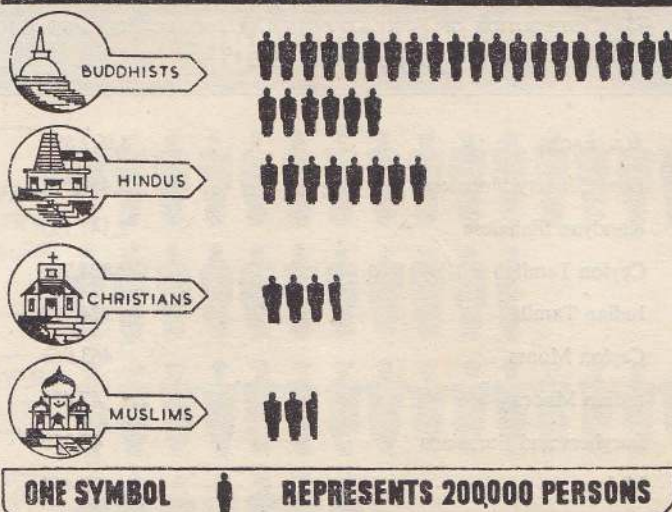
ALL RACES	8,097,895
Low Country Sinhalese	3,469,512
Kandyan Sinhalese	2,147,193
Ceylon Tamils	884,703
Indian Tamils	974,098
Ceylon Moors	463,963
Indian Moors	47,462
Burghers and Eurasians	45,950
Malays	25,464
Veddahs	803
Europeans	6,508
Others	32,239

Religion

TABLE 4.4 DISTRIBUTION OF POPULATION IN CEYLON ACCORDING TO RELIGION—
CENSUS YEAR, 1953

ALL RELIGIONS	8,097,895
Buddhists	5,209,439
Hindus	1,610,561
Muslims	541,506
Christians	724,461
Zoroastrians	1,295
Free Thinkers	1,750
Agnostics	865
Others	8,018

NUMBER OF ADHERENTS OF THE PRINCIPAL RELIGIONS 1953 CENSUS



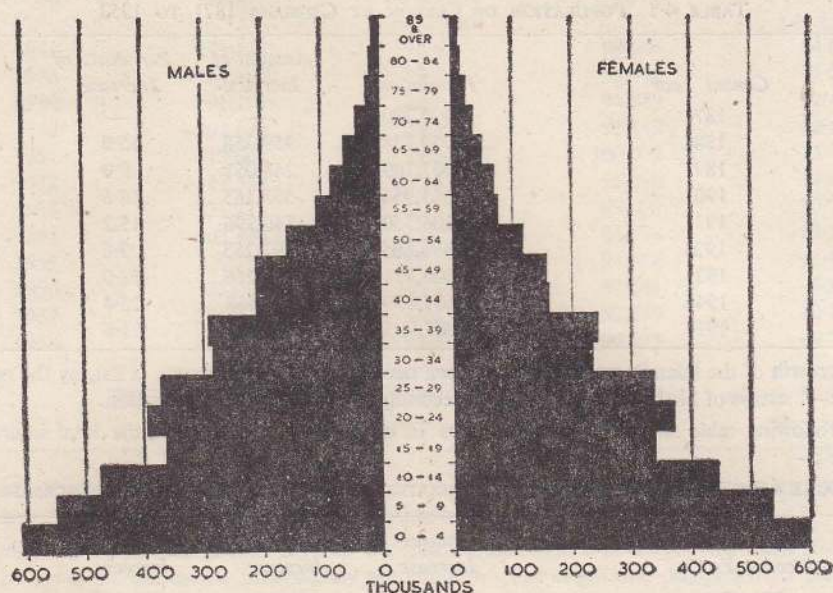
Distribution by Age Groups

The following table shows the distribution of population according to Age and Sex at the Censuses of 1946 and 1953 :—

TABLE 4-5 POPULATION CLASSIFIED BY SEX AND SELECTED AGE GROUPS 1946 AND 1953

Age Groups	Population (Thousands)			
	1946		1953	
	Males	Females	Males	Females
0- 4 Years	437.4	424.0	609.0	599.8
5- 9 "	411.8	399.5	550.0	535.9
10-14 "	414.6	391.0	474.7	445.4
15-19 "	364.5	316.1	364.4	339.4
20-24 "	327.8	313.7	395.2	372.3
25-29 "	307.3	270.3	371.2	337.7
30-34 "	246.5	203.4	285.3	235.5
35-39 "	261.1	207.2	292.1	243.5
40-44 "	182.4	139.9	210.6	161.5
45-49 "	183.4	136.1	211.4	159.0
50-54 "	104.8	91.3	159.7	118.5
55-59 "	94.7	68.5	108.9	79.7
60-64 "	71.2	59.3	84.0	69.5
65 years and over	124.8	104.7	152.2	131.6
Total	3,532.2	3,125.1	4,268.7	3,829.2

AGE AND SEX COMPOSITION OF POPULATION, 1953



Literacy

For Census purposes a "literate" person is one who can both read *and* write a language.

There has been a continuous improvement in literacy since 1881 as shown by the following table :—

TABLE 4·6 PERCENTAGE OF LITERATES IN CEYLON RELATIVE TO POPULATION AGED FIVE YEARS AND OVER 1881-1953

<i>Census Year</i>	<i>Persons Per cent.</i>	<i>Males Per cent.</i>	<i>Females Per cent.</i>
	100.0	100.0	100.0
1881	17.4	29.8	3.1
1891	21.7	36.1	5.3
1901	26.4	42.0	8.5
1911	31.0	47.2	12.5
1921	39.9	56.4	21.2
1946	57.8	70.1	43.8
1953	65.4	75.9	53.6

It is manifest that remarkable progress has been made in female literacy in the recent past.

II—THE GROWTH OF POPULATION

The first decennial Census of Ceylon was undertaken in 1871. The Census of that year numbered the population at 2,400,380 a figure which was to rise to 8,097,895 at the Census of 1953. In eighty two years, therefore, the population of Ceylon has increased by 5,697,515 or by 237.4 per cent. The mean rate of increase has been 15.7 per cent. per decennium.

4—J. N. R 8409 (3/60)

The following table indicates the population of Ceylon at the Censuses held in 1871 and thereafter, the amount of increase and percentage increase :—

TABLE 4-7 POPULATION OF CEYLON AT CENSUSES 1871 TO 1953

<i>Census Year</i>	<i>Population</i>	<i>Amount of Increase</i>	<i>Per cent. of Increase</i>
1871	2,400,380	—	—
1881	2,759,738	359,358	15.0
1891	3,007,789	248,051	9.0
1901	3,565,954	558,165	18.6
1911	4,106,350	540,396	15.2
1921	4,498,605	392,255	9.6
1931	5,306,871	808,266	18.0
1946	6,657,339	1,350,468	25.4
1953	8,097,895	1,440,556	21.6

The growth of the Island's population has been occasioned by two factors. First, by the natural increase—"excess of births over deaths" and secondly by the increase in migration.

The following table shows these two factors in operation and also gives the total intercensal increase :—

TABLE 4-8 THE NATURAL INCREASE, MIGRATION INCREASE AND INTERCENSAL INCREASE

<i>Census Years</i>	<i>Natural Increase</i>	<i>Migration Increase</i>	<i>Intercensal Increase</i>
1871-1881	119,792	239,566	359,358
1881-1891	144,260	103,791	248,051
1891-1901	225,406	332,759	558,165
1901-1911	356,147	184,249	540,396
1911-1921	319,410	72,845	392,255
1921-1931	656,950	151,316	808,266
1931-1946	1,280,916	69,552	1,350,468
1946-1953	1,363,175	77,381	1,440,556

Births and Deaths

The increase in population in recent years has been due in a very large measure to the excess of births over deaths. The following table gives figures in respect of births, deaths, birth rate and death rate for the period 1947-1958 :

BIRTH RATE, DEATH RATE AND RATE OF NATURAL INCREASE OF POPULATION—1870-1958

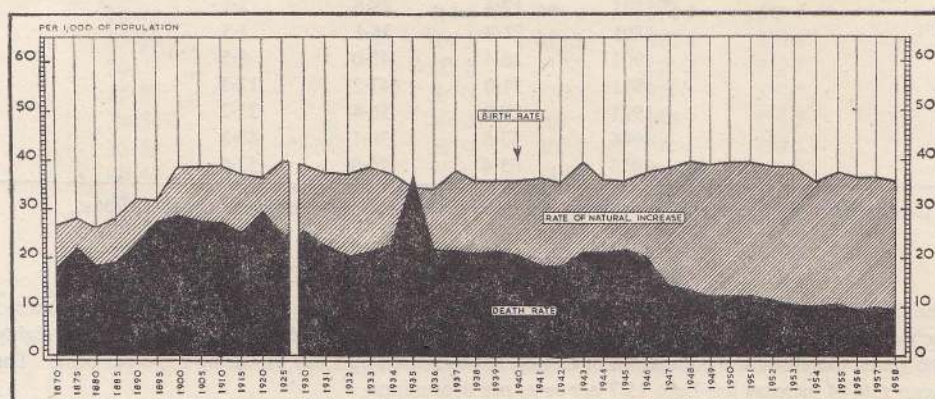


TABLE 4-9 BIRTHS AND DEATHS, 1947-1958

<i>Year</i>	<i>Births</i>	<i>Birth Rate per 1,000</i>	<i>Deaths</i>	<i>Death Rate per 1,000</i>
1947	271,191	38.6	98,544	14.0
1948	287,695	39.7	93,711	13.0
1949	291,191	39.1	91,889	12.4
1950	304,635	39.7	95,142	12.4
1951	313,662	39.8	100,072	12.7
1952	313,532	38.8	95,298	11.8
1953	321,217	38.7	89,003	10.7
1954	303,894	35.7	86,794	10.2
1955	325,538	37.3	94,368	10.8
1956	325,067	36.4	87,561	9.8
1957	334,135	36.5	92,759	10.1
1958	335,690	35.8	90,815	9.7
Total	3,727,447	Mean 38.0	Total 1,115,956	Mean 11.5

Note.—Provisional corrections in Population estimates and rates in respect of the years 1941 and after have been made for child-under-enumeration at the 1946 and 1953 censuses.

During the fifteen year period 1931-45 the mean crude birth rate fell to 36.5 from 39.8 which was the mean for the decade immediately preceding it. The death rate declined from 26.5 in the period 1921-30 to 22.0 in the period 1931-45.

During the following intercensal period 1946-53, although the mean crude birth rate rose slightly to 39.0 the death rate declined rapidly to 13.4. In 1953 the death rate was 10.7 with 89,003 deaths. In 1956 the death rate was 9.8 the lowest on record.

III—VITAL STATISTICS OF CEYLON, 1958

The important features of the Vital Statistics for 1958 are summarised below :—

Population

The estimated population of Ceylon at mid year was 9,388,000 and at the end of the year 9,498,000 the increased in the Island's population during the year was 2.5 per cent. the same as in the previous two years. The excess of births over deaths (natural increase) amounted to 244,875 while the excess of emigrants over immigrants was 15,323.

The estimates of population given above include corrections for under-enumeration of children under 5 years of age at the Census of 1953. The rates published herein are based on population estimates so corrected.

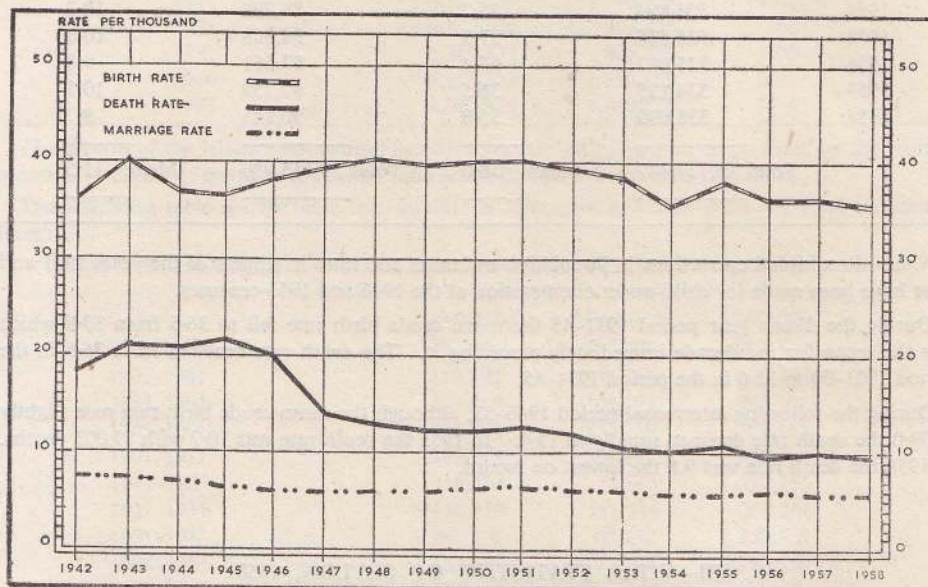
Marriages

There were 51,911 marriages registered under the General and Kandyan Marriage Acts, 43,235 being under the General Marriage Registration Act and 8,676 under the Kandyan Marriage Act. The corresponding figure for 1957 was 49,797. The marriage rate per 1,000 of the Non-Muslim population was 5.9 in 1958 as against 5.8 in 1957. The number of Muslim marriages registered in the year was 5,445 while the figure for 1957 was 5,164. The rates per 1,000 of the Muslim population for the two years were 8.7 and 8.4 respectively.

Births

The number of births registered in 1958 was 335,690 (170,868 of males and 164,822 of females) an increase of 1,555 over the previous years total of 334,135. The sex ratio at birth was 1,037 males per 1,000 females. The rate per 1,000 of the population was 35.8 as against 36.5 in 1957. In Colombo town 29,390 births were registered in the year. The birth rate for the resident population was 32.1 compared with 29.7 in 1957. Births registered on estates in 1958 numbered 34,752. The corresponding number for 1957 was 33,920.

REPORTED BIRTH, DEATH AND MARRIAGE RATES, 1942-1958



Deaths

Deaths registered in 1958 numbered 90,815 (47,095 males and 43,720 females) compared with 92,759 in 1957. The death rate for the year (viz. 9.7) is the lowest ever recorded. The rate for the previous year was 10.1. The number of deaths registered in Colombo Town was 8,309 as against 8,845 in 1957. The rate among the residents of the town was 9.4 the same as in the previous year. 10,627 deaths were registered in estates during 1958 as against 10,734 in 1957.

Infant Deaths

Of the deaths registered in the year under review 21,647 related to infants. The number registered in 1957 was 22,561. The infant death rate computed per 1,000 live births was 64. This compares with 68 in 1957. The rate for 1958 is the lowest recorded in Ceylon so far. The rate relating to the residents of Colombo Town was 79 as compared with 77 in the previous year. In the estates the rate of infant deaths in 1958 was 98 which compares with 102 in 1957.

Maternal Deaths

Causes related to pregnancy and child bearing accounted for 1,294 deaths in 1958. The corresponding number for 1957 was 1,224. The rate of maternal mortality was 3.9. The rate for the resident population of Colombo Town was 3.2. Estates registered a rate of 4.2 per 1,000 live births.

IV—MIGRATION

The Department of Immigration and Emigration was set up under statutory provisions of the Immigrants and Emigrants Act, No. 20 of 1948 on 1st November, 1949. By Act, No. 16 of 1955, certain provisions of the Ordinance were amended.

The following are among the activities and functions of the Department :—

- (1) Issue of Residence, Visit and Transit Visas ;
- (2) Issue of Ceylon travel documents ;
- (3) Issue of Visas on behalf of Governments of certain other countries ;
- (4) Prevention of illicit immigration ;
- (6) Punitive action in the case of infringements of the provisions of the Act and Regulations made thereunder ;
- (6) Deportation and removal of persons out of Ceylon ;
- (7) Surveillance of foreign nationals.

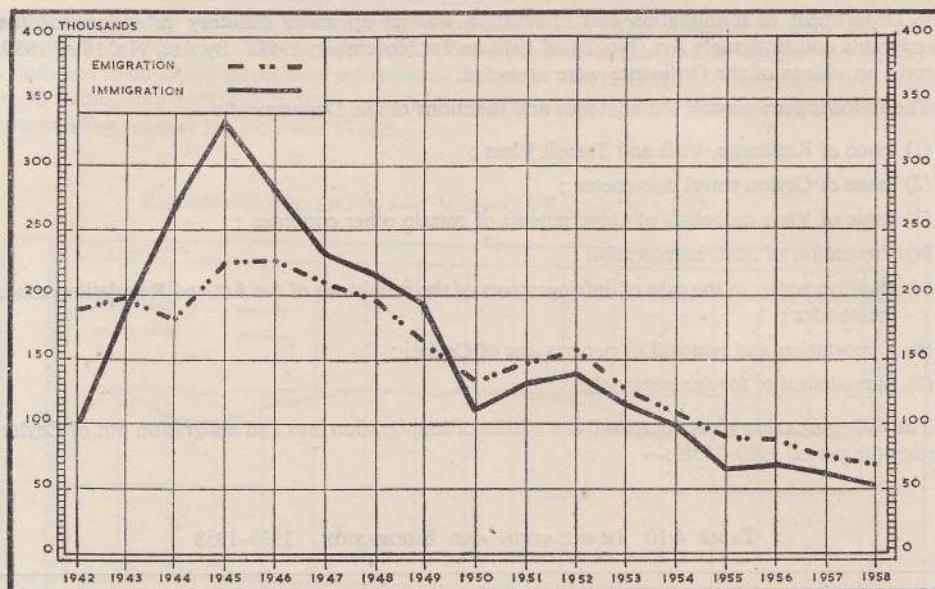
The following table gives comparative statistics of immigration into and emigration out of Ceylon during the period 1939–1958 :—

TABLE 4·10 IMMIGRATION AND EMIGRATION, 1939–1958

<i>Year</i>	<i>Immigration (In thousands)</i>	<i>Emigration (In thousands)</i>
1939	130	156
1940	68	100
1941	74	100
1942	102	189
1943	194	198
1944	270	182
1945	333	225
1946	283	226
1947	233	210
1948	217	196
1949	195	165
1950	114	134
1951	134	148
1952	140	156
1953	116	129
1954	100	108
1955	67	90
1956	70	88
1957	63	75
1958	54	70

The Controller of Immigration and Emigration in Ceylon and Consular representatives of the Government of Ceylon in the various countries abroad are passport and visa issuing authorities on behalf of the Government of Ceylon. In countries where Ceylon is yet to establish Consular representation, Her Majesty's Consular representatives or passport officers of the Commonwealth Government concerned, as the case may be, act on behalf of the Government of Ceylon in this respect.

IMMIGRATION AND EMIGRATION, 1942-1958



The replacement of Temporary Residence Permits by Residence Visas and withdrawal of the statutory entitlement to residence permits as of right by British subjects who claim five years residence between 1944 and 1949, and the provision for the Hon. Minister to make removal orders in respect of persons who stay in Ceylon beyond their authorized periods of sojourn, have contributed to the successful implementation of a Repatriation Scheme, whereby non-Ceylonese in fields of employment into which Ceylonese replacements are available, have been refused further residence facilities for continuance in such fields of employment and their departure from Ceylon ensured.

During the year 1958, as many as 5,687 non-nationals in the country have been compelled to retire from Ceylon on orders issued by the Controller and 4,846 have been urged to leave on their own in the face of the Scheme of Repatriation.

Ceylon Passports

Ceylon passports, and a cheaper form of travel document known as Emergency Certificate, are issued by the Department of Immigration and Emigration to citizens of Ceylon. Citizens of Ceylon who have an entitlement to receive Ceylon passports or Emergency Certificates are either those who under the citizenship laws, are deemed citizens by descent or those who have acquired citizenship by registration. Statistics of the issue of Ceylon travel documents reflect a growing trend on the part of citizens of Ceylon to travel abroad more widely than in the past. Comparative figures for the last three years are as follows :—

	1956	1957	1958
Ceylon Passports	3,756	3,678	4,177
Ceylon Emergency Certificates	10,174	7,357	6,342
Identity Certificates	1,426	427	328

Visit Visas

A Visit Visa is official authority issued to a non-Ceylonese to visit the Island for a short period not in excess of 6 months. It is required of all foreign nationals proceeding to Ceylon, for purposes other than employment for short periods but is dispensed with in the case of persons who are nationals of the United Kingdom and Colonies, of Pakistan, of Canada, of Eire and of the Federation of Malaya who can be classified as bona fide tourists by virtue of their circumstances and personal antecedents. The following table provides statistics of non-Ceylonese who travelled to Ceylon in 1957 and 1958 on Visit Visas :—

	1957	1958
Indians and Pakistanis	12,944	11,736
Other British subjects	6,239	6,583
Aliens	8,006	8,103

Residence Visas

Residence Visas, as the name implies, are issued to non-nationals whose entry into Ceylon is authorised for the purpose of continued residence in Ceylon in the pursuit of some avocation. Under the amendments to the law by Act, No. 16 of 1955, the issue of residence visas became a subject for the exercise of discretionary powers vested in the Controller of Immigration and Emigration. By the judicious grant of Residence Visas, a policy of progressive Ceylonization in all fields of employment is pursued.

The following are statistics of Residence Visas issued during the years 1954-1958 :

	1954	1955	1956	1957	1958
Indians and Pakistanis	8,304	13,897	11,905	4,778	3,684
Other British subjects	947	1,483	1,245	1,428	842
Aliens	440	364	553	639	592
	<u>9,665</u>	<u>15,744</u>	<u>13,703</u>	<u>6,845</u>	<u>5,118</u>

Emigration

The Governments of Canada and the U. S. A. are, under an agreement with the Government of Ceylon, permitting an annual quota of 50 and 100 Ceylon nationals respectively, to settle in the two countries. The Government of Australia continues to accept nationals of this country who satisfy certain requirements also for permanent settlement. Comparative statistics reveal that more and more Ceylonese have utilized the facilities for emigration to these countries more particularly to Australia.

The figures are as follows :—

	1955	1956	1957	1958
Emigrants to Australia	133	189	260	250
Emigrants to Canada	49	46	12	33
Emigrants to U. S. A.	3	14	5	24

Indian Immigrant Estate Labour

Under the provisions of the Immigrants and Emigrants Act No. 20 of 1948, certain travel concessions were granted to Indian estate labour, who were exempted from the requirement to obtain valid national passports and residence permits controlling their stay in Ceylon and restricting their periods of stay abroad on journeys undertaken by them. Estate labour no longer enjoy this concession but now travel strictly within the provisions of the law under proper travel documentation. Figures of the balance of migration among estate and non-estate Indian immigrants provide interesting study and the following table contains statistics during the period 1940 to 1958 :

TABLE 4-11 MIGRATION—EXCESS OF ARRIVALS OVER DEPARTURES

<i>Year</i>	<i>Estate</i>	<i>Non-Estate</i>
1940	— 14,820	— 21,263
1941	— 16,069	— 11,371
1942	— 31,767	— 55,024
1943	— 16,192	± 12,156
1944	— 8,591	± 95,865
1945	± 446	± 107,009
1946	± 2,654	± 47,835
1947	— 4,035	± 21,821
1948	± 3,282	± 14,987
1949	— 2,415	± 8,274
1950	± 628	— 18,334
1951	— 3,870	— 17,062
1952	— 1,154	— 13,549
1953	— 4,421	— 9,263
1954	± 1,761	— 9,764
1955	— 2,339	— 20,153
1956	— 2,330	— 14,158
1957	— 3,903	— 7,705
1958	— 1,318	— 11,305

New Immigrants

New Immigrants for purposes of stay in Ceylon and for the pursuit of remunerative employment comprise the numerically smallest category of those who secured residence visas within the framework of Immigration Control. A large number of these persons belonged to grades of skilled workers, technicians, engineers &c. among whose ranks there is a dearth of suitably qualified indigenous personnel. Some of the new immigrants were full-time religious workers who came to replace others in the same field who have operated in the country from the inception of control.

The following figures provide under various nationality groups the new immigrants who were admitted during the year, 1958.

	<i>1958</i>
United Kingdom Nationals	120
Canadian	5
Australians	9
Americans	18
Other Europeans	70
Indians and Pakistanis	60
Asians other than Indians and Pakistanis	19
	301

These figures include officials of various international organisations with temporary assignments in this country and wives and dependent children of those new immigrants referred to above.

CHAPTER V

AGRICULTURE

I—GENERAL

THE entire economy of the Island depends upon her export trade in the three main agricultural industries, tea, rubber and coconut. The money obtained by selling these three main products as well as other exports helps to pay for Ceylon's imports of essential commodities. Ninety-five per cent. of her exports consists of tea, rubber and coconuts. Tea, rubber, coconut and paddy together account for approximately over three million acres of the total cultivated area. The estimated figures are as follows :—

	<i>Acres</i>
Tea	572,706
Rubber	664,836
Coconut	1,070,942*
Paddy	1,098,481†

II—TEA CULTIVATION

The tea plant grows at elevations up to 6,000 ft. above mean sea level. The better quality of tea is grown at higher elevations. A tea land is said to produce "High Grown" tea if its mean elevation is 4,000 ft. or more above mean sea level ; it is said to produce "Medium Grown" tea if its elevation is between 2,000 and 4,000 ft. and to produce "Low Grown" tea if its elevation is below 2,000 ft. The tea plant requires an evenly distributed rainfall of 80 to 120 inches per year. The plant, in addition, requires a good drainage of soil and, therefore, mostly thrives on hill slopes.

The tea bushes are periodically pruned to obtain plentiful "flushes" or young tender shoots. The buds at the tip of the new shoots including two or three tender leaves are plucked by hand. The green leaf is withered and then processed in rolling machines. After breaking and sifting it is allowed to ferment. The tea is dried or fired after fermentation, graded and packed for export.

In the preparation of green tea there is no fermentation and the withering process is substituted by steaming. No green tea is manufactured in Ceylon at present.

In Ceylon, immigrant labourers from South India have supplied most of the labour necessary for the tea estates. Most of the plucking is done by women and children ; the men are engaged in pruning the trees and clearing the land of weeds. An estate requires on an average about one labourer per acre.

Acreage under Tea

The total area under tea in Ceylon on December, 1958, was 572,706 acres as compared with 570,573 acres at the end of 1957. The increase was due to the fact that 3,235 acres of newly-planted tea were registered during the year while 1,102 acres of old tea were either abandoned or uprooted and replanted with other crops.

Under the Tea Control Act, the Tea Control Department maintains a Register of all tea estates and tea small-holdings in the Island. An "estate" is defined as an area of land 10 acres or more in extent which is planted with tea, and a "small holding" as an area of land under 10 acres in

* Census 1946.

† Asweddumised Area.

extent which is planted with tea. The following table shows the distribution of the total area between small-holdings and estates of different sizes :—

TABLE 5-1 TEA ACREAGE BY SIZE OF HOLDING, 1958

	<i>No. of Holdings</i>	<i>Total Extent in Acres</i>	<i>Percentage of Total Acreage</i>
Small-holdings (below 10 acres)	90,639	74,796	13
Estates 10 acres and above, but below 100 acres	1,832	49,429	9
Estates of 100 acres and above but below 500 acres	566	159,578	28
Estates of 500 acres and above	341	288,903	50
	93,378	572,706	100

The following statement shows the distribution of the Island's tea acreage between different types of owners :—

<i>Ownership</i>	<i>Acreage</i>	<i>Percentage of Total</i>
Estates owned by Sterling Companies (shares held mainly by non-nationals)	210,834	37
Estates owned by Rupee Companies (shares held partly by Ceylon nationals and partly by non-nationals)	123,360	22
Estates owned by non-Ceylonese individuals	34,305	6
Estates owned by individual Ceylonese	129,411	22
Small-holdings owned by individual Ceylonese	74,796	13
Total	572,706	100

Production

The quantity of tea manufactured in 1958 was 413,154,814 lb. as compared with 397,774,560 lb. in 1957. The following table shows the production of tea for each month of the year :—

TABLE 5-2 MONTHLY PRODUCTION OF TEA, 1957 AND 1958

<i>Month</i>	<i>Production lb.</i>	
	<i>1957</i>	<i>1958</i>
January	30,272,081	28,766,634
February	29,921,759	35,946,454
March	45,741,919	37,907,987
April	37,198,848	46,990,358
May	52,542,541	44,844,704
June	34,062,832	37,603,869
July	27,892,158	27,902,670
August	27,554,412	25,902,985
September	21,063,756	25,946,648
October	27,210,094	29,461,734
November	36,179,754	34,063,519
December	28,134,406	37,817,252
Total	397,774,560	413,154,814

The overall average yield of tea lands in Ceylon in 1958 was 722 lb. per acre compared with 697 lb. per acre in 1957.

The domestic consumption of tea in Ceylon during 1958 is estimated at 25 million lb. The total quantity of tea exported from Ceylon in 1958 was 377,331,474 lb. as compared with 352,919,669 lb. exported in 1957.

Export of Planting Material

Under the Tea Control Act the export of tea seed and other tea planting material is prohibited, except on the authority of a licence issued by the Tea Control Department. Six licences were issued during the year for the export of tea planting material from Ceylon, all for experimental purposes.

New Planting

The planting of new areas in tea is prohibited except on the authority of a licence issued by the Tea Controller. 1,825 New Planting licences covering a total area of 4,383 acres were issued in 1958. The Small Holdings Advisory Service of the Tea Control Department advises and assists small-holders in up-to-date methods of planting tea, soil conservation, &c.

Tea Replanting and Rehabilitation Scheme

The Government launched in October, 1958, a Scheme for giving financial assistance to the owners of tea estates and small-holdings for (i) replanting uneconomic areas in tea with high yielding strains of tea and (ii) for rehabilitating estates and small-holdings by the adoption of improved agricultural methods such as the application of fertilizer, adoption of soil conservation measures, supplying of vacancies, &c. The subsidy paid for replanting is Rs. 2,500 per acre while the subsidy paid for rehabilitation, without completely uprooting and replanting, is Rs. 650 per acre. The first set of applications under the Scheme was invited at the end of 1958 and the first set of Replanting and Rehabilitation Permits were issued in the first half of 1959.

Nurseries

As a result of the inauguration of the new Tea Replanting Scheme in 1958, a large number of Nursery Permits were issued during the year.

These Permits have been issued for three different categories of Nurseries, viz. (i) V. P. Nurseries (i.e., Nurseries in which rooted vegetatively propagated cuttings are raised before transplanting in the field); (ii) Seedling Nurseries (where tea seedlings are raised from tea seed before transplanting in the field); and (iii) Multiplication Nurseries (in which cuttings are obtained from selected mother bushes for planting out in V. P. Nurseries).

594 Permits were issued in 1958 for the opening up of V. P. Nurseries covering an extent of 453 acres 0 roods 27 perches; 576 Permits were issued for the opening up of Seedling Nurseries covering an extent of 358 acres 0 roods 24 perches; and 426 Permits were issued for Multiplication Nurseries covering an extent of 243 acres 0 roods 11 perches.

Analytical Control of Tea

Blister-blight, which loomed as a serious threat to the Island's tea industry a few years ago, has now been brought well under control by regular copper spraying and dusting. The excessive use of copper fungicides may, however, adversely affect the quality and flavour of tea, and even make it injurious to the health of those drinking it; but the Tea Control Department by the regular analysis of samples of tea obtained from different planting districts, ensures that the copper content of Ceylon tea is well below the maximum limit prescribed by consumer countries.

Tea Price-Support Scheme

In order to give relief to the producers of lower-priced teas (particularly small-holders and owners of small estates) who were adversely affected by the depression in tea prices, the Government introduced, at the end of March, 1958, a Price-Support Scheme for tea. Under this Scheme, teas which fetched prices less than Re. 1.50 per lb. at the Colombo Tea Auctions were given a subsidy representing the difference between the price fetched and Re. 1.50 per lb., subject to a maximum of 50 cents per lb. This subsidy was in effect a rebate to producers of a part of the total export duty on tea collected by the Government. In order to discourage the production and sale of very inferior grades of tea, no payments were made in respect of teas which fetched prices below 60 cents per lb. at the Auctions. This lower limit was later raised to 90 cents per lb. in August, 1958. This Scheme gave considerable relief to producers of common teas. The total expenditure on the Scheme from its inception on 25th March, 1958, to 15th May, 1959, was Rs. 43,946,665.38 cts.

Legislation

The Tea Control Act, No. 28 of 1949, and the Tea Thefts Prevention Act, No. 45 of 1933, which were administered by the Tea Control Department had been amended on several occasions since they were first enacted. The Government decided to repeal these two Acts and to replace them by a single new Tea Control Act which would set out the law relating to the tea industry in a simple and consolidated form. This new Tea Control Act, No. 51 of 1957, was enacted in November, 1957, and was brought into operation on 1st January, 1958.

III—RUBBER CULTIVATION

The total area under rubber in Ceylon on December 31, 1958, was 664,836 acres as compared with 660,725 acres at the end of 1957. The increase was due to the fact that while 5,048 acres of newly-planted rubber were registered during the year, 937 acres of old rubber were uprooted and planted with other crops.

The Rubber Control Department is required by the Rubber Control Act to maintain a Register of all rubber estates and small-holdings in the Island. An "Estate" is defined in the Act as an area of land not less than 10 acres in extent which is planted with rubber and a "small holding" as an area of land less than 10 acres in extent which is planted with rubber. The Island's total rubber area of 664,836 acres was distributed between Small-Holdings and Estates of different sizes as follows :—

TABLE 5.3 RUBBER ACREAGES BY SIZE OF HOLDING, 1957 AND 1958

Size of Holding	No. of Holdings Registered		Total Extent Acres	
	1957	1958	1957	1958
Small Holdings (below 10 acres)	131,843	134,250	184,510	188,168
Estates 10 acres and above, but below 100 acres	5,848	5,922	154,422	156,029
Estates 100 acres and above, but below 500 acres	664	664	151,509	152,354
Estates 500 acres and above	193	193	170,284	168,285
Total	138,548	141,029	660,725	664,836

The acreage distributed between Ceylonese and alien owners in 1958 was as follows :—

Ownership	Number	Acreage	Percentage on
			Total Acreage 1958
Rubber estates owned by Sterling Companies (i.e., Companies registered in United Kingdom)	136	89,386	13.4
Rubber estates owned by non-Ceylonese individuals	165	16,156	2.4
Rubber estates owned by Rupee Companies (i.e., Companies registered in Ceylon)	236	87,662	13.2
Rubber estates and small-holdings owned by Ceylonese individuals	140,492	471,632	71.0
Total	141,029	664,836	100.0

416,445 acres out of Ceylon's total rubber area of 664,836 acres have been planted with ordinary seedling rubber, while the balance 248,391 acres has been planted with high-yielding material (clonal seedlings or budded stumps). The figure of 248,391 acres reported as planted with high-yielding material includes an area of about 40,000 acres planted during the war years (1939-45) under the Rubber (New-Planting) Ordinance, No. 38 of 1938. Most of these new rubber plantations though originally planted with high-yielding material have so deteriorated through neglect that they can no longer be classed as high-yielding units. The true acreage of high-yielding rubber in the Island is therefore a little over 200,000 acres. The major part of this high-yielding rubber has been planted after the Government's Rubber Replanting Subsidy scheme which came into operation in 1953, and is therefore not yet in bearing.

Production of Rubber

The total production of rubber in Ceylon in 1958 is estimated at 100,196 tons as compared with 98,164 tons in 1957. The estimated production during each month of the years is shown below :

TABLE 5.4 MONTHLY PRODUCTION OF RUBBER, 1957 AND 1958

Month	Production in Tons	
	1957	1958
January	8,793	9,853
February	4,565	6,585
March	5,733	6,938
April	7,317	9,763
May	7,359	8,516
June	6,510	5,646
July	9,551	8,263
August	11,040	8,925
September	9,234	8,020
October	8,898	7,205
November	8,941	9,215
December	10,223	11,267
Total	98,164	100,196

It is estimated out of the total rubber area of 664,836 acres, the actual area in production during 1958 (after excluding areas which had not yet reached tappable age and areas left untapped) was 541,219 acres.

On this basis, the average overall yield per acre during 1958 was 414 lb. as compared with 399 lb. per acre in 1957.

Local Consumption of Rubber

A total of 417 tons of rubber had been consumed locally in 1958, as compared with 324 tons in 1957.

Rubber consumed locally is used in the retreading of motor tyres and in the manufacture of rubber goods, such as foam rubber cushions, rubber mats, surgical gloves, rubber-soled shoes and slippers, and rubber toys including toy balloons.

The consumption figures given below indicate that the quantity consumed locally continues to increase slowly :

TABLE 5-5 LOCAL CONSUMPTION OF RUBBER

<i>Year</i>	<i>Tons</i>	<i>Year</i>	<i>Tons</i>
1949	139	1954	259
1950	156	1955	267
1951	218	1956	321
1952	222	1957	324
1953	235	1958	417

Exports

The total quantity of all types of rubber exported during 1958 was 90,420 tons as against 93,961 tons exported in 1957.

Replanting

A permit under section 7 of the Rubber Control Act is necessary for replanting of rubber.

During 1958, permits were issued to replant 23,917 acres under the Rubber Replanting Subsidy Scheme. Of this area, the replanting of 14,630 acres has been completed. In addition, an area of 9,780 acres were replanted in 1958 on replanting permits issued earlier under the Subsidy Scheme, making the total area replanted under the Scheme in 1958, 24,410 acres. In addition, permits were issued in 1958 to replant an area of 45 acres 2 roods 20 perches outside the Subsidy Scheme. The entire area replanted in 1958 was replanted with approved varieties of high-yielding planting material.

Rubber New-Planting

Planting of new areas in rubber can only be undertaken on the authority of permits issued under the Rubber Control Act. All areas authorized for planting under this Act must be planted with high-yielding varieties of rubber. Permission is, however, given to plant areas with ordinary rubber provided such areas are budded within a specified period.

During 1958, 3,375 new planting permits covering an extent of 5,623 acres were issued. The corresponding figure for 1957 was 4,117 permits covering an extent of 6,446 acres.

Nurseries

744 permits were issued in 1958 for the opening of new rubber nurseries covering an extent of 326 acres as compared with 1,628 permits covering an extent of 897 acres issued in 1957.

In addition to these private nurseries, a number of Government Nurseries have been established to supply high-grade planting material to small-holders participating in the Rubber Replanting Subsidy Scheme. The two largest of these nurseries are situated at Egaloya and Hedigalla, both in the Kalutara District. The Egaloya Nursery covers an extent of 130 acres while the Hedigalla

nursery covers an extent of nearly 60 acres. A total of 709,791 budded stumps and clonal seedlings were issued from these nurseries to small-holders participating in the Rubber Replanting Subsidy Scheme in 1958. In addition, the Land Commissioner was also issued 17,955 clonal seedlings issued in 1957 for use on the Department's highland development Schemes.

Oidium

Oidium-control measures have been applied by most large rubber estates (particularly those containing blocks of high-yielding rubber). As a result, these areas are now less affected by oidium and carry a heavier foliage than they have done for many years.

The position on most small-holdings is less satisfactory. Small-holders cannot afford to purchase the expensive dusting machines which are required for effective oidium-control. Some measures of Government assistance is therefore necessary if sulphur-dusting against oidium is to be carried out successfully on small-holdings.

A Government-sponsored scheme for the co-operative sulphur-dusting of small-holdings and small estates was carried out during 1957-58 dusting season. Owners of small-holdings and small estates who wished to have their holdings dusted were required to form themselves into Co-operative Dusting Groups. The members of each Group had to purchase the necessary sulphur and supply the labour necessary for carrying out the dusting operations supervised by Rubber Instructors from the Small-Holding Division of the Rubber Research Institute. Fifty-one Dusting Groups were formed. 1,471 holdings comprising a total of 4,781 acres 3 roods 0 perches were dusted under this Scheme.

Fragmentation of Estates

Statistics maintained by the Rubber and Tea Control Departments revealed that since the end of the second World War several sales of large rubber and tea estates had taken place after fragmentation of these estates into smaller units. This has resulted in considerable loss of efficiency and yield. The total extent of estates so fragmented was in the region of 30,000 acres in the case of rubber and 10,000 acres in the case of tea. The Government was greatly concerned about this trend and therefore enacted legislation in February, 1958, to control the fragmentation of rubber and tea estates over 100 acres in extent. Under the new Act, which is entitled the Tea and Rubber Estates (Control of Fragmentation) Act, No. 2 of 1958, a Fragmentation Control Board has been set up to consider all applications for the transfer of ownership of any tea or rubber estate over 100 acres in extent or any portion thereof. The Board (whose Chairman was the Land Commissioner and of which the Rubber and Tea Controller was a member) would, as a general rule, refuse its consent to the transfer of ownership if any fragmentation of the estate was involved. The Board would, however, agree to the transfer of ownership :

- (i) if the transfer of ownership did not involve the sub-division of the estate ;
- (ii) if some of the lots into which the estate was to be sub-divided were to be used for any housing scheme or for the development of any township or for any industrial purpose ;
- (iii) if the lots into which the estate was to be sub-divided were to be merged in any adjoining rubber or tea estate so that the merger will result in the more efficient and economic management of the land ;
- (iv) where the agricultural condition of the estate was already so poor that its sub-division into lots was not likely to affect its condition adversely ;
- (v) where all the lots into which the estate was divided were over 500 acres in the case of tea estates and 250 acres in the case of rubber estates.

The Board held 15 meetings in 1958 and considered 124 applications for transfers of ownership of estates. Of these 107 applications falling into one of the categories (i) to (v) above were allowed, and the others were rejected by the Board.

Rubber Study Group

The Rubber Study Group held its 14th Meeting in Hamburg, in June 1958.

IV—COCONUT CULTIVATION

Acreage

During the Census of 1946 an effort was made to collect more accurate statistics of the acreage under coconut in Ceylon. Consequently, it was revealed that the extent under coconut estates and holdings in Ceylon was 920,942 acres. This figure does not include coconut growing in towns and village gardens of one acre or less usually forming the compound of a dwelling house. The total of these holdings is 309,391 acres of which extent 150,000 acres are estimated to be exclusively under coconut. Thus the total area under coconut in Ceylon is over one million acres.

Cultivation and Manuring

Ploughing and harrowing are usually carried out on estates and on small-holdings generally. A coconut fertilizer subsidy scheme was inaugurated by the Government in 1956. Small holders are subsidised 50 per cent. of the total cost of manure purchased while estates above 20 acres are subsidised 33½ per cent. of the cost. It is estimated that about 250,000 acres of coconut land are now being regularly manured with artificial manure under the Subsidy Scheme. On small properties cultivation is also done in the form of cattle manuring, usually by tethering cattle around palms, supplemented with ash.

Normally, about 60 trees are planted to an acre under this crop. In such fertile areas as Madampe and Rajakadaluwa and Marawila, first-class properties give annual yields of 4,000 nuts per acre or more, 3,000 nuts per annum being a reasonable estate average. But the general average of all coconut land in Ceylon is only about 2,100 nuts over a period of 5 years. Crop fluctuations occur because a serious drought in one particular year can reduce yields in the year following. In general, crops are improving through improved cultivation.

Coconut Rehabilitation Scheme

To arrest the decline in the Island's coconut industry and to improve the condition of the Island's coconut estates and small-holdings, the Government decided to launch a Coconut Rehabilitation Scheme in 1956. This Scheme is divided into two parts: the first part aims at stepping up the pace of re-planting on worn-out coconut lands by supplying high-grade coconut seedlings at subsidised rates, and the second part of the Scheme aims at improving the yields of coconut estates and small-holdings by the supply of fertilizer to the owners of these estates and small-holdings at subsidised prices.

Replanting with High-yielding Seedlings

Most of the Island's coconut palms are over 50 years of age and only a very few estate owners and small-holders have regularly replanted their worn-out coconut lands with young palms. The first part of the Rehabilitation Scheme, i.e., the Scheme for supplying subsidised seedlings or replanting worn-out areas, is aimed at remedying this defect. This part of the Scheme is operated by the Coconut Research Institute. To produce the necessary seedlings, the Institute has set down a number of large coconut nurseries in the principal coconut-growing districts in the Island.

The Institute distributed approximately 1,175,000 high-grade seedlings during 1958, and hopes to distribute 1,200,000 seedlings in 1959. The seedlings distributed in 1958 were sufficient for the new planting or replanting of approximately 19,600 acres, while the seedlings to be distributed in

1959 will be sufficient for the new planting or replanting of 20,000 acres. The seedlings, which cost the Institute about 70 cents each to produce, are sold to estate owners and small-holders at the subsidised rate of 30 cents each. The resulting loss is met by an annual grant from Parliament.

Coconut Fertilizer Subsidy Scheme

The second part of the Rehabilitation Scheme, i.e., the Scheme for supplying subsidised fertilizer for the use of coconut estates and small-holdings is operated by the Coconut Rehabilitation Department.

One-third of the cost of fertilizer is met as a subsidy from the Government in the case of estates (i.e., coconut lands over 20 acres in extent) and one-half of the cost of fertilizer is met by the Government in the case of small-holdings (i.e., coconut lands 20 acres or less in extent). The subsidy is an outright grant from Government and not a repayable loan.

Estates make their applications for fertilizer permits under this scheme direct to the Coconut Rehabilitation Department; in the case of small-holdings, they are given the choice of either applying direct to the Department or applying through the nearest C. A. P. & S. Society or Multi-purpose Co-operative Society. Small-holders are encouraged to apply through Co-operative Societies, but if any smallholder is able to make his own transport arrangements and prefers to deal directly with the Department, he is at liberty to do so. During the year 1958, 34,750 tons of subsidised fertilizer were distributed under the Scheme to Estates and Small-holdings totalling about 350,000 acres in extent. The corresponding figures for 1957 were 31,340 tons of fertilizer and 334,623 acres. The acreage covered in 1958 represents about one-third of the total extent of coconut lands in Ceylon.

The total cost of the fertilizer distributed during 1958 is expected to be in the region of Rs. 11.2 million and the subsidy payable thereon about Rs. 4.6 million. Of this amount Rs. 2 million will be spent in subsidising fertilizer used on Estates and the balance Rs. 2.6 million on fertilizer used on small-holdings.

It is expected that the total fertilizer distributed in 1959 will be approximately 45,000 tons, and that over 400,000 acres of coconut lands will participate in the Scheme.

V—OTHER COMMERCIAL CROPS

Cacao

The acreage under cacao has shown a steady increase in recent years. It is estimated that there are over 50,000 acres presently under this crop, of which about 25,000 acres are in full bearing. The quantity of cured cacao exported from Ceylon in 1958 was 52,035 cwt. valued at Rs. 10,817,874. Government offers a subsidy of Rs. 450 per acre for underplanting cacao in rubber, and Rs. 600 per acre for planting cacao after uprooting or destroying the rubber and establishing shade. Permits were granted for planting 10,180 acres under this scheme since it came into operation in 1956.

Soil and Climate

Cacao makes the best growth on deep alluvial soils which are well drained and rich in humus. The total rainfall should be well distributed and not less than 60 inches per annum.

Manuring

Cacao responds to heavy dressings of well rotted cattle manure or compost. Two pounds per tree of fertilizer mixture containing 100 parts of Sulphate of Ammonia, 200 parts saphos phosphate and 125 parts muriate of potash is recommended for application immediately after pruning on chocolate red loams derived from dolomitic limestones. On acid grey brown soils the potash is reduced to 50 parts.

Pruning

Cacao required regular pruning once a year for satisfactory cropping. The trees are pruned at the end of the major cropping season in February or March.

Harvesting

Seedlings come into bearing 5 to 6 years after planting but rooted cuttings and budgrafts bear earlier. The main crop is in season from October to February and the smaller spring crop from May to July.

Curing

The beans are fermented in large wooden sweat boxes for about 36 hours. The fermented beans are then washed in running water to remove the disintegrated pulp and spread in the sun on barbecues provided with coir matting. In wet weather they are spread in drying lofts over which hot air is blown from flues. Drying is carried out in stages over a period of 5-6 days, the beans being put out to dry for only a few hours on the first and for longer periods in subsequent days. The slight fermentation which takes place when the beans are heaped indoors favour the development of flavour and quality in the bean. A well cured bean is fairly plump, brick red in colour and free from purplish discolouration when cut. The dry cured bean is about 33 to 36 per cent of the wet weight.

Yields

The number of pods per tree varies considerably from about 10 to 350. The average yield per tree is about 1 lb. of cured cacao per annum and the average yield per acre under local conditions is about 2 cwt., but some estates produce as much as 5 to 6 cwt. per acre.

Pests and Diseases

The most serious pest is the *Helopeltis* bug which attacks the young flush and pods causing die back and favouring the incidence of *Phytophthora* pod rot. Mealy bugs have been found to transmit a mild strain of a vein clearing virus in some areas. The local strain does not appear to kill the affected trees, though the vigour and productivity of the trees may be considerably lowered by it. A nutritive disorder known as sickle leaf disease is common in the Dumbara Valley ; but *Phytophthora* which causes pod rot and canker is the more serious disease in the cacao-producing areas with higher rainfall.

Citronella

Mahapangiri and *Lenabatu* (or *Heenpangiri*) are the two citronella types cultivated in Ceylon. *Lenabatu* covers about three-fourths of the total extent in citronella and is considered more suitable than *Mahapangiri* for the poor lateritic soils on which citronella is usually grown. *Lenabatu* outyields *Mahapangiri* in weight of grass ; this difference, however, is usually less than ten per cent. Grass of *Mahapangiri* has a higher oil content than that of *Lenabatu*, but with advancing age this difference is found to even out. In geraniol content, oil of *Mahapangiri* was strikingly superior to *Lenabatu*. *Mahapangiri* is the more profitable variety to grow, where good cultivation is maintained with the use of fertilizers. New clones of *Mahapangiri* and *Lenabatu* are under test in yield trials. Manuring with a complete artificial fertilizer mixture of nitrogen, phosphate and potash is the most effective method of increasing yields.

With a complete fertilizer mixture, grass yields increased three times and oil yields four times over those of unmanured plots. Harvests at intervals of four months are found better than three-monthly harvests, particularly in the lower rainfall areas.

Cotton

The entire acreage under cotton in 1958 was planted with new departmental selection *HC 101*. The variety is characterized by its higher yield, longer staple, higher ginning out-turn, better spinning qualities and fewer neps than *BP 79* which was previously grown. Over 6,000 acres were brought under the new *HC 101* cotton in Ceylon in the *maha* season of 1958-59.

Tobacco

Cultivation of Cigarette Tobacco has been expanded to 6,000 acres in 1958 with State financial assistance to Cigarette Tobacco growers through Co-operative Societies and with the assistance from the manufacturing Companies. In the Jaffna District steps have been taken to replace Malayalam Tobacco, which is fast loosing its market in Travancore to Cigarette Tobacco. The extent under this crop in Jaffna Peninsula is about 700 acres. The Department of Agriculture has provided under a long-term development programme, financial assistance to Cigarette Tobacco growers with a view to making Ceylon self-sufficient in its requirement of this commodity within three years. Financial assistance is in the form of short-term and medium-term loans.

The services of a State paid Tobacco Curer will be available for 4 years to each Tobacco Growers Co-operative Society and technical advice and assistance from the nursery stage to the marketing of the cured product.

The following acreages were under cultivation in the year 1957 :—

Malayalam chewing tobacco	600 acres
Cheroot and local chewing tobacco	9,000 acres
Dumbara tobacco	4,000 acres
Beedi tobacco	100 acres

It is estimated that an additional 3,500 acres of Cigarette Tobacco are required to make Ceylon self-sufficient.

The cultivation of Beedi Tobacco is encouraged in Uva. An extent of about 4,000 acres are required to meet the full requirement of this commodity.

VI—PADDY AND OTHER FOOD CROPS

Rice

Rice is Ceylon's staple cereal and the development of this crop has been the chief interest of the Department of Agriculture. In recent years, research on this crop included testing of a large number of introductions, hybridization, selection within local varieties, fertilizer experiments, cultural experiments and physiological investigations. High yielding hybrid selections that have already been issued to growers are H4, H-501 and H-105. Selection for yield, resistance to lodging, grain shedding, floods, salinity, blast, iron and sulphide toxicity continues in crosses of local varieties with introductions.

A scheme for the production of certified pureline seed paddy of high yielding disease resistant varieties in private seed farms came into operation in Maha 1957-58.

It provides for the payment of a premium of Rs. 2 per bushel in addition to the guaranteed price of Rs. 12 per bushel of paddy. The objective of the scheme is to multiply seed paddy of the recommended varieties in order to replace cultivators' seed paddy once in four years. The total production of certified pureline seed paddy in sealed bags in both Maha 57-58 and Yala 58 was 102,361 bushels.

Highland Crops

The maize breeding programme, which consisted of inbreeding and production of single and double crosses and testing of the double crosses, was continued in order to test the feasibility of producing hybrid seed and assessing its value as a commercial undertaking in Ceylon. The most promising line of approach for the improvement of the maize crop in this country at present appears to be selection among the open-pollinated varieties. Promising open-pollinated varieties have been introduced recently.

Fertilizer experiments with vegetables have revealed a very striking response to nitrogen in bandakka, capsicum and snake gourd. Seed of vegetable selections were multiplied and issued to growers.

Chilli strains which exhibit resistance to the mottle virus of the leaf curl complex under field conditions have been isolated and are under further tests.

The potato variety *up-to-date* yielded 12 to 13 tons per acre at Rahangala and was not significantly outyielded by any other variety. The variety *Tedria* was completely immune to blight. Cultural trials with this crop have shown that the yield increases with an increase in seed rate. Ten potato seed stations have been established in the Nuwara-Eliya District.

The following tables show the acreages and yields of paddy in the different provinces for Yala 1957, Maha 1957-58 and Yala 1958 seasons, respectively.

TABLE 5-6 PADDY ACREAGES AND AVERAGE YIELDS BY DISTRICT, YALA 1957

District	Extent Sown (Gross Acreage)				Average Yield per nett acre Harvested (Bushels)
	Major Schemes	Minor Schemes	Rainfed	Total	
CEYLON	150,713	96,179	181,217	428,109	31.76
<i>Western Province</i>					
Colombo	1,151	474	20,613	22,238	23.80
Kalutara	—	2,628	34,434	37,062	33.45
<i>Central Province</i>					
Kandy	3,805	11,394	12,155	27,354	37.45
Matale	353	6,306	4,545	11,204	39.40
Nuwara Eliya	1,117	6,684	52	7,853	—
<i>Southern Province</i>					
Galle	1,064	2,841	38,911	42,816	25.05
Matara	5,922	4,652	24,836	35,410	27.62
Hambantota	23,664	2,292	2,194	28,150	36.68
<i>Northern Province</i>					
Jaffna	3,982	17	—	3,999	28.72
Mannar	17	92	—	109	—
Vavuniya	553	1,076	—	1,629	40.14
<i>Eastern Province</i>					
Batticaloa	49,469	5,261	1,415	56,145	33.70
Trincomalee	8,860	810	128	5,798	30.68
<i>North-Western Province</i>					
Kurunegala	9,275	8,940	15,025	33,240	33.85
Puttalam-Chilaw	—	579	332	911	—
<i>North-Central Province</i>					
Anuradhapura	12,072	5,007	—	17,079	46.08
Polonnaruwa	24,413	2,956	—	27,369	52.82
<i>Uva Province</i>					
Badulla	3,470	16,477	3,672	23,619	32.62
<i>Sabaragamuwa Province</i>					
Ratnapura	1,478	13,916	10,072	25,466	25.95
Kegalla	48	3,777	12,833	16,658	30.85

The nett acreage harvested is estimated to be 349,000 acres and the estimated production is 11,080,000 bushels.

TABLE 5-7 PADDY ACREAGES AND AVERAGE YIELDS BY DISTRICTS, MAHA 1957-58

District	Extent Sown (Gross Acreage)				Average Yield per nett acre Harvested (lbs.)
	Major Schemes	Minor Schemes	Rainfed	Total	
CEYLON	(1) 215,785	227,643	397,223	840,651	1,567
<i>Western Province</i>					
Colombo	4,304	3,233	42,972	50,509	1,430
Kalutara	—	3,558	28,141	31,699	1,090
<i>Central Province</i>					
Kandy	5,092	18,956	17,521	41,569	2,030
Matale	1,468	10,861	6,667	18,996	2,000
Nuwara Eliya	1,450	14,487	595	16,532	2,995
<i>Southern Province</i>					
Galle	320	3,030	33,630	36,980	1,135
Matara	7,222	4,428	25,537	37,187	1,325
Hambantota	28,938	6,343	3,116	38,397	1,740
<i>Northern Province</i>					
Jaffna	17,523	1,205	42,128	60,856	1,145
Mannar	18,268	4,153	3,908	26,329	2,110
Vavuniya	5,401	15,405	12,324	33,130	1,400
<i>Eastern Province</i>					
Batticaloa	41,696	4,177	58,396	104,269	1,426
Trincomalee	14,313	3,233	11,283	28,829	1,375
<i>North-Western Province</i>					
Kurunegala	14,258	47,266	70,725	132,249	1,465
Puttalam-Chilaw	2,501	10,776	4,818	18,095	1,080
<i>North-Central Province</i>					
Anuradhapura	18,399	47,741	705	66,845	1,250
Polonnaruwa	26,782	1,605	113	28,500	2,670
<i>Uva Province</i>					
Badulla	6,465	6,851	2,457	15,773	2,755
<i>Sabaragamuwa Province</i>					
Ratnapura	1,256	14,938	10,667	26,861	1,225
Kegalla	129	5,397	21,520	27,046	2,165

The nett acreage harvested is estimated to be 609,000 acres and the estimated production is 21,200,000 bushels.

(1) Excluding figures for G. O. D. B. colonized area.

TABLE 5·8 PADDY ACREAGES AND AVERAGE YIELDS BY DISTRICTS, YALA, 1958

District	Extent Sown (Gross Acreage)				Average Yield per nett acre Harvested (lbs.)
	Major Schemes	Minor Schemes	Rainfed	Total	
CEYLON	(1) 162,925	156,104	222,504	541,533	1,604
<i>Western Province</i>					
Colombo	751	822	26,131	27,704	1,335
Kalutara	—	3,831	34,222	38,053	1,290
<i>Central Province</i>					
Kandy	4,507	12,188	14,491	31,186	1,795
Matale	1,148	7,224	5,235	13,607	1,530
Nuwara Eliya	935	7,704	36	8,675	—
<i>Southern Province</i>					
Galle	992	3,104	40,807	44,903	1,210
Matara	7,145	5,465	28,721	41,331	1,345
Hambantota	24,725	2,652	1,852	29,229	1,845
<i>Northern Province</i>					
Jaffna	4,936	—	—	4,936	—
Mannar	358	403	13	774	—
Vavuniya	1,813	2,948	—	4,761	—
<i>Eastern Province</i>					
Batticaloa	39,620	5,005	3,983	48,608	1,820
Trincomalee	17,881	1,162	59	19,102	2,515
<i>North-Western Province</i>					
Kurunegala	11,348	34,904	36,718	82,970	1,355
Puttalam-Chilaw	2,011	4,288	305	6,604	1,215
<i>North-Central Province</i>					
Anuradhapura	12,321	25,918	15	38,254	1,305
Polonnaruwa	26,034	3,318	68	29,420	2,800
<i>Uva Province</i>					
Badulla	4,901	16,269	3,364	24,534	—
<i>Sabaragamua Province</i>					
Ratnapura	1,411	14,356	10,107	25,874	1,215
Kegalla	88	4,543	16,377	21,008	1,330

The nett acreage harvested is estimated to be 444,000 acres and the estimated production is 15,400,000 bushels.

(1) Excluding figures for Gal Oya Development Board colonized area.

VII—AGRARIAN SERVICES**Minor Irrigation Works**

These are confined to the improvement of existing works, restoration of abandoned village tanks, construction of small anicuts and channels involving concrete work. These have been carried out by this Department through the Government Agents assisted by Cultivation Superintendents and Village Cultivation Officers. The services of Irrigation Officers and Irrigation Overseers are made available to them. With the implementation of the Paddy Lands Act arrangements are being made for Cultivation Committees appointed under the Act, to take over the construction of Minor Irrigation Works under the supervision of Assistant Commissioners. A sum of Rs. 2,838,778-09 was spent by this Department on Minor Irrigation Works during the financial year 1957-58.

Issue of Seed Paddy Free and on Loan

Seed Paddy is issued to cultivators only when there are successive general crop failures owing to drought or other exceptional causes. Seed Paddy on loan is issued either direct to cultivators by Government Agents or by Co-operative Societies from loans issued to these societies by the Department of Agrarian Services. A sum of Rs. 187,593-26 was spent by this Department during the financial year 1957-58 on issue of free Seed Paddy and a sum of Rs. 886,187-84 on issue of Seed Paddy on loan by Government Agents while Rs. 1,458,637 was given on loan to Societies for Seed Paddy loans to members.

Salvinia Control

This work involves chemical control of Salvinia. Salvinia is a plant pest of recent introduction and its rapid spread has affected major waterways, irrigation channels and cultivable land. This plant pest is mainly confined to the coastal belt from Puttalam to Matara. Large acreages of paddy in these areas have subsequently gone out of cultivation due to this weed.

Of the various chemicals tested, the most effective have been the contract weed-killer with Penta-Chlorophenol as its active ingredient. The work done so far has led to the control of infestations in Kegalla, Chilaw, Puttalam and part of Colombo District, North of Kelani River. The total expenditure incurred during the financial year 1957-58 was Rs. 1,745,684-92.

Co-operative Agricultural Production and Sales Society Activities

The old C. A. P. & S. Societies are being converted to Multi-Purpose Societies. The total number of such Societies at the end of 1958 was 3,908. In addition there were 411 existing C. A. P. & S. Societies.

Loans are granted to these Societies for fertilizers, seed paddy, agricultural implements, barbed wire, &c., generally in kind. Cash loans are given for paddy cultivation, transplanting and harvesting. In 1958, 17,500 tons of fertilisers were distributed to Societies. The total value of loans granted to Societies in 1958 amount to Rs. 15,670,582-48.

The Guaranteed Price Scheme

The Commissioner of Agrarian Services is responsible for the administration of the Guaranteed Price Scheme and Rice Milling activities. Under the Guaranteed Price Scheme, a cultivator is offered guaranteed prices for certain items of agricultural produce and thereby a steady market for the produce is assured so as to encourage increased production. Government has offered guaranteed prices for the following commodities :—

Commodity	Prices Rs. c.
1. Paddy Grade	12 00 per bushel
2. Maize Grade I	14 50 per cwt.
Maize Grade II	10 50 do.
3. Kurakkan Grade I	15 00 do.
Kurakkan Grade II	11 50 do.
4. Sorghum Grade I	15 50 do.
Sorghum Grade II	14 50 do.
5. Red Onion Grade I	26 88 do.
(i) first month after harvest	20 16 do.
(ii) next six weeks	22 40 do.
(iii) at the end of (ii)	24 64 do.
6. Mustard	60 00 do.
7. Gingelly	38 00 do.
8. Chillies Grade I	134 40 do.
Chillies Grade II	119 84 do.
Chillies Grade III	105 28 do.
9. Green Gram Grade I	40 32 do.
Green Gram Grade II	35 84 do.
10. Tamarind	19 40 do.
11. Black Pepper	100 80 do.
12. Cow Pea	24 00 do.
13. Groundnuts	49 28 do.
14. Turmeric	84 00 do.
15. Coffee Grade I	224 00 do.
Coffee Grade II	134 40 do.

Implementation of the Paddy Lands Act

The Paddy Lands Act, No. 1 of 1958, became law on 1st February, 1958. One important feature of this Act is that provision has been made to restore tenancy to all tenant cultivators (with certain restrictions) who were on the land after 12th April, 1956, and to ensure that their rights are permanent and heritable. As a result a large number of evictions that have taken place after this date are now being inquired into by officers of the Department for the restoration of tenancy rights. So far the provisions of the Act have been made operative in the districts of Colombo, Hambantota, Kegalla, Kandy, Kurunegala and Anuradhapura.

An Assistant Commissioner has been appointed to each of these Districts and each District has been divided into Cultivation Committee areas, each Committee consisting of 12 elected members. Divisional Officers have been appointed under the Assistant Commissioners who work in close co-operation with these Committees to ensure that the various provisions of the Act and the numerous responsibilities devolving on these Committees, for example, enforcing irrigation rules, adoption of efficient methods and the maintenance of Minor Irrigation Works and channels, &c., are properly carried out.

Crop Insurance Pilot Project

Cabinet sanction was obtained for this project on 12th November, 1958, and the necessary legal sanction will be given when the Crop Insurance Bill is passed in Parliament. The selected areas for the purpose of the experimental project are located in five Districts.

The acreage insured is approximately 27,000 acres under the proposed scheme, unavoidable losses resulting from specified causes are covered by the payment of an indemnity. Maximum insurance coverage is approximately equal to the value of 50 per cent. of the long-term average yield of the paddy crop in these areas.

Working of the Food Production (Estate) Act

The proprietors of estates under permanent cultivation of tea, coconut, cocoa, citronella, &c., and not less than 33 acres in extent are required to cultivate a percentage of such extent in foodstuffs, such as paddy, manioc, plantains, &c., or pay to the Food Production Fund a sum calculated at the rate of Rs. 10 per acre per annum of the total cultivated area of the estate or Rs. 5 per acre during the off season of the year. The total amount credited to the Food Production Fund during the period 1st October, 1957 to 30th September, 1958, was Rs. 1,267,855.78. Of this amount a sum of Rs. 801,962.65 represents payments made by estate proprietors in view of cultivation of foodstuffs as against a sum of Rs. 824,516.61 collected during 1956-57.

Subsidy for Construction of Wells

In pursuance of the policy of encouraging the cultivation of subsidiary food crops, the Department of Agrarian Services continues to subsidise the construction of wells in areas which can be brought under crops only by obtaining water from wells. A sum of Rs. 277,121.59 was spent by this Department on this account during the financial year 1957-58.

VIII—ANIMAL PRODUCTION AND HEALTH DIVISION

Poultry

Mainly under the intensive extension and propaganda activities of this Department, the poultry industry of this country has made much headway. With the establishment of large capacity hatcheries the Agriculture Department initiated a campaign to educate the masses in the technique of the rearing of incubator-hatched day-old chicks.

In 1952 the demand for day-old chicks per week was only around 1,500. The Agriculture Department now produces nearly 9,000 chicks per week and the demand from the public far exceeds this supply. Meanwhile private enterprise has also stepped into provide custom hatching facilities. However, since the private sector has failed to meet the demand for day-old chicks created mainly by the activities of this Department, we had to step in to expand the hatching capacity as shown below :—

<i>At end of year</i>		<i>Incubating Capacity (per month) or Departmental Hatcheries</i>
	1956	13,800
	1957	18,000
	1958	34,900
early	1959	84,700
late	1959	143,500

Since the return of an officer especially trained in sexing of day-old chicks, the benefit of sexed day-old chicks was made available to the private poultry producer. Training of further local personnel has been started as a result of these activities. A total quantity of birds and eggs imported has dropped appreciably in 1958 when compared to the previous years.

Animal Husbandry

An average of 935 cows was in milk in the five major livestock farms controlled by this Department and amongst them produced 4,186,700 pints of milk valued at Rs. 1,674,680. Over 50 per cent. of cows at Ambawela and Bopatalawa cattle farms produced over 650 gallons each during a 305 day lactation period. An Ayrshire cow gave a record yield of 15,405 pounds during a similar lactation period.

340 pigs of the large white and large black breeds were sold for breeding from the livestock farms at Bopatalawa and Ambawela.

Much stress was also laid on pasture development mainly due to an unprecedented price rise of coconut poonac resulting in a high cost of milk production. Greater attention was paid to the establishment of pasture on large scale and action was initiated in carrying out a survey of the extents under improved pasture for determining to what extent it could be extended during the next few years. The demand for cows continued. The supply of breeding stock from departmental farms during the year was as follows :—

	<i>Neat Cattle</i>	<i>Murrah Buffaloes</i>	<i>Draught Breeds</i>
Stud bulls	47	6	—
Young bulls and bull calves for breeding	74	12	59
Bull calves issued under the exchange scheme	77	—	—
Cows	72	4	—
Heifers	70	7	25

At the end of the year there was a total of 140 stud animals stationed in 37 stud centres and another 62 stud animals were located with private individuals and local organizations. All stud animals maintained at Departmental stud centres and by local organizations have contributed much to the improvement of livestock in the respective areas. The number of stud services recorded in the Departmental stud centres has in most cases dropped below the number recorded in the previous year. This is, however, due to two main reasons :—

- (i) Number of bulls purchased as calves from departmental farms have begun to function as studs and a burden which has hitherto be borne solely by the department has been shared by the private breeders.
- (ii) In certain areas artificial insemination has become popular and replaced direct services from studs. During the year 1958, 16 bulls were used for semen collection and 15,207 cc. diluted semen were collected and used at 29 artificial insemination centres in the Island. A total of 2,309 cows were inseminated during this year.

On account of the higher hygienic standards required of the producers as a condition for the acceptance of milk by the Milk Board assistance from this Department was sought in regard to the lay out and construction of milk sheds by Estate Superintendents and other private individuals. To meet these frequent enquiries sketch plans of milk sheds to suit different conditions were prepared and supplied to applicants and in certain cases on the spot advice was provided.

With a view to developing the goat industry and to meet the big demand for good breeding material from private breeders, action has been initiated to purchase about 150 breeding male goats through regular importers of goats from India and to establish a large goat farm in the Hambantota District.

Veterinary Research

Experiments were conducted to find out cheap semen diluents which could be used under local conditions. It has been found that reconstituted skim milk, reconstituted complan and goats' milk can be used as semen extenders.

A pilot experiment was also conducted to find out ways and means to send semen by post to stations inaccessible by rail route. Initial trials have given promising results.

Veterinary Hospitals and Dispensaries

In the year 1958, 12,969 animals were treated at the Government Veterinary Hospital, Peradeniya. A total revenue of Rs. 13,094.99 was collected for the treatment of non-agricultural animals while agricultural animals were treated free. These Institutions also continued to serve as training centres for the students of the Faculty of Veterinary Science of the University of Ceylon, students of the School of Agriculture and field staff attached to this Department.

Activities of the National Milk Board

The National Milk Board was created by Milk Board Act, No. 12 of 1954, with the object of "establishing and maintaining efficient and cheap milk production and marketing services and promoting the establishment and maintenance of such services for the purpose of ensuring that an adequate supply of milk of good quality at reasonable prices is available to consumers of milk in Ceylon". In pursuance of this object, the Milk Board set up a number of processing centres to handle the milk produced in the various areas.

The centre in Colombo is the largest centre of the Board with a capacity of 50,000 pints a day of pasteurised milk and 15,000 pints a day of sterilized milk. By the end of 1958, this factory was handling over 21,500 pints per day.

By the end of 1958, the Board was marketing milk in Colombo, Dehiwala, Mt. Lavinia, Kotte, Kelaniya, Wattala, Moratuwa, Panadura, Kalutara, Kandy, Gampola, Kurunegala and Chilaw.

A number of Milk Bars were maintained in Colombo, and the Bars handled 325,195 pints of flavoured milk and 198,030 pints of plain milk. They also handled, in addition, 3,600 full pints and 4,000 half pints of ghee during the period.

During the year, the Board's field staff at the various centres did intensive field work in advising the suppliers.

CHAPTER VI

INDUSTRY

I—GOVERNMENT INDUSTRIAL UNDERTAKINGS

The general tempo of industry in Ceylon was on the whole satisfactory.

Seven industries were identified in a Ministerial Statement of Policy as constituting the determined area for State investment. They were in the manufacture of Iron and Steel, Cement, Chemicals, Fertilisers, Salt and its by-products, Mineral Sands, Sugar, Power Alcohol and Rayon.

To assist the private capitalist in deciding in what fields the Government would welcome an investment, the same Ministerial Statement indicated a list of 23 other industries which it considered desirable for furtherance through the current period of the development plan.

The incentives available to private industry consisted of a mixture of tariff reforms, tax holidays and partial exemption from personal tax on investment in approved industries. A complete tax holiday on all income and profits tax in the first six years of establishment is only given to those industries promoted by the State and to which the State has contributed some capital—vide Section 7A of the Income Tax Ordinance. Partial exemption to the extent of 5 per cent. is similarly given on income and profits tax to new and approved industrial undertakings for a similar period of six years—vide Section 7B of the Income Tax Ordinance.

By a further amendment of the Income Tax Ordinance, which only became operative at the tail end of 1959, an individual investment in an approved project would qualify that investment to be eligible for tax exemption as if it were a donation to an approved charity. Approval, however, was only confined to those industries which were determined to be for the economic development of this country.

State Corporations

By far the major development of industry was in the public sector. During the year 1958 State Corporations were established under the State Industrial Corporations Act for the manufacture of Textiles, the refining of Mineral Sands into components like ilmenite, monozite and zircon, the manufacture of sugar, the refining of salt and recovery of by-products, and for the administrative control over mechanised Carpentry Workshops.

Approval was also given for the expansion of the Cement Industry through the State Kankesan Cement Works Corporation by an increase of output from 80,000 tons to 200,000 tons per year.

The Ceylon Ceramics Corporation was given a loan to expand its output from 400 tons to 850 tons. Special financial provision was made for the independent establishment of a Kaolin Refinery with an output of 5,500 tons of refined Kaolin and insecticidal dust. The administration of this new enterprise was entrusted to the Ceylon Ceramics Corporation.

Financial provision for new projects of a far reaching nature was made for the establishment of a second Cement factory with an output of 125,000 tons, for a Cotton Spinning Mill with a million pounds of yarn, for a Cotton Textile Spinning and Weaving Mill with an output of 10 million yards, for a Steel Rolling Factory with an output of 35,000 tons of rolled steel, for preliminary work on the establishment of a modern Nitrogenous Fertiliser Plant, for the first of a series of State Brick and Tile Factories with an output of a million tiles and 600,000 bricks per year, for a Rubber Tyre and Tube Factory, for all classes of Motor Vehicles with an initial output of 120,000 tyres, rising thereafter to 360,000 tyres per year, and for the first Industrial Estate where land and certain basic amenities like power, fuel, water, repair facilities, marketing, &c., would be provided through a State Sponsored Organisation where 40 small and medium scale industries are to be housed.

The total investment contemplated on all these projects is estimated at 96.5 million rupees.

New Industries

Pending the report of the National Planning Council where the broad framework of the industrial plan would be outlined involving also the scale of investment over the 10 year period expiring in 1967, the Department of Industries independently pursued the question of speeding up its own plans for development. The following major projects were studied and analysed with a view to including financial provision by the Government :—

(a) CERAMIC INDUSTRY

Ample reserves of a good quality Kaolin in Boralessgamuwa suggested the further expansion of the Ceramic industry by the establishment of a second factory with an output of 1,500 tons, consisting of a 1,000 tons of crockery, 200 tons of sanitaryware, and 300 tons of glazed wall tiles. The estimated scale of investment is 6.6 million rupees.

(b) FERTILISER INDUSTRY

Studies on the possibility of nitrogenous fertiliser manufacture operating on peat, had to be abandoned owing to the high preponderance of sulphur and the undue percentage of moisture in the local deposits. While studies on this raw material are being continued through other agencies, the immediate plan was to set up a Nitrogenous Fertiliser Industry operating on standard techniques like the cracking of crude petroleum. The financial estimate for a plant to produce 200,000 tons of ammonium sulphate is 102 million rupees.

(c) ROLLED STEEL

The earlier plans to produce rolled steel through a factory to be supplied by the U. S. S. R. were considerably modified to take into account the two preparatory stages for the conversion of iron ore (local plus imported) to pig iron, and its subsequent conversion into standardised billets for drawing. The probable level of expenditure which has still to await the final report of the Soviet team, is estimated at 100 million rupees.

II—PUBLIC AND PRIVATE SECTOR

(d) JOINT ENTERPRISES—PUBLIC AND PRIVATE SECTOR

(i) Sheet and Pane Glass

Plans were completed for the establishment of a modern Sheet and Pane Glass factory, with Belgium capital participating, with an output of 3,000 tons per year.

(ii) Hardboard

Detailed studies were conducted on the possibility of converting the accumulation of coir dust estimated at a 100,000 tons per year into an appropriate hardboard for low cost housing. Negotiations were finally taken up with a private group, with prospects of participation of German capital, in setting up this industry with an output of 1,500 tons on an estimated capital investment of 4.1 million rupees.

(iii) Telephones and Telecommunication Equipment

The final studies on the possibilities of setting up this industry in Ceylon were completed and a promise of Japanese participation was received in a scheme to manufacture all the requirements of copper and other wire for telephones and telecommunication equipment and electric wire for domestic use, including a certain quantity of radios and plastic products. The projected scale of investment was estimated at 4.25 million rupees.

(iv) Confectionery Industry

The scheme for setting up a State Sponsored Confectionery Industry was not completed during the year. Initial negotiations with a Danish group broke down, and further negotiations were carried out with Italy and Japan. The projected factory is expected to produce, initially, 300 tons of a superior type of boiled sweet, rising to 700 tons.

(v) *Electric Bulbs*

A State Sponsored Company was set up to proceed with the establishment of an Electric Bulb Factory with Japanese capital participating. The scale of output (which was initially to be 1½ million bulbs per year) was revised in view of sharp increases in consumption. The final decision is to set up a factory with an output of 4 million bulbs in the more popular wattage ranges consumed in Ceylon.

(vi) *Boat Building*

Negotiations were completed for the establishment of a State Sponsored Mechanised Boat Building Factory with an initial output of 60 boats per year. Foreign skill was to be associated with this enterprise.

(vii) *Private Industry*

Batteries

A State Sponsored Company completed all formalities in the erection of its factory and installation of machinery for the manufacture of 12 million mono-type dry-cell batteries per year. Production is expected to commence in April 1959.

Bicycles

A Company has been set up to assemble initially 15,000 bicycles per year. Though production commenced early in the year, the scheme was later modified by bringing in a substantial amount of foreign capital to undertake full scale manufacture with a projected output of 35,000 bicycles per year.

Accumulators

A State Sponsored Company is to be set up to undertake manufacture of the more popular range of accumulators for motor vehicles. Negotiations were conducted with Japanese and British groups but by the end of the year, none of these had reached finality. The scale of output is to be 50,000 units per year.

Crown Corks

A private group undertook the manufacture of crown corks with an annual capacity of 2,500 cwts. By the end of the year the factory building was complete and the bulk of the machinery had been installed. Raw material is on order to enable production to commence by early 1959.

Wound Dressings

Two companies took up the manufacture of wound dressings. Their combined production is calculated to meet all the requirements of the country.

Paper Clips, Hair Clips, Pins and Gas Mantles

Two factories undertook the production of clips and pins, while one company added gas mantles to its range of production.

Fishing Nets

Encouragement was given to the establishment of a nylon fishing net industry which would effect considerable economies in the fishing trade. Production was undertaken by a major private cotton mill as a subsidiary activity.

Footwear

There was considerable expansion in the production of footwear, including leather and rubber footwear. The total amount produced is estimated at 1.4 million pairs per year.

The real difficulty in the speedy industrialisation of the country rests in the main on capital shortages and technical know-how. The absence of credit facilities through established banking institutions for financing the purchase of machinery on hire purchase has unnecessarily

created a burden on the private capitalist. Steps were taken to secure technical skills by recruitment through the specialised agencies. Experts on the Ceramics, Bulb, Refining of Mineral Sands, Sugar were secured for varying periods. A considerable amount of technical assistance was given to the private capitalist.

A Standards Council was formally instituted, and already the seven standards have been issued for the guidance of local manufacturers.

III—COCONUT INDUSTRIES

The Industries forming the subject matter of the preceding sections of this Chapter were of recent development. Till this new development took place the main industrial activity of the Island centred round the traditional Cottage Crafts (see Section IV) and a considerable range of Industries based on the principal commercial crops of the Island, namely, tea, rubber and coconut.

The manufacturing aspect of tea and rubber production is an inseparable part of the cultivation process and as such these industries were dealt with in Chapter V—Agriculture, which also deal with the cultivation of the coconut palms.

The coconut palm provides a number of products which are marked after they undergo varying degrees of processing.

Ceylon's total annual production of coconuts is now over 2,500 million nuts. Approximately fifty per cent. of this is exported in varying amounts in the form of copra, oil, desiccated coconut and fresh nuts.

Copra

Copra is manufactured in Ceylon by sun-drying, artificial drying (using kilns) or a combination of both. Observations confirm that if copra is dried to 6-7 per cent. moisture content and stored in well-ventilated dry stores at an even temperature it will not seriously deteriorate.

No variations in oil content of Ceylon estate copra with the time of plucking, normal fertilizer treatments, or situation of the estates have been observed ; about 68 per cent. of oil (dry weight) could be regarded as a representative average figure for the oil content of Ceylon Estate Copra.

The usual grades of copra recognised in Ceylon are Edible white, Estate No. 1, No. 2, No. 3 and mixed (fms.)

Copra exports in 1958 amounted to 27,700 tons.

Desiccated Coconut

This is manufactured in Ceylon primarily for export. It is usually sent in plywood chests, holding about 130 lb. The chests are lined with grease proof paper (usually of the kraft type) and sometimes packed with light baling pressure. In the presence of more than a minimum amount of moisture (about 3 per cent.) desiccated coconut is very susceptible to the attack of moulds, and excessive moisture is the prime factor in its deterioration. By reason of its fat content (over 70 per cent.) desiccated coconut is also liable to rancidity on prolonged storage, or exposure to light.

Good desiccated coconut as exported from Ceylon is pure white in colour and crisp and has the fresh taste of the nut. It contains from 68-72 per cent. oil and the free fatty acid of the oil is usually below 0-1 per cent.

Exports in 1958 amounted to 56,737 tons as against 48,899 tons in 1957.

Coconut Oil

As ordinarily prepared in Ceylon coconut oil is a colourless to pale brownish yellow oil, having (unless refined) a more or less pronounced odour of the coconut. This vegetable oil is characterised by the presence of high percentage of lauric and myristic acids and notable proportions of the lower saturated fatty acids. This makes the oil eminently suitable as a butter substitute in the manufacture, for example, of margarine.

Coconut oil prepared from copra, or refined coconut oil, keeps well for a fair length of time.

The coconut oil milling industry of the Island is extensive and the bulk of the commercial oil is produced using screw expellers and hydraulic presses.

The chekku mill is also employed but the oil pressed in this way is used mostly for domestic and culinary purposes and the process is much less efficient. Various grades of oil (depending mostly on the quality of copra used) are produced and are classed as "Edible White Commercial" and 'Mill' oils on the basis of their free fatty acid content and colour.

Besides the oil used for edible purposes, the local soap industry also makes use of a fair quantity of coconut oil. Exports of coconut oil were 44,336 tons in 1958 as compared with 54,074 tons in the previous year.

Poonac

Before 1940, exports of coconut cake (poonac) averaged over 20,000 tons a year. There has been very little export since 1940 and the policy of the Ministry of Agriculture in Ceylon is definitely to discourage its export, in order to retail this essential feeding stuff for the Island's livestock. There were no exports of this product in 1958. The principal importing country was Belgium.

Fibre

Two kinds of coir fibre—bristle and matress—can be produced from the husk of the coconut. There are nearly three hundred fibre mills in the Island for which the husks are obtained from surrounding estates and small-holdings.

A few decorticating plants for the dry milling of fibre are also now in operation in certain parts of the Island. The chief advantage of these appears to be the elimination of the retting process, so that the result in fibre is of a lighter colour.

Matress fibre is used for making coir yarn, ropes and matting and for certain classes of upholstery. Bristle fibre is widely used for brush making.

Ceylon is the largest exporter of coir fibre and the total exports in 1957 and 1958 were 72,129 tons and 75,777 tons respectively.

Coconut Shell Charcoal

The crude charcoal is made by burning coconut shells in pits with exclusion of air. Only a small quantity of coconut charcoal has been exported since 1940, although there is a moderate local consumption as fuel in laundries and bakeries, and for gas engines. Coconut charcoal is a useful absorbent for use in chemical industries and in gas masks.

Toddy

Toddy is mainly obtained from the coconut palm which thrives in the maritime provinces of Ceylon. When the flowering stalks or spadices, which contain a large quantity of schcharine juice supplied by the tree for the formation of coconuts are tapped before they open out, a juicy liquid known as sweet toddy is obtained which by process of fermentation is converted into fermented toddy. Toddy is also similarly obtained from the palmyrah palm which grows in the Northern and Eastern Provinces and from the kitul palm which grows in the hill country. Sale of toddy is controlled by Government licences and a considerable industry depends on the sale of toddy.

The average price per gallon of toddy is Rs. 3 for coconut toddy and Rs. 2.40 for palmyrah or kitul toddy. Consumption during 1958 was Rs. 4,713,163 gallons as against 5,127,751 gallons in 1957. This figure excludes approximately 3,111,200 gallons of toddy consumed under the Tree Tax System in the Jaffna Peninsula. Under the Tree Tax System a person can tap trees up to a maximum of 20 trees on payment of Tree Tax at Rs. 2.50 per male palmyrah tree and Rs. 10 for a female palmyrah tree or coconut tree. Under this system toddy is sold at the foot of the tree. Sweet toddy drawn from coconut, palmyrah and kitul palms is converted into treacle and jaggery by boiling. No licence is necessary at present to tap a palmyrah or kitul palm for sweet toddy but

a licence is necessary to tap a coconut palm. The Government has approved the re-introduction of licensing of kitul and palmyrah trees for tapping for sweet toddy and also has approved the recovery of fees on palmyrah and coconut trees tapped under Cottagers licences for the manufacture of sweet toddy. Necessary legislation to implement these decisions is being prepared.

Arrack Manufacture

Arrack and vinegar are products of toddy. The arrack industry is a Government monopoly, which earns the largest Excise revenue to Government. Arrack is produced by distillation of toddy in 9 large private distilleries in the Kalutara District under Government supervision and in the State-owned Distillery at Seeduwa. The quantities of arrack produced for the past 3 years are as follows :—

<i>Year</i>	<i>Nine Private Distilleries (Proof gallons)</i>	<i>State Distillery (Proof gallons)</i>
1956	697,487	119,660
1957	641,018	83,468
1958	749,617	170,291

The arrack distilled at the 9 private distilleries is purchased by Government at rates fixed by Government yearly under contracts with the distillers. The rate fixed for 1958 was 9.04 per proof gallon. The purchased arrack stored in wooden vats along with the arrack produced at the State Distillery and allowed to mature for periods varying from 1 to 6 years, before reducing, blending, flavouring, colouring and bottling. The arrack is then issued to renters in bottles and in bulk at fixed wholesale prices for sale in the Taverns at the fixed retail prices, which allowed the renter a profit of Rs. 6 per gallon of bulk arrack and Rs. 3.80 per gallon of bottled arrack. These taverns, like the Toddy and Foreign Liquor Taverns, are sold annually and the highest bidder gets the exclusive privilege to sell arrack within the local area of the tavern. Arrack consumption in 1958 was 1,491,641 gallons as against 1,414,931 gallons in 1957. The net profit for the year 1957-58 from the working of the arrack stock account was Rs. 52,500,013.

Vinegar Manufacture

Vinegar is produced by acetifying coconut toddy and it takes 10-14 weeks to complete the process. There were 10 licensees engaged in this industry and they marketed 127,451 gallons of vinegar in 1958. There is room for improvement of the quality of vinegar that is manufactured now.

Malt Liquor, etc.

Liquors of foreign types are also manufactured in Ceylon. The Ceylon Brewery, Ltd., Nuwara Eliya, manufactured 1,017,071 gallons of beer in 1958 and Mestiya and Rockland Distilleries manufactured 3,795 and 14,091 gallons of gin respectively in 1958.

Messrs. Parfums, Ltd., manufactures and sells Eau-de Cologne under a licence, and Rockland Distillery manufactures and sells rectified spirits in small quantities under a retail licence, besides selling Rectified spirits to Government for use in Hospitals.

IV—COTTAGE INDUSTRIES

Textiles (Power Loom Project, Kandy)

Production increased from about 6,000 yards a week at the beginning of the year to 23,000 yards a week towards the end of the year. The bulk of textiles produced were supplied to the Government Stores to meet the requirements of the various Government Departments. Among the chief lines reproduced were Hospital check cloth, Sarees, Cotton Cumblies, Sheeting, Drills, Long Cloth and Twills. The total value of these goods produced during the year was Rs. 816,949.15. The

6—J. N. R 8409 (3/60)

sizing Unit of this project, in addition to meeting the requirements of all the Power Looms under this scheme also supplied sized yarn beams to about a 1,000 Hand Looms in Puttalam, Kegalla, Kandy and Matale Districts. This scheme which was introduced at the beginning of this year and by which all the preparatory processes such as sizing, winding and weaving is done by power driven machinery, has enabled the reduction of the price of Hand Loom woven textiles by approximately 30 per cent.

Hand Loom Weaving

The work on the establishment of 1,000 Textile Centres was continued during the year. The position regarding the establishment of these Centres is as follows :—

1955	63
1956	220
1957	206
1958	156
	—
Total	645
	—

Co-operative Textile Societies

The registration of primary Societies has been stopped in the districts where Co-operative Textile Unions are well established and the bye-laws of these Co-operative Unions have been amended to permit individual weavers to become members of these Unions. New Textiles Unions have been registered at Hambantota, Anuradhapura and Mannar bringing the total number of Unions to twenty. A sum of Rs. 917,000 was granted to these unions in the form of Low Interest Loans to construct additional equipment for distribution to members as well as for marketing purposes.

Sized Yarn Weaving

The experiments started in 1957 in Sized Yarn Weaving have conclusively proved that the switch over from twisted yarn to single yarn weaving can be successfully introduced with a resulting lowering of the cost of production by approximately 30 per cent. Approximately 1,000 looms in the districts of Kegalla, Chilaw, Kandy and Matale have now been converted to the production of sized yarn sarongs. Sized yarn beams are prepared at the Power Loom Project in Kandy and distributed to these weavers through their respective Unions.

Coir

Under the re-organization scheme for the coir industry which is being undertaken by the department with the advice of an I. L. O. Expert buildings were put up at Balapitiya and Dodanduwa in the Galle District for the establishment of two coir mat weaving units. Sites have also been selected for the construction of buildings for similar workshops at Ratgama and Ambalangoda in Galle District and Bandarawatte in Matara District. A building has also been put up at the Industrial Research Institute at Velona for a Central Facility Plant which will give the finishing touches to the coir mats turned out at the mats weaving units referred to above before these are marketed. All these workshops are expected to commence production this year and arrangements have been made with the Indian Government to train three coir demonstrators of the Department in this work.

Under the Colombo Plan Technical Assistance Scheme, the Government of Japan donated a set of five Coir processing and Spinning machines and the services of a Japanese Technician was also made available to this Department for a short period to train the local personnel in the use of this machinery.

Wood Work

The training of departmental carpentry demonstrators in the operation of the motorised wood cutting machines at the Industrial Research Institute at Velona continued during the year under review. This training was conducted by an adviser on wood working from Australia sent under the Colombo Plan. Five sets of motorised wood cutting machines were purchased from Australia during the year and these sets were installed at the Departmental carpentry schools at Kadugannawa, Mirigama, Avissawella, Ratnapura and Kuliyapitiya. The Australian Government has also donated under the Colombo Plan 25 more sets of these machines to be installed in another 25 schools. The following 5 new schools were established during the year using five of these sets—Valana in Panadura, Malamulla in Kalutara, Chilaw, Polgolla in Kandy, and Gampola. Work also was started during the year on a Mechanised Wood Work Training Institute at Velona, Moratuwa, on the advice of the Colombo Plan Adviser on Woodwork. A building has been put up at a cost of Rs. 170,000 and machinery, tools, furniture, etc., valued at approximately Rs. 175,000 have been ordered. This workshop is expected to provide training to 80 persons at a time.

Smithy and Brass

Preliminary investigations have been made with a view to setting up a mechanised smithy workshop for the manufacture of agricultural and household implements. In regard to the Kandyan brass work industry, the Department has put up a building at Danture costing Rs. 25,000 and suitable machinery including an electroplating plant are being installed with the assistance of the Public Works Department.

Bamboo and Rattan

A Workshop for the processing of Bamboo and Rattan was set up at Mawilmada in Kandy in a building taken on rent from the Kandy Municipal Council. Machinery worth approximately Rs. 27,000 for cutting, splitting and weaving of bamboo and rattan were donated by the Japanese Government under the Colombo Plan.

Sugar Manufacture

Five centres were established at Polikandy, Chulipuram, Varathupalai, Manthuvil and Erlalai in Jaffna for the manufacture of sugar from Palmyrah Sweet Toddy on a cottage scale. It is too early yet to assess whether the manufacture of sugar from sweet toddy is an economic venture. The chief difficulty is that fermented toddy fetches a higher price in the market. A proposal to set up a centre in Kakapalliya for the manufacture of sugar from coconut sweet toddy is being examined by the Department.

Onion Kudoo

An intensive effort was made by the Department to increase the production of these kudoos in the three districts of Jaffna, Mannar and Vavuniya. The bulk of Ceylon's requirements are yet imported from India and it is the intention of the Department to make the country self-sufficient in this respect by encouraging the manufacture of these kudoos on a large scale in the Northern Province.

Gold and Silver

During the year under review 11,900 ozs. of gold were issued to individual craftsmen and manufacturing jewellers. The number of new manufacturing jewellers and individual craftsmen who have registered their names at the Kachcheries for the purpose of obtaining gold permits increased by 43 and 166 respectively. During the year 2,000 ozs. of silver in slab form and 3,000 ozs. in sheet were imported and issued to the craftsmen.

Dolls and Toys

The Department obtained the assistance of a Japanese Doll-making Expert and 2 technicians under the Colombo Plan to train local personnel in improved methods of Doll-making. These training classes proved to be a great success and the new methods are now being introduced in the field. The Department also obtained the services of a Wooden Toy Expert from Japan under the Colombo Plan towards the end of the year.

Basket Ware and Needlework

The Department also conducts short training courses for village girls in basket making and needlework. The demonstrators are generally stationed in a village for about 6 to 12 months and move out to another area after training a sufficient number of girls. There is a great demand for needlework demonstrators from villages and it is proposed to appoint at least one needlework demonstrator to each D. R. O's division.

Marketing

Marketing assistance to cottage industries has become a very important function of the Department. This assistance is particularly needed by Co-operative Cottage Industries Societies and individual craftsmen who would otherwise have to depend solely on middlemen traders to dispose of their finished products. The total purchases of all types of cottage industries goods, including handicrafts, increased from Rs. 10,845,666.22 in the Financial Year 1956-57 to Rs. 18,438,046.40 in the Financial year 1957-58.

Government Purchase Reference

The second chief method of assisting Co-operative Cottage Industries Societies to dispose of their goods was the arrangement by which all Government Departments were required to obtain their stores requisites as far as possible from these Societies. Prices of these products and their standards are fixed by the Official Price Fixing Committee appointed by the Government and the goods are channelled through the Government Stores Department. The chief items supplied to various Government Departments under this scheme and their values are given below :

	Rs.	c.
School Furniture	1,469,747	85
Office Furniture	537,483	79
Coir Salt Bags	543,943	68
Coir ropes, strings, net bags, &c.	95,125	66
Textiles	895,130	81

Sales Shops

The Ceylon Industries shops run by the Department at the Secretariat Premises, Colombo, and Queens Hotel, Kandy continue to be of great assistance, chiefly to those engaged in the production of handicrafts. These shops are becoming increasingly popular both among the local public and the tourists judging from the increase in sales.

Financial Year	Colombo Shop Rs. c.	Kandy Shop Rs. c.	Total Rs. c.
1955-56	160,734 62	15,265 00	175,999 62
1956-57	191,192 09	17,255 52	208,447 60
1957-58	240,178 82	16,909 16	257,087 98

Exhibitions

One of the chief ways of popularising products of cottage industries is through Exhibitions. The Department held two Exhibitions at the Colombo Art Gallery during the year, namely, an Exhibition of Pottery Ware in January, 1958, and an Exhibition of Textiles in December, 1958. The standards reached by the participants at both these Exhibitions were very high and were an improvement on the previous exhibitions held by the Department. Both Exhibitions were very popular with the local public and over 15,000 persons visited each of these Exhibitions. In response to popular demand a Sales Section was also provided at each of these Exhibitions which proved to be a great success.

Co-operative Development and Financial Assistance

It has been the policy of the Department to develop cottage industries as far as possible on co-operative lines, as this is the best means of securing for the small craftsmen the advantages of large scale organisations in regard to such matters as production, marketing and finances. Through collective action small industries have been able to secure for themselves the economies of large scale operations and thus strengthen their competitive position in the market. The co-operative form of organisation also becomes an effective channel through which government can provide advice and assistance to small industries. The number of registered co-operative industrial societies increased from 751 in 1957 to 799 in 1958 and the number awaiting registration increased from 222 to 374 over the same period.

The total amount of loans granted to Co-operative Industrial Societies since the inception of this scheme increased from Rs. 3,106,590 as at 31-12-57 to Rs. 4,190,090 as at 31-12-58. The total loans granted to these societies during the year under review was Rs. 1,083,500. State Aid Loans not exceeding Rs. 500 in each case issued to individual craftsmen increased from Rs. 300,850 as at 31-12-57 to Rs. 310,125 as at 31-12-58.

CHAPTER VII

SCIENTIFIC RESEARCH

I—AGRICULTURAL RESEARCH

Tea Research Institute

THE Tea Research Institute was founded in 1925, and is maintained by the tea industry by the proceeds of a cess of fifty-five cents per 100 lb. of made tea exported from the Island.

The Institute maintains a fully-equipped laboratory at St. Coombs Estate, Talawakelle, which is situated at an elevation of 4,500 feet in the heart of the main tea growing region. This 400-acre estate has its own factory which is equipped with modern commercial machinery and small-scale experimental plant. The Institute maintains clonal proving stations at Passara in the Uva District and at Neuchatel in the Kalutara District. Similar units are to be established in the Galle and Kandy Districts as soon as suitable sites are obtained.

General

In consequence of the introduction by Government in the latter part of the year of a scheme for the rehabilitation and replanting of old and uneconomic tea, a Symposium was held in Colombo on November 29th on the subject, in order to afford to members of the planting community an opportunity of discussing the technical as well as the administrative aspects of the scheme.

The Institute has entered into an agreement with the Ceylon Institute of Scientific and Industrial Research in regard to the conduct of co-operative investigations on the subject of "Instant" or "Soluble" Tea because of the importance of this aspect of tea technology in regard to the utilisation of the large output of low-quality mid-country teas. The work is yet at an initial stage of development.

The advisory work of the Institute in respect of both tea cultivation and manufacture continued to be heavy and occupies a good part of the time of the staff.

Research Activities

Agricultural Chemistry.—The normal activities of this Division have been carried out in relation to the soil and manurial problems of tea. An important line of investigation was that of copper accumulation in soils in view of the prospect of continued annual applications of considerable amounts of copper compounds to tea for the control of blister blight. Present indications are that most of the copper applied has remained in the top 3 or 4 inches of soil. As high elevation soils have high organic matter contents and are thereby more retentive of copper, and as these often occur in the worst blister areas, there is a possibility that toxicity levels in respect of copper might be reached in them over a long period of time. It is not possible, however, to say what level of soil copper will represent the danger mark, but it is most unlikely that the copper content of the made tea will be affected.

Continued emphasis has been given to the liberal manuring of Gautamala grass for thatching purposes and to increase soil fertility. An experiment initiated to test the economic limits of manure applications to the crop indicates that applications up to 12 cwt. per acre per annum will prove economical.

Biochemistry

A re-examination of the programme of the biochemical work of the Institute was undertaken during the year. Previous work had furnished indications of the importance of minor elements on the enzyme and chlorophyll contents of tea. More recently, leaf material from copper-sprayed plots have been found to have twice the polyphenol oxidase activity of that from non-sprayed plots.

Preliminary experiments also suggest that boron has an effect on both the polyphenol oxidase and pectase activity. An analytical study has been started on the composition of clonal leaf from St. Coombs with a view to ascertaining its relationship to quality. The quality of a clone appears to bear some relation to the hydrolysable volatiles but not to the free volatiles. Season appears to play a part in influencing the amount of the volatile components.

Technology

An investigation was undertaken on the effect of age from pruning on quality of tea. Clonal material from bushes 15 to 20 years of age was used in the investigation. Results to-date show that there is little to choose between teas one year, two years and three years from pruning, although the oldest leaf shows slightly improved quality. Another trial to test the effect of different levels of inorganic manures on quality has indicated that nitrogen at the 40 lb. level gives teas which are preferred to those at the 80 lb. level. Phosphate and potash have shown no beneficial quality responses.

An important development in the year was the "Keegel" cone. It is designed to solve most rolling problems and has so far given satisfactory results. A new thermoplastic film called 'Saran' was tested and found very suitable for the packing of tea.

Entomology

Apart from shot-hole borer which received the concentrated attention of the Specialist Entomologist for this pest, attention was directed chiefly to the study of problems dealing with the control of mites and nettle grub. Apart from the application of wettable sulphur for the control of yellow mite and the subsequent discarding of two or three rounds of pluckings to avoid taint, no effective control measure for this pest has yet been found. Akar, a non-tainting acaricide, is recommended for the control of scarlet mite, red spider and purple mite. The granulosis disease known as "wilt" which attacks the fringed nettle grub was also found to attack the cosmopolitan caterpillar (*Prodenia litura*), a pest of tea recovering from pruning. Spasmodic appearances of tea tortrix were traced to the failure or absence of the parasite *Macrocentrus homonae* resulting from the toxic effects of certain insecticides on the adult parasites. Attention was also given to the study of the white-grub pest which was reported to affect young tea very adversely on a few estates in the Nuwara Eliya district.

As regards shot-hole borer, work was confined almost solely to the chemical control of the pest on tea in plucking. This was carried out by two methods: (1) by spraying the lower parts of the bush, and (2) by spraying the soil around the bushes. Of the insecticides tested for spraying the bushes, dieldrin has given the most promising results in regard to the mortality of beetles. No practical recommendations can, however, be made at present in regard to the use of chemical for spraying against the pest as the effect of these on other pests and on the made tea have yet to be determined. No results have yet been obtained from experiments on spraying the soil.

Plant Pathology

Much attention was necessarily devoted to investigations on blister blight control. An important finding from experimental trials was that considerable savings in spraying costs can be achieved if spraying is carried out on the basis of sunshine records. It is proposed to carry out these investigations on a field scale during the next south-west monsoon. Field experiments also confirmed that copper formulations used at the recommended rates for the control of blister blight had no adverse effect on the yield of tea. The preliminary trials with the use of stickers in conjunction with copper fungicides indicated that during a mild monsoon season where the general level of infestation of blister blight was very low, the addition of stickers did not appear to have much effect.

Much attention was given to the study of the virus disease *Phloem necrosis*. Temperature would appear to be a major limiting factor in regard to its occurrence. The problem of 'up-country' or 'lower leaf' chlorosis in relation to magnesium deficiency was investigated by various methods.

Plant Physiology

Experiments on "bringing into bearing" indicate that centering at an early stage or repeated thumb-nailing at close intervals, is disadvantageous. Occasional thumb-nail pruning and layering have given beneficial results. Pre-pruning experiments carried out on several estates show that pre-pruning decreases dieback in certain cases, but that the yield of pre-pruning bushes is the same as that of normally pruned bushes in most instances. The effectiveness of pre-pruning depends on the time of pruning, the period the sides are left to recover, condition of the bush, the presence of shot-hole borer, &c.

Field experiments on plucking methods again showed that continuous fish leaf plucking is highly detrimental to the bush, diminishing its size and frame with each successive pruning cycle. Fish leaf plucking following a considerable period of normal plucking after pruning gives a marked increase in yield. A new pruning cycle experiment being carried out at Endane estate in the low-country indicates that pruning cycles longer than 1½ years may result in a high degree of infestation by shot-hole borer during the latter half of the second year. The six-year pruning experiment at Ingiriya concluded during the year shows that an 18-month cycle could be adopted with advantage where diseases or pest factors such as those mentioned above tend to limit the length of the pruning cycle.

An extensive shade experiment using artificial shade and clonal plants was initiated at different elevations in order to obtain data on the effect of light intensity and temperatures on plant growth.

Vegetative Propagation

Trials confirm that tea soil is not a suitable medium for either cuttings or young plants. Guatemala soil or a mixture of sub-soil, sand and peat in equal proportions are suitable both for propagation and for use in baskets. During the year over 140,000 cuttings were distributed to estates and 8,000 used for experimental purposes. The total number of clones on trial at St. Coombs is 285 of which 167 are from outside estates.

Good progress was recorded at the Vegetative Propagation sub-stations at Passara and Neuchatel. A total of 68 clones is being tested out at the former and 50 at the latter. Clones 2023, 2026, 2025 and 2024 appear to be outstanding at Passara and clones 18, 2023, 2024 and 2026 are making most progress at Neuchatel. At Enselwatte, in the Deniyaya district, clones 2023, 2026 and 2024 have shown best growth, but the two former are susceptible to blister blight.

Nematology

Considerable work has been carried out on various aspects of research in relation to the control of eelworms attacking tea, particularly in respect of resistant varieties and on the effect of cover crops in relation to the pest. The most outstanding finding has been that Marigolds (*Tagetes sp.*) markedly suppress eelworm infestation and also serve as a promising cover crop when intergrown with newly planted tea.

Guatemala grass and several species of *Crotalaria* were also found to be fairly resistant to the meadow eelworm, whereas *Tephrosia* tended to maintain the eelworm population.

St. Coombs Estate

In 1958 the estate had its most successful year on record. The crop harvested was 320,080 lb. working out to a yield of over 1,200 lb. per acre. This yield was not, however, obtained at the expense of quality. Prices fetched at the Colombo auctions for St. Coombs teas were very satisfactory, considering the adverse market conditions which prevailed during the year. The net sale average for St. Coombs teas approximated Rs. 2.92 per lb. The profit for the estate for the year was Rs. 445,000, the highest in its history.

Rubber Research Institute of Ceylon

The Rubber Research Institute of Ceylon constituted under the Rubber Research Ordinance (Cap. 302) and financed by a cess of 50 cents per 100 lbs. of rubber exported, has its headquarters at Dartanfield Estate, Agalawatte.

There are four Technical Departments, namely, Botany, Plant Pathology, Soils and Chemistry in addition to Small Holdings Advisory Department.

An interest-free loan of 1 million Rupees has been obtained from Government for the establishment and development of three sub-stations, each of about 300 acres in Sabaragamuwa, Kegalla, Galle District.

Botany

47 Dothidella-resistant Heva clones (some of which are also tolerant to Phytophthora), three Firestone clones and 23 selected Dothidella-resistant clones were successfully established in the nurseries of the institute during the year.

Ten RRIC local clones established in small scale trials in 1943 and 1944 have yielded more than 30 lb. dry rubber per tree in 1958. Four of these clones, RRIC 28, 41, 45 and 75, have yielded more than 40 lb. per tree in 1958; the yields are based on 2 to 3 of the original budgrafts established from hand pollinated seedlings.

Younger RRIC five-tree clones established in trials in 1947 and 1948 show promise of high yields and fifteen of these clones have yielded over 20 lb. dry rubber per tree during the year.

A plant breeding section of the Botany Department was established in July, 1958; with the assignment of a Plant Breeder to the Rubber Research Institute of Ceylon through the "Technical Aid Program" of the United States Operations Mission.

The programme of this section is to continue the present line of Hevea Breeding work, carried out by the Botany Department, and to lay down a future breeding programme with the material introduced from South American countries.

As a preliminary to the commencement of a large scale breeding programme for resistance to diseases, crosses of the Oidium resistant clone LCB 870 with clone PB 86 and other clones have been used for further crossing with high yielding vigorous clones RRIC 52 and LCB 1320, both of which are partially tolerant to Oidium and Phytophthora diseases.

The testing of imported Dothidella-resistant clones and clones established from local crosses with clone LCB 870 for resistance to Oidium and for tolerance to Phytophthora under Ceylon conditions is to be carried out in co-operation with the Plant Pathology Department at a high elevation estate, above 2,000 feet, where the Institute has been promised the use of about 4 acres for carrying out such tests.

The aim of the Plant Breeding Section is to finally produce high yielding clones with good secondary characters, which will include resistance to disease caused by Oidium and Dothidella and tolerance to Phytophthora in the shortest possible time in the most practical way.

Experiments on yield stimulation carried out on 30-year old budded trees on high ladder cuts have shown a yield increase of 50 per cent. over the control trees tapped on alternate days on a high "V" cut. The stimulant was applied once in six months.

Plant Pathology

The incidence of Oidium leaf disease was mild in most districts. Some estates reported a complete absence of the leaf disease. The low incidence of the disease was due to unfavourable conditions for the development of the fungus and the routine use of adequate control measures by sulphur dusting.

Without adequate control measures against Oidium, areas with a long drawn out wintering period were severely affected with Oidium, especially the more susceptible clones like Tjir 1 and BD 5.

Leaf fall caused by *Phytophthora*, although fairly heavy in some districts, was less severe in 1958 than in the previous year. The Kalutara district was the worst affected compared with other rubber growing districts.

The general weather conditions in 1958 were less favourable for the development of leaf-fall caused by *Phytophthora* than in 1957. The provision made by an increasing number of Estate Superintendents for dusting the more susceptible clones or particular fields with copper fungicides also helped to effectively control *phytophthora* leaf disease and prevent the spread of the disease to other areas.

Results of ten experiments with copper based fungicides covering 248 acres on 5 estates in 1958 showed that copper based dusts were the most effective and economical ; there were no differences between cuprous oxide and copper oxychloride preparations or between various proprietary brands of fungicides containing 4 per cent. copper. A rate of application of 8-10 lb. per acre and round, with dusting rounds spaced at about 5 day intervals, gave adequate protection.

A proprietary copper-based dust with a special incorporated sticker and containing 1 per cent. copper was found to be as effective as ordinary copper-based dusts containing 4 per cent. copper.

Antimucin, an organo-mercuric compound was found to be the most effective water-miscible fungicide against the incidence of bark-rot caused by *Phytophthora*. Laboratory results have been amply confirmed by large scale field trials.

Laboratory tests with different chemicals showed that Tillex liquid, another organo-mercuric compound, was the most effective fungicide for the control of White-Root disease, *Fomes lignosus*. This fungicide has given excellent results under field conditions for the curative treatment of young rubber trees attacked by *Fomes lignosus*.

Soils

An advisory system based on plant and soil analysis has been started and samples from eight estates have been analysed during the year.

The manurial trials carried out at Dartonfield and Hedigalla stations have shown the importance of phosphate manuring for growth and yield.

Five manurial trials were in progress on outside estates during the year and a further experiment was laid down on an estate in the Moneragalla district with an annual rainfall of about 80 inches.

An experiment to test the effect of high, medium and low potash in NPK mixtures has been initiated on an estate in the Kalutara district.

Studies of cover crops have been extended to include Guatemala grass (*Tripsacum laxum*), which is being increasingly grown on rubber estates to prevent soil erosion and for providing material for thatching along the planting rows. This grass has a high content of potash.

Chemistry

The work started in 1957, on the limitation of contamination when copper fungicidal dusts are used for the control of *Phytophthora* leaf fall, was continued. Two information leaflets were issued to estates on this subject.

An appreciable number of estates have been visited for advice on manufacturing problems of both crepe and smoked sheet, and on prevention of pre-coagulation in the field.

Advice has been given on the use of anti-coagulants, bulking of latex to obtain uniform products, milling and drying of blanket crepe and sheet.

Smallholdings

Co-operative Sulphur Dusting of smallholdings has been expanded to meet the needs of smallholders and 4,782 acres in 1,471 holdings were successfully dusted during the *Oidium* season. This constitutes the largest acreage of smallholdings to be dusted in any one season.

A survey of infection of smallholdings by the White Root disease caused by *Fomes lignosus* has revealed a high incidence of the disease. 2,243 smallholdings (21.2%) replanted during the 4 year period 1953-1956 were found to be infected, but the extent of infection within a holding was generally small.

Field Officers of the Department conducted 105 sheetmaking demonstrations in addition to numerous tapping and disease control demonstrations.

Considerable assistance was given to smallholders to replant their land in accordance with the requirements of the Rubber Replanting Subsidy Scheme, and in this connection 1,476 holdings covering 2,080 acres were lined by Rubber. Instructors for soil conservation works and 1,858 holdings covering 2,706 acres were lined for planting holes.

Coconut Research Institute

A scheme for research on coconuts was initiated in 1929 under Ordinance No. 29 of 1928 ; in 1951 it was finally established as the Coconut Research Institute of Ceylon with Headquarters at Bandirippuwa Estate, Lunuwila, and a sub-station at Ratmalagara Estate, Madampe.

A sub-station has been recently established at Puttukulam. In addition to research on the selection, breeding and improvement of coconut palms and on coconut soils, fertilizers and manufactures of coconut products, this Institute is now studying the problem of animal husbandry in relation to coconut.

Divisions of Agrostology and Crop Protection have been recently established.

A scheme for rehabilitation of the coconut industry was initiated in 1949 and this work is gaining momentum. A number of large central nurseries for the production of high-grade seedlings have been established and it is estimated that about 100,000 acres have been planted or replanted since the inception of the replanting projects. The required rate of replacement is estimated to be about 15,000 acres per annum. An isolated seed-garden, 200 acres in extent, was established in 1955 in Ambakelle Forest to meet the future requirements of the whole of Ceylon for high-grade seed-nuts.

Work on the production of artificial pollinated Tall x Tall and Tall x Dwarf hybrids have been stepped up.

A manure subsidy Scheme was commenced by Government in 1956 and has been operative in 1958.

An Advisory Service for small-holders has also been started and the officers appointed for this work operate in close collaboration with the numerous Coconut Producers' Co-operative Societies and Rural Development and Welfare Societies now in existence. The issue of Advisory Leaflets, bulletins in Sinhalese, Tamil and English and the publication of the "Ceylon Coconut Quarterly" and a Sinhalese Newspaper entitled "Pol Pawath" are carried on by the Research Institute.

II—INDUSTRIAL RESEARCH

Since 1955 the principal organisation for general industrial research, technical development and advisory services to industry has been the CEYLON INSTITUTE OF SCIENTIFIC AND INDUSTRIAL RESEARCH, familiarly known as the CISIR. The Institute has achieved international recognition and is one of the finest institutions of its kind in this part of the world.

The CISIR is an autonomous corporate institution established by Parliamentary Act No. 15 of 1955, and patterned in general after well-known non-profit Applied Research Institutes in major industrial countries. It has its own Governing Board, administration, and full-time staff of practical research engineers, scientists, industrial organisation and management consultants, and assistants experienced in a wide variety of fields. The bulk of the Institute's work is now conducted in its new modern laboratories and central headquarters in Colombo, while a regional branch laboratory is operated in the Gal Oya Valley. In addition to laboratories, for its research and pilot plant requirements the CISIR maintains one of the most up-to-date workshops in the Island.

The Institute's broad technical services are available equally and confidentially to individual private firms, producers' associations, financial institutions, government departments, specialized research institutions, and others. The actual costs of work performed for individual account are reimbursed to the Institute by both private and government clients—in the latter case partly through a statutory government grant during the first five years. Additional support is received through the World Bank, United Nations, Colombo Plan, U. S. O. M., Asia Foundation and other Agencies and private donors interested in furthering Ceylon's economic development through this means.

The objects of the C. I. S. I. R., as set forth in its Act of Establishment, are :—

- (a) to undertake testing, investigation and research in such manner as the Institute may deem advisable with the object of improving the technical processes and methods used in industry, of discovering processes and methods which may promote the expansion of existing or the development of new industries or the better utilisation of waste products.
- (b) to advise on questions of scientific and technological matters affecting the utilisation of the natural resources of Ceylon, the development of her industries, and the proper co-ordination and employment of scientific research to those ends ;
- (c) to foster the training of research workers ;
- (d) to foster the establishment of associations of persons engaged in industry for the purposes of carrying out scientific and industrial research ;
- (e) to undertake or to collaborate in the preparation, publication and dissemination of useful technical information ;
- (f) to co-operate with departments of Government, universities, technical colleges and other bodies in order to promote scientific and industrial research and the training of investigators in pure and applied science and of technical experts, craftsmen and artisans ; and
- (g) to assist otherwise in the advancement of scientific and industrial research and technical training.

A large part of the Institute's work consists of applied research on specific problems of Ceylon's industries, such as discovering how to improve a certain product, how to reduce a manufacturing cost without sacrificing quality, how to use a new raw material or a waste product profitably, or how to correct an annoying production difficulty. This includes efficiency studies, factory design and layout, cost accounting, production scheduling and management counsel. Close liaison is maintained with the DEVELOPMENT FINANCE CORPORATION OF CEYLON and other leading financial institutions concerned with sound development of new industrial projects.

An integral part of the Institute's activities is the gathering and dissemination of technical information on varied aspects of industry. In furtherance of this objective the CISIR affords free use of its outstanding Technical Reference Library, and operates a Technical Information Service for the public. The Institute also plays a prominent participating role in the establishment and maintenance of Ceylon standards of production quality, and in matters of testing performs the functions of a bureau of standards for the Island.

As of the close of its fourth fiscal year the Institute's services had been engaged by 214 organisations, mostly private manufacturing concerns and producers' associations but including also three other Research Institutes, three financial institutions and more than a score of Government Departments or Ministries and Government-owned factory corporations. In addition to these the CISIR itself initiates numerous research studies which offer prospects for the creation of new Ceylon industries.

CHAPTER VIII

MINERAL RESOURCES

I—MINERALS

UNTIL recently ground survey techniques have been the chief means of investigating the mineral resources of a country but with the development of aerial survey methods a new technique has become available to the geologist and the prospector. The comparative ease and speed of aerial surveys have made this a useful tool in resources surveys of all types, which in its application to mineral exploration has led to the development of air-borne geophysics.

Geological Surveys

A complete aerial survey of the entire Island was carried out through the assistance of the Government of Canada under the Colombo Plan Programme of Technical Assistance in 1956. The basic photography was on the scale of 1 : 40,000 and from the photograph semi-controlled mosaics on the scale of 1 : 31,680 were prepared. As an extension of the Aid from the Government of Canada under the C-Plan, an air-borne geophysical survey of approximately 8,000 sq. miles, comprising mainly the south-west sector of the Island, was carried out in the early part of 1958. Two geophysical quantities were measured simultaneously—the earth's total magnetic field and radiation due to radio-activity. Flying at approximately 500 feet above the terrain, variations in the earth's total magnetic field and radio-activity were measured and recorded automatically. The total line mileage involved in the survey was approximately 21,000 miles at $\frac{1}{4}$ and $\frac{1}{2}$ mile line spacing. In addition to the area covered by the $\frac{1}{4}$ and $\frac{1}{2}$ mile line spacing, a few long profiles were flown across the northern half of the Island ; these were of a reconnaissance nature and each profile consisted of four parallel lines each one mile apart.

The reduction of the data and the plotting of the results to produce contour maps was carried out in Toronto and most of the worked sheets were received by the end of 1958. As a follow-up of the air-borne surveys, a programme of ground surveys has been drawn up to check all areas showing anomalous values, and ground work commenced in the Kaikawala and Kosgoda areas to test radioactive anomalies. The ultimate objective of all this work is to demarcate promising areas for more detailed ground work as a preliminary to diamond drilling which, in the final analysis, is the only method of proving buried mineral deposits.

Graphite

The graphite mining industry passed through one of the most difficult phases in the history of mining in Ceylon, and there were only 12 mines working in 1958 as compared with 20 in the previous year. Exports of graphite in 1958 dropped 31 per cent. as compared with exports in 1957. The large mines have all curtailed their production and are maintaining their workings in the hope of an improvement in the near future.

The total quantity of graphite exported during the year amounted to 5,637 tons valued at Rs. 3,822,147 as compared with 8,190 tons valued at Rs. 5,945,100 in the previous year. The average price per ton worked out at Rs. 678 as compared with Rs. 726 in 1957. The principal buyers were the United States of America, U. K., and Japan, 79 per cent. of the exports going to these three countries. 33 per cent. of the exports went to U. S. A., 27 per cent. to the U. K., while 19 per cent. of the exports went to Japan.

Monazite

The Pilot Plant for the refining of monazite from monazite-bearing beach mineral sands continued to work satisfactorily during the year under review. Production in 1958 was still confined to a semi-refined grade and amounted to 112 tons during the year compared with 137 tons in the previous year. Seasonal monazite-bearing concentrates were collected from the Beruwala and Kaikawala beaches during the months of June and July.

Certain improvements are being carried out at the Plant and additional machinery will be installed shortly. An Exolon Separator was received in the latter half of 1958. With the installation of the Exolon it will be possible to resume the production of first quality monazite and to convert the existing stocks of the semi-refined grade into first quality. The improvements to the Plants are also designed to eliminate the high tailing losses which take place at present and to double the capacity of the Plant. When the improvements are completed, the Plant should have a capacity of producing approximately 250 tons of refined monazite per annum.

Pulmoddai Beach Sand Deposit

A State-sponsored Corporation has been formed for the development and exploitation of the beach mineral sand deposit at Pulmoddai. The Corporation proposes to set up an ore-dressing plant at Pulmoddai for the refining of the mineral sands. The site has already been cleared and construction work on the building is in progress, while orders for some of the machinery have already been placed. The Plant will have a capacity of treating 100,000 tons of raw sand per annum and the principal product will be ilmenite with rutile and zircon as by-products.

Precious and Semi-precious Stones

Gem mining activity continued throughout this period. Precious and semi-precious stones in large variety are found as alluvial and riverbed deposits in the Ratnapura District and in the south-west portion of the Island. The most important gem stones are the sapphire, ruby, chrysoberyl, aquamarine and the semi-precious stones topaz, spinel, garnet, zircon, tourmaline and moonstone. The last named is mined from a decomposed pegmatite. Estimates of production are not available but the average annual value of the production is believed to be of the order 2 to 2½ million rupees. A part of the production is sold within the country and part of it exported. No figures are available for the exports or the principal destinations of the exports.

Mica

No mica mines were worked during the period under review.

Clay Investigations

Boring investigations for clays suitable for the manufacture of tiles were undertaken in the Kandy District in connection with a proposal to establish a Brick and Tile Industry in the Kandy area. Two drilling crews were at work and the following areas were investigated :—

Illukwatte,
Katugastota,
Madawala, and
Weuda.

Two hundred drill holes were put down in these areas with a total footage of over 2,100 feet. Pilot Plant tests are being carried out in the Department's Laboratory to assess the suitability of clays from these areas for the manufacture of tiles and other structural clay products.

Muthurajawela Peat Deposit

The re-examination of the Muthurajawela peat deposit which commenced in the previous year continued in the dry seasons of 1958. Up to the end of October 1958, 120 bore holes had been completed with a total footage drilled of approximately 1,520 feet, covering roughly two-thirds of the peat field. Of the 120 bore holes, 39 bore holes are situated in the Kudahakapola peat field which is a small branch of the main Muthurajawela Swamp while the remaining holes are in the main Swamp. The full range of laboratory tests on the samples of peat collected from the bore holes are being carried out in the Department's Laboratory and include the determination of moisture, ash, volatiles, nitrogen, total sulphur and combustible sulphur.

Bulk samples of peat from the Muthurajawela peat field have been sent to the State Institute for Designing of Peat Enterprises in the U.S.S.R. under the Agreement between the Government of Ceylon and the Government of the U.S.S.R. on Economic and Technical Co-operation. The samples have been sent for test purposes to determine the suitability of the peat for the production of ammoniacal fertilizers or as a fuel, and for advice regarding the de-watering of the Swamp and the mining and drying of the peat. A preliminary report on the work completed up to the end of 1958 on the Muthurajawela peat deposit was prepared and sent to the State Institute.

Quartz Sands

High grade glass sands containing 98-99% silica occur as surface deposits on the north-west coastal belt of the Island and at a number of other points. 1,958 tons of glass sand valued at Rs. 19,580 were exploited for glass manufacture during 1958.

Limestone

Sedimentary limestone of Miocene Age of a high degree of purity, suitable for cement manufacture, are found in large quantities in the Jaffna Peninsula. 101,290 tons of Miocene limestone valued at approximately Rs. 425,000 were exploited for cement manufacture during 1958.

Kaolin

Large reserves of kaolin, estimated provisionally at several million tons, have been proved by drilling in the Boralessgamuwa area, south-east of Colombo. Samples of the Boralessgamuwa clay have been tested in the Laboratories of the Building Research Division of the C.S.I.R.O., Australia; in the Central Glass and Ceramic Research Institute, Calcutta; and in the Chemisches Laboratorium Fur Tonindustrie, Berlin. All these reports confirm that utility crockery can be made from the Boralessgamuwa clay.

In the raw state, the Boralessgamuwa clay consists of almost equal parts of kaolinite and quartz, and on satisfactory refining by washing, it produces an almost pure kaolinite suitable as a base for utility crockery and stone-ware goods. By further refining and the removal of small amounts of iron-containing minerals, the kaolin is suitable for the manufacture of china. The development of these kaolin deposits has been entrusted to the Ceylon Ceramic Corporation.

Mineral Exploration Project

A programme of mineral exploration by means of diamond drilling was inaugurated in March 1958 with the aid of two drills gifted to this Department by the I.C.A. under the American Aid Programme. The Programme also provides for the services of a Drilling Adviser for training of the local staff in diamond drilling. The investigation of the surface and sub-surface iron-ore deposits of the Ratnapura District was first undertaken and drilling commenced in Dela and Noragolla Estates, where 16 drill holes were completed with a total footage of over 3,000 feet. Drilling investigations for iron-ore were temporarily suspended in order to undertake urgent raw material surveys for the proposed Second Cement Works, but will be resumed at a later date.

Second Cement Factory Investigations

Towards the end of 1958, a programme of systematic diamond drilling commenced in the Puttalam North area in connection with the proposal for the establishment of a Second Cement Factory. Besides diamond drilling for limestone, boring operations are also in progress for clays suitable for cement manufacture.

Activities of the Department of Mineralogy

The Department of Mineralogy is responsible for the systematic geological survey of the Island and the supervision of the Mining Industry. The Geological Survey Branch of the Department undertakes geological mapping and specific mineral investigations, while the Mines Branch is concerned chiefly with the administration of the Mining Enactments of the Island. Alongside the functions of geological mapping, specific investigations of economic mineral deposits, engineering geology and water supply were undertaken, and the Department continued to play a useful part in the planning and development of the Island's industrial projects.

Considerable progress has been made in geological mapping and the geological maps of the following areas are now with the Printer :—

- (i) Polonnaruwa 1 in. Sheet,
- (ii) Rangala 1 in. Sheet, and
- (iii) Tectonic Map of the Island on the $\frac{1}{4}$ in. scale South-East and South-West quadrants.

II—THE SALT INDUSTRY

Most of the salt in Ceylon is manufactured by the solar evaporation of sea water. According to this process, sea water is obtained, either from the open sea at Hambantota or from enclosed lagoons as at Puttalam and at Elephant Pass, or through long brine aqueducts as in the Jaffna Peninsula. This brine, however procured, is impounded in earthen enclosures and allowed to evaporate under the action of the sun and the wind until salt is formed. In most of the salt-producing centres, there is a certain amount of control over the movement of the seawater, so that seabrine can be admitted wherever desired, and salt can be made to form wherever it is most conveniently collected. Before the salt forms there are two other substances which form, namely chalk and gypsum.

The requisites for manufacturing salt are, firstly, large extents of flat, clay ground, which can be easily irrigated by seawater ; and secondly, a hot dry climate. Tidal lands suitable for manufacture of salt are plentifully available in Ceylon. The Ceylon climate, however, is not ideal, because even in the driest part of Ceylon the humidity is very high, and there is quite a large rainfall throughout the year.

Prior to 1920, salt was manufactured and collected largely by private enterprise, subject to a system of licensing and Government supervision for the collection of what amounted to a variable excise duty. Due to the inefficiency of the system itself, widely fluctuating outputs, insufficient production, poor quality and lack of knowledge of various factors, two model salterns were established by the Government, one at Elephant Pass in the North of Ceylon, and the other at Palavai in the north-western part of the Island. These two model salterns came into production in the early twenties. However, most of the private salterns still remain in existence and have hardly learnt at all from the practices followed in the Government's model salterns.

At present, there are as many as 15 salterns of widely differing productive capacities lying along the dry coastal areas of the Island. There have been many more in the past, and every now and again applications are being received to open them up. Government also keeps on exploring the possibilities of re-opening some of these abandoned salterns.

The Government, through the Salt Department, is the only primary seller of salt in Ceylon. Salt is manufactured and collected in several Government Salterns and in about 15 private salterns.

The full extent of the damages inflicted by the floods of 1957 was only seen towards the middle of 1958, when, despite fair weather, no salt was being produced anywhere in Ceylon, and even the available brines in lagoons were heavily loaded with fresh water. In consequence of this, the year 1958 was one of the worst productive years on record, despite every effort to make and collect salt. The following table gives the production of salt for the period 1948 to 1958.

TABLE 8.1 SALT STATISTICS, 1948-1958

Year	Quantity (tons)	Cost (Rs. ton)	Year	Quantity (tons)	Cost (Rs. ton)
1948	77,429	18.60	1954	50,434	32.50
1949	28,220	26.00	1955	38,905	34.60
1950	66,859	22.00	1956	106,565	20.20
1951	25,834	56.00	1957	80,192	20.43
1952	45,308	28.00	1958	17,877	76.40
1953	57,026	32.65			

By-products at present manufactured and marketed include Table Salt, Gypsum, Plaster of Paris and School Chalk. Table Salt was manufactured, packeted, and marketed from vacuum processed boiled salt at Elephant Pass. Government has approved the Export Salt Development Scheme as one of the first four to be promoted in line with its industrial and economic policy. A National Salt Corporation was set up on 3rd December, 1957, under the State Industrial Corporations Act, No. 49 of 1957, to handle the new scheme, Stage I of which alone is estimated to cost Rs. 14 millions.

CHAPTER IX

FORESTS AND WILD LIFE PROTECTION

I—FORESTS

Forest Policy and Management

A plan for the development of Forestry on a sound basis was formulated during the year under review. This plan has been accepted by the Government and has been prepared to cover a period of 20 years ; estimates have, however, been planned for the next five years, giving details of areas that are to be taken up for improvement by natural regeneration and by forestation.

The accent in the new Development Plan is primarily on forestation as a means of stepping up the production of timber and fuelwood in the Island in order to make the country self-sufficient in its requirements of these essential commodities within a period of approximately 20 years. This can only be realised by increasing the rate of forestation projects to several times the rate of previous years. The main schemes are the raising of Teak plantations in the Dry Zone which has been increased to a minimum of 1,000 acres annually and the improvement of natural forests in the Wet and Intermediate Zones by line planting of Honduras Mahogany. The latter has been only sporadically done in the past, but is now planned to cover a minimum of 2,500 acres annually. It is also proposed to accelerate the progress of reforestation of degraded forests in the Montane Zone up to a minimum of 200 acres annually and finally to take up a minimum of 1,000 acres per year of Montane Grasslands especially in the Dry Patana region.

Large-scale nurseries for raising Teak plants for the 1959 North-East monsoonal planting season have been opened up in three centres within the different Divisions of the Dry Zone. These centres will supplement the main centre of production of Teak stumps from Kopakulama Central Nursery in the North-Central Province. The Department has been organised to collect the maximum amount of Teak seed from selected sources in the Island. Reliance will largely be placed on local collections of seed in the future, as supplies from other countries in Asia, chiefly India, which has been our chief source of supply in the past, are becoming increasingly difficult. During the year the Department was working on a somewhat limited estimate under "Regeneration Operations". As such it was only possible to raise a total of 450 acres of Teak plantations in the Dry Zone, of which 350 acres were planted by "Taungya" and the balance departmentally. It has been found, however, that inter-planting with *Tephrosia candida* in Teak plantations raised departmentally provide ideal conditions for the growth of Teak and much better growth and stocking is obtained in departmentally planted areas. 700 acres of Wet Evergreen forests have been line planted with Mahogany and some Nedun and 175 acres of Patana planted with Eucalyptus and *Acacia mollissima*. Fifty acres of degraded forests in the Montane Zone were also planted with Eucalyptus.

Utilisation

Concurrently with the programme of improvement of our natural forests, the Department has intensified the production of timber and has paid more attention to the proper seasoning and treatment of non-durable hardwoods. The highlight of timber production has been the remarkable increase in sleeper output which has been stepped up in 1958 to 188,000 making it unnecessary to import sleepers at a much higher rate than the locally produced article. Out of this 51,181 sleepers were of Hora treated by pressure impregnation with a mixture of creosote and crude oil. There has also been considerable activity in restoring the market for luxury hardwoods such as Satinwood. Considerable progress has also been made in the use of non-durable hardwoods to replace imported pine boards. The demand for Teak, especially from Government Departments, has to a large extent been diverted to the use of suitable local species which are now being accepted in its place.

Protection

There has been a decrease in the number of forest offences recorded during the year. This is probably due to the fact that the number of mass scale encroachments were fewer than during the previous year. But the theft and illicit transport of Crown timber continued unabated. The Department has made every endeavour to check these activities with the assistance of the Police and the use of Checking Stations and Mobile patrols.

Research and Education

There has been considerable progress to record in Forest Research and Education. The main features of Silvicultural Research follow the lines of the programme which has been current in the past, but also includes several new lines of research, mainly in investigations on the use of arboricides, improvement of techniques in plantations of Teak and exotics, initial investigations on hybridization, shelter belt investigations and finally investigations on the possibility of tan-bark production from *Acacia mollissima* and *Eucalyptus* Oil from *Eucalyptus globulus* plantations. In Utilisation Research, attention has largely been concentrated on investigations of the uses of indigenous timbers and normal wood-working tests for a number of the chief species of natural forests. Special investigation has been made into the use of a number of indigenous species and exotics for the production of tea chests. The normal research programme of seasoning of timbers, natural durability trials and the use of preservatives has been followed.

The year was also marked by the initiation of a new scheme of training of the Field Staff replacing the three month period which was current for the past six years. The new training course is for officers of the Range Assistant and Forest Guard Grades and aims at giving a comprehensive course in practical field forestry with the essential theoretical background. This course now covers one full year.

II—BOTANIC GARDENS

There are three Botanic Gardens in Ceylon administered by the Department of Agriculture. They are supervised by a Superintendent of Gardens with Headquarters at Peradeniya.

These Gardens are situated in the different climatic zones and enjoy the benefits of both monsoons.

(a) *Royal Botanic Gardens, Peradeniya.*—The history of these Gardens dates as far back as 1371, when King Wickrama Bahu III ascended the throne and kept court at Peradeniya. The Gardens were established in 1821 for the purposes of accommodating exotic plants and enjoy a world wide reputation for its wealth of tropical vegetation. Situated 68 miles from Colombo, along the Colombo-Kandy road at an elevation of 1,500 feet above sea-level, these Gardens have an equable climate and an average rainfall of over 80 inches a year.

Many species of tropical plants from various parts of the world are represented here. They are of much interest to Botanists, Horticulturists and students of Botany. Exchange of plant material with Botanic Gardens and allied institutions in other parts of the world is being conducted on an appreciable scale. Of particular interest is the Orchid breeding programme which is being carried out on an extensive scale. Tens of thousands of seedlings of very rare crosses would be shortly available to the public. Research is conducted in different aspects of botanical importance and foreign Scientists continue to visit these Gardens.

(b) *Botanic Gardens, Hakgala.*—This Garden was established as Cinchona experiment station in 1861. It is situated more or less in a temperate climate, six miles from Nuwara Eliya, at an elevation of 5,581 feet above sea-level. The vegetation here is sub-tropical and many temperate plants introduced from abroad thrive fairly satisfactorily.

(c) *Botanic Gardens, Heneratgoda, Gampaha.*—This garden was opened up in 1876 to accommodate the original rubber seedlings that came east. It is situated 17 miles from Colombo at an elevation of 35 feet above sea-level. The original rubber plantation is still in existence. The two patches of original jungle on either side of the entrance and the double coconut palms are of interest.

III—WILD LIFE PROTECTION

The Department of Wild Life was established in 1950. Its main functions are the enforcement of the Fauna and Flora Protection Ordinance and the implementation of the Government's policy on all matters pertaining to the Fauna and Flora of the Island.

The National Reserves

At the end of 1958, the extent of Strict Natural Reserves was 234.2 sq. miles, National Parks 401.5 sq. miles and Intermediate Zones 486.9 sq. miles respectively. Within the next two years, several excisions, particularly of the Veddikachchi Intermediate Zones and Wasgamuwa Strict Natural Reserve, are due for purposes of development.

National Parks

(i) *Ruhuna National Park*.—Certain species of wild life, such as elephant and peafowl, have largely increased in number in the Ruhuna National Park. The number of visitors to the Ruhuna National Park was 14,621 exceeding the figure in the peak year 1955 which was 14,558. Revenue collected from Park fees was Rs. 9,184 and from occupation Rs. 7,653.75.

A white fawn in the Park was a delightful attraction to visitors. It was frequently seen in Gonalabbe Plains until it finally disappeared in August.

In the Ruhuna National Park, elephants were still another attraction and they frequented Buttua, Vepandeniya, Gonalabbe, Uraniya and Vilapalawewa. The elephant population in the Park increases from October. Herds of 10 and 26 were observed by visitors.

A noticeable increase has been observed in the population of deer, pig and peafowl. In the peafowl population an increase of nearly 50% is estimated. Birds of all species including the Painted Stork and the rare Black necked Stork were observed in the Lagoons along the coastal belt from Mahasilawe to Gonalebbe.

(ii) *Wilpattu National Park*.—Due to the dilapidated condition of approach road, the number of visitors that came to the Park was only 2,677.

National Park and occupation fees collected were Rs. 2,718.75.

Elephants in the Wilpattu National Park, unlike in the Ruhuna National Park, are a rarity. The largest herd seen was 21 in number. However, a noticeable increase in the elephant population was observed.

Bears are numerous in the Park and may be encountered anywhere there. One of the most fascinating sights at Maradanmaduwa are the 4 herds of deer numbering over 300 animals of which all are resident there.

About 200 leopards are estimated to inhabit the Park.

(iii) *Intermediate Zones*.—Yala East Intermediate Zone had been, as usual, the most popular shooting ground. 74 sportsmen entered and shot 31 deer, 3 sambhur, 7 peafowl, a jungle fowl, 3 leopards and 18 wild boar.

Sanctuaries

The total extent of Sanctuaries, twenty-two in number, was 314.9 sq. miles. Kumana Sanctuary, situated in the southern extreme of the Yala East Intermediate Zone, had been the most popular of them. A double canoe with a platform is available for the use of visitors.

Protected Plants and Animals

In March a flock of flamingoes, numbering about 500 birds, were seen in the Bundala lagoon and Makallan Kalapuwa in the Hambantota District. In May about 200 birds were seen at Panakala Kalapuwa in Batticaloa District.

Game Licences

District Wardens issued 41 deer and fowl licences, 547 deer licences and 16 fowl licences in the year under review.

Licences were issued for the capture of seven elephants but only four were captured—all to be employed for religious and ceremonial purposes in temples.

Special Protection for the Elephant

The Department made a decisive effort to protect the elephants in the Puttalam area.

The detected elephant casualties during the year were 51.

A sum of Rs. 16,477 was paid as compensation to peasants whose crops had been damaged by wild elephants.

Surveys

A biological survey of deer, sambhur and leopard based on scientific data was undertaken during the year under review.

An attempt has also been made to estimate the animal population of a few species like elephant, buffaloes, sambhur, deer, wild boar, leopard, bear and peafowl.

CHAPTER X

FISHERIES

Cold Storage Plant

THE Cold Storage Plant has been in full operation for nearly a year. The major work of the Plant is the freezing and storage of fish brought by departmental trawlers and these brought in by other customers. In addition to long-term storage of fish for which freezing is essential, facilities have also been given for short-term storage without freezing. For customers who wish to keep fish up to 10 days, chilled fresh water tanks are available with a capacity of about 6 tons. For customers who require shorter storage, temporary arrangements have been made for such fish with crushed ice, though the Plant has not been designed to provide this service. Since the full storage space has not been utilised for fish, other commodities have also been accepted for storage such as pre-frozen imported meat in the Cold Rooms and butter, cheese, imported fruit, &c., in the Glazing Room. Dressed chickens that are air-freighted from India by several importers are stored in the Plant.

It has not been possible to utilise the By-Products Plant as fish waste was not available regularly and in sufficiently large quantities to operate the Plant. The mechanical fish drier has been tried out experimentally and the results indicated that certain modifications were necessary in order to manufacture a good product. Shark Liver Oil production is retarded due to the scarcity of Shark Liver. Two grades of Shark Liver Oil are produced, one for normal consumption and the other for Veterinary purposes. Standardisation of oil is continued with imported ground nut oil with a vitamin content of 3,000 iu/grms. The vitamin content of the veterinary oil is 1,000 iu/grams. 3,876 gallons of Shark Liver Oil and 1,433 gallons of Veterinary oil have been produced during the year. The Shark Liver Oil almost in entirety is sold to the Civil Medical Stores, whilst the Veterinary oil is sold to the Agriculture Department.

The Machine Shop has been reorganised to handle repairs to trawlers in addition to the repair and maintenance of small craft which has been undertaken in the past. Most of the trawlers' repair work is now being handled by the Machine Shop and it is only major items of repair which are done by private contractors.

Exploratory fishing and Fishermen's Training

The boats "Canadian" and "North Star" worked in co-operation both with the Research Station and the Extension Officers. The purpose of both ships is to find new grounds for fishing and to train the fishermen in the use of new gear and take advantage of new fishing grounds.

In the research and experimental field, dredging of pearl oyster beds, instead of fishing by skin divers, was tried out by these mechanised boats and was proved a success. In addition to the exploratory fishing and fishermen's training along the coasts of Ceylon, officers of the Department have also been trained as Extension Officers and have now been stationed in various parts of the Island to continue the training of fishermen as well as disseminating information regarding new methods in fishing.

Fisheries Development

The breeding of carp, giant gourami and kissing gourami was done in Colombo as well as at Polonnaruwa. The fry obtained from these spawnings were reared to about 3 inches in length in the departmental ponds before they were stocked in selected water bodies. During the year 4,000 common carp was stocked in the Beira Lake; 19,200 in Nalanda Oya reservoir, 5,000 in Castle Geagh tank, 3,000 in Kurunegala tank; 1,000 in Maha Illupalama tank; 1,500 in Kandalana tank; 1,000 in Tissa Wewa; 1,000 in Nuwara Wewa; 1,000 in Minneriya tank; 1,000 in Parakrama

Samudhraya, 500 in Gammanpila tank ; 500 in Ibbagamuwa tank, 400 in Galapita Wewa ; 400 in Kudawewa ; 85 in Victoria Park and 2,584 in private ponds. Fingerlings of giant gourami were stocked at Nalanda Oya reservoir, Castle Geagh tank, Gammanpila tank, Beira Lake, Kandalana tank and in private ponds, the total number amounting to 13,309. Fingerlings of kissing gourami totalling 7,000 were stocked in the Beira Lake and the Nalanda Oya reservoir. Experiments were set up to determine the cause of mortality among these fish and to prevent its occurrence. Two sets of experiments were tried out.

The fry were reared in a series of aquarium tanks placed inside the buildings as well as in the garden. The same treatment in regard to food was given to both sets and it was found that the fry in the garden stopped feeding, became weak and thinner and ultimately died, while those indoors were doing well. The experiments also showed that the water-plants were far more healthier and quicker growing than those in the tanks in the garden. Though the fry were reared indoors, they were provided with light and a slight increase in temperature aeration. To obtain the best conditions, a hatchery was fitted up in the building of the Research Station to rear gourami fry. The hatchery is equipped with 120 aquarium tanks and all the tanks are provided with aeration and light. No serious losses of fry occurred after they were removed to the hatchery.

Growth of fish in mud ponds at Narahenpita was not satisfactory. The water in the ponds was devoid of plankton and the bottom fauna were extremely poor even after the addition of lime and crowding. Dissolved iron was suspected in the water and samples of lime and soil were analysed. The results of the experiment showed that iron is present. Therefore, it was virtually impossible to fertilize the ponds as great quantities of lime were necessary to make the water neutral and to deposit the iron. Since the iron was deposited when the water is allowed to stand, a series of cement tanks were constructed at the site and water allowed to stand in a storage tank before pumping into the cement tanks and then it was possible to rear the fish fry to a fingerling stage prior to their stocking and distribution.

Additional ponds have been constructed during the year at Polonnaruwa for the breeding and rearing of giant gourami, kissing gourami and common carp.

COMMERCIAL ACTIVITIES

Trawler Fishing

The "Braconglon" did 18 trips and brought in a total catch of 1,620,678 lbs. of fish whilst the "Maple Leaf" did 17 trips and brought in 973,665 lbs. of fish.

Chank fishing

1,123 cwts. of chanks valued at Rs. 211,031 were exported by the trade.

Beche-de-Mer Industry

A total quantity of 277 cwts. of Beche-de-mer valued at Rs. 24,591 was exported.

Ice Plants

Ice production and sales at the Ice Plants at Karaiyoor, Pesalai and Battuluoya were as follows :—

	Production	Sales	Value of Sales
	cwt.	cwt.	Rs. c.
Karaiyoor	11,150	11,052½	49,835 83
Pesalai	22,175	21,922½	102,854 05
Battuluoya	20,409	20,145	64,354 86

SOCIO-ECONOMIC ACTIVITIES

Housing

In the year under review, 12 schemes have been initiated and finalised. Cash grants have been made to the following local bodies and construction of houses is already under way.

Dehiwala-Mount Lavinia	.. 78 houses at Dehiwala
Negombo	.. 30 houses at Kamachchodai
Ambalangoda	.. 20 houses at Patabendimulla

Allocations have been made to the respective Government Agents for the construction of houses at Udappuwa and Duwa-Modera. A total number of 150 houses will be built at Udappuwa and 15 at Duwa-Modera.

Since schemes initiated under the Land Development Ordinance on subsidy did not show satisfactory progress, it has been tentatively decided to build houses on contract and alienate both house and land to the allottee under the Land Development Ordinance. A number of such schemes have been initiated and tenders have been called.

Relief to fishermen

Under the revised scheme for the grant of relief to individual fishermen in distress, which became effective from 1st March, 1957, there has been a number of applications for relief from distressed fishermen who were affected both by the December floods and by the communal disturbances in May, 1958. During both these incidents, fishermen sustained heavy losses and applications received from those requiring relief were carefully examined and wherever possible, the maximum grant of Rs. 300 was recommended. 701 applications were investigated and reported on by the field officers of this Department during the year.

Fishermen's Accident Compensation Scheme

Under the above scheme, 15 applications were received and compensation to the value of Rs. 13,115.17 was granted.

Beaching Grounds

Acquisition applications initiated in the previous years have been completed in respect of 7 areas and land has been taken possession of, whilst acquisition proceedings in respect of another 8 areas are still in progress.

Crown Timber

Fishermen who desire to build boats in order to replace old or damaged boats and persons who wish to build boats for the purpose of taking up fishing as an occupation are afforded the facility of obtaining Crown timber at Royalty from the Conservator of Forests on the recommendation by this Department. 121 applications were recommended during the year.

Coastal Navigation

Rocks in Puranawella, Dondra, were blasted by the Harbour Engineer in order to facilitate fishing boats to move without any danger. Requests received from other fishing centres for removal of rocks are being investigated by the Inter-Departmental Committee.

Fishery Harbours

Apart from the fishery harbour constructed at Mutwal to berth vessels belonging to the department and Messrs. Ocean Foods and Trades (Ceylon and Japan) investigations are being made to provide harbour facilities at main fishing centres. With the adoption of more mechanised fishing boats, in the industry, provision of harbour facilities will become an urgent necessity. Recommendations on the establishment of fishery harbour made by a team of Japanese Experts are under consideration.

Fishermen's Co-operative Societies

These societies are assisted by the department with technical advice, loans for the purchase and repair of fishing equipment and for marketing, and the services of the Statistical Collectors of the department to act as Administrative Secretaries of those societies to which loans are advanced. The number of registered societies has increased by 10 during the year and the total registered societies at present is 108. The practice of forming societies for the purpose of obtaining loans has also been discouraged by following stricter policy with regard to both organisation and financing. Fishermen's societies are not registered by the Co-operative Department until the members have been given a training in co-operative principles and practice by officers of the Extension Branch of the Co-operative Department. Further, the Department of Fisheries does not consider the grant of a loan until the working of a society has been studied for a period of about one year. A fourth Co-operative Training Centre provided with Canadian aid under the Colombo Plan was opened at Galle during the year. Emphasis is placed on the training of members of Co-operative Societies and Study Circles at this centre as well as at the training centres at Negombo, Batticaloa and Jaffna. According to the figures provided by the Co-operative Department, there were 55 active study groups under the Fishermen's Education Programme at the end of 1958. Loans amounting to Rs. 114,300 were issued to 11 registered Fishermen's Co-operative Societies during the financial year 1957-58.

Scheme of loans to Individual Fishermen

It was, however, necessary in view of past experience in granting of loans, to scrutinise carefully all applications for loans taking into account the value of the movable property offered as security, a capacity to repay the loan and the reliability of the prospective borrower. It was found that the terms and conditions on which loans are issued under the new scheme need to be considerably relaxed if a large number of fishermen are to avail themselves of these loans and proposals with this end in view are being put forward for Cabinet approval. Under the existing terms and conditions, it was possible to issue only 11 loans amounting to Rs. 8,325 during this year.

Scheme of individual loans for purchase of mechanised boats

A new scheme of loans, which is meant exclusively for financing the purchase of mechanically propelled boats, and a reasonable amount of fishing gear to be used with the boats together with the cost of the 1st year's insurance on the boats, was put into operation in August, 1958. This scheme provides for loans up to Rs. 15,000 repayable within a period of 6 years. No security other than that of the boat to be acquired is necessary and the loans are issued on the basis of a Hire Purchase Agreement by which the ownership of the boats is vested in the Director of Fisheries until the loan has been repaid in full.

This new scheme was made necessary because, under the existing scheme of loans to individual fishermen, it is difficult for fishermen to obtain the money necessary for the purchase of a mechanised boat. This is essentially due to the fact that security in immovable property is required from fishermen who wish to obtain loans of over Rs. 3,000.

The mechanised boats are being constructed in 5 local boat-yards. During the year, two mechanised boats were delivered to fishermen and 15 more boats were under construction in these boat-yards.

Fish Kraals

Fishing by kraals in inland waters of Ceylon is controlled by the regulations made under the Fisheries Ordinance. Licences to operate kraals were issued by this Department and the total revenue derived from this source amounted to Rs. 1,800. Eleven permits were issued for the operation of kraals at Kudakalapu ganga and 61 permits for the Madu ganga. Only 1 permit was issued for the operation of Atoliyas. A consolidated set of regulations to control and regulate the operation of kraals and Atoliyas in the inland waters is being drafted.

Fishing Disputes

Disputes are being inquired into and the recommendations of the Inquirer or the Committee of Inquiry are given effect to. Regulations are being drafted in consultation with the Director of the Government Tourist Bureau to protect the coral reef formation around the Hikkaduwa Rest House. The new set of regulations to control the use of destructive nets in inland waters is also being drafted.

Dynamiting of Fish

Fifty-six cases of dynamiting were detected during the year of which 38 were from Trincomalee. Of the 56 cases filed in Court, the Department secured convictions in 13 cases. In 5, the accused were acquitted, whilst 38 cases are pending. Rewards to officers for the detection of fishing offences have been paid from the Fisheries Reward Fund and during the year under review, Rs. 1,210 was paid from this Fund.

Registration of Fishing Craft

17,800 craft were registered during the year of which 7,000 had their registration renewed.

Fishery Statistics

Imports of fish products and fishery accessories show a general increase both in quantity and value. The import value is about Rs. 11 million more than that for 1957. There has been a general increase in price of a large number of fish products and the imports of dried fish indicate a specially large increase as well as those of fishing nets from Japan. On the other hand, there has been a considerable drop in our exports of fishery products. Beche-de-mer, shark fins and chanks, which had hitherto been our large revenue earners among fishery exports, recorded drops in quantity and value during the year. The production figures, however, show an increase over those for the previous year.

TABLE 10-1 QUANTITIES OF FISH LANDED, BY PROVINCES, 1958

(excluding trawler landings) in cwts.

Western	52,950
Southern	71,497
Northern	341,412
Eastern	115,688
North-Western	197,937
Total	779,484

TABLE 10-2 QUANTITIES OF FISH LANDED, BY KIND, 1958

(excluding trawler landings) in cwts.

Thora	17,949
Paraw	31,072
Blood fish	57,765
Sharks and skates	78,543
Rock fish	171,956
Small shore seine fish—	
(a) Kumbala, Bolla, Katuwella, &c.	79,368
(b) Herrings, sardines, Halmessa, &c.	292,973
Other varieties	49,858
Total	779,484

TABLE 10-3 QUANTITIES OF CURED FISH PRODUCED BY PROVINCES, 1958

(dried weight) in cwts.

Western	Nil
Southern	341
Northern	58,238
Eastern	13,647
North-Western	38,258
Total	110,484

CHAPTER XI

FOREIGN TRADE

1—GENERAL REVIEW

THE total exports of Ceylon increased from Rs. 1,681.5 million in 1957 to Rs. 1,710.6 million in 1958. This reflects an expansion of 1.7%. The domestic exports show a much higher increase than the total exports. There was an increase of Rs. 63.1 million in domestic exports. This amounts to an increase of about 4% over last year's figures.

The total imports declined from Rs. 1,805.9 million in 1957 to Rs. 1,716.6 million in 1958. This accounted for a contraction of 4.9 per cent.

The contraction in imports has created a favourable climate as far as the balance of trade is concerned.

The expansion in the total exports and the contraction in the imports were primarily responsible for the lower deficit trade balance during 1958 compared with 1957. The balance of trade though still remained unfavourable at Rs. 6 million reflects a sharp improvement compared with the unfavourable balance of Rs. 124.4 million during 1957.

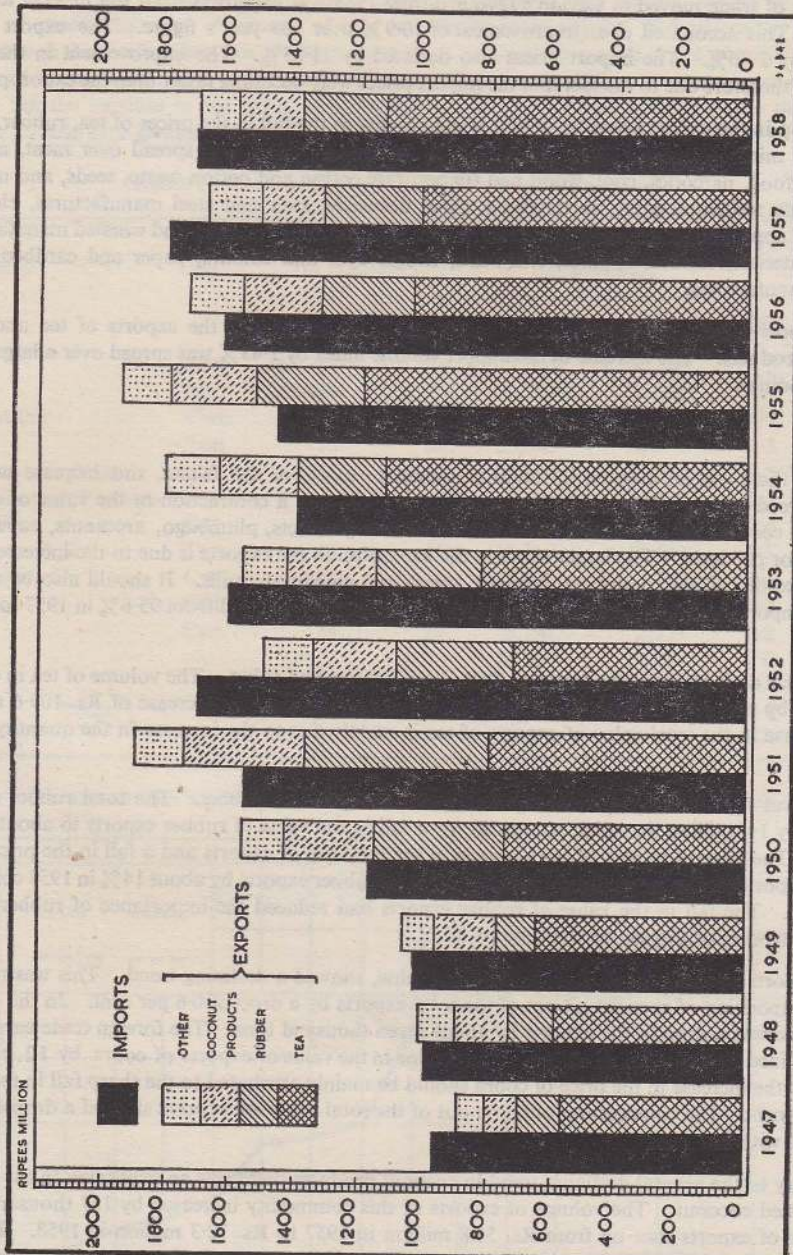
The following table illustrates the significant trends of external trade in 1958 compared with 1957 and 1956 :—

TABLE 11.1 SUMMARY STATISTICS OF CEYLON'S FOREIGN TRADE

	(Rs. Million)		
	1956	1957	1958
Total Exports	1,734.6	1,681.5	1,710.6
Domestic Exports	1,652.3	1,588.3	1,651.4
Re-Exports	82.3	93.2	59.2
Imports	1,633.4	1,805.9	1,716.6
Total Trade	3,368.0	3,487.4	3,427.2
Trade Balance	×101.2	—124.4	—6.0
<i>Price Indices :</i>			
Exports	152	145	141.7
Imports	113	109	96.1
Terms of Trade*	135	133	147.5
<i>Volume Indices :</i>			
Exports	125	123	128.4
Imports	153	161	163.3

* Terms of Trade = $\frac{\text{Export Price Index (Base 1948 = 100)}}{\text{Import Price Index}}$

BALANCE OF TRADE, 1947-1958



Terms of Trade

The terms of trade moved in Ceylon's favour during 1958. It improved from 133 in 1957 to 147·5 in 1958. This accounted to an improvement of 10·9% over last year's figure. The export prices declined by 2·76%. The import prices also declined by 11·83%. The improvement in the terms of trade is therefore due to the fact that the import prices were declining faster than the export prices.

The drop in the export prices by 2·76% is mainly due to the fall in the prices of tea, rubber, copra and other minor products. The heavy drop in the import prices was spread over meat, animals living for food, narcotics, coal, wood and timber, raw cotton and cotton waste, seeds, and nuts for oil, oils, fats, resins and gums, earthenware, glass, abrasives, iron and steel manufactures, electrical goods and apparatus, machinery, wood and timber manufactures, woollen and worsted manufactures, mixed materials, textiles, apparel, chemicals, drugs, dyes and colours, paper and cardboard and rubber manufactures.

The export volume index increased by 4·39% due to the increase in the exports of tea and some coconut products. The increase in the import volume index by 1·43% was spread over a large range of commodities.

Exports

Although there was an increase in the total domestic exports of the Island, this increase was not evenly spread among all the major commodities. There was a contraction in the value of exports of rubber, coconut oil, copra and other minor coconut products, plumbago, arecanuts, papain and other minor products. The larger share in the expansion in the exports is due to the increase in the value of exports of tea, desiccated coconut, cocoa and cinnamon quills. It should also be noticed that the importance of tea, rubber and coconut products has improved from 95·6% in 1957 to 96·2% in 1958.

There was an increase in the exports of tea, both volume and value. The volume of tea in exports increased by about 43 million lbs. The value of exports showed an increase of Rs. 109·6 million. The increase in the total value of exports of tea is mainly due to the increase in the quantity of tea exports.

There was a decline in the quantity and value of exports of rubber. The total rubber exports declined by 1·4 million lb. which accounted for a fall in the value of rubber exports to about Rs. 42 million. The adverse impact of both a drop in the quantity of exports and a fall in the prices were mainly responsible for the decline in the total value of rubber exports by about 14% in 1958 compared with 1957. The fall in the value of rubber exports had reduced the importance of rubber out of the total exports of Ceylon to the tune of 3·3%.

The exports of coconut oil, both volume and value, showed a declining trend. This was reflected in the composition of coconut oil out of the total exports by a drop of 0·6 per cent. In the case of copra there was a drop in the exports by about seven thousand tons. The foreign trade earnings of copra declined by about Rs. 4 million. The decline in the value of exports of copra by 12 per cent. in spite of the increase in the price of copra should be mainly attributed to the sharp fall in the quantity of exports. The composition of copra out of the total value of exports showed a drop of 0·3% compared with last year.

Contrary to the general declining trend in coconut products there was an expansion in the exports of desiccated coconut. The volume of exports of this commodity increased by 157 thousand cwt. The value of exports shot up from Rs. 54·8 million in 1957 to Rs. 72·3 million in 1958. This unusual rise in the value of desiccated coconut exports by 31·8 per cent. is due to both the increase in the quantity of exports and the rise in the prices. The share of desiccated coconut out of the total exports also increased by 0·9 per cent.

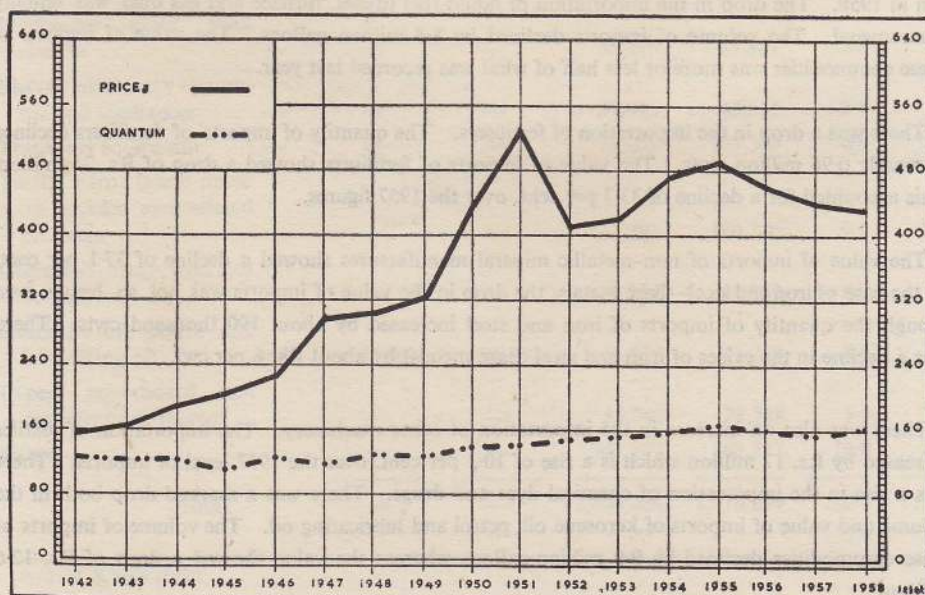
There was a general decline in the value of exports of the minor coconut products. On the whole there was a drop in the total value of exports of all coconut products. The yield of the coconut palm has not yet recovered from the impact of the drought conditions of the previous year.

Among the other minor products there was a general decline in the value of exports of all commodities except raw cocoa and cinnamon quills. In spite of the decline in the quantity of exports of cocoa, the value of exports of this commodity increased by 20.5 per cent. This was mainly due to the rise in the prices of cocoa. In the case of cinnamon quills, there was only a modest increase of 1.8 per cent. in the total value of exports. There was a decline in the prices of cinnamon quills. Yet the increase in the value of exports is mainly due to the increase in the quantity of exports. Table 11.1 gives in detail the composition of Ceylon Exports.

TABLE 11.2 MAJOR EXPORTS (DOMESTIC) 1957 AND 1958

Commodity	Unit	Quantity (in thousand)		Value (in thousand)		Percentage to total	
		1957	1958	1957	1958	1957	1958
Tea	Lbs.	367,732	410,773	1,021,346	1,130,969	64.3	68.5
Rubber	Lbs.	208,614	207,201	300,299	258,109	18.9	15.6
Coconut Oil	Cwt.	1,081	887	67,920	61,896	4.3	3.7
Copra	Ton	35	28	33,343	29,346	2.1	1.8
Desiccated Coconut	Cwt.	978	1,135	54,846	72,310	3.5	4.4
Other Coconut Products	—	—	—	39,656	35,540	2.5	2.2
Cocoa Raw	Cwt.	53	52	8,978	10,818	0.6	0.7
Cinnamon Quills	Cwt.	40	46	18,360	18,687	1.1	1.1
Plumbago	Cwt.	165	113	5,946	3,820	0.4	0.2
Arecanut	Cwt.	30	28	1,591	403	0.1	—
Papain	Cwt.	23	14	3,793	2,779	0.2	0.2
Others	—	—	—	32,204	26,697	2.0	1.6
Total				1,588,282	1,651,374	100.0	100.0

INDICES OF EXPORTS (QUANTUM AND PRICE, 1942-1958) (Base 1934-38 = 100)



Imports

The general decline in the imports was spread over a large range of items. There was a drop in the value of imports of rice, wheat flour, currystuffs, sugar, milk products, tobacco, coal, liquid fuel, fertilizers, non-metallic mineral, iron and steel, electrical machinery and appliances and paper.

The value of imports of rice showed a drop of 6.9 per cent. This was mainly due to the fall in the quantity of rice imports. The quantity of imports fell by 0.8 million cwts.

A 22 per cent. decrease was recorded in the value of imports of wheat flour. The main cause for the decline in the value of wheat flour is the falling trend in the prices of wheat flour in the world markets.

The imports of fish and fish preparations increased by 15.1 per cent. The value of imports of these commodities rose from Rs. 80.2 million in 1957 to Rs. 93.3 million in 1958. In the case of currystuffs there was also a decline in the total value of imports of these commodities to the tune of 14.9 per cent.

The value of imports of sugar was more or less at the same level in 1958, as compared with 1957, although the quantity of imports of sugar increased by about one third.

In the case of milk products, there was a general decline in imports both in volume and value of these products. The total value of imports of milk products declined by about 7.3 per cent.

There was a big drop in the import of coal both in quality and value terms. The value of coal imports dropped by 33.1 per cent. The quantity of coal imports fell so much that it was able to counteract the rise in the prices of coal and thereby bring a decline in the total value of imports of this commodity. The prices of coal increased from Rs. 65.90 per ton in 1957 to Rs. 71.11 per ton in 1958. The drop in the importation of liquid fuel (diesel, furnace and gas oils) was equally phenomenal. The volume of imports declined by 8.8 million gallons. The value of imports of these commodities was more or less half of what was recorded last year.

There was a drop in the importation of fertilisers. The quantity of imports of fertilisers declined by nearly 0.96 million cwts. The value of imports of fertilisers showed a drop of Rs. 24 million. This accounted for a decline of 33.7 per cent. over the 1957 figures.

The value of imports of non-metallic mineral manufactures showed a decline of 37.1 per cent. In the case of iron and steel—base metals, the drop in the value of imports was not so heavy even though the quantity of imports of iron and steel increased by about 190 thousand cwts. There was a decline in the prices of iron and steel (base metals) by about Rs. 8 per cwt.

There was also an increase in the importation of other machinery. The importation of textiles increased by Rs. 17 million which is a rise of 10.3 per cent. over the 1957 level of imports. There was a rise in the importation of chemical dyes and drugs. There was a marked drop both in the volume and value of imports of kerosene oil, petrol and lubricating oil. The volume of imports of these commodities declined by 9.9 million gallons whereas the value showed a drop of Rs. 12.6 million.

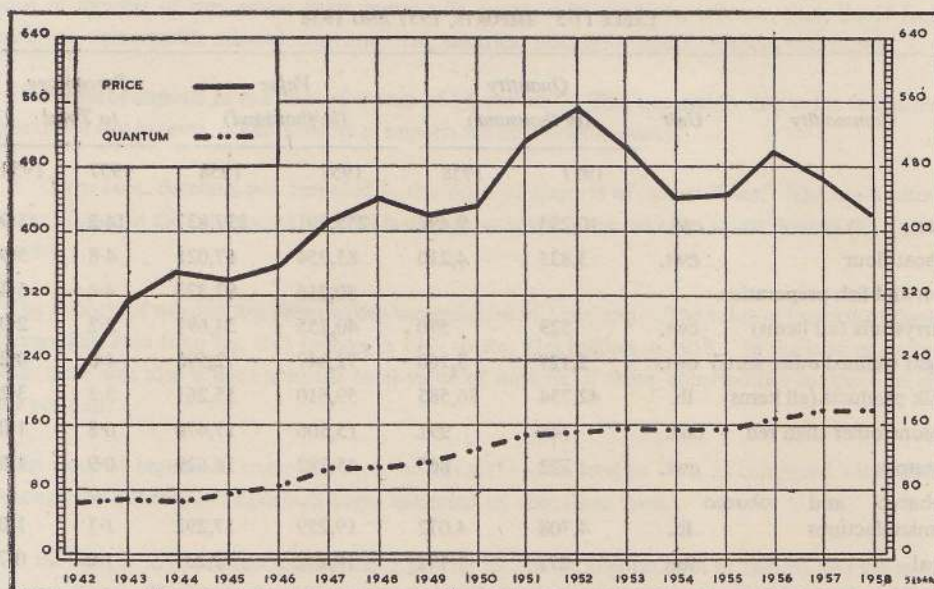
The following table gives detailed figures on the composition of imports for the years 1957 and 1958 :—

TABLE 11.3 IMPORTS, 1957 AND 1958

Commodity	Unit	Quantity (in thousand)		Value (in thousand)		Percentage to Total	
		1957	1958	1957	1958	1957	1958
Rice	cwt.	10,293	9,492	255,391	237,837	14.2	13.9
Wheat flour	cwt.	3,835	4,210	85,954	67,021	4.8	3.9
Fish and fish preparation	—	—	—	80,216	92,323	4.4	5.4
Currystuffs (all items)	cwt.	529	590	40,755	34,697	2.2	2.0
Sugar (refined other sorts)	cwt.	2,127	3,160	72,847	72,598	4.0	4.2
Milk products (all items)	lb.	42,734	36,585	59,610	55,261	3.3	3.2
Onions other than red	cwt.	748	991	15,306	17,470	0.8	1.0
Potatoes	cwt.	722	865	15,382	16,629	0.9	1.0
Tobacco and tobacco manufactures	lb.	4,708	4,072	19,259	17,292	1.1	1.0
Coal	ton	277	172	18,272	12,231	1.0	0.7
Liquid fuel, diesel furnace and gas oil	gal.	260,860	152,085	132,913	70,133	7.4	4.1
Fertilisers (all items)	cwt.	4,761	3,809	70,227	46,584	3.9	2.7
Non-metallic mineral manufactures n.e.s.	—	—	—	49,299	30,973	2.7	1.8
Iron and steel manufactures base metal	cwt.	944	1,131	40,259	39,439	2.2	2.3
Machinery other than electric	—	—	—	65,218	83,881	3.6	4.9
Electric machinery apparatus and appliances	—	—	—	49,075	43,515	2.7	2.5
Transport equipment	—	—	—	88,052	107,343	4.9	6.3
Textile yarn, fabric made up articles and related products	—	—	—	163,791	180,740	9.1	10.3
Chemicals, drugs, dyes and colours	—	—	—	40,116	44,889	2.2	2.6
Kerosene oil, petrol and lubricating oil	gal.	87,004	78,862	65,875	53,288	3.8	3.1
Paper, paperboard and manufactures thereof	—	—	—	33,540	28,768	1.9	1.7
Others	—	—	—	342,707	363,727	19.0	21.2
Total	—	—	—	1,804,064	1,716,639	100.0	100.0

INDICES OF IMPORTS (QUANTUM AND PRICE, 1942-1958)

(Base 1934-38=100)



Direction of Trade

The importance of the Commonwealth countries in the sphere of Ceylon's domestic exports began to be increasingly felt during 1958 than 1957. Approximately 57.8 per cent. of Ceylon's total domestic exports were directed towards the Commonwealth area compared with 53.4 per cent. during 1957. This is a significant proportion when compared with the amount of goods imported into Ceylon from the Commonwealth area. About 46.6 per cent. of Ceylon's total imports is from the Commonwealth countries compared with 46.4 per cent. during 1957.

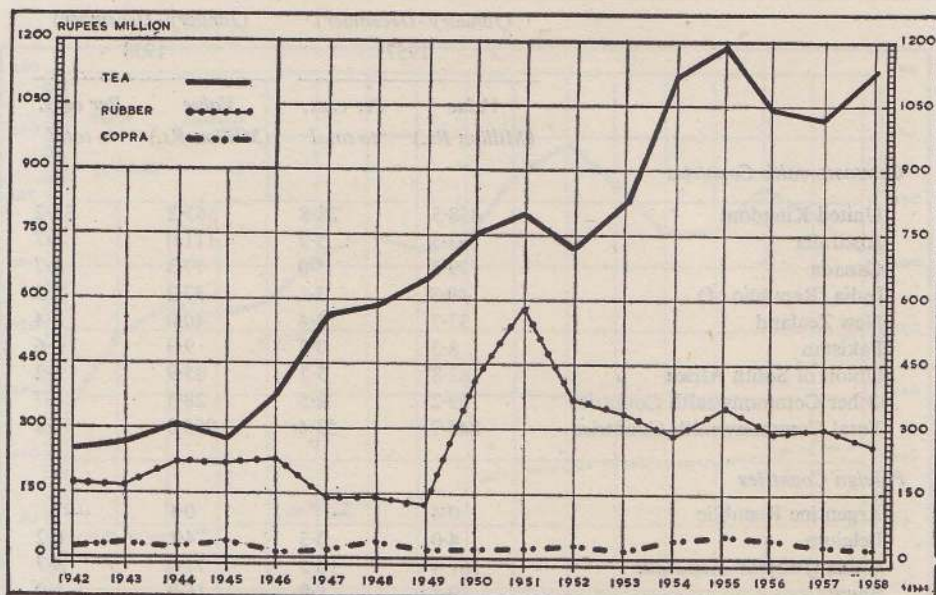
The share of Ceylon's export to the United Kingdom during 1958 accounted for about 34.2 per cent. compared with 28.8 per cent. in 1957. The next in the order of importance among the Commonwealth Countries in the field of Ceylon's domestic exports is Australia. Then comes Union of South Africa accounting for about 5.2 per cent. of the total of Ceylon's domestic exports. Then comes Canada with 4.7 per cent. India and New Zealand absorbed more or less the same amount. The other Commonwealth Countries accounted for 1.7 per cent. Among the Non-Commonwealth countries, the share of Ceylon's exports to the U. S. A. is far above the amount that is exported to any other individual country. Although China comes second in the list of the foreign countries, its position has deteriorated considerably during the year under review. The exports to China declined from Rs. 167.4 million in 1957 to Rs. 77.7 million during 1958. There was an improvement in the amount of exports to Germany. The share of Ceylon's domestic exports to Germany increased from 3.2 per cent. in 1957 to 4.4 per cent. in 1958. There was also an improvement in the value of Ceylon's exports to Japan. On the other hand there was an improvement in the exports to Netherlands, Italy and Mexico. Table 11.4 gives in detail the direction of Ceylon exports.

TABLE 11-4 EXPORTS (DOMESTIC)

	(January-December) 1957		(January-December) 1958	
	Value (Million Rs.)	Per cent. to total	Value (Million Rs.)	Per cent. to total
<i>Commonwealth Countries</i>				
United Kingdom	458.3	28.8	565.2	34.2
Australia	93.3	5.9	111.0	6.7
Canada	79.3	5.0	77.3	4.7
India (Republic of)	49.8	3.1	37.2	2.3
New Zealand	37.7	2.4	40.0	2.4
Pakistan	8.3	0.5	9.9	0.6
Union of South Africa	82.8	5.2	85.9	5.2
Other Commonwealth Countries	39.2	2.5	28.5	1.7
Total Commonwealth Countries	848.7	53.4	955.0	57.8
<i>Foreign Countries</i>				
Argentine Republic	0.4	—	0.1	—
Belgium	4.0	0.3	4.1	0.2
China (Peoples' Republic)	167.4	10.5	77.7	4.7
Egypt	29.8	1.9	16.9	1.0
France	16.3	1.0	11.8	0.7
Germany (Fed. Rep. of)	50.9	3.2	71.9	4.4
Netherlands	25.4	1.6	31.0	1.9
Italy	19.6	1.2	26.4	1.6
Japan	21.3	1.3	37.3	2.3
Mexico	7.3	0.5	9.1	0.6
Tunis	14.4	0.9	10.3	0.6
U. S. A.	147.0	9.3	135.0	8.2
Other Foreign Countries	232.7	14.7	261.4	15.8
Total Foreign Countries	736.5	46.4	693.0	42.0
Ships' Stores	3.1	0.2	3.4	0.2
Grand Total	1,588.3	100.0	1,651.4	100.0

United Kingdom still holds the dominating position of accounting for 24.3 per cent. of Ceylon's total imports. This was a considerable improvement compared with last year during which period Ceylon imported about 20.5 per cent. of her total imports from United Kingdom. The value of imports from India is half the amount of imports from United Kingdom. The imports from Australia declined to nearly half of what was recorded in 1957. The share of Ceylon's imports from Australia showed a drop from 6 per cent. in 1957 to 3.3 per cent. in 1958. There was an improvement in Ceylon's imports from Canada, Maldives Islands and U. S. A. Ceylon's imports from Burma declined heavily from 65.3 million in 1957 to Rs. 101.2 million in 1958. The share of Ceylon's imports from Burma also declined from 9.2 per cent in 1957 to 5.9 per cent. in 1958. In the case of China, there was a complete reversal in the trend of imports. The imports from China shot up to the phenomenal height of Rs. 151.8 million. The share of Ceylon's imports from China improved from 4.6 per cent. in 1957 to 8.8 per cent. in 1958.

EXPORTS OF TEA, RUBBER AND COPRA (BY VALUE), 1942-1958



EXPORTS OF TEA, RUBBER AND COPRA (BY VOLUME) 1942-1958

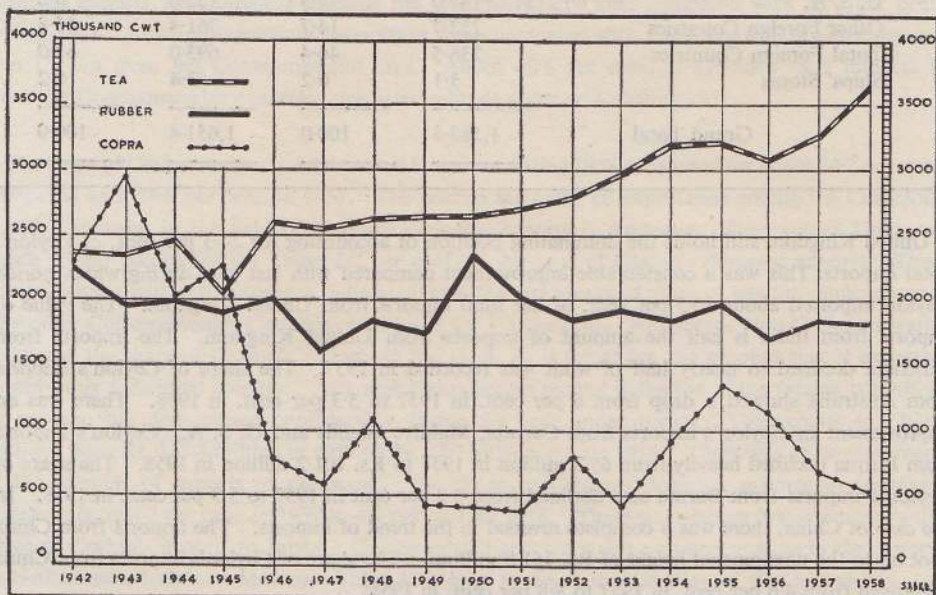
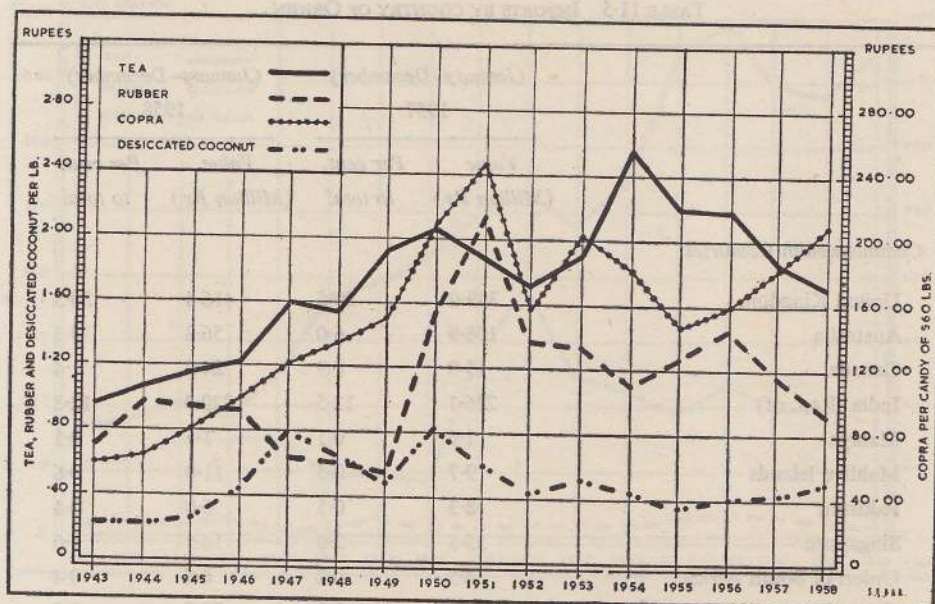


Table 11.5 gives in detail the direction of Ceylon imports.

TABLE 11.5 IMPORTS BY COUNTRY OF ORIGIN

	(January-December)		(January-December)	
	1957		1958	
	Value (Million Rs.)	Per cent. to total	Value (Million Rs.)	Per cent. to total
<i>Commonwealth Countries</i>				
United Kingdom	369.0	20.5	416.4	20.3
Australia	108.9	6.0	56.8	3.3
Canada	15.9	0.9	24.2	1.4
India (Rep. of)	226.1	12.5	220.3	12.8
Malaya	1.6	0.1	1.5	0.1
Maldives Islands	9.7	0.5	11.0	0.6
Pakistan	8.3	0.5	6.0	0.4
Singapore	35.5	2.0	16.5	1.0
Union of South Africa	4.5	0.2	6.6	0.4
Other Commonwealth Countries	56.9	3.2	39.7	2.3
Total Commonwealth Countries	836.4	46.4	799.3	46.6
<i>Foreign Countries</i>				
Belgium	28.4	1.6	14.9	0.9
Burma	165.3	9.2	101.2	5.9
China (Peoples' Rep. of)	83.8	4.6	151.8	8.8
Egypt	12.2	0.7	22.5	1.3
France	59.0	3.3	45.2	2.6
Germany (Fed. Rep. of)	43.9	2.4	52.6	3.1
Indonesia	19.5	1.1	7.0	0.4
Iran	110.7	6.1	72.0	4.2
Italy	11.1	0.6	15.8	0.9
Japan	129.8	7.2	155.9	9.1
Netherlands	41.4	2.3	31.6	1.8
Thailand	35.6	2.0	6.0	0.3
U. S. A.	67.4	3.7	76.6	4.5
Other Foreign Countries	159.5	8.8	164.2	9.6
Total Foreign Countries	967.6	53.6	917.3	53.4
Grand Total	1,804.1	100.0	1,716.6	100.0

ANNUAL AVERAGE MARKET PRICE OF TEA, RUBBER, COPRA AND DESICCATED COCONUT, 1943-1958



II—IMPORT AND EXPORT CONTROL

Import Control is directed towards (a) the regulation of the import trade to a greater or lesser degree in the context of Ceylon's Balance of Payments position, (b) the strengthening of the overall payments position of the sterling area, (c) the protection of certain local industries, (d) the procurement of goods for which export quotas have been fixed by the supplying countries as well as goods in short supply, (e) the implementation of Trade Agreements, and (f) Ceylonisation of import trade.

Export control is maintained for (a) the purpose of restricting the export of imported goods which are required for the essential needs of the Island, (b) the enforcement of minimum prices for certain exportable commodities, (c) the enforcement of Standards of quality on certain products, (d) the control of strategic materials, (e) the restriction on the export of certain Ceylon produce required for the needs of the Island, (f) the implementation of trade agreements, and (g) the Ceylonisation of new export trade.

Import Control Policy

Imports from Ceylonised Sources.—The restriction of importation of goods produced or manufactured in Austria, China, Czechoslovakia, Germany, Japan, Poland or Yugoslavia on General Import Licences to Registered Ceylonese Traders continues. The earlier procedure applicable to importation of goods produced or manufactured in Albania, Bulgaria, Formosa, Hungary, Rumania, Spain or U. S. S. R. to be made on individual import licences has been changed and Registered Ceylonese Traders are now permitted to import goods originating from these countries too on their General Import Licences.

Imports from Dollar Sources.—Certain goods continue to be under licence control and licences for the importation of such goods are issued to Registered Ceylonese Traders liberally. Non-national established importers are allowed licences on the basis of their past trade. The restrictions placed on the imports of the following goods was removed and imports are now permitted on import licences :—

- (1) Beer, ale, porter and all other malt liquors,
- (2) Whisky,
- (3) Confectionery, and
- (4) Toys and parlour games (other than toys made of wood, clay or rubber and rubber balloons).

Imports from Belgium, Denmark, France, Greece, Iceland, Italy, Luxemburg, Netherland, Norway, Portugal, Sweden, Switzerland and Turkey.—Registered Ceylonese Traders are issued licences liberally for imports of watches, clocks, textiles, motor cars, station wagons and alcoholic beverages produced or manufactured in these countries. Non-national established importers are issued licences only for imports of alcoholic beverages in the light of their past trade.

Imports from all Sources.—Certain goods continue to be under licence control. Recently the following additional goods were brought under licence control :—

- (1) Bicycles and frames and forks for bicycles,
- (2) Envelopes (plain),
- (3) Electric lamp bulbs,
- (4) Pappadams,
- (5) Beedies,
- (6) Piece goods of cotton, artificial silk or synthetic fibre, and
- (7) Dry cell batteries for torchlights.

These controls were introduced with a view to granting protection to the local industries set up.

Export Control Policy

Exports to Ceylonised Sources.—The policy of issuing licences for the exportation of goods to Bulgaria, China, Czechoslovakia, Formosa, Poland and Rumania to Registered Ceylonese Traders continues. The earlier procedure applicable to exportation of Ceylon produce to Albania, Austria Hungary and U.S.S.R., through the Commissioner of Commodity Purchase has been changed and licences are now issued only to Registered Ceylonese Traders.

Exports to Maldiv Islands.—Export licences are issued to meet the requirements of the Maldiv Islands on the recommendation of the Maldivian Government Representative in Ceylon.

Commercial Exports.—Certain goods continue to be under licence control and licences for the exportation of such goods are issued in Ceylonised areas to Registered Ceylonese Traders and in other areas to any exporter.

Non-Commercial Exports and Transshipment Cargo.—There has been no change in policy. The export of strategic materials continues to be controlled.

Ceylonisation of Trade

There has been no change in policy during the year in regard to registration of Ceylonese Traders and Ceylonese Indent Agents. Import of Rangoon diamonds is now confined to Registered Ceylonese Traders in addition to imports of goods from Ceylonised areas and of certain commodities from all sources reserved for them earlier. There have been no changes in policy regarding the exportation of goods to Ceylonised areas. Lunumidella logs continue to be restricted for export to any source by Registered Ceylonese Traders.

III—SHARE MARKET REVIEW

Tea

Share prices in 1958 continued to follow the marked downward trend that had begun in the latter half of 1957. Thus the index number which stood at 195 in the fourth quarter 1957, dropped to 163 in the first quarter of 1958; and thereafter registered a further steady decline over the rest of the year, reaching the figure of 123, in the fourth quarter of 1958 (representing a total decline of 72% in the average prices of Tea shares of Rupee Companies).

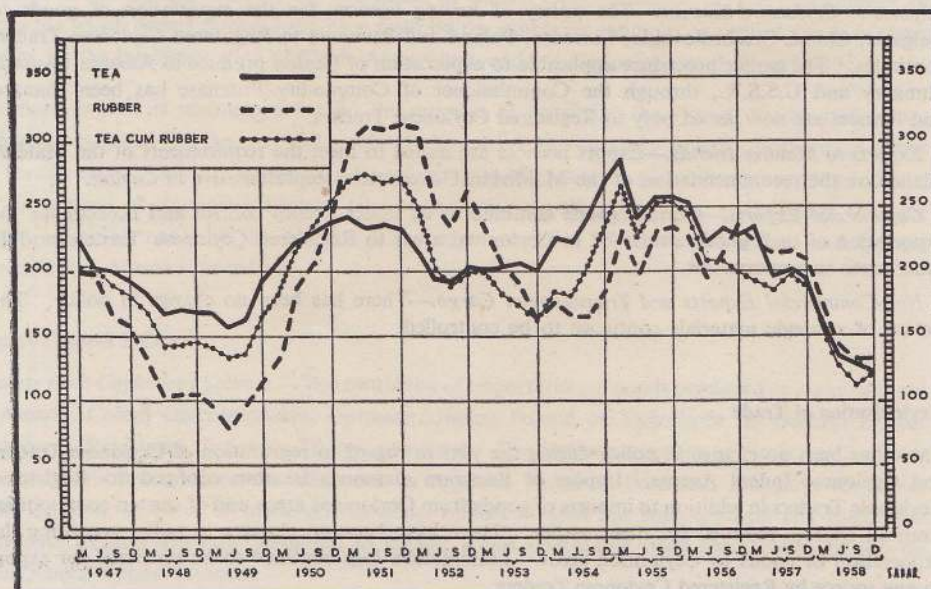
Rubber

Prices of rubber shares during 1958 showed an even more marked downward trend, than they had in 1957. Thus the Index number dropped further from 210 in the fourth quarter of 1957 to 181 in the first quarter of 1958. It dropped to a record low figure 132 in the third quarter but recovered slightly in the fourth quarter, when the index number stood at 133 (representing a total decline of 77% over the share prices which prevailed in the fourth quarter of 1957).

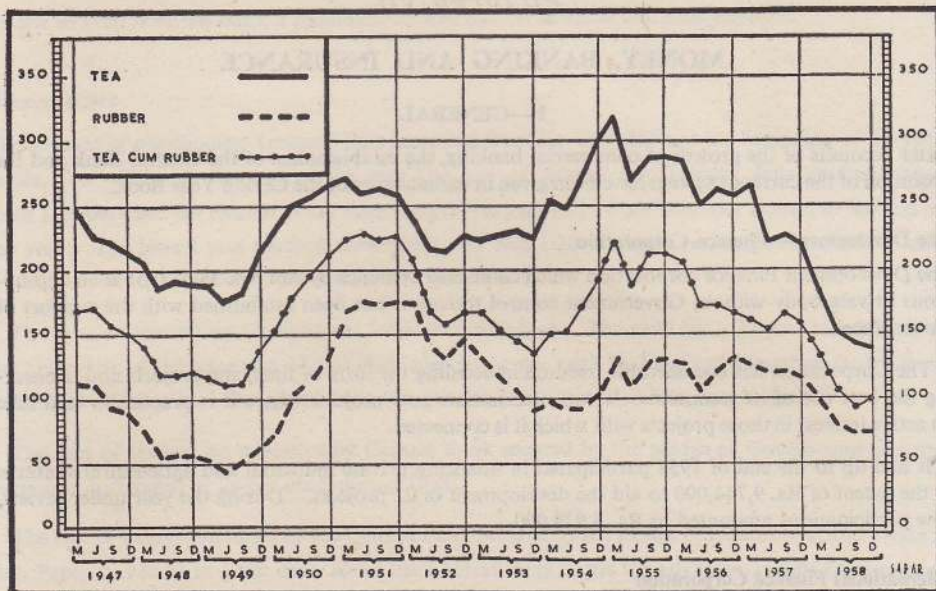
Tea-cum-Rubber

The prices of Tea-cum-Rubber shares in 1958 recorded a similar proportionate decline as the prices of individual Tea and Rubber shares. The index number dropped from 190 in the fourth quarter of 1957 to 161 in the first quarter of 1958, and thereafter to its lowest figure of 111 in the third quarter. The Share Market seemed to rally towards the end of the year and the index number recovered to a figure of 120 in the fourth quarter of 1958.

(i) QUARTERLY INDICES OF SHARE PRICE (RUPEE COMPANIES) 1947-1958
(Base : 1939=100)



(ii) QUARTERLY INDICES OF SHARE PRICES, 1947-1958
(Base : Par Value=100)



CHAPTER XII

MONEY, BANKING AND INSURANCE

I.—GENERAL

BRIEF accounts of the growth of commercial banking, the establishment of the Central Bank and the evolution of the currency system have been given in earlier issues of the Ceylon Year Book.

The Development—Finance Corporation

The Development Finance corporation which came into existence by Act No. 35 of 1955 is an autonomous private body without Government control though it has been established with the support of Government.

The Corporation has considerable freedom in deciding the form of financing projects and in ensuring the best use of its resources. It can also initiate new projects where it is practicable and take an active interest in those projects with which it is connected.

It had up to the end of 1958 participated in financing private industrial and agricultural ventures to the extent of Rs. 9,744,000 to aid the development of 22 projects. During the year under review, new participations amounted to Rs. 3,939,000.

International Finance Corporation

With passing of the International Finance Corporation Act, No. 4 of 1956, by the Ceylon Parliament Ceylon became a member of the International Finance Corporation. Ceylon paid U. S. dollars 166,000 to the capital stock of the Corporation as subscription to 166 shares. The Corporation is a body set up for the purpose of furthering economic development by encouraging the growth of productive private enterprise in member countries, particularly in less developed areas, thus supplementing the activities of the I. B. R. D.

II—THE CENTRAL BANK AND ITS FUNCTIONS

The Central Bank of Ceylon was established under the provisions of the Monetary Law Act, No. 58 of 1949, and began its operations on August 28, 1950.

The Central Bank's capital of Rs. 15,000,000 has been contributed by the Government.

Responsibility of management and operation rests with the Monetary Board consisting of the Governor (Chairman) the Permanent Secretary to the Ministry of Finance and a member appointed by the Governor-General.

The main functions of the bank are the administration and regulation of the monetary and banking system of Ceylon. It is also charged with the duty of so regulating the supply, availability, cost and international exchange of money as to secure the following objects :—

- (a) the stabilisation of domestic monetary values ;
- (b) the preservation of the par value of the Ceylon rupee, and the free use of the rupee for current international transactions ;
- (c) the promotion and maintenance of a high level of production employment and real income in Ceylon, and
- (d) the encouragement and promotion of the full development of the productive resources of Ceylon.

The Bank is empowered to adopt techniques such as open market operations, adjustment of bank rates, alterations of reserve requirements &c. The Commercial Banks in the country are required by law to keep with the Bank a minimum reserve against demand and time deposits.

Interest Rates

The amount of outstanding Treasury Bills increased from Rs. 80 million at the beginning of the year to Rs. 165 million at the end of the year. The rate of interest on Treasury Bills gradually rose from 1.28 per cent. per annum at the beginning of the year to 1.76 per cent. per annum at the end of the year. The lowest rate reached during the year was 1.28 per cent. per annum in January and the highest rate 1.76 per cent. per annum in December.

The rates of interest on Government loans generally rose. The yield for a 25-year loan which at the beginning of the year was $3\frac{1}{4}$ per cent. rose to $3\frac{1}{2}$ per cent. in June and remained at this level at the end of the year. The yields for medium term loans remained fairly unchanged.

The rate of interest on advances by Central Bank secured by the pledge of Government security remained unchanged at $2\frac{1}{2}$ per cent. during 1958.

The rate of interest on loans by the Central Bank secured by the pledge of Commercial and Production Paper was fixed at $\frac{1}{2}$ per cent. above the Central Bank's rate for advances against Government securities.

The ratio of reserves which the commercial banks are required to maintain with the Central Bank remained unaltered at 10 per cent. in the case of demand deposits and 5 per cent. in the case of time deposits.

The Central Bank of Ceylon, as Agent of the Government, continues to administer Exchange Control in terms of the Exchange Control Acts No. 24 of 1953. In view of the adverse Balance of Payments position, the restrictions imposed in 1957 were continued in 1958.

There were no changes in the exchange rates in respect of Sterling and Indian Rupees. The Rupee-Dollar Rate was changed from time to time during 1958 to keep in line with changes in the Sterling-Dollar Rate.

The income of the Bank for 1958 amounted to Rs. 20,646,598 and expenditure which included allocation to reserves in terms of Section 38 of the Monetary Law Act totalled Rs. 14,646,598 giving a net profit of Rs. 6 million which was credited to Surplus in terms of Section 39 (b) of the Monetary Law Act as the total of the Capital Accounts of the Bank as at the end of December, 1958, was less than 15 per cent. of the difference between the total assets of the Bank and its assets in foreign currencies.

The total liabilities of the Bank as at the end of 1958 were Rs. 865.8 million as compared with Rs. 686.8 million at the end of 1957. In 1958 notes and coins in circulation amounted to Rs. 578.3 million and Bank deposits Rs. 91.5 million as compared with Rs. 475.1 million and Rs. 89.9 million respectively in 1957. Total assets which amounted to Rs. 865.8 million consisted of Rs. 538.7 million in International Reserve and Rs. 327.1 million in Domestic Assets.

The respective figures for 1957 were Rs. 590.8 million and Rs. 96.0 million when total assets were Rs. 686.8 million. The table below gives the assets and liabilities of the Central Bank for 1957 and 1958.

TABLE 12.1 ASSETS AND LIABILITIES OF THE CENTRAL BANK

	(Rs. Million)							
	1957				1958			
	March	June	Sept.	Dec.	March	June	Sept.	Dec.
ASSETS								
<i>International Reserves :</i>								
Cash and Balances abroad including Treasury Bills	477.8	343.6	375.1	334.4	312.5	246.3	285.4	312.7
Foreign bills discounted	—	6.6	11.3	18.3	20.7	9.0	10.5	11.1
Foreign Government Securities	224.8	238.0	238.1	238.1	264.7	238.1	238.3	214.9
Total	702.6	588.2	624.5	590.8	598.0	493.5	534.2	538.7
<i>Domestic Assets :</i>								
Loans and Advances to Government	—	27.0	96.3	32.6	—	58.4	82.5	107.6
Others	—	—	—	3.0	4.8	30.9	—	—
Government and Government Guarantees Securities	11.0	46.0	48.9	52.8	76.2	118.7	145.7	153.4
Other Assets and Accounts	6.8	7.6	16.4	7.6	10.4	11.3	30.7	66.1
Total Assets or Liabilities	720.4	668.8	786.1	686.8	689.3	712.7	793.1	865.8
International Reserve as percentage of currency and demand liabilities	112.8	103.9	91.1	101.0	99.9	79.8	78.7	73.3
LIABILITIES								
<i>Capital Accounts :</i>								
Capital	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Surplus	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Total	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0

TABLE 12.1 ASSETS AND LIABILITIES OF THE CENTRAL BANK

	(Rs. Million)							
	1957				1958			
	March	June	Sept.	Dec.	March	June	Sept.	Dec.
Currency Issue :								
Notes in circulation	416.7	432.3	446.6	448.1	445.4	488.9	514.2	550.1
Coins in circulation	24.5	26.6	26.7	27.0	26.7	27.0	27.1	28.2
Total	441.2	458.9	473.3	475.1	472.1	515.9	541.4	578.3
Deposits :								
Government	67.2	0.5	30.8	2.2	18.7	0.9	0.6	9.9
Government Agencies and Institutions	4.0	3.0	1.4	3.8	2.6	6.4	3.1	0.7
Commercial Banks	106.0	96.9	165.6	89.9	84.2	81.3	119.4	91.5
International Organisations	3.3	5.6	13.0	12.3	19.2	12.3	13.4	47.6
Others	1.1	1.2	1.6	1.7	1.8	1.2	1.3	1.4
Total	181.5	107.2	212.4	109.8	126.5	102.2	137.8	151.2
Other Liabilities and Accounts	52.3	58.3	64.5	66.1	58.1	62.2	86.9	109.3

III—COMMERCIAL BANKS

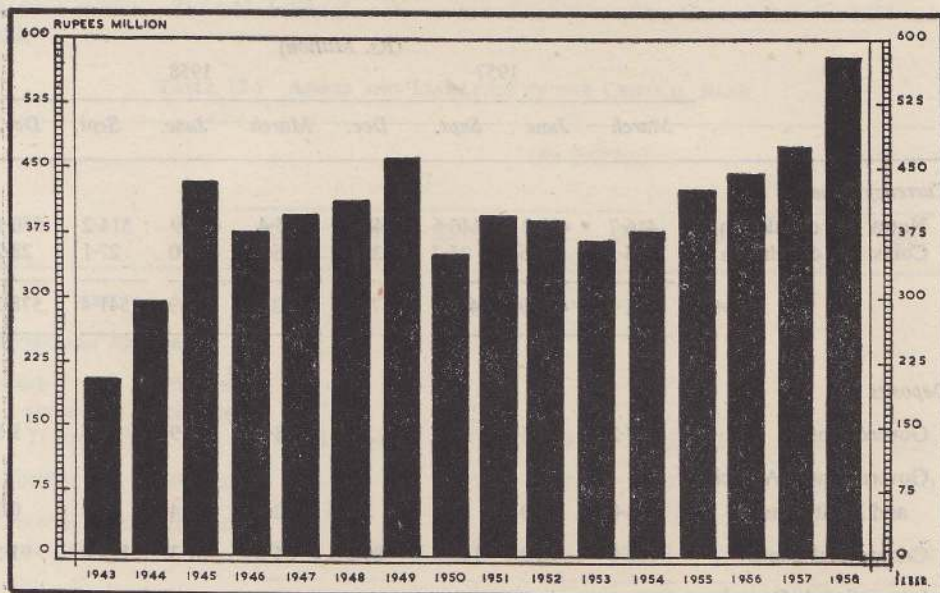
Of the Banks (foreign and local) registered under the provisions of the Companies Ordinance, No. 51 of 1938, the following continued to do business during the year 1958.

Chartered Bank, The Eastern Bank, Ltd., The Hatton Bank, Ltd., (Incorporated under the provisions of the Joint Stock Companies Ordinance); The Hongkong and Shanghai Banking Corporation, The State Bank of India, The Indian Bank, Ltd., The Indian Overseas Bank, Ltd., The Mercantile Bank, The National Overseas and Grindlays Bank, Ltd., The Oriental Bank of Malaya, Ltd., and The Habib Bank (Overseas) Ltd.

The Bank of Ceylon incorporated by the Bank of Ceylon Ordinance is the only statutory Bank which does commercial banking business as defined in this Ordinance.

The other statutory banks on a limited scale are the Ceylon and Post Office Savings Banks, the State Mortgage Bank, and the Agricultural and Industrial Credit Corporation. A certain amount of banking activity of a specialised nature is also conducted by several co-operative organisations such as the Colombo Co-operative Provincial Bank, Limited; and the Co-operative Federal Bank of Ceylon, Limited.

COMMERCIAL BANKS DEPOSITS, 1943-1958



Banking Statistics

The total deposits including bankers' deposits have steadily increased as shown in the following table :—

TABLE 12.2 COMMERCIAL BANKS DEPOSITS, 1940-58

Year	(In Rupees Million)	Year	(In Rupees Million)
1940	216	1949	801
1941	231	1950	974
1942	330	1951	1,012
1943	373	1952	821
1944	487	1953	709
1945	601	1954	898
1946	606	1955	1,054
1947	649	1956	1,185
1948	724	1957	1,052
		1958	1,070

In 1943 the banks had Rs. 80 million in local investments. The figures steadily increased to Rs. 273 million in 1950. In 1958 it fell to Rs. 285 million from Rs. 299 million in 1957. The cash in hand in banks reached the record level of Rs. 228 million in 1949 falling after the establishment of the Central Bank in 1953 to Rs. 26 million. In 1957 it stood at Rs. 30 million. Loans and advances which were Rs. 90 million in 1947 have increased to Rs. 365 million in 1958.

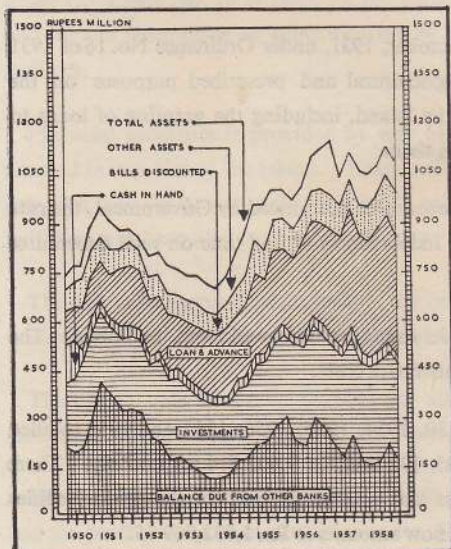
Some of the main items which constitute the assets and liabilities of the local banks are given below :—

TABLE 12-3 COMMERCIAL BANKS ASSETS AND LIABILITIES, 1948-1958

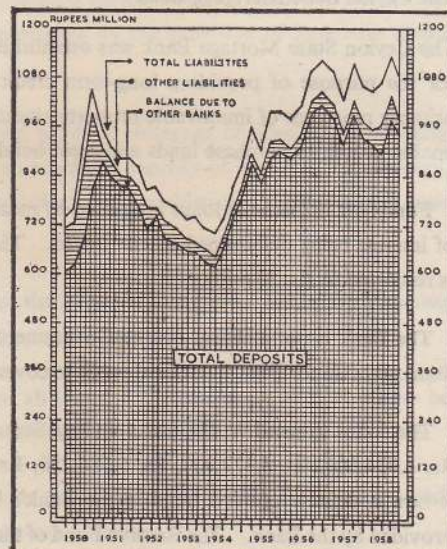
	In Rupees Million											
	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	
Assets	746	875	887	883	775	711	867	999	1,124	1,060	1,088	
Cash in hand	181	228	36	34	27	26	27	31	34	30	30	
Balances due from other banks	252	261	301	333	180	120	181	307	266	170	174	
Loans and Advances	82	101	128	184	177	193	224	233	304	360	365	
Bills discounted	47	53	83	73	64	60	83	91	103	92	137	
Investments	186	206	273	221	241	230	222	249	294	299	285	
Other Assets	17	26	66	38	86	83	130	88	123	109	97	
Liabilities	762	873	1,051	883	775	711	866	999	1,124	1,060	1,088	
Total deposits*	596	625	805	804	686	637	790	901	1,015	933	943	
Balances due to other Banks	145	217	190	33	45	25	11	29	31	39	35	
Other liabilities	21	31	56	46	44	50	65	69	78	88	110	

*Demand, time and savings only

COMMERCIAL BANK ASSETS, 1950-58



COMMERCIAL BANK LIABILITIES, 1950-58



Bank Clearings

The following table showing the average monthly bank clearings, in millions of rupees, gives an indication of the volume of banking business for the period 1939 to 1958 :—

TABLE 12.4 BANK CLEARINGS, 1939-1958

<i>Year</i>	<i>Monthly Average (in Rupees Million)</i>		<i>Monthly Average (in Rupees Million)</i>
1939	98.6	1948	390.7
1940	134.7	1949	418.0
1941	151.2	1950	549.4
1942	183.8	1951	691.4
1943	225.4	1952	687.8
1944	279.3	1953	670.6
1945	331.4	1954	684.4
1946	305.2	1955	757.7
1947	349.3	1956	734.8
		1957	730.4
		1958	661.1

The Ceylon State Mortgage Bank

The Ceylon State Mortgage Bank was established in October, 1931, under Ordinance No. 16 of 1931 for the purpose of providing long-term credit for agricultural and prescribed purposes on the primary mortgage of immovable property situated in the Island, including the granting of loans to enable people to purchase lands and erect buildings on them.

Funds for the issue of loans are raised by means of debentures guaranteed by Government, the rate of interest being determined by the Board. The total indebtedness at any time on such debentures is restricted to Rs. 50 million.

The Bank is not a charge on the Government since its funds are borrowed from the Public. The Bank reserves for itself a marginal profit to cover administrative costs.

The loans granted in the years ending September 30, 1954, 1955, 1956, 1957 and 1958 totalled Rs. 4,934,500, Rs. 5,379,900, Rs. 5,586,250, Rs. 12,605, 132 and Rs. 9,403,514 respectively. There is now a definite upward trend in the Bank's business and a large demand for the credit facilities provided by the Bank. The Reserve Fund of the Bank now amounts to Rs. 1,832,969.15.

TABLE 12.5 CEYLON STATE MORTGAGE BANK : LOANS GRANTED, RE-PAID AND OUTSTANDING

<i>Period</i>	<i>Loans Granted During the Period</i>	<i>Capital Repayment Received During the Period</i>	<i>Total Loans Outstanding at the End of the Period</i>
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
1945-46	591,650	716,456	3,611,917
1946-47	1,665,000	524,508	4,752,409
1947-48	2,281,500	661,490	6,372,419
1948-49	2,399,750	639,426	8,132,743
1949-50	2,569,750	799,765	9,902,728
1950-51	2,645,000	1,062,370	11,485,357
1951-52	3,184,000	1,281,884	13,387,474
1952-53	4,224,500	1,425,187	16,186,786
1953-54	4,934,500	1,358,023	19,763,263
1954-55	5,379,900	2,541,613	22,601,550
1955-56	5,586,250	2,060,063	26,127,737
1956-57	12,605,132	2,832,612	35,900,257
1957-58	9,403,514	2,536,521	42,767,250

The Agricultural and Industrial Credit Corporation of Ceylon

The Agricultural and Industrial Credit Corporation of Ceylon was established in December, 1943, under Ordinance No. 19 of 1943, for the purpose of financing agricultural and industrial enterprises and for the redemption of debts incurred by such enterprises by the provision of long-term credit facilities.

Financial assistance is provided by way of loans on primary mortgage of immovable property situated in any part of the Island. Loans are also granted on the security of plant and machinery, provided they are permanently installed in suitable buildings and provided the land on which such buildings stand are also tendered as security.

The title to property must be valid in the opinion of the Board of Directors. Generally speaking documentary title without a defect for about 40 years would be acceptable.

The present rate of interest is $5\frac{1}{2}\%$ per annum on all loans. The minimum loan that may be granted to any applicant is Rs. 500. The period of repayment for a loan may not exceed 25 years.

During the year ended September 30, 1958, 149 loans amounting to Rs. 3,589,550 were granted, and the profit for the year amounted to Rs. 528,783 before taxation.

TABLE 12.6 AGRICULTURAL AND INDUSTRIAL CREDIT CORPORATION—LOANS GRANTED, REPAID AND OUTSTANDING

<i>Period</i>	<i>Loans Granted During the Period</i>	<i>Capital Repayment Received During the Period</i>	<i>Total Loans Outstanding at the End of the Period</i>
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
1946-47	1,774,975	742,240	6,792,241
1947-48	2,612,700	666,000	8,255,950
1948-49	3,027,600	438,000	9,889,646
1949-50	6,555,100	1,101,200	13,982,646
1950-51	9,455,133	3,721,639	19,734,004
1951-52	10,250,980	3,921,611	26,063,364
1952-53	8,872,275	5,946,411	28,989,228
1953-54	5,518,110	5,025,344	29,485,349
1954-55	5,925,990	4,666,735	30,744,604
1955-56	6,305,030	3,809,608	31,980,771
1956-57	4,018,485	5,368,088	30,631,168
1957-58	3,589,550	3,718,587	30,501,131

IV—MONEY SUPPLY

Currency Notes and Coins

The Currency of the Island is regulated by the Monetary Law Act, No. 58 of 1949.

Currency notes are issued in the denominations of Re. 1, Rs. 2, Rs. 5, Rs. 10, Rs. 50, and Rs. 100.

Coins are issued in the denominations of Rs. 5, Re. 1 and in the decimal sub-divisions of the rupee. The circulation consists of Rs. 5 coins in silver, Re. 1 coins in cupro-nickel, 50 cent, 25 cent and 10 cent coins in nickel-brass, 5 cent coins in cupro-nickel and nickel brass, 2 cent coins in nickel-brass and $\frac{1}{2}$ cent and cent in copper and bronze.

The money supply which stood at Rs. 1,040.1 millions at the end of December, 1957, after having fallen by Rs. 86.7 million fell further by Rs. 40.3 millions during the first five months of 1958. Thereafter, it increased by Rs. 76.9 million to Rs. 1,076.8 million at the end of the year, making a total increase of Rs. 36.6 millions or 3.6 per cent. in 1958.

The following table gives the money supply figures for the period 1947-58 :—

TABLE 12-7 MONEY SUPPLY

End of Period	(Rs. Million) Currency			
	(i) Total	(ii) Held by Government	(iii) Held by Banks	(iv) Held by Public
1947	411.8	4.2	169.5	238.1
1948	426.4	4.2	181.1	241.1
1949	476.1	4.2	228.0	243.9
1950	367.4	6.0	36.0	325.4
1951	417.0	5.9	33.8	377.4
1952	388.8	4.8	27.4	356.6
1953	367.1	6.3	25.5	335.3
1954	376.2	7.5	26.9	341.8
1955	425.0	9.0	31.5	384.5
1956	443.4	8.4	33.9	401.1
1957	475.1	9.8	30.4	434.9
1958 January	460.5	9.1	31.1	420.2
February	463.1	8.6	27.4	427.0
March	472.1	6.6	27.4	438.1
April	506.4	16.9	35.9	453.6
May	508.3	15.6	38.8	454.0
June	515.9	12.8	27.7	475.4
July	517.2	10.4	28.3	478.5
August	525.8	13.1	30.3	482.5
September	541.4	11.9	28.7	500.8
October	542.6	13.2	27.7	501.7
November	545.1	9.5	27.8	507.8
December	578.3	17.7	30.8	529.8

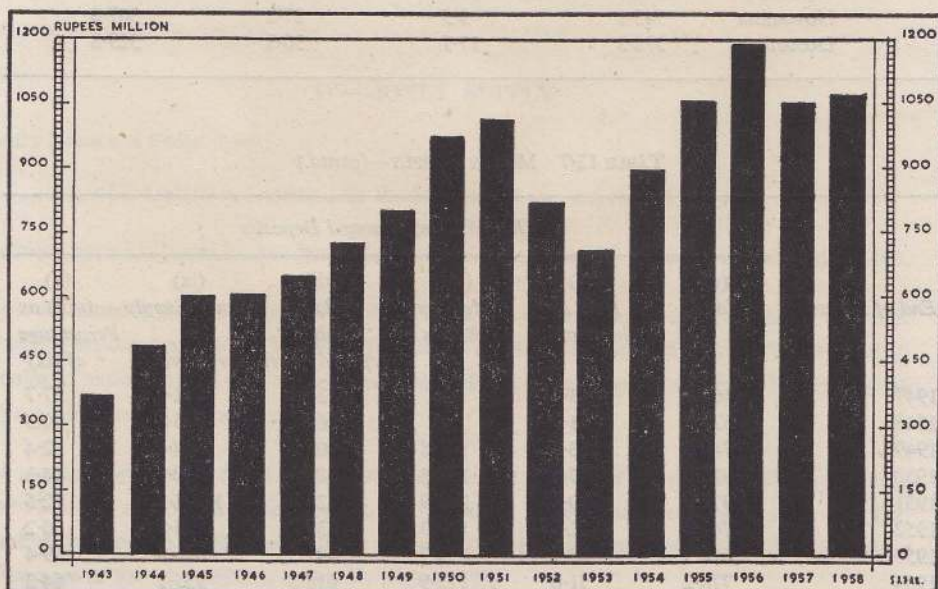
TABLE 12-7 MONEY SUPPLY—(contd.)

End of Period	(Rs. Million) Demand Deposits					
	(v) Total	(vi) Held by Government	(vii) Held by Banks	(viii) Held by Public	(ix) Money Supply	(x) (viii) as Percentage of (ix)
				(v) — (vi) — (vii)	(iv) — (viii)	
1947	468.0	143.6	n.a.	324.4	562.5	57.7
1948	528.9	163.2	n.a.	365.7	606.8	60.3
1949	740.5	153.2	181.8	405.5	649.4	62.4
1950	925.3	147.6	192.3	585.4	910.7	64.3
1951	977.9	119.2	229.9	628.8	1,006.2	62.5
1952	761.8	52.3	170.3	539.2	895.8	60.2
1953	614.9	43.7	79.7	491.5	826.8	59.4
1954	778.2	51.0	111.9	615.3	957.1	64.3

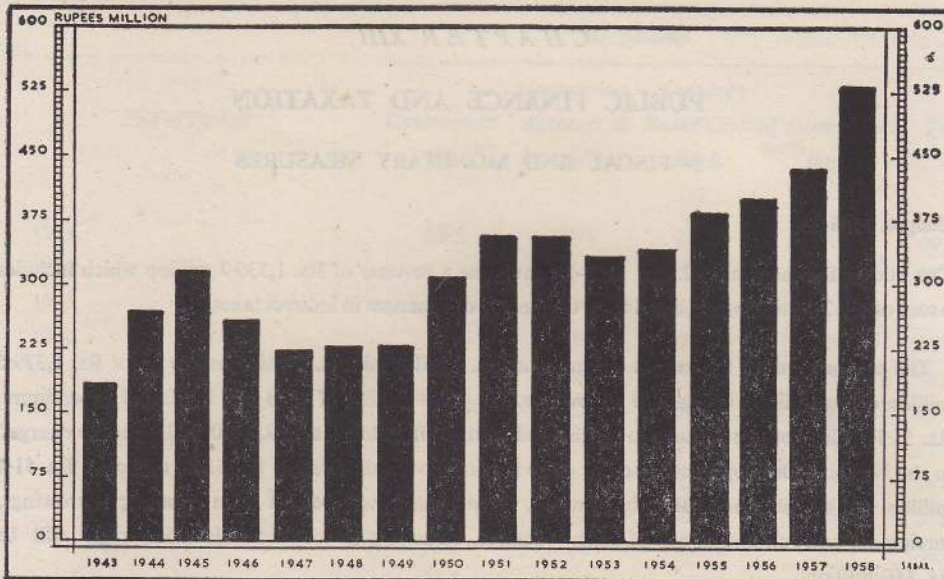
TABL 12.7 MONEY SUPPLY—(contd.)

End of Period	Rs. Million Demand Deposits					
	(v)	(vi)	(vii)	(viii)	(ix)	(x)
	Total	Held by	Held by	Held by	Money Supply	(viii) as
		Government	Banks	Public		Percentage
				(v)—(vi)—(vii)	(iv)—(viii)	of (ix)
1955	930.6	93.5	148.7	688.4	1,072.9	64.2
1956	1,011.1	127.8	157.6	725.7	1,126.8	64.4
1957	804.1	87.2	111.6	605.2	1,040.1	58.2
1958 January	794.7	87.6	112.9	594.2	1,014.4	58.6
February	800.9	91.1	121.1	588.7	1,015.7	58.0
March	800.3	108.4	107.4	584.6	1,022.7	57.2
April	768.8	84.7	106.1	578.1	1,031.7	56.0
May	727.6	85.3	96.5	545.8	999.8	54.6
June	743.0	104.9	98.5	539.6	1,015.0	53.2
July	726.8	86.2	96.1	544.5	1,023.0	53.2
August	729.9	92.8	97.2	539.8	1,022.3	52.8
September	855.8	148.8	136.0	571.1	1,071.9	53.3
October	816.5	99.9	133.0	583.5	1,085.2	53.8
November	795.6	101.7	131.8	562.1	1,070.0	52.5
December	812.0	122.6	142.5	546.9	1,076.8	50.8

NOTE CIRCULATION (ACTIVE), 1943-1958



NOTE CIRCULATION (GROSS), 1943-1958



V—INSURANCE

Insurance, like Banking, had till recent years been the monopoly of foreign companies. It was only when the Motor Ordinance of 1938 came into operation, making Third Party Insurance compulsory that the indigenous business interest took to insurance. Since then Ceylon Insurance Companies have not only increased in number but also taken to underwriting every variety of risk. Many companies, however, commenced with Motor Insurance as their first concern.

In 1911, with the enactment of the Insurance Ordinance No. 11 of that year an attempt was made to introduce legislation relating to insurance companies. It was based largely on the Assurance Companies Act of 1909 of the United Kingdom. So numerous were the representations made against it that it was not brought into operation and has remained a dead letter to this day.

The enacting in India of the Indian Insurance Act in 1938, based mainly on the recommendations of the Caluson Committee once again brought the question of insurance legislation to the forefront. A draft Ordinance based on the Indian Act with minor changes was published in 1938, but nothing came of it as the war and constitutional changes intervened.

In 1948 a Commission was appointed with Mr. L. M. D de Silva, Q.C., as Chairman to report on Company Law, Banking, Insurance and Accountants and Auditors. Its first interim Report "making recommendations as to the measures that should be adopted for the registration and more effective control of insurance activities in Ceylon" was published in February, 1950, with a "Draft Insurance Bill" for that purpose.

The report recommended the establishment of a Department of Insurance with a Superintendent as its head vested with wide powers to regulate and supervise insurance companies.

In 1956 the Ministry of Agriculture obtained the services of Dr. P. K. Ray of the F. A. O. to advise the Government on Crop Insurance. A draft bill embodying a scheme of crop insurance submitted by the Ministry and based on Dr. Ray's report is under preparation. Meanwhile a pilot crop insurance scheme has been inaugurated with the last Maha crop in specially selected areas in the districts of Colombo, Hambantota, Anuradhapura, Batticaloa and Kegalla and involves a paddy acreage of approximately 28,000 acres in the first three years of its operation.

CHAPTER XIII

PUBLIC FINANCE AND TAXATION

I—FISCAL AND MONETARY MEASURES

Budget, 1958-59

THE budget for the financial year 1958-59 envisages a revenue of Rs. 1,330.7 million which includes a sum of Rs. 20.0 million expected to be obtained from changes in indirect taxes.

The expenditure for the year is estimated at Rs. 1,861.3 million. This is made up of Rs. 1,379.5 million of expenditure chargeable to revenue, Rs. 424.8 million of loan and loan fund expenditure, Rs. 51.1 million of expenditure to be charged to the IBRD loan, and Rs. 6.0 million to be charged to the National Development Reserve. The resultant over-all deficit is Rs. 530.6 million. Rs. 51.1 million will be met from IBRD borrowings. The balance will be met from domestic borrowings, foreign aid and running down of cash balances. The extent of domestic borrowings will be Rs. 160 million.

New Taxation Proposals

New tax proposals have been introduced with a view to a radical revision of the existing direct tax structure. The tax base is enlarged by the inclusion of capital gains in income for income tax purposes, by taxes on expenditure, gifts and wealth and deepened by disallowing certain expenditures which are now allowed in assessing income tax. The existing system of fixed assets depreciation allowances is replaced by an immediate capital allowance available in the year of acquisition of the asset. In addition, a development subsidy of 20 per cent. is payable on all new investments.

The existing dual system of taxing profits is abolished. Resident companies will pay a uniform tax of 45 per cent. on all taxable profits and are required to deduct a dividend tax of $33\frac{1}{3}$ per cent. on gross dividend distributions. This deduction is to be credited against the income tax liability of the shareholders. Non-resident individuals will continue to pay tax at existing rates. Non-resident companies will pay tax at 51 per cent. One third of the profits or the actual amount remitted whichever is less, will be deemed to have been distributed and hence will be liable to a tax of $33\frac{1}{3}$ per cent.

These changes in direct taxation however, are not expected to yield any significant nett addition to revenue in 1958-59.

External Assets

At the end of 1958 external assets stood at Rs. 883.3 million a decrease of Rs. 59.8 million over the figure of Rs. 943.1 million as at the end of 1957.

TABLE 13-1 EXTERNAL ASSETS OF CEYLON (a)

	Rs. Million				
End of Period	Government	Government	Currency		Total
		Agencies &	Board-Central	Commercial	
	(b)	Institutions	Bank	Banks	
			(c)		
1953	65.5	228.4	246.6	66.7	607.2
1954	52.2	225.8	527.1	90.1	895.2
1955	80.8	237.2	658.8	177.9	1,154.7
1956	70.6	243.1	744.7	120.9	1,179.3
1957	31.6	249.4	590.0	72.1	943.1
1958 January	29.8	250.7	590.9	68.0	939.4
February	33.2	251.3	591.6	79.4	955.5
March	28.7	252.6	596.0	67.3	944.6
April	29.1	253.2	557.9	78.5	918.7
May	31.8	253.9	493.4	68.4	847.5
June	26.8	254.2	490.3	64.5	835.8
July	30.8	255.7	502.9	75.5	864.9
August	32.6	256.4	524.4	56.5	869.9
September	28.2	257.3	532.6	74.1	892.2
October	38.1	257.9	511.3	68.0	875.3
November	35.9	255.1	501.9	67.6	860.5
December	24.5	255.5	531.5	71.8	883.3

Source : Central Bank of Ceylon

(a) At face value according to books abroad.

(b) Includes War Loan re-lent to U. K. Government, less the part held by the Currency Board/Central Bank.

(c) The assets of the Currency Board were transferred to the Central Bank on August 28, 1950.

Any difference between the "Total" and the sum of the components is due to rounding.

TABLE 13-2 BALANCE OF PAYMENTS FOR 1957-58

Balance of Payments

(Rupees Million)

Item	1957			1958 (a)		
	Credit	Debit	Nett	Credit	Debit	Nett
<i>Goods and Services</i>						
1. Merchandise	1,738.2	1,710.4	— 27.8	1,690.4	1,620.4	— 70.0
2. Non-monetary gold movement (net)	—	1.9	— 1.9	—	—	—
3. Foreign travel	10.3	37.7	— 27.4	6.6	37.2	— 30.6
4. Transportation and Insurance	103.5	183.1	— 79.6	139.0	159.8	— 20.8

TABLE 13.2 BALANCE OF PAYMENTS FOR 1957-1958—(contd.)

Balance of Payments

Item	1957			1958 (a)		
	Credit	Debit	Nett	Credit	Debit	Nett
5. Investment income	40.5	93.1	— 52.6	36.9	77.2	— 40.3
5.1 Direct investment	1.2	80.1	— 78.9	2.6	66.1	— 63.5
5.2 Other interest and dividends	39.3	13.0	— 26.3	34.3	11.1	— 23.2
6. Government expenditures	45.6	33.5	— 12.1	31.5	37.5	— 6.0
7. Miscellaneous	47.8	81.9	— 34.1	42.0	83.0	— 41.0
8. Total goods and services	1,985.9	2,141.6	— 155.7	1,946.4	2,015.1	— 68.7
<i>Donations</i>						
9. Private remittances and migrants' transfers	8.8	75.1	— 66.3	7.2	85.1	— 77.9
10. Official donations	26.7	—	— 26.7	0.4	—	— 0.4
11. Total donations	35.5	75.1	— 39.6	7.6	85.1	— 77.5
Total current account	2,021.4	2,216.7	— 195.3	1,954.0	2,100.2	— 146.2
<i>Capital and monetary gold</i>						
12. Private capital movements	20.5	58.9	— 38.4	23.5	27.2	— 3.7
12.1 Direct investment	1.8	40.1	— 38.3	9.0	22.9	— 13.9
12.2 Other long-term	3.4	6.5	— 3.1	2.9	4.3	— 1.4
12.3 Other short-term	15.3	12.3	— 3.0	11.6	—	— 11.6
13. Official and banking institutions	277.7	51.0	— 266.7	170.2	—	— 170.2
13.1 Long-term assets	—	35.0	— 35.0	17.6	—	— 17.6
13.2 Long-term liabilities	23.1	—	— 23.1	13.0	—	— 13.0
13.3 Short-term assets	254.6	—	— 254.6	85.4	—	— 85.4
13.4 Short-term liabilities	—	16.0	— 16.0	54.2	—	— 54.2
13.5 Monetary gold	—	—	—	—	—	—
14. Total capital and monetary gold	298.2	109.9	— 188.3	193.7	27.2	— 166.5
15. Errors and omissions	7.0	—	— 7.0	—	20.3	— 20.3

Source :Central Bank of Ceylon

(a) Provisional.

Statistics are based on Exchange Control records.

Item 1. Invoice values predominantly c.i.f. have been recorded. Notable exception Ceylon Government imports which are c. & f.

Item 9. Migrants' transfers are based on actual cash remittances; they do not include migrants' assets left in Ceylon.

Item 10. Figure shown under credit for 1958 represents gifts in cash only and excludes gifts in kind.

Capital Expenditure

TABLE 13-3 SOURCE OF FINANCE FOR CAPITAL EXPENDITURE

	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59 (Original) Esti- mates
	Percent.	Percent.	Percent.	Percent.	Percent.	Percent.	Percent.	Percent.
Current Account surplus	23.2	45.9	120.5	121.0	91.5	71.7	33.2*	18.1
Net foreign borrowing	—	—	21.6	3.4	1.2	4.7	4.8	58.3
Colombo Plan Aid (grants)	1.7	0.9	6.5	7.3	5.4	2.3	1.1	
American Aid (grants)	—	—	—	—	—	0.3	1.5	19.5
Nett domestic borrowing	51.7	62.3	35.2	14.8	6.7	43.4	33.4	
Deduction in cash balances (including reserves)	23.5	9.0	13.5	16.8	4.8	22.4	26.0	4.1
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total capital expenditure (Rs. million)	379.9	358.3	293.0	357.3	430.9	395.9	495.1*	652.8
Of which expenditure on capital maintenance (Rs. million)	(42.5)	(42.0)	(38.1)	(40.8)	(48.9)	(51.4)	(48.8)	(77.3)

*Provisional

The table above reveals the following significant features :

- The extent to which capital expenditure has been met out of taxation, i.e., current account surplus, has severely declined in 1957-58 and 1958-59.
- Total capital expenditure in 1957-58 and 1958-59 at Rs. 495.1 million (Provisional) and Rs. 652.8 million (Estimate) respectively show a substantial increase over the average for the previous six years.
- Foreign aid—both loans and grants appear as a major source of finance for the first time in 1958-59.

II—PUBLIC FINANCE

Government Accounts, 1957-58

The Government accounts for the financial year 1957-58 reveal the following features :—

- Total revenue for the year was Rs. 1,280.0 million, Rs. 19.5 million more than in the previous year.
- Total Government payments (other than payments on account of borrowing and lending operations) were Rs. 1,502.3 million, Rs. 45.4 million more than in the previous year.
- Consequently, there was a nett cash operating deficit of Rs. 222.3 million as compared with deficits of Rs. 196.4 million and Rs. 1.2 million in 1956-57 and 1955-56 respectively.
- This deficit was financed by a reduction of Rs. 47.5 million in Government's cash balances and a nett borrowing of Rs. 174.7 million.

Originally the budget deficit for 1957-58 was estimated to be of the order of Rs. 155 million. However, during the financial year, certain additional expenditure became necessary owing to improvements in the terms of employment granted to certain Government employees, the damage caused by the floods of December, 1957, and the unsettled political conditions of May, June, 1958. As a result, the deficit turned out to be higher than estimated. The deficit would have been even higher but for a net receipt of Rs. 85.6 million on Government's "advance account operations", and a substantial degree of under expenditure. The net receipt of Rs. 85.6 million was mainly due to a reduction in the accumulated credit balance with China under the Trade and Payments Agreement between Ceylon and China.

TABLE 13-4 RECEIPTS AND PAYMENTS OF THE GOVERNMENT OF CEYLON
(Rupees Million)

<i>Receipts</i>	1956-57	1957-58	1958-59 (Original Estimates)
1. Charges and sales	85.0	90.1	93.6
(a) Sale of existing property	0.7	1.0	1.3
(b) Other	84.3	89.1	92.3
2. Taxes on income and profits	271.5	264.8	221.8
3. Social insurance contributions	7.9	8.5	8.9
4. Death duties, &c.	3.2	5.4	7.5
5. Customs duties	627.5	617.0	684.5
(a) Export duties	323.9	325.0	356.3
(b) Import duties	303.6	292.0	328.2
6. Other taxes on goods and services	80.8	93.4	95.4
7. Other taxes and levies	51.1	54.5	60.1
8. Receipts from Government enterprises	109.2	115.7	123.5
9. Income from property	18.6	24.5	20.2
(a) From Government agencies and enterprises	1.1	2.6	1.0
(b) Other	17.5	21.9	19.2
10. Annuity payments and repayments of advances made from revenue	5.7	5.9	15.4
11. Total revenue (1 to 10)	1,260.5	1,280.0	1,330.7
12. Grants	10.5	13.1	380.4
(a) Colombo Plan aid	9.3	5.4	
(b) American aid	1.2	7.7	
(c) Aid from the U. S. S. R.	—	—	
(d) Aid from China	—	—	
13. Nett foreign borrowing	18.6	23.7	127.5
14. Nett domestic borrowing	171.8	165.3	
(a) Nett market borrowing	166.3	78.5	
(b) Nett administrative borrowing	5.5	86.8	—
15. Decline in cash balances and reserves	44.6	71.2	26.6
16. Total receipts	1,506.0	1,553.3	1,865.2

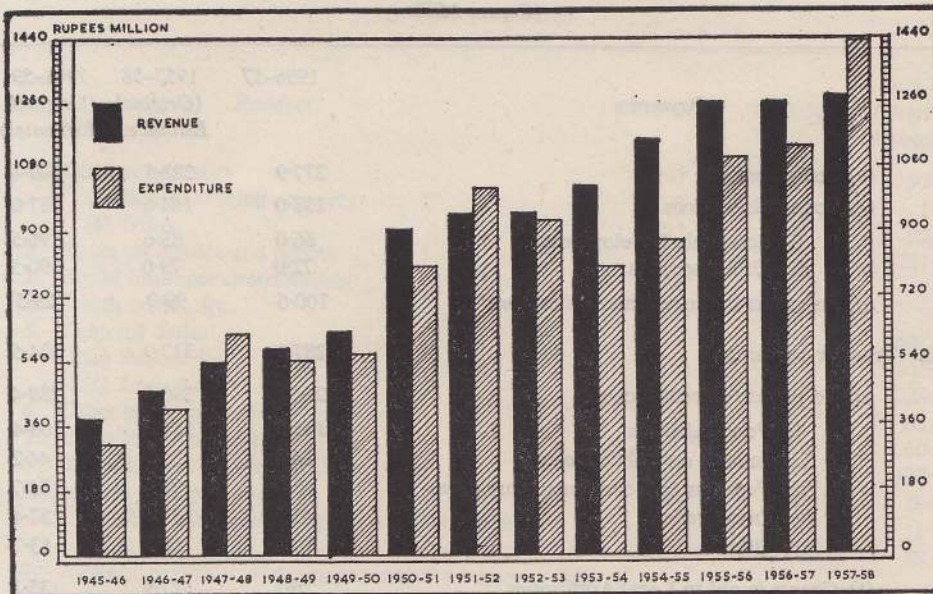
TABLE 13-4 RECEIPTS AND PAYMENTS OF THE GOVERNMENT OF CEYLON
(Rupees Million)

<i>Payments</i>	1956-57	1957-58 (Original Estimates)	1958-59 (Original Estimates)
17. Purchase of goods and services	688.9	728.2	887.9
(a) Administration	172.4	180.2	222.0
(i) Defence	26.6	39.8	47.6
(ii) Civil Administration	139.5	133.5	167.1
(iii) Legislative	6.3	6.9	7.3

TABLE 13.4 RECEIPTS AND PAYMENTS OF THE GOVERNMENT OF CEYLON—(contd.)
(Rupees Million)

<i>Payments</i>	1956-57	1957-58 (Original Estimates)	1948-59 (Original Estimates)
(b) Social services	277.9	283.5	349.4
(c) Economic services	138.0	164.6	187.0
(i) Economic Development	66.0	85.6	96.5
(ii) Utility services	72.0	79.0	90.5
(d) Payments to Government enterprises	100.6	99.9	129.5
18. Transfer payments	287.8	317.9	324.5
(a) To private current accounts	261.5	290.0	289.4
(i) Food subsidies	105.5	134.0	108.4
(ii) Interest on Public Debt	34.8	39.5	44.2
(iii) Pensions to Government employees	68.0	71.4	85.7
(iv) Direct relief	43.1	33.8	37.4
(v) Other	10.1	11.3	13.7
(b) Grants-in-aid to Local Authorities	26.3	27.9	35.1
19. Total current payments (17-18)	976.7	1,046.1	1,212.4
20. Total capital expenditure (21-22)	395.9	462.1	652.8
21. Acquisition, construction and maintenance of real assets	364.7	459.6	639.9
(Expenditure on capital maintenance)	(51.4)	(48.8)	(77.3)
(a) Administration	20.6	41.7	57.6
(i) Defence	7.0	17.4	35.5
(ii) Civil Administration	13.6	24.3	22.1
(b) Social services	86.9	93.6	139.1
(i) Health	20.1	17.5	25.3
(ii) Education	26.6	17.8	47.6
(iii) General housing	31.7	41.3	49.2
(iv) Rural development	8.5	17.0	17.0
(c) Economic services	257.2	324.3	443.3
(i) Public utilities	128.7	144.4	198.5
(ii) Agriculture, irrigation and fisheries	125.0	150.3	200.6
(iii) Manufacture, mining and trade	3.5	29.6	44.2
22. Acquisition of financial assets	31.2	2.5	12.9
23. Nett payment on account of operations financed through advance accounts (including other miscellaneous payments)	133.3	n.a.	n.a.
24. Total payments	1,506.0	1,508.2	1,865.2

REVENUE AND EXPENDITURE, 1945-46 TO 1957-58



III—PUBLIC DEBT

Public Debt figures for the calendar years 1955 to 1958 are given in the tables that follow :—

TABLE 13.5 TOTAL PUBLIC DEBT, 1955-1958

(Rs. Million)

<i>End of December</i>	<i>Gross</i>	<i>Nett</i>
1955	1,105.0	898.4
1956	1,186.6	961.3
1957	1,354.3	1,105.5
1958	1,551.9	1,260.0

Total nett debt increased by Rs. 154.5 million as against Rs. 144.2 million in the previous year.

Funded Debt

In the calendar year 1958, gross funded debt increased by Rs. 43.2 million, but the nett funded debt increased only by 0.1 million. The increase in the gross funded debt was due to nett domestic borrowing amounting to Rs. 20 million and foreign borrowing amounting to Rs. 23.2 million.

TABLE 13.6 FUNDED DEBT

(Rs. Million)

<i>End of December</i>	<i>Foreign Sterling</i>			<i>I B R D Loan</i>	<i>Other Foreign Loans</i>	<i>Domestic</i>			<i>Total</i>	
	<i>Gross</i>	<i>Sinking Fund</i>	<i>Nett</i>			<i>Gross</i>	<i>Sinking Fund</i>	<i>Nett</i>	<i>Gross</i>	<i>Nett</i>
1955	192.1	65.8	126.3	13.7	—	849.2	140.8	708.4	1,055.0	848.4
1956	192.1	68.9	123.2	22.6	—	911.9	156.4	755.5	1,126.6	901.3
1957	192.1	74.5	117.6	45.9	—	986.8	174.3	812.5	1,224.8	976.0
1958	192.1	84.2	107.9	59.2	9.9	1,006.8	207.7	799.1	1,268.0	976.1

Floating Debt

There was an increase of Rs. 154.4 million in the floating debt in 1958 against an increase of Rs. 69.5 million in 1957. The proportion of floating debt to total debt rose from 9.6% in 1957, to 18.3% in 1958. Central Bank Advances stood at Rs. 107.6 million and Treasury Bills at Rs. 165.0 million., an increase of Rs. 75 million in Central Bank Advances and Rs. 85 million in Treasury Bills issues over the corresponding figures for last year. Amount of Tax Reserve Certificates outstanding at the end of 1958 was Rs. 11.3 million, a reduction of Rs. 5.6 million from the last year's figure.

TABLE 13-7 FLOATING DEBT
(Rs. = Million)

End of December	Treasury Bills	Tax Reserve Certificates	Advances from Central Bank	Total	Total Floating Debt as per cent. of	
					Total Debt	Total Rupees Debt
1955	50.0	—	—	50.0	4.5	5.6
1956	60.0	—	—	60.0	5.1	6.2
1957	80.0	16.9	32.6	129.5	9.6	11.6
1958	165.0	11.3	107.6	283.9	18.3	22.0

IV—TAXATION AND YIELDS

The main heads of taxation and yields in respect of the Financial years 1956-57 and 1957-58 were as follows :—

TABLE 13-8 TAXATION AND YIELDS 1956-57 AND 1957-58

	1956-57		1957-58	
	Rs.	c.	Rs.	c.
Customs	627,493,897	31	616,974,904	69
Port, Harbour, Wharf, &c.	25,710,900	84	24,565,021	99
Excise and Salt	80,788,455	38	93,424,378	34
Income Tax, &c.	287,477,687	19	289,595,271	30
Licences, International Revenue, &c.	19,154,332	30	16,296,344	38
Fees of Court or Offices, &c.	10,328,036	37	14,401,879	13
Health Services	3,968,247	33	3,898,841	61

TABLE 13-8 TAXATION AND YIELDS 1956-57 AND 1957-58

	1956-57		1957-58	
	Rs.	c.	Rs.	c.
Reimbursements	14,663,128	12	16,281,822	36
Postal and Telecommunications Services	35,472,380	73	39,867,040	79
Interest, Annuities, &c.	12,383,859	45	14,763,108	58
Miscellaneous Receipts	35,086,321	88	46,797,427	02
Land Revenue	4,087,682	35	3,795,539	27
Land Sales	1,122,491	87	1,142,009	74
War Loan Interest	938,331	00	450,771	78
Railway Revenue	81,121,901	83	72,458,154	67
Electrical Department Revenue	20,661,035	29	21,041,797	45
Broadcasting Department	—		4,208,205	30

The following is an analysis of the revenue under the broad heads, Direct Taxes, Indirect Taxes and Other Revenue :—

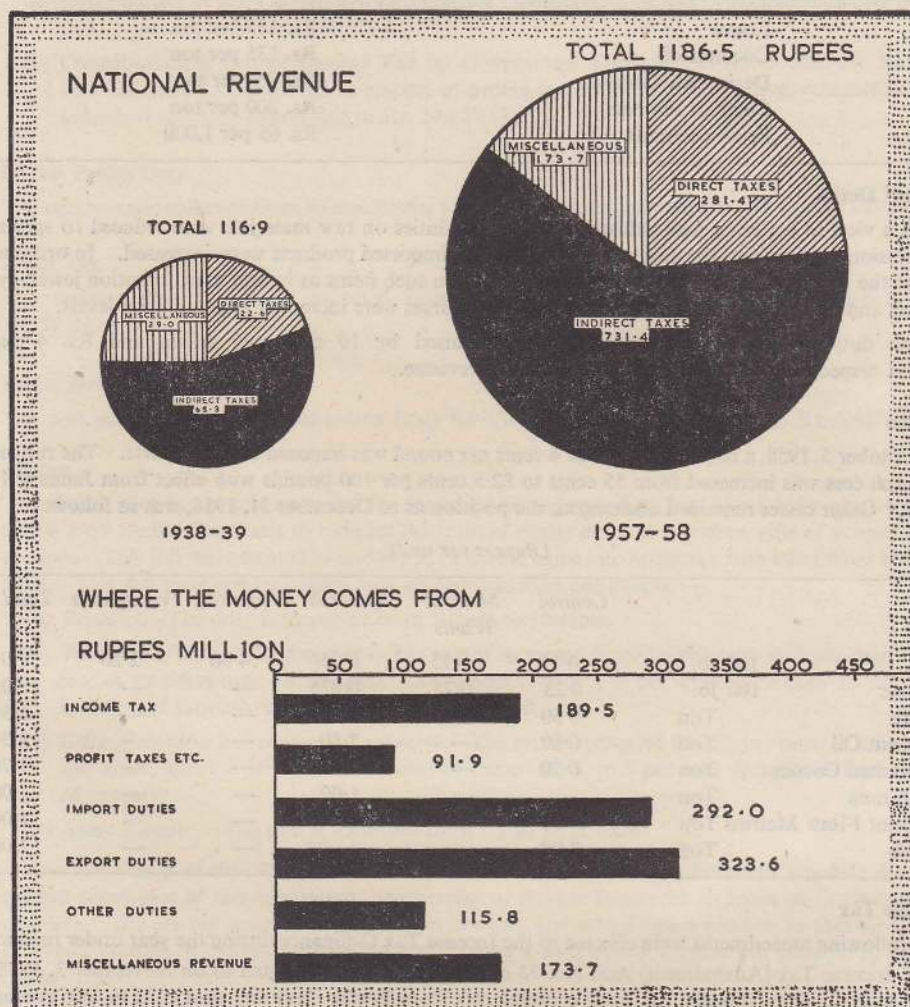
TABLE 13-9 GOVERNMENT REVENUE (I)

	1956-57	Per cent.	1957-58	Per cent.
Direct taxes	274.7	23.7	281.4	23.7
Income tax	196.7	17.0	189.5	16.0
Profits taxes, &c.	78.0	6.7	91.9	7.7
Indirect taxes	738.0	63.7	731.4	61.7
Import duties	303.6	26.2	292.0	24.6
Export duties	323.5	27.9	323.6	27.3
Excise duties	80.8	7.0	93.4	7.9
Other indirect taxes	30.1	2.6	22.4	1.9
Other revenue	146.0	12.6	173.7*	14.6
	1,158.7	100.0	1,186.5	100.0

(1) Excludes Railway and Electrical Departments.

* Includes revenue of the Broadcasting Department amounting to Rs. 4.2 million.

NATIONAL REVENUE



Export Duties

The export duty on tea was increased from 65 cents to 70 cents per pound with effect from March 24, 1958. At the same time a scheme of "Export Duty Rebates" was introduced, under which the Government paid the seller the difference between Re. 1.50 and the actual selling price or 50 cents per pound, whichever is lower, provided that the auction price is not less than 60 cents per pound. However, since August 25, the minimum auction price required to qualify for export duty rebates was raised from 60 cents to 90 cents per pound.

The export duty of 28 cents per pound of rubber was reduced to 20 cents per pound on July 7, 1958.

The duties on coconut products remained unchanged as follows :—

Copra	Rs. 185 per ton
Coconut oil	Rs. 135 per ton
Desiccated Coconut	Rs. 95 per ton
Coconut Poonac	Rs. 200 per ton
Fresh coconuts	Rs. 65 per 1,000

Import Duties

With a view to fostering new industries the import duties on raw materials were reduced to special concessionary rates and the duties on the competing imported products were increased. In order to arrest the inflow of luxury goods the import duties on such items as luxury cars, imitation jewellery, sweets and nuts, poultry and games and dogs and horses were increased to prohibitive levels.

The duty on petrol and on tobacco was raised by 10 cents per gallon and Rs. 4 per pound respectively in order to bring additional revenue.

Cesses

On October 5, 1958, a re-planting cess of 4 cents per pound was imposed on tea exports. The rubber research cess was increased from 55 cents to 82.5 cents per 100 pounds with effect from January 1, 1958. Other cesses remained unchanged, the position as at December 31, 1958, was as follows :

(Rupees per unit)

		Control	Medical Wants	Research	Re-planting	Propaganda	Total
Tea	100 lb.	0.15	0.15	0.55	4.00	2.20	7.0
Rubber	100 lb.	0.23	0.75	0.825	—	—	1.805
Copra	Ton	0.50	—	5.00	—	—	5.50
Coconut Oil	Ton	0.80	—	7.50	—	—	8.30
Desiccated Coconut	Ton	0.70	—	7.00	—	—	7.70
Fresh nuts	Ton	—	—	1.00	—	—	1.00
Coconut Fibre Matress	Ton	1.00	—	—	—	—	1.00
Bristle	Ton	2.00	—	—	—	—	2.00

Income Tax

The following amendments were effected to the Income Tax Ordinance during the year under review:

- (1) Income Tax (Amendment) Act, No. 33 of 1958, which was assented to on November 3, 1958, exempts from Income Tax (and consequently from Profits Tax) any sum paid to any person as a subsidy out of the Tea Subsidy Fund under any regulation under the Tea Subsidy Act, No. 12 of 1958.

This exemption corresponds to the exemption already granted to subsidies paid under the Rubber Subsidy Scheme.

- (2) Income Tax (Amendment) Act, No. 34 of 1958, which was assented to on November 3, 1958, exempts from Income Tax the profits and income derived by the Government of any foreign country from any aid granted by that Government to the Government of Ceylon.
- (3) Income Tax (Amendment) Act, No. 36 of 1958, which was assented to on November 3, 1958, empowers the Commissioner to authorise persons (besides Assistant Commissioners) to hear and determine appeals.
- (4) Income Tax (Amendment) Act, No. 44 of 1958, which was assented to on November 5, 1958, gives effect to the proposal to tax certain profits and income of religious and charitable institutions.

The nett revenue from Income Tax for the financial year 1957-58 was Rs. 192,391,906.51 which includes the following :—

- (a) Contribution by the Department of Electrical Undertakings in lieu of Income Tax and Stamp Duty amounting to Rs. 2,869,589.52.
- (b) Contribution in lieu of Income Tax by Government Departments (other than the Railway and Electrical Departments) in respect of profits from Government trading, commercial and industrial activities amounting to Rs. 14,927.13.

Excess Profits Duty

The nett revenue collected from Excess Profits Duty for the financial year 1957-58 was Rs. 162,875.77.

Profit Tax

The amount of nett revenue collected from Profits Tax for the financial year 1958-59 was Rs. 72,249,959.24.

Estate Duty

The nett revenue collected from Estate Duty for the financial year 1957-58 was Rs. 5,447,291.05.

Stamps

The Stamp Ordinance was amended by Stamp (Amendment) Act, No. 16 of 1958 to give effect to the 1957 Budget Proposals to increase the rates of stamp duty on transfers, gifts of property and receipts. This Bill was assented to on May 9, 1958, and came into operation with effect from May 26, 1958. This Act increases the stamp duty on the following documents :—

- (a) *Receipts*.—The duty is increased from 6 cents to 10 cents.
- (b) *Transfers of immovable property*.—The rate is increased from 1.6 per cent. to 3 per cent. in the case of transfers over Rs. 15,000. The present rate of 1.6 per cent. continues to apply to transfers of property up to the value of Rs. 15,000.
- (c) *Gifts of movable and immovable property*.—The rate is increased from 1 per cent. in the case of movables, and 1.6 per cent. in the case of immovables, to 5 per cent. for gifts of both classes of property.
- (d) *Share transfer*.—The rate is increased from 1.5 to 2 per cent.

Another objects of this Act is to amend exemption (b) to item 14 of Part 1 to schedule A. The present provisions of this exemption, which refer to British Territories in India or in Ceylon, are obsolete. The present amendment brings the law into line with English practice so that all Letters of Credit granted in Ceylon authorising drafts to be drawn out of Ceylon but payable in Ceylon are to be exempted from Stamp duty.

In keeping with the language policy of the Government, postage and revenue stamps of the current series with language alterations were issued as follows :

- (a) Stamps of the denominations 2 cents, 3 cents, 4 cents, 6 cents, 25 cents, Rs. 2, Rs. 5 and Rs. 10 were issued on 14.5.58.
- (b) Stamps of the denominations 35 cents and 50 cents were issued on 15.7.58.
- (c) Stamps of the denominations 5 cents, 10 cents, 15 cents and Re. 1 were issued on 1.10.58.

There was a special issue of two stamps on 10.12.58 of the denominations 10 cents and 85 cents to commemorate the Tenth Anniversary of the Declaration of Human Rights by the United Nations.

The nett revenue from stamps for the financial year 1957-58 was Rs. 8,188,988.33.

Food subsidy Temporary Tax

The nett amount of revenue collected from the Food Subsidy Temporary Tax for the financial year 1957-58 was Rs. 6,619.41. The refund of this tax during the year was Rs. 10,155.38.

Approved Projects

The following projects were declared "approved projects" in terms of Section 44c (1) (i) of the Income Tax Ordinance by the Hon. Minister of Finance by notification in the *Government Gazette*. Persons who invest in these projects are entitled to relief similar to that granted under Section 44A of the Income Tax Ordinance.

- (1) Elephant Lite Corporation Ltd.
- (2) The project for the establishment by Messrs. Moudex Limited of the new industrial undertaking for the manufacture of tea chest fittings and plastics.
- (3) The project for the establishment by the Universal Metal Cork Company of the new industrial undertaking for the manufacture of Crown corks and tin printed metal containers.
- (4) The project for the establishment by Messrs. Allied Industries Ltd., of the new industrial undertaking for the manufacture of razor blades, hair pins, hair grips, paper clips, &c., and incandescent metals.
- (5) The project for the establishment by Messrs. Ceylon Confectioneries Ltd., of the new industrial undertaking for the manufacture of high class confectionery.
- (6) The project for the establishment by Messrs. Ceylon Sugar Plantations Ltd., of the new industrial undertaking for the manufacture of jaggery, khandasari (coloured sugar) crystallized factory sugar and molasses.
- (7) The project for the manufacture of Crystal Tea.

Taxpayers' Lists

In accordance with the amendment to the Secrecy Provisions of the Income Tax Ordinance made by Income Tax (Amendment) Act, No. 56 of 1957, lists containing the names and addresses of taxpayers for the year of assessment 1957-58 were compiled and despatched for exhibition in all Kachcheries, Offices of Divisional Revenue Officers and Post Offices. The lists displayed in the Kachcheries contain the names of all taxpayers whose addresses fall within the administrative limits of the respective Kachcheri Districts, whilst those lists displayed in the offices of the Divisional Revenue Officers and Post Offices contain the names of all taxpayers whose addresses come within the areas served by these offices.

V—NATIONAL SAVINGS MOVEMENT

This Movement originally called the War Savings Movement and was founded in 1942 for the purpose of raising funds for war purposes and combating inflation during that time. After the war it was decided to continue the Movement under the name of National Savings Movement. The aim and object of the Movement is to induce the people to invest in National Savings viz., in the Post Office Savings Bank, Ceylon Savings Bank, Ceylon Savings Certificates and Ceylon Government Loans.

With a view to achieving these objects the National Savings Movement utilizes various propaganda activities, viz., making direct appeal to public meetings held under the auspices of prominent and public spirited citizens with the co-operation of Rural Development Societies and other similar institutions. Savings Weeks, Rallies, and Savings Drives are also conducted to boost the activities of the Movement with the ready co-operation of Voluntary Helpers who form the backbone of the Movement. The publicity work also consists of advertising in newspapers and popular journals, broadcasting Savings News and playlets, distributing literature, posters and calendars and displaying of hoardings and running stalls at carnivals and exhibition and conducting competitions.

A routine part of the Savings work is the running of Savings Groups which are voluntary organisations in schools, work places and estates for regular savings. The savings through groups may be in the form of regular deposits in the Post Office Savings Bank or by the purchase of Savings Certificates. The most popular scheme in the Estates is the Pay-Roll Deduction Scheme.

Another scheme is the 'Kadawata Scheme' of house-to-house sale of Savings Stamps by Women Volunteers. Already these Kadawata teams are functioning in about 70 out of 112 D.R.O.O. divisions. In addition to these Women Volunteers Authorised Sellers are appointed to sell Savings Stamps in remote places.

A scheme of Savings has been evolved for cultivators through their co-operative societies. The purpose of this scheme is to encourage thrift among members of co-operative societies by persuading farmers to put by a portion of the proceeds of sales of their produce in National Savings.

The National Savings Movement is sponsored by Government with its headquarters in Colombo. It functions through a series of District Savings Committees presided over by the Government Agents of the districts. A Savings Supervisor is attached to each of the twenty revenue districts and they are under the direct supervision of the Government Agents. An advisory Committee called the National Savings Committee whose members are appointed by the Governor-General meets generally twice a year to advise the Movement.

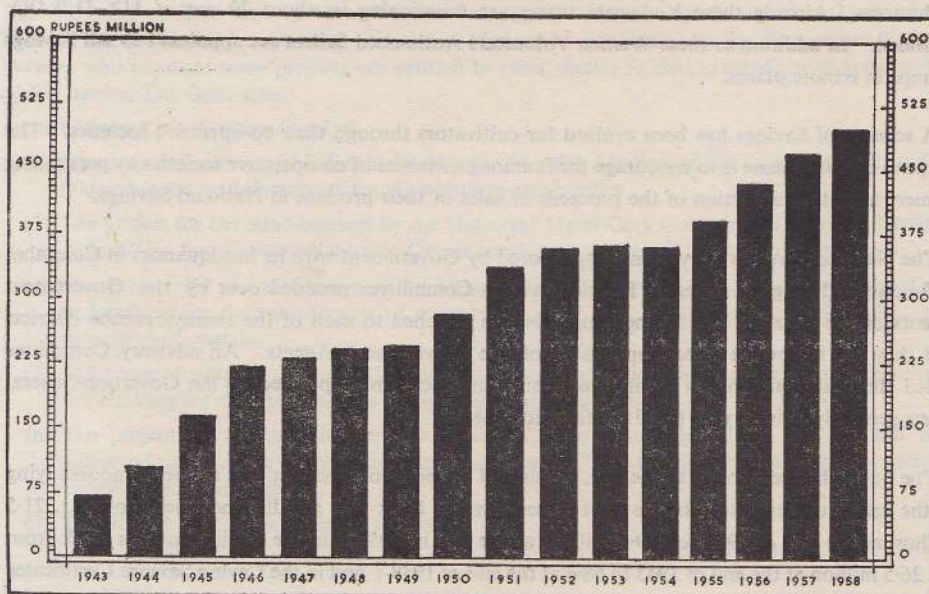
The public has responded to the call. This will be seen from the fact that the nett amounts lying to the credit of depositors in the Post Office Savings Bank had steadily increased from Rs. 21.5 million at the end of 1943 to 289.8 million at the end of 1958 ; in the Ceylon Savings Bank from Rs. 26.5 million at the end of 1943 to 68.4 at the end of 1958 ; and in the Ceylon Savings Certificates from Rs. 10.7 million at the end of 1943 to 40.4 million at the end of 1958. The accumulated capital in small savings thus totals to Rs. 398.6 million.

TABLE 13-10 SAVINGS DEPOSITS, 1947-58 (AT DECEMBER 31, IN EACH YEAR)

(In Rupees Million)

Year	Post Office Savings Banks	Ceylon Savings Banks	Savings Certificates	Commercial Banks	Total
1947	117.1	59.1	27.0	26.6	229.8
1948	127.6	57.2	33.2	25.5	243.5
1949	134.9	55.3	32.1	24.1	246.4
1950	163.7	58.4	31.7	27.0	280.8
1951	206.4	61.8	34.0	34.5	336.7
1952	222.1	64.2	35.0	37.8	359.1
1953	222.2	64.1	33.3	41.1	360.7
1954	215.6	62.1	31.3	50.7	359.7
1955	229.3	63.5	30.0	68.1	390.9
1956	252.6	65.2	33.4	83.2	434.4
1957	270.3	66.9	37.5	94.7	469.4
1958	283.9	68.4	39.8	107.3	499.4

SAVINGS DEPOSITS, 1943-1958



CHAPTER XIV

LABOUR AND EMPLOYMENT

I—EMPLOYEES PROVIDENT FUND ACT

A major piece of social legislation recommended by the Social Service Commission in their report (Sessional Paper VII of 1947) became a reality with the passing of the Employees Provident Fund Act, No. 15 of 1958. The Act does not embody all the recommendations of the Commission but as far as practicable those recommendations relating to the setting up of the Provident Fund have been given effect to.

The employers and employees in employments (other than those under Government, local authorities and the Local Government Service Commission) declared by the Minister of Labour to be "covered employments" under provisions of the Act are required to contribute to the Fund at the rate of 6 per cent and 4 per cent, respectively, of total earnings of employees. The state guarantees a minimum interest of $2\frac{1}{4}$ per cent. on the monies lying in the Fund to the credit of every member. A higher rate of interest may be paid if the return on the investment of the Fund are sufficiently high.

The Monetary Board of the Central Bank is responsible for the receipt of monies due to the Fund, payment of benefits as certified by the Department of Labour, accounting and the investment of monies, while the Department of Labour will register the employers in "covered employments", maintain the personal records of members of the Fund, determine the benefits to be paid and generally enforce the Act.

The object of the Fund being the provision of retirement benefits, the Act provides for the payment of benefits only on the attainment of the age of 55 years in the case of males and 50 years in the case of females; which are the normal retiring ages in Ceylon. The Act does not preclude, however, the continuance in employment of persons beyond these years. In such cases both employers and employees will continue to make the normal contributions to the Fund.

By Orders under Section 10 (3) of the Act made by the Hon. Minister for Labour and published in *Government Gazette* Nos. 11,590 of November 21, 1958 and 11,619 (extraordinary) of December 20, 1958 a large number of employments were declared "covered employments" and action was being pursued to bring in more employments under the Act.

The Act has as its goal the declaration of all employments in the private sector as "covered employments".

II—WAGES BOARDS AND OTHER ORDINANCES

(i) Wages Boards

Minimum wage legislation in Ceylon originated with the Minimum Wage (Indian Labour) Ordinance of 1927, the application of which was confined to Indian Labour. In May, 1938, the Ministry of Labour, Industry and Commerce approved in principle the introduction of legislation for the setting up of Wages Boards machinery to cover indigenous labour as well. The legislation finally appeared in the Statute book in the shape of the Wages Boards Ordinance, No. 27 of 1941, which with subsequent amendments, continues to be the principal minimum wage legislation in the country today. Part I of the Ordinance deals with all employers and workers in all trades in a general way, while Part II provides for the application of the Ordinance to particular trades involving the setting up of Wages Board machinery for those trades. Part III deals with the appointment and powers of officers under the Ordinance and with the offences and penalties defined by the Ordinance.

Nineteen trades are now covered by Part II of the Ordinance. The Wages Board for the Baking Trade fixed minimum wages for workers in the trade and those decisions came into force on 1.12.58. Investigations were being continued at the close of the year to ascertain the feasibility or otherwise of bringing in other trades under the Wages Boards Ordinance.

Prosecutions were launched only on failure to recover short-payments of wages or on failure to correct the employer by departmental procedure.

During 1958 the wages of 309,644 estate workers and 23,731 workers in establishments were checked. Shortpayments recovered amounted to Rs. 287,585.70½.

(ii) Shop and Office Employees Act

The Shop and Office Employees (Regulation of Employment and Remuneration) Act, No. 19 of 1954, as amended by Act No. 60 of 1957 covers employees in shops, mercantile offices and those in similar employment. This Act regulates the terms and conditions of employment in the mercantile sector relating to hours of work, holidays and leave, health and welfare and the setting up of machinery for determining minimum remuneration for such employees.

The Regulations under the Act which were published in *Government Gazette* No. 10,721 of October 15, 1954, and amended by Regulations published in *Gazette* Nos. 10,899 of March 2, 1956, and 11,174 of September 27, 1957, were further amended by Regulations published in *Government Gazette* No. 11,564 of October 24, 1958.

3,119 Shops and 200 Offices were inspected during the year. Shortpayments amounting to Rs. 342,363.37 in the case of shops and Rs. 134,496.14 in the case of offices were detected at those inspections.

A Closing Order for shops was operative in all Municipal and Urban Council areas in the Island. Out of 795 prosecutions launched for various offences during the year 754 were for breach of the Closing Order.

(iii) Employment of Women, Young Persons and Children Act, No. 47 of 1956

This Act, passed in 1956, regulates the employment of women, young persons and children. It deals mainly with the following matters :—

- (a) Night work in industrial undertakings,
- (b) Employment in industrial undertakings and at sea,
- (c) Employment other than employment in industrial undertakings and at sea.

The Regulations under the Act were published in *Government Gazette* No. 11,302 of 25.4.1958.

(iv) Maternity Benefits Ordinance

The provision of maternity benefits to women workers in shops, mines, estates and factories is governed by the Maternity Benefits Ordinance No. 32 of 1939, as amended by Ordinance No. 35 of 1946, Act No. 26 of 1952 and Act No. 6 of 1958.

The Regulations published in *Government Gazette* No. 9,634 of 22.11.46 were further amended by Regulation published in *Gazette* No. 11,046 of 11.1.57. The new regulations ensure that the maternity benefits paid are the average wages that a woman worker would have been entitled to had she worked during the period 2 weeks before and 4 weeks after confinement. The Maternity Benefits (Amendment) Act, No. 6 of 1958 extended the scope of existing legislation.

(v) Employees Holiday Bill

The above bill which seeks to provide for the grant of public holidays to employees in the private sector who do not come within the purview of the Shop and Office Employees Act or the decisions of the Wages Boards was before Parliament when the year ended.

III—INDUSTRIAL RELATIONS AND TRADE UNIONS

(i) Industrial Relations

LEGISLATION

The Stay-in Strikes Act No. 12 of 1955 was repealed by the Stay-in Strikes (Repeal) Act No. 23 of 1958.

The Industrial Disputes Regulations, 1958, which replaced the Industrial Disputes Regulations, 1951, as amended from time to time, were approved by both Houses of Parliament and they came into effect, on publication in the *Gazette*, on March 2, 1959.

Recognition of Trade Unions

The policy in relation to the recognition of trade unions of workers was changed during the year. In the new policy enumerated by the Minister it was stated that it was the view of Government that any lawfully functioning trade union of workers registered under the provisions of the Trade Unions Ordinance which has membership among the workers of an employer should be recognised by him.

Legal Aid to Trade Unions

A scheme for the granting of legal aid to trade unions in connection with industrial arbitration was brought into operation. According to this scheme the Commissioner of Labour may after such investigations as he may consider necessary, grant legal aid, in deserving cases, to trade unions of workers in respect of proceedings at which a union is represented by a lawyer, at the following rates, subject to a maximum of Rs. 273 in respect of any one dispute :—

	Rs. c.
First sitting	52 50
Subsequent sittings	31 50 for each sitting

JOINT COUNCILS

Steps were taken to encourage the formation of Joint Councils of employers and workers in work places in the private sector with a view to establishing good employer-employee relations.

LABOUR ADVISORY COUNCIL

There was a very good response from organisations of employers and workers to the suggestion of the Minister to set up a Labour Advisory Council consisting of representatives of employers' and workers' organisations to advise on all matters in which employers and workers have a common interest and with a view to enlisting their co-operation in the maintenance of industrial peace and the task of economic development. Steps to establish such a Council were under consideration at the end of the year.

LABOUR TRIBUNALS

Preliminary steps necessary for the establishment of Labour Tribunals, for which provision is contained in the Industrial Disputes (Amendment) Act, No. 62 of 1957 were taken during the year.

INDUSTRIAL COURTS PANEL

By availing of the provisions of the Industrial Disputes (Amendment) Act, No. 62 of 1957, which allowed a wide choice in the matter of selecting persons for appointment to the Industrial Courts Panel, a Panel consisting of 35 persons was appointed for a term of one year with effect from 3.3.58.

JOINT NEGOTIATING MACHINERY

The joint agreement between the Ceylon Estates Employers' Federation and the Ceylon Workers' Congress regarding negotiations for the settlement of disputes between these parties continued to be in operation.

The Joint Council established by the Ceylon Estates Employers' Federation and the Ceylon Estate staffs' Union also continued to function.

The Employers' Federation of Ceylon and the Ceylon Trade Union Federation entered into a Collective Agreement (No. 5 of 1958) on September 30, 1958 in regard to the regulation of relations between them and their respective constituent or Association trade unions including recognition (it being stipulated that 40 per cent. membership in a workplace is required for recognising a union for the purpose of general claims and matters), method of negotiation (which is based on the procedure enunciated by the Hon. the Minister of Labour, Housing and Social Services) and the observance of a code of conduct.

TERMS AND CONDITIONS OF EMPLOYMENT

Employees in many industrial and commercial concerns derived improved terms and conditions of employment by or under agreements reached following collective bargaining or under awards either voluntary arbitration awards or Industrial Courts awards. Special mention should be made of the increase in special allowances approximating to Rs. 17.50, corresponding to the increase in allowances granted by Government to its employees, received by workers by virtue of either Wages Boards' decisions or awards of Industrial Courts or the cumulative effect of both.

CONDITIONS OF SERVICE OF ESTATE SUBORDINATE STAFFS

By a series of 4 Orders made by the Minister of Labour, Housing and Social Services under the provisions of section 10 of the Industrial Disputes Act, relating to the extension of the application of collective Agreements, subordinate staffs (in the categories of clerical, supervisory, technical and medical staffs) employed on estates in extent (a) not less than 100 acres tea, (b) not less than 200 acres of rubber and (c) not less than 150 acres tea-cum-rubber, became entitled, with effect from 1.12.58, to salaries, allowances, Provident Fund benefits and other terms and conditions of employment not less favourable than those (subject to some exceptions) stipulated in the collective agreements in respect of (a) clerical staff (b) supervisory staffs (c) Technical Staffs and (d) Medical Staffs, entered into between the Ceylon Estates Employers' Federation and the Ceylon Estate Staffs' Union in October 1957 and transmitted to the Commissioner of Labour and published in the *Gazette* in terms of section 6 of the Industrial Disputes Act as collective agreements Nos 1 to 4 of 1958.

COLLECTIVE AGREEMENTS

5 Collective agreements transmitted to the Commissioner of Labour during the year were published in the *Gazette* under section 6 of the Act.

CONCILIATION AND MEDIATION

Disputes which arose between employers and workers were, by and large, settled by mediation or conciliation or arbitration processes.

CONFERENCES

During the year 802 conferences were held under the aegis of the Department in respect of disputes with a view to settling them without recourse to the formal legal machinery and as many as 694 of these resulted in accord being reached between the parties. The rest of the disputes were either settled by arbitration or not pressed further by the parties.

CONCILIATION UNDER SECTION 3 (1) (c) OF THE INDUSTRIAL DISPUTES ACT

No dispute was referred for settlement by conciliation under section 3 (1) (c) of the Act.

VOLUNTARY ARBITRATION

33 disputes were, with the consent of the parties, referred to settlement by arbitration.

ARBITRATION BY INDUSTRIAL COURTS

In all 88 disputes were referred during the year for settlement by Industrial Courts and of these as many as 81 were referred at the instance of the workers' organisations concerned.

56 awards were made by Industrial Courts during the year besides 2 decisions on references as to the interpretation of certain awards. 37 disputes were pending before Industrial Courts at the end of the year while in one instance no Court was constituted since the workers concerned had resigned wholesale from the union which has been cited as the party on the workers' side.

STRIKES

Statistics of strikes during 1957 and 1958 are given below :—

TABLE 14-1 STRIKES, 1957 AND 1958

Year	No. of Strikers	No. of Workers Involved	No. of Man-days Lost	Approximate Amount of Wages Lost by Workers as a Result of Strikes	
				Rs.	c.
1957	304	367,300	808,493	1,949,610	00
1958*	203	72,921	725,401	2,823,532	00

* The figures in respect of 1958 are incomplete in that they do not include particulars relating to strikes in the undertakings of the Port Cargo Corporation in respect of the period August to December 1958.

(ii) Trade Unions

The number of registered Trade Unions, which at the beginning of the year was 526, increased to 631 at the end of the year. 389 of the 631 unions were unions of Public Servants, 226 unions including 128 unions of Public Servants, were registered during the course of the year and 121 unions had their registrations cancelled.

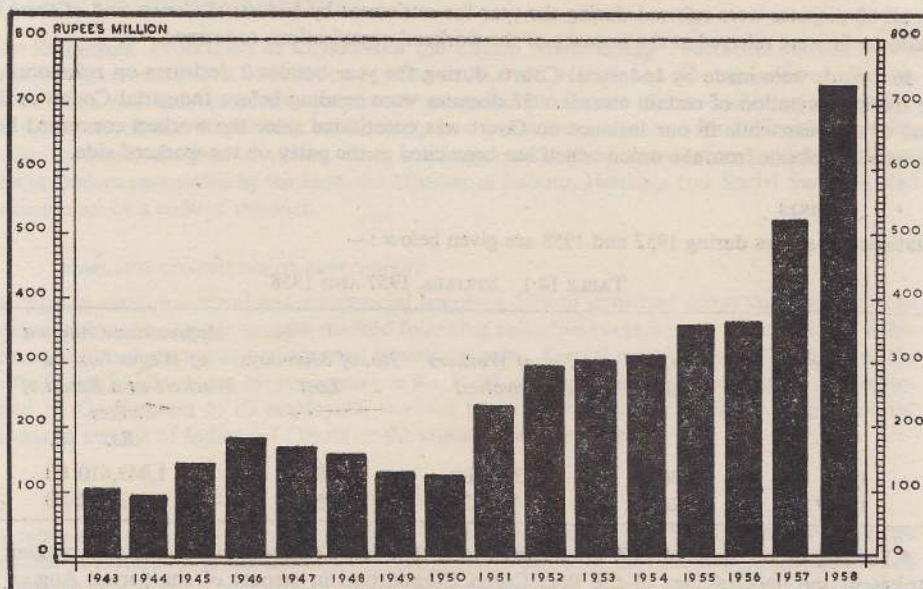
There were more applications for registrations and more were registered in 1958 than in any previous year. As against 232 applications in 1957, 293 were received in 1958. As against 180 in 1957, 226 were registered in 1958.

Statistics for the period 1953-1958 are given in the table below :—

TABLE 14-2 TRADE UNIONS NUMBER AND MEMBERSHIP

	1953	1954	1955	1956	1957	1958
(i) (a) Number of Unions registered during the year	40	70	80	109	180	226
(b) Number of Unions cancelled during the year	35	46	53	67	6	121
(c) Number of Unions functioning at the end of year	259	283	310	352	526	631
(ii) The above figures include the following unions of Public Servants—						
(a) Number registered during the year	17	27	49	67	117	128
(b) Number functioning at the end of the year	146	154	182	226	337	389
(iii) Membership of Workers Unions	307,369	311,449	359,431	261,681	521,654	730,178
(iv) Membership of Workers' Unions in the Plantation Trade	196,078	188,438	220,419	154,650	353,191	552,498

MEMBERSHIP STRENGTH OF TRADE UNIONS, 1943-1958



IV—EMPLOYMENT SERVICE

Employment Exchange Service

Seven more registration centres were added to the net work of Employment Exchanges in 1958. At the end of the year this Service thus had 19 Area Exchanges, 2 Branch Exchanges and 21 Registration Centres spread over different parts of the country.

A total of 5,884 persons were placed in employment by these exchanges during 1958 as against 6,118 during 1957. The analysis of these figures for the 2 years into the four main categories of registration is as follows :—

TABLE 14-3 EMPLOYMENT EXCHANGE PLACEMENTS

Year	Technical and clerical	Skilled	Semi-skilled	Unskilled	Total
1957	1,176	709	1,180	3,053	6,118
1958	1,827	800	1,006	2,251	5,884

The total number of persons who registered at the exchanges during the year for employment or better employment was 114,434. The corresponding figure for 1957 was 112,758. These relative increases in the registration figures since 1956 have been mainly due to the hope that more employment opportunities would be made available under the present Government. Other factors like increase in population, loss of employment due to crop failures, seasonal contraction of employment in the plantations, &c. also contributed to these increases. The following table indicates the breakdown of this figure into the four main registration categories :—

TABLE 14-4—REGISTERED AT EMPLOYMENT EXCHANGES

Year	Technical and Clerical	Skilled	Semi skilled	Unskilled	Total
1957	19,309	13,969	28,298	51,182	112,758
1958	20,621	14,367	29,472	49,974	114,434

The total number of persons awaiting employment or better employment at the end of the year was only 117,796 in spite of the fact that as many as 114,434 persons registered during the year itself and slightly smaller numbers registered annually during the preceding years, while only a very few out of them succeeded in getting employment through the employment exchanges. The conclusion to be drawn from this feature is that the unemployment situation in the country is not so acute as it is generally alleged to be, but confined to a hard core of about one lakh of persons. Even among this lakh there are many persons seeking better employment or the comparatively greater of security service under Government. The greater problem in the country would thus appear to be one of under employment rather than unemployment. The following table shows the number of persons awaiting employment or better employment at the end of each year in 1957 and 1958 analysed into the four main categories :—

TABLE 14.5 REGISTERED UNEMPLOYMENT AT THE END OF THE YEAR

Year	Technical and Clerical	Skilled	Semi- skilled	Unskilled	Total
1957	18,582	13,439	30,864	47,971	110,856
1958	19,803	13,674	32,973	51,346	117,796

Unemployment Relief Schemes

The number of persons employed in the Unemployment Relief Schemes dropped from 3,056 at the end of 1957 to 2,976 by the end of 1958. The work in the Relief Schemes was continued during the year. The largest Relief Scheme which is in Colombo had 2,565 men on roll and the work which consisted of the filling of low-lying land in Colombo was continued with satisfactory progress. The total acreage filled or levelled under this scheme since its inception in 1949 upto the end of 1958 was 166. Work was done by the same workers on several subsidiary jobs, too. Thirteen such jobs were under operation during the year. Eight of them were completed during the course of the year ; and the work was proceeding on the other 5 jobs at the end of the year. In the out-stations satisfactory progress was made in the relief schemes under the control of the Kandy and the Galle Municipal Councils. Work was done during the year under the former scheme on 11 jobs comprising the construction of roads, paths and playgrounds, desilting of lakes and clearing of earthslips. In Galle work was done on 6 jobs comprising the construction of lanes.

The total number employed in the Kandy Scheme at end of the year was 305 as against 322 at the end of 1957. In Galle the number dropped from 123 at the end of 1957 to 106 by the end of 1958.

Training Schemes

Under the Vocational Training Service conducted by the Department of Labour training is given to unemployed adults in various vocations and trades in which employment opportunities exist. The training given is mostly on an accelerated basis and therefore the period of training is shortened.

The following statement indicates the number of persons trained and those who were in training at the end of the year 1958 :—

<i>Category</i>	<i>Number up to 31.12.58</i>	<i>Number in training as at 31.12.58</i>
Masons	54	34
Electricians	—	10
Radio Mechanics	—	10
Electrical wiremen	16	20
Carpenters	—	9
Hair dressers	144	96
Cooks	12	—
Waiters	11	—
Garden labourers	9	6
Conservancy labourers	73	—
Domestic helpers	58	25
	377	210

During the course of 1959 it is proposed to set-up Training centres for clock and watch repairers, stenographers, tailors, toddy-tappers, tinkers, tractor-operators and mechanics and welders. Besides these, action has also been initiated to set-up eight more Training centres for Hair-dressers, seven more Training centres for Masons and three for Carpenters. It is also proposed to establish a Central Vocational Training and Trade testing centre in Colombo.

The training of supervisory personnel under the scheme known as "Training-Within-Industry" continued without interruption during the year. A larger number of employers adopted the scheme during this year than in the previous year. 52 training groups were conducted, the bulk of which was for supervisory personnel in Government departments. The total number of persons who participated in these groups was 523 as against 325 in 1957. Attempts were also continued to introduce T.W.I. to supervisory personnel in the plantations.

Co-operative Labour Societies

The Co-operative Labour Society movement which was started by the Labour Department in 1957 as another measure for the solution of the unemployment problem gathered momentum during the year. The pilot societies which were formed at Kandy, Kegalle and Kalutara during 1957 proved to be a success. 8 more societies were formed during the year at Anuradhapura, Colombo, Negombo, Kurunegala, Trincomalee, Jaffna, Galle and Ratnapura. The membership of these societies is confined to skilled persons registered at the Employment Exchanges. The societies already formed have provided employment to a considerable number of such skilled unemployed persons.

By special Government sanction these societies are being helped to progress by the provision of repairs and maintenance work of public buildings, construction of roads, irrigation works and small Government buildings, without calling for tenders where the estimated cost of the job is less than Rs. 15,000. In regard to funds needed for the functioning of these societies Co-operative Provincial Banks give them loans. Since the funds released by these Banks are insufficient, the setting up of a separate fund for the use of these societies is under contemplation by the Labour Department.

Cabinet Sub-Committee on Unemployment

The Sub-Committee of the Cabinet entrusted with the formulation of interim measures to grapple with the problem of unemployment continued to function during the year.

Advisory Committees and Councils

The Labour Advisory Council in Kandy and the Sub-Committee of the District Co-ordinating Committees, of which the Government Agents are the Chairmen, which were set up in 1957 to deal with problems connected with employment and unemployment in each District continued to function during the year.

Ceylonisation

Public attention was directed during the year to the question of Ceylonisation of employment, as a result of a proposal made by the Hon. Minister of Labour, Housing and Social Services to reserve 50 % of new vacancies on the plantation for indigenous labour. It was a proposal made as a sequel to abortive efforts made earlier to persuade management to provide equal opportunities to both indigenous and non-indigenous workers in the matter of employment on plantations.

Employment Information Programme

The Employment Information Programme inaugurated by Dr. Saks, the I.L.O. Expert, was carried on during the year.

V—SAFETY AND WELFARE IN FACTORIES

Factories Ordinances Nos. 45 of 1942 and 22 of 1946 constitute Ceylon's legislative provision for ensuring the Safety, Health and Welfare of factory workers.

Under the main Ordinance the authority empowered to administer its provisions is the Commissioner of Labour in his capacity as "Registrar". The machinery set up for the purpose is the Factories Division of the Department of Labour, which is organised under the Chief Inspector of Factories.

The provisions of this Ordinance apply to all premises considered "Factories" and this term is very comprehensively defined in Section 124. In addition to the premises defined as factories, electrical stations, institutions, works of building and engineering construction, docks, wharves, quays, warehouses, ships are also deemed to be factories under certain specified conditions where only certain provisions have to be observed. These are dealt with under Sections 78 to 84 of the Ordinance.

The Safety provisions of the Ordinance deal with such matters as the fencing (or guarding) of Prime Movers, transmission machinery and dangerous parts of other machinery, pits and vessels containing scalding, corrosive or poisonous liquids. Other sections cover certain other requirements in connection with transmission machinery, the sale or hire of new machines, cleaning of machinery in motion, training of young persons on machines, protection of eyes, safe use of Hoists, Lifts, Chains, Ropes, Lifting Tackle, Cranes, &c., construction of floors, safe means of access, precautions against gassing, explosion and fire and safety requirements for pressure Vessels.

Accidents causing loss of life or disabling a worker for more than 7 days must be reported under this Ordinance.

The Health provisions deal with cleanliness in the work room, drainage of floors, prevention of over crowding of persons employed, provisions and maintenance of adequate ventilation, lighting, temperature and sanitary accommodation. Other matters dealt with are meals in certain dangerous trades, underground work rooms, lead processes, notification of industrial poisoning or diseases, &c.

Under the Welfare provisions, there are requirements regarding supply of wholesome drinking water facilities, clothing accommodation, seating, first aid, &c.

The employment part deals with the period of employment of women and young persons under 18 years of age and the permissible amount of overtime allowed daily, weekly and annually.

Other parts of the Ordinance deal with miscellaneous, legal and administrative matters.

TABLE 14-6—STATISTICS RELATING TO THE FACTORIES ORDINANCE

	1957	1958
Factories registered under the Ordinance	4,307	4,719
Accidents reported (Fatal)	18	15
Accidents reported (Non-Fatal)	2,307	1,728
Inspections and check visits to factories	536	393

VI—OCCUPATIONAL HEALTH

THE Division of Occupational Health in the Department of Labour is responsible for the supervision of matters relating to Occupational health and welfare, investigating occupational diseases and advising on the measures to be adopted for their prevention and control.

Special investigations are carried out into industrial conditions in so far as they affect the health of workers, and in particular regarding processes directly dangerous to health. The Division undertakes field investigation for the detection of health hazards in industrial processes as well as in agriculture, and for the development of preventive measures to counteract or eliminate such hazards.

Advisory technical consultant services in industrial hygiene are also provided by the Division to meet the following requirements :—

- (i) The provision of technical assistance to the Department of Labour to enable it to implement the health and welfare provisions of Labour Legislation.
- (ii) To undertake special investigations at the request of Government Departments and provide technical assistance and advice to them.
- (iii) The carrying out of technical functions by the Government to comply with its obligations as a Member of the International Labour Organisation.

Health conditions in factories naturally make the most demand for attention, but occupational health problems exist in other spheres of employment as well, and correctly come within the purview of this Division concerned with aspects of health directly related to occupation. Working conditions at 224 industrial establishments were investigated by the Division in the course of the year.

The advisory services of the Division were also made available to the Chairman, Port Cargo Corporation regarding provision of medical facilities, and to the Chairman, Committee for the Classification and Grading of Labour regarding hazards of welders. Advice was also tendered to the Department of Health Services on request regarding declaration of offensive and dangerous trades in respect of 5 local authorities.

The provision of medical facilities in 37 mercantile establishments was investigated during the year. The total number of employees concerned was 16,672 and 25 First Aid Boxes and 11 ambulance rooms were found provided. Provision of medical personnel included 2 full-time and 10 part-time, medical practitioners and in 9 cases by arrangement with medical practitioners in the vicinity of the factory.

The joint W.H.O./I.L.O. conference on Occupational and Industrial Health at Calcutta—24th November to 6th December 1958 was attended by the Labour Medical Officer and the Labour Officer (Industrial Health) of the Division. Professor Leo Novo, W.H.O. consultant on Occupational Health accompanied by the Labour Medical Officer at the request of the Director of Health Services, visited a number of plantation and industrial establishments to study the working conditions of Ceylonese labour.

He also visited the Occupational Health Laboratory of the Division in Colombo.

VII—WAGES AND COST OF LIVING

Cost of Living

Since 1939 there has been a steady increase in the cost of living and in wages in the Island. Until recently there were two cost of living index numbers computed and published in Ceylon. One related to the cost of living of working class families in Colombo and the other to the cost of living of Indian estate labourers. These two index numbers have been discontinued and a new Index number called the "Colombo Consumers' Price Index Number" with the average prices in 1952 as the base is worked and published monthly by the Director of Census and Statistics with effect from January, 1953. The following table gives the Colombo Working Class Cost of Living Index Numbers and the Indian Estate Labourers' Cost of Living Index Numbers respectively for the period 1939 to 1952 and the Colombo Consumers' Price Index Number for each of the years 1953 to 1958. (1953, 1954, 1955, 1956, 1957 and 1958).

TABLE 14-7—COST OF LIVING INDEX NUMBERS

Year	Colombo Working Class*	Estate Labour†
1939	108	100
1940	112	107
1941	122	119
1942	162	150
1943	197	199
1944	200	211
1945	221	222
1946	229	228
1947	252	239
1948	260	259
1949	258	264
1950	272	274
1951	283	288
1952	281	287

* Base : November 1938—April 1939 = 100.

† Base : July—September, 1939 = 100.

TABLE 14-8—COLOMBO CONSUMERS' PRICE INDEX NUMBERS 1953, 1954, 1955, 1956, 1957 and 1958 (MONTHLY) BASE :—(AVERAGE PRICES 1952=100)

	1953	1954	1955	1956	1957	1958
January	100.1	101.4	101.5	101.5	100.6	106.3
February	99.5	100.7	100.5	99.8	100.8	105.8
March	98.7	99.9	99.6	99.6	100.9	104.8
April	99.6	100.0	101.0	101.2	102.2	104.6
May	100.7	101.7	101.0	100.4	103.3	105.2
June	102.3	102.4	100.1	100.0	103.1	104.5
July	103.1	101.2	100.2	99.2	103.6	103.2
August	105.5	100.1	99.9	98.9	102.4	104.4
September	105.1	100.5	99.4	99.4	102.3	104.5
October	103.0	101.3	100.3	101.3	104.1	106.2
November	100.9	101.6	100.8	101.0	105.2	105.7
December	101.0	101.8	101.5	100.3	105.6	104.2
Year	101.6	101.1	100.5	100.2	102.8	105.0

During the course of 1958 a Household Budget Survey was carried out by the Department of Census and Statistics on a sample basis in the principal urban areas of the Island. The results of the Survey have enabled the Committee appointed to revise the Cost of Living Index to make specific recommendations for the preparation of an improved Cost of Living Index. The main recommendations of the Special Committee as contained in its report (Published as Sessional Paper XI of 1959) are as follows :—

- (i) There should be two Indices—one for the Working Class and one for the Middle Income Group. It would be useful to compile a combined All Island Urban Index in addition.
- (ii) The Indices should be compiled using the “weights” shown in Table VIII, and the pricing system described in Section 5 (ii) and to be set out in full detail in the Pricing Manual.
- (iii) Another Household Budget Survey should be carried out in 5 years or earlier if significant changes in the pattern of expenditure are believed to have taken place.
- (iv) Separate Indices should be compiled for Special Areas when the conditions set out in Section 6 are satisfied.

Wages

An index number of wage rates which can be said to be applicable to the Country as a whole is not yet available. Details of the minimum wages payable to workers in Tea and Rubber estate are, however, readily available since the inception of the Labour Department in 1923.

A relative study of the movement of wages and cost of living of estate workers can be had from the following table which shows the average minimum daily rate of wages, the cost of living index number for these workers, the wages rate index number and the index number of real wages for the period 1939–1958.

CONSUMERS' PRICE INDEX, 1955–1958

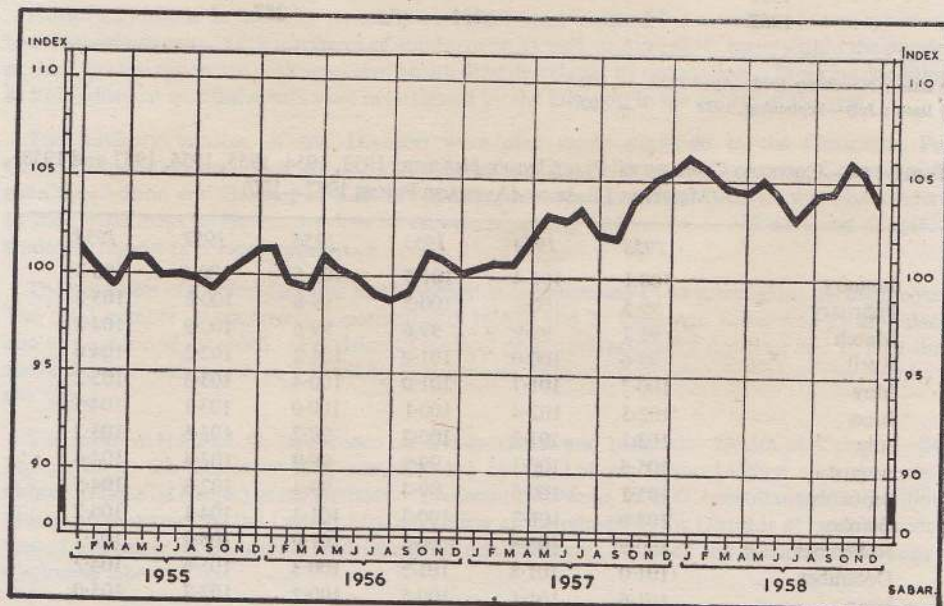


TABLE 14-9—COST OF LIVING INDICES, WAGE RATE INDEX NUMBERS AND INDEX NUMBERS OF REAL WAGES 1939-1958 OF WORKERS IN TEA AND RUBBER ESTATES

Year	Average Minimum Daily rate of Wages Rs. c.	Cost of living Index Numbers for Estate Workers (Base July- Sept., 1939=100)	Wage Rates Index Number (Average Wage 1939=100)	Index Number of real Wages*
1939	0 41	100	100	100
1940	0 41	107	100	93
1941	0 45	119	110	92
1942	0 68	150	166	111
1943	0 83	199	202	102
1944	0 87	211	212	101
1945	1 00	222	244	110
1946	1 15	228	280	123
1947	1 20	239	293	123
1948	1 29	259	315	122
1949	1 31	264	320	121
1950	1 53	274	373	136
1951	1 90	288	463	161
1952	1 92	287	468	163
1953	1 95	291†	476	164
1954	1 99	290†	486	168
1955	2 06	288†	502	174
1956	2 08	287†	507	177
1957	2 10	295†	512	174
1958	2 14	301†	522	173

* Index Number of money wages ÷ Cost of Living Index Number = Index Number of real wages.

† Equivalent of Colombo Consumers' Price Index in terms of the estate Cost of living index number.

Similar information as given for the Estate labourers is shown below in respect of unskilled male workers in Government employment.

TABLE 14-10—AVERAGE RATES OF WAGES, COST OF LIVING INDEX NUMBER OF COLOMBO WORKING CLASS, WAGES INDEX NUMBERS AND REAL WAGE INDEX NUMBER OF UNSKILLED MALE WORKERS 1939-1958

Year	Average Monthly Rate of Wages Rs. c.	Cost of Living Index Number of Colombo Working Class Families with base shifted to 1939=100	Wages Index Number of Un- skilled Male Labour in Colombo (base 1939=100)	Real Wages Index Number of Un- skilled Male Workers in Colombo*
1939	16 64	100	100	100
1940	16 64	104	100	96
1941	18 45	113	111	98
1942	24 23	150	145	97
1943	28 98	182	174	96
1944	34 03	185	204	110
1945	41 92	205	252	123
1946	68 52	212	412	194
1947	75 74	233	455	195
1948	78 16	241	470	195
1949	77 81	239	468	196
1950	83 11	252	499	198
1951	89 79	262	540	206

TABLE 14-10—AVERAGE RATES OF WAGES, COST OF LIVING INDEX NUMBER OF COLOMBO WORKING CLASS, WAGES INDEX NUMBERS AND REAL WAGE INDEX NUMBER OF UNSKILLED MALE WORKERS 1939-1958—(contd.)

Year	Average monthly rate of Wages	Cost of Living Index Number of Colombo working class families with base shifted to 1939-100	Wages Index Number of Unskilled Male Labour in Colombo [base 1939-100]	Real Wages Index Number of Unskilled Male Workers in Colombo
1952	89 79	260	540	207
1953	90 97	265†	547	206
1954	91 04	263†	547	208
1955	94 94	261†	571	219
1956	96 24	261†	578	221
1957	99 16	268†	596	222
1958	113 74	273†	684	251

* Index Number of money Wages Cost of Living index number=Index Number of real Wages.

† Equivalent of the Colombo Consumers' Price Index in terms of the Cost of Living Index Number Colombo Town, with base shifted to 1939=100.

Index Number of Wage Rates (Minimum) and of earnings with the year 1952 as base for workers in the following Trades are being compiled by the Department of Labour.

(1) *Agricultural Trades*.—Tea Growing and Manufacturing, Rubber Growing and Manufacturing and Coconut Growing.

(2) *Trades other than Agricultural*.—Coconut Manufacturing, Engineering, Printing, Match Manufacturing, Motor Transport, Dock Harbour and Port Transport, Tea Export, Rubber Export, Cinema and Building.

A table showing the Minimum average daily Rates of Wages and Minimum Wage Rate Index Numbers in respect of these Trades from 1952 onwards is given below :—

TABLE 14-11 MINIMUM AVERAGE DAILY RATE OF WAGES AND MINIMUM WAGE RATE INDEX NUMBERS—AGRICULTURAL AND OTHER TRADES, 1952-58

Year	Agriculture		Trades other than Agriculture		Agriculture and Trades other than Agriculture Combined	
	Minimum Average Daily Rate of Wages Rs. c.	Minimum Wage Rate Index Number	Minimum Average Daily Rate of Wages Rs. c.	Minimum Wage Rate Index Number	Minimum Average Daily Rate of Wages Rs. c.	Minimum Wage Rate Index Number
1952	1 96	100-00	2 92	100-00	2 04	100-00
1953	1 99	101-53	2 95	101-03	2 07	101-47
1954	2 02	103-06	2 94	100-68	2 09	102-45
1955	2 09	106-63	2 96	100-37	2 16	105-88
1956	2 10	107-14	3 00	102-74	2 17	106-37
1957	2 13	108-67	3 15	107-88	2 20	107-84
1958	2 16	110-20	3 39	116-10	2 26	110-78

A table showing the average earnings per day and the index numbers of earnings in respect of these trades from 1952 onwards is given below.

TABLE 14.12 AVERAGE EARNINGS PER DAY AND INDEX NUMBERS OF EARNINGS—AGRICULTURE AND OTHER TRADES, 1952-58

Year	<i>Earnings—Adult Workers</i>					
	<i>Agriculture</i>		<i>Trades other than Agriculture</i>		<i>All trades</i>	
	<i>Average Earnings per day</i>	<i>Index Number</i>	<i>Average Earnings per day</i>	<i>Index Number</i>	<i>Average Earnings per day</i>	<i>Index Number</i>
	<i>Rs. c.</i>		<i>Rs. c.</i>		<i>Rs. c.</i>	
1952	2 17	100.00	4 39	100.00	2 34	100.00
1953	2 24	103.23	4 43	100.91	2 41	102.99
1954	2 26	104.15	4 43	100.91	2 43	103.85
1955	2 32	106.91	4 63	105.47	2 50	106.84
1956	2 31	106.45	4 71	107.29	2 50	106.84
1957*	2 40	110.60	5 04	114.81	2 61	111.54
1958*	2 88	109.68	5 03	114.58	2 54	108.55

* Provisional figures.

Cost of Living Allowances

Cost of living allowances payable to workers in some of the trades for which Wages Boards have been set up were based on the Cost of Living Index Number of estate labour, while in the case of workers in the other trades such allowances were based on the Colombo Working Class Cost of Living Index Number till June, 1953. With effect from July 1, 1953, allowances payable to workers in all the trades for which Wages Boards have been set up (except cigar manufacturing trades and toddy, arrack, vinegar trade and beedi manufacturing trade) were based on the Colombo Consumers' Price Index. The workers in these three trades are paid piece rates of wages.

Government employees were paid Cost of Living Allowances based on the Colombo Working Class Cost of Living Index Number till February, 1953. With effect from March, 1953, they are paid allowances payable on the figure of 285, the cost of living index number for Colombo Working Class families for the month of December 1952. The cost of living allowances payable where the salary, wage, or pension is Rs. 300 or less per mensem was changed with effect from 1.11.57 as follows :—

- The C. L. A. now payable on the frozen index of 285 to those in receipt of this allowance at present, is increased by an additional sum of Rs. 5.
- Where the total salary or wage earned in a month is less than Rs. 5, the above increased C. L. A. is not payable.
- Where the total salary or wage earned in a month is not less than Rs. 5, but less than Rs. 20, the C. L. A. now payable is increased by an additional sum of Rs. 2.50.

(d) The marginal allowance payable in the case of officers in receipt of a salary above Rs. 300 is as follows :—

<i>Salary</i>	<i>Marginal increased C. L. A.</i>
Rs. 301	Rs. 4
Rs. 302	Rs. 3
Rs. 303	Rs. 2
Rs. 304	Re. 1
Rs. 305 and above	Nil

A "Special living allowance" in addition to the cost of living allowance is also being paid with effect from October 1, 1950, to all persons in receipt of the cost of living allowance.

With effect from 1-11-57 the special living allowance payable to officers drawing Rs. 100 or less than Rs. 100 was increased to Rs. 17-50 from Rs. 5 to both married and unmarried officers. In the case of officers drawing less than Rs. 5 the amount payable is Rs. 1-50 for every Rupee earned, for persons earning an amount not less than Rs. 5 but less than Rs. 20 the total allowance payable is limited to Rs. 8-75, and for unmarried officers with an income of Rs. 101 to Rs. 150 the amount payable is increased from Rs. 12-50 to Rs. 17-50.

Cost of living allowance payable to most of the mercantile employees were also based on the Colombo working class cost of living index number till January 1953, the last month for which this index number was published. These employees are now paid allowances, based on the Colombo Consumers' Price Index Number. The Government scheme of special living allowances has also been adopted by most of the mercantile employers.

VIII—GENERAL

(i) Parliamentary Advisory Committee

The Parliamentary Advisory Committee appointed by the Minister of Labour to examine the question of amending the existing labour laws issued its first report during 1957. The Committee recommended that the contracts for Hire and Service Ordinance should be replaced by an entirely new Act incorporating all the progressive features found in similar legislation in other countries. The Committee also recommended the promulgation of a new Act to deal with the question of housing and tenancy rights for employees where quarters are provided by the employer. The other recommendations of the Committee deal with amendments to the Maternity Benefits Ordinance, the Wages Boards Ordinance and the Shop and Office Employees Act. All the recommendations were accepted by the Government.

(ii) Ceylon and the I.L.O.

The Second World Congress on the prevention of Occupational Accidents was held in Brussels, from 19th to 23rd May, 1958. The congress was organised by a Committee of Benelux countries (Belgium, Luxembourg and the Netherlands), with the co-operation of the International Labour office. Mr. B. R. P. Goonewardene, Chief Inspector of Factories, represented Ceylon at this Congress. The 41st (maritime) session of the International Labour Conference was held at Geneva from 29th April to 14th May, 1958. Ceylon did not participate in this conference.

The 42nd Session of the International Labour Conference was held at Geneva from 4th June to 26th June, 1958. Ceylon was unable to send a tripartite delegation to this Conference as in the previous years due to the declaration of a state of emergency about this time. However, Messrs. S. K. D. Jayamanne (Employers' delegate) and E. F. N. Gratiaen, Q.C. (Adviser to the Employers' delegate) who had left the Island earlier participated in this Conference.

Ceylon has ratified Convention No. 96 concerning Fee-charging Employment Agencies Revised (1949) excluding Part II. This brings the total number of Conventions ratified by this country to 15 up to end of 1958.

CHAPTER XV

EDUCATION

1—THE SWABASHA PROGRAMME

THE change over of the medium of instruction from English to Swabasha (Sinhalese and Tamil) has been carried out in accordance with the programme set out last year. The pre-higher school Certificate Classes started last year have been in the Sinhalese or Tamil Medium. Science subjects and Mathematics continue to be taught in English until Specialist Teachers competent to teach these subjects in the Swabasha are found. Sixteen Secondary Trained Science Teachers are being trained at a specially designed course conducted in the Ceylon Technical College to give them a competence to teach in the H. S. C. (Science) Classes in Sinhalese.

English as a Second Language

With the progressive adoption of the National Languages as the media of instruction in our schools and with the extension of the Swabasha programme to the H. S. C. Classes in January, 1959, English no longer occupies the place it had done hitherto as the language of instruction in our schools. Nevertheless, English is taught as a compulsory second language from Standard III in all our schools. It has now been possible to appoint English Teachers to all our schools in the Island. The demand for studying English as a second language has been much in evidence throughout the country. Although it has been possible to appoint English Teachers to all the schools, yet the dearth of qualified teachers still continues. Teachers of English in the Primary Schools are young and inexperienced and without training. These teachers are, therefore, not familiar with the techniques of teaching English effectively as a second language. In order to meet the need of these young and inexperienced teachers the Department has from time to time organised Vacation Courses and other Courses in the techniques of teaching English as a second language. The assistance given to the Department by the British Council and the American Embassy in Ceylon has been of much value. Through the good offices of the British Council it has been possible for the Department to organise Residential Vacation Courses for Inspector of Schools, Graduates and Secondary Trained Teachers.

Religious Instruction

The teaching of Buddhism, Protestant Christianity, Hinduism and Islam in the Government Schools is being carried out according to approved syllabuses. Annual tests in Buddhism started in 1955 continue to be held yearly for the Post Primary Classes in Government Schools. The co-operation of the Parent-Teacher Associations is obtained for the purchase of prizes in connection with these Annual Tests in Buddhism. For the present these tests are confined to the Post-Primary Classes. Refresher Courses for teachers in Buddhism have been conducted regularly in every Province.

Health Education

With the appointment of Mr. P. L. Riley, Health Education Advisor from the United States Operations Mission to Ceylon, there has been a new impetus to the Health Education Programme in the School.

With his assistance the Physical Education Branch created the Health Education Section and has initiated and carried out the following activities :—

- (1) Joint Committee on School Health (with the Department of Health).
 - (a) Revision of School Health Procedures.
 - (b) Nutrition and Feeding Programme in Schools.
 - (c) Diet Manuals and Procedures for Hostels.
 - (d) Revision of School Health Competitions.

- (2) Revision of syllabus in Health Education for Training Colleges.
- (3) Training Courses—
 - (a) Physical Education Teachers.
 - (b) Instructors in Health Education in Training Colleges.
- (4) Seminar in Health Education and Visual Aids.
- (5) Purchased Films and other teaching materials for demonstration centres.

A large number of schools participated in the School Health Competition and Schools co-operated enthusiastically in the Health Week Celebrations. With the increased vote granted by the Government for latrines and wells more schools have been provided with these essential sanitary facilities. The close liaison with the Department of Health continues and has resulted in more effective and practical Health Education.

Physical Education

The year 1958 showed an increased enthusiasm by schools for Physical Education. In spite of drawbacks the schools carried out their programme varying from curricular physical training lessons to extra-curricular games, recreation and Inter-House and Inter-School Competitions. The instruction classes in Physical Education for Teachers were popular and well attended. A successful Residential Course in Health and Physical Education for Teachers in Government Schools was held for two weeks at Dharmarajah College, Kandy.

In recognition of the importance of Physical Education the government increased its vote for these activities. A playground drive for Government Schools resulted in 98 playgrounds being completed with another 28 under construction.

Handicrafts

The programme of work in Handicraft Education has been organised with the assistance under the Colombo Plan Technical Aid Corporation Scheme. In the initial stages of the programme it was accepted that the introduction of Handicrafts was important and worthwhile but few recognised the place and function of Handicraft Education in the Secondary School. Every effort is being made by the Field Supervisors to see that both parents and teachers get an appreciation of Educational Handicrafts in their proper perspective.

In the initial stages of the Handicrafts Programme the subjects wood work, metal work, clay work, lacquer work and cloth weaving were treated in the Secondary School as special subjects. In the year 1958 this position was modified and an integrated programme of training was drawn up. Wood work and metal work are treated as one combined subject in Educational Handicrafts for boys. Cloth weaving, clay work and lacquer work, &c., are treated as one integrated subject in Educational Handicrafts for girls. In-service training programmes are being designed with a view to establishing these approaches in a wholesome way in the school. Teachers to cover these subjects are being trained at the Government Training College, Maharagama.

Science

The field of Science teaching had been developed till recently only as a necessary preliminary to later programmes for specialised professional study. In 1957 the Department initiated an intensive programme of work designed to introduce General Science as a compulsory component of the middle school curriculum. The programme of work is being implemented with special assistance from UNESCO and USOM.

Equipment has been obtained on the basis of the standardized lists of minimum science equipment to equip 3 Government Schools for H. S. C. work, 30 schools for S. S. C. work and 100 schools for work in standards VI to VIII. Preliminary work has been carried out on the re-presentation of the Science Syllabus for Standards VI to VIII and the preparation of a General Science Teachers' Handbook.

Training of Teachers

The following new Teacher-Training Colleges have been established :—

- (1) The Buddhist Academy Training College (Kottawa) for men.
- (2) The Buddhist Academy Training College (Maharagama) for women.
- (3) The Maha Bodhi Society Training College (Dambadeniya) for men.
- (4) The Pandukabeya Training College (Eswatte) for men.

The two Training Institutions at Maharagama and Palaly have been developed as Specialis' Training Institutions. The medium of instruction at the former is Sinhala and in the latter Tamil. These two Institutions turn out Specialists in the following subjects :—

Mathematics

Science

Handicrafts, and

English.

The critical limiting factor in relation to the Science teaching programme is the lack of appropriately trained staff to supervise the programme in the field. A significant programme of work in this connection is the training of 9 officers as Supervisors of Science Teaching. A special training course was conducted for them with the assistance of UNESCO and USOM Advisors in Science.

Adult and Audio-Visual Education

The total number of Adult Classes and Centres functioning during the year was 283 representing a slight increase over the previous year's number. The average attendance for the year at these classes and centres was 5,217. A number of classes which had not been functioning satisfactorily were opened in areas where there was a demand for Adult Education. One such area was the North-Central Province where there has recently been a greater demand for classes for adults. The number of classes and centres outside the Fundamental Education Project Area rose from 20 in 1957 to 37 in 1958.

The emphasis in these classes and centres is on the provision of suitable recreational activities and on cultural development. Music and Drama are very popular features of the work in many of these classes, being the kind of activity which will enable them to use their leisure both enjoyably and with profit to themselves.

On the recreational side Volley-ball continues to be the most popular game. Regular supplies of volley-balls and nets make the playing of this game possible ; in fact the volley-ball court is often the chief draw of the class or centre. Library books are supplied from time to time. Film Shows are given as often as possible ; and where Projectors are available Film Strips are sent from the Departmental Film Library.

Visual-Aids

Following the UNESCO Regional Seminar on Visual-Aids held in Delhi in September, 1958, a number of Seminars and Refresher Courses have been held in order to ensure that Visual-Aids will be used more effectively in schools and for Adult Education. These courses have been directed so far to Lecturers in Training Colleges, Regional Organisers of Adult Education, Circuit Inspectors of Schools and to two groups of teachers.

The Audio-Visual set up of the Department of Education is also being reorganised. UNESCO and USOM Advisers have co-operated actively in the scheme of work. The number of Cinema Van Circuits has been increased from 9 to 12. Small Film Strip Libraries are being set up in schools with prints made locally from dupe negatives supplied by UNESCO, the Commonwealth Office of Information and other sources.

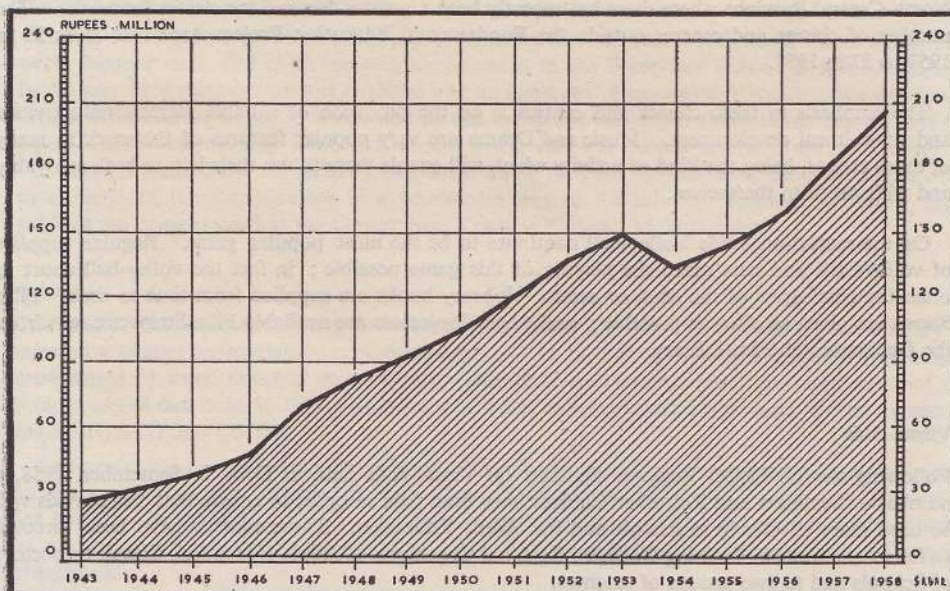
General Progress

139 New Government Sinhalese Schools were opened during the year 1958 bringing the total number of Government Sinhalese Schools from 3,194 to 3,333. On the other hand, the total number of Assisted Schools stood at 2,514, the total number of Unaided Schools at 104 and the total number of Pirivenas at 187. The total number of Teachers employed was 62,957 and the school-going population increased to 2,003,044. The above figures will indicate that there has been an unprecedented increase in the school-going population. To meet this situation nearly 8,000 new teachers were appointed and 4 new Training Institutions were established, bringing the number of Training Colleges to 23. Of the 23 Training Colleges, 12 were administered by the State and 11 by the Denominational bodies. Nine of these were exclusively for men, six for women and eight were mixed. At the end of the year 1958, the number in training stood at the unprecedented figure of 4,087.

Nearly 118 Rural Schools had been upgraded to Senior Status with H. S. C. Classes. 1,248 students in the Primary Schools of the Island were awarded scholarships tenable in Central Schools now known as Madya Maha Vidyalayas. The number of students from Madya Maha Vidyalayas to the University to follow courses in Medicine, Law, Engineering and Social Studies had increased. Two Madya Maha Vidyalaya scholars were successful in the Ceylon Civil Service Examination of 1958.

Pirivena education has progressed considerably. It has now very rightly culminated in the establishment of two Universities, viz., the Vidyodaya and the Vidyalkara Universities. These have been granted full University status and the process of organisation and establishment of standards is going apace.

EXPENDITURE ON EDUCATION 1943-1958



EXPENDITURE ON EDUCATION

(Rs. Thousands)

Year	Expenditure
1943	26,272
1944	31,815
1945	38,808
1946	47,709
1947	69,814
1948	83,478
1949	93,440
1950	105,950
1951	121,786
1952	137,784
1953	149,910
1954	135,247
1955	143,582
1956	158,813
1957	183,676
1958	206,309

II—UNIVERSITY, LEGAL AND TECHNICAL EDUCATION

University of Ceylon.

The University of Ceylon was established under the Ceylon University Ordinance, No. 20 of 1942. It is legally autonomous, being a corporation consisting of the Chancellor, the Pro-Chancellor, the Vice-Chancellor, the Court, the Council and the Senate.

The University offers courses in Oriental Studies, Arts, Education, Law, Science, Agriculture, Medicine, Dental Surgery, Veterinary Science and Engineering. The number of students in 1958 was 2,950. The following table gives the distribution of these students over the various courses for the years 1953–1958.

TABLE 15.1 CENSUS OF UNIVERSITY STUDENTS 1953–1958

Course	1953	1954	1955	1956	1957	1958
Arts	848	878	878	904	984	1,104
Sinhalese and Tamil courses	19	19	24	24	22	21
Diploma in Education	74	72	58	57	56	67
Law Degree	32	30	31	32	34	47
Science Degree	322	332	397	459	495	508
Agricultural Degree	17	19	17	14	13	20
Pre-Medical Course	129	157	173	155	151	151
Medical Degree	706	677	644	627	671	699
Medical Diploma	12	—	—	—	—	—
Dental Degree and Diploma	48	46	42	47	41	31
Veterinary Science Degree	38	37	21	18	23	22
Engineering Degree	134	148	116	136	178	218
Higher Degrees	13	24	28	55	47	57
Casual students	—	—	—	—	3	5
	2,392	2,434	2,429	2,534	2,718	2,950

The number of students who graduated in 1957 was 549. The corresponding figure for 1958 was 531. The table below gives the degrees awarded other than honorary degrees during the period 1943-58.

TABLE 15.2 DEGREES AWARDED OTHER THAN HONORARY DEGREES, 1943-1958.

	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	Total
M.D.	—	—	—	—	—	—	—	—	—	2	—	3	—	8	—	8	21
M.O.G.	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	1
Ph. D.	—	1	—	—	—	—	2	1	—	—	—	2	—	—	—	—	6
M.A.	—	1	2	4	—	2	4	3	2	3	—	4	1	1	4	5	36
M. Sc.	—	—	1	1	—	—	—	—	—	—	—	—	2	—	—	—	5
B. A.	44	59	64	56	66	87	108	172	139	171	148	157	207	218	265	262	2,223
LL.B.	—	—	—	—	—	—	—	4	8	14	7	7	10	7	13	13	83
B. Sc.	20	22	27	31	33	40	44	52	48	40	34	52	64	90	117	95	809
B. Sc. Agric.	—	—	—	—	—	—	—	14	10	8	3	6	5	4	7	6	63
M. B. B. S.	23	36	34	61	43	70	59	56	97	80	111	93	147	129	115	116	1,154
B. D. S.	—	—	—	—	—	1	—	—	—	1	—	—	—	3	1	1	7
B. Sc. Eng.	—	—	—	—	—	—	—	—	—	—	6	23	31	18	24	20	122
B. V. Sc.	—	—	—	—	—	—	—	—	—	—	2	7	8	8	3	5	33
	87	119	128	153	142	200	217	302	304	320	312	354	475	486	549	531	4,563

The Law College

The Ceylon Law College which is controlled by the Incorporated Council of Legal Education exists for the supervision and control of the legal education of students desiring to qualify as Advocates and Proctors of the Supreme Court. The Council consists of the Judges, the Attorney-General, the Solicitor-General and such other persons of standing in the legal profession as the Judges may appoint. The members hold office for three years at a time.

Admission to the Law College takes place in the month of September and the number of students admitted during the year 1958 for the Advocates' course was 30 and the Proctors' course was 41.

The number of candidates who, in 1958, entered for the examinations of the Law College and the number successful are as follows :—

	Entered	Passed
Examination for the admission of advocates	200	109
Examination for the admission of Proctors	357	153

Ceylon Technical College Department

The Ceylon Technical College is a Department under the control of the Ministry of Education and is the Principal Institution in the Island providing training for the Junior Technical Courses.

The courses of study are conducted under four sections :—

Engineering,
Vocational,
Commerce and
Accountancy.

The Junior Technical School at Galle which is already functioning and the Junior Technical Schools at Kandy and Jaffna which are to be opened very soon as well as the Junior Technical Schools to be established in the Provincial Capitals of Ceylon are under the control of this Department. Steps are being taken to establish a Trades School in Colombo. The buildings for the Institute of Practical Technology at Katubedde are nearly complete.

Bursaries and Scholarships

Bursaries are provided at the Ceylon Technical College and the Junior Technical School, Galle to deserving students. Scholarships and Exhibitions are awarded to those students who come first and second in order of merit in each class.

CHAPTER XVI

PUBLIC HEALTH

I—GENERAL

THE main activities of the Department during the year have been, as in previous years, to promote health, to prevent, diagnose and treat disease—physical, mental and social in origin—and to rehabilitate people incapacitated by certain diseases and injury.

Much time, energy and thought has also been devoted to the perfection of the administrative machine in all branches of the Health Services. The process of decentralisation almost reached finality by the end of 1958.

An Organisation and Methods Unit has been set up in the Department to serve as an efficiency audit, and at the same time to assist the Decentralised Units in solving their difficulties pertaining to organisation, training of staff, office methods and systems, assessment of cadre, &c.

Incidence of Infectious Diseases

The notification of communicable diseases continued to show improvement. Steps were taken during the year to make the Superintendent, Anti-Tuberculosis Campaign, the Proper Authority to whom cases of tuberculosis should be notified.

There were two outbreaks of Small-pox during the year, both from the Northern Province ; one from Talaimannar with two cases but no deaths and the other in the village of Naranthani in Leyland Island with 27 cases and two deaths. Typhoid Fever and Whooping Cough show an increase, while the incidence of all other diseases has been less than the number reported last year.

Medical Buildings

A sum of approximately Rs. 10,000,000 was provided in the General Estimates for expenditure on buildings during the financial year 1957-58. Out of this sum of approximately Rs. 7,550,000 has been spent during the year. The programme of developing existing Provincial, Base and District Hospitals and Peripheral Units was continued. The new wards completed provide an additional bed-strength of 800 and the wards nearing completion will provide another 580 beds.

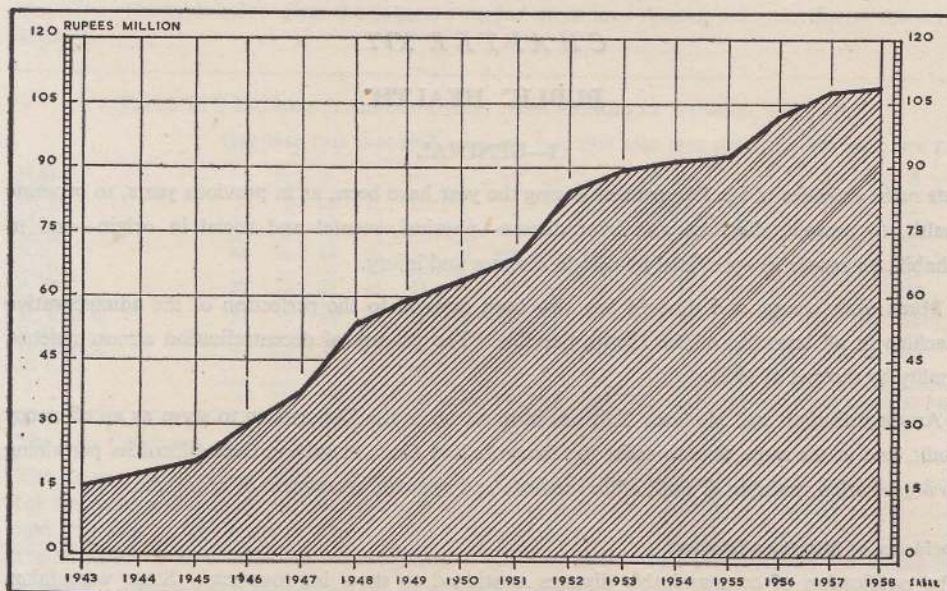
The work begun in the previous year to augment water supplies in hospitals, where it was inadequate and to provide a pipe-borne water supply to Peripheral Units which do not have it at present was continued. The provision of electricity to hospitals which do not have this amenity at present was also continued.

Expenditure on Health Services

The Department expended a sum of Rs. 114.6 million under the Expenditure votes for 1957-58 which is Rs. 7 millions or 6.5 per cent. more than the expenditure in the previous year. The increase was mainly on Personal Emoluments.

The revenue collected by the Department under Head VII—Health Services during the year 1957-58 amounted to Rs. 1,803,629 and is Rs. 149,871 less than the collections of the previous year.

EXPENDITURE ON PUBLIC HEALTH, 1943-1958

**Ambulance Service**

For the conveyance of patients from one medical institution to another, according to the needs of each case, the Department maintains a well organised Ambulance Service. This service was satisfactorily maintained during the year. There were very few vehicles off the road for long periods as repairs were carried out more expeditiously than during previous years. One or more ambulances are attached to each Provincial Hospital, while a number of District Hospitals are supplied with an ambulance each. Altogether there are 103 ambulances in the Department.

II—MEDICAL CARE

At the end of 1958 the Ceylon National Budget maintained a total of 398 hospitals with 28,788 beds receiving 1,277,706 in-patients. The running costs rose to Rs. 87,247,845 i.e. Rs. 929 per head of population while the total expenditure on both preventive and curative health work was Rs. 109,127,258 i.e. Rs. 11.62 per head of the population.

Table given below shows the bed strength in all the 398 hospitals in the Island.

TABLE 16-1 TOTAL NUMBER OF BEDS FOR INDOOR PATIENTS, 1958

Colombo Group of Hospitals	2,639
Provincial Hospitals	3,397
Base Hospitals	2,686
District Hospitals &c.	12,168
Cancer Institute	216
Mental Hospital	2,576
T. B. Hospital	2,123
Fever Hospital, Angoda	300
Leprosy Hospitals	940
Prison Hospitals	430
Police Hospitals	37
Maternity Homes	1,276
	<u>28,788</u>

Colombo Group of Hospitals

The six hospitals in this Group not only provide the most advanced methods of diagnosis and treatment available in the Island but also constitute the only medical teaching unit in association with the University of Ceylon. The General Hospital, Colombo, as its name denotes, provides medical care in all the specialities not catered for by the other five institutions each of which deals with a single speciality.

Table given below shows the bed-strength in the Colombo Group of Hospitals :

TABLE 16-2 COLOMBO GROUP OF HOSPITALS AND BED-STRENGTH—1958

1. General Hospital	1,594
2. De Soysa Hospital for Women	340
3. Castle Street Maternity Hospital for Women	220
4. Lady Ridgeway Childrens' Hospital	242
5. Victoria Memorial Eye Hospital	200
6. Dental Institute	43
	<u>2,639</u>

Special Institutions

Apart from these there are 27 special institutions with a total bed-strength of 6,642 beds.

TABLE 16-3 SPECIAL INSTITUTIONS AND BED-STRENGTH—1958

1. Anti-Tuberculosis Institute	—
2. Kandana Sanatorium	320
3. Hawke Memorial Hospital	110
4. Ragama Chest Hospital	596
5. Talagolla Chest Hospital	70
6. Welisara Chest Hospital	709
7. Wirawila Chest Hospital	96
8. Kankasanturai Sanatorium	84
9. Puttalam Chest Hospital	138
10. Mental Hospital, Angoda	2,158
11. Mental Hospital, Mulleriyawa	140
12. Mental Hospital, Pelawatte	278
13. Leprosy Hospital, Hendala	630
14. Leprosy Hospital, Mantivu	265
15. Leprosy Hospital, Uragaha	45
16. Fever Hospital, Angoda	300
17. Infectious Diseases Hospital, Jaffna	20
18. Prison Hospital, Kandy	45
19. Prison Hospital, Galle	11
20. Prison Hospital, Jaffna	20
21. Prison Hospital, Anuradhapura	20
22. Prison Hospital, Batticaloa	5
23. Prison Hospital, Colombo	176
24. Prison Jail Hospital, Mahara	105
25. Prison Hospital, Matara	3
26. Police Hospital, Colombo	37
27. Training School for Youthful Offenders, Negombo	24
28. Training School for Youthful Offenders, Watupitiwela	26
29. Cancer Hospital, Maharagama	216
	<u>6,642</u>

Mental Care

The opening of the Psychopathic Hospital at Mulleriyawa in October, 1958, with 125 inmates marks an epoch in the clinical management of mental diseases in this country. This institution has accommodation for 504 patients, where curable cases could be admitted.

At the end of 1958 the two mental institutions of the Department at Angoda and Pelawatta had 4,644 inpatients, i.e., 117 more than at the end of the previous year. During the year 8,416 were dealt with in the overcrowded surroundings of Angoda Hospital and 1,909 were discharged as cured.

Work on the House of Observation for 500 patients in the vicinity of the Mulleriyawa Psychopathic Hospital was completed.

The Maharagama Cancer Institute was opened during the year with accommodation for 216 patients which includes the beds in the Hawke Memorial Ward handed over to Government partly equipped by the Ceylon Cancer Society. This Institute is to be developed as a National Centre for the specialised diagnosis and treatment of all forms of cancer and for research.

The equipment available for treatment here includes Deep Therapy apparatus and a Cobalt 60 Teletherapy unit, the latter is a gift from the Government of Canada. For research work a laboratory is planned to be equipped and staffed, with the advice and guidance of Dr. Khonalkar of the W. H. O. who has also undertaken to give postgraduate training at this Centre in Bombay to the surgeons, pathologists and nurses needed for work at this hospital.

The emergence of cancer in the last few years as one of the principal causes of morbidity and mortality in this country is arousing increasing demand by the public for further information on the subject.

III—LABORATORY SERVICES

The policy of the Laboratory services is to provide a complete service to every Government Medical Institution and to registered private medical practitioners, for diagnosis, prognosis, treatment, prevention and control of disease. The Medical Research Institute, whilst still burdened with a heavy load of routine, continues to afford consultant services and functions as a reference laboratory.

A Public Health Laboratory Service is provided in the Medical Research Institute, in the Laboratories of the Special Campaigns and is being developed progressively in the 4 Provincial Hospital Laboratories and in selected Base Hospital Laboratories.

Laboratory Services are available to registered private medical practitioners in the Medical Research Institute, in the Teaching Hospital Laboratories and in Provincial Hospital Laboratories.

Towards the end of 1958 it was decided to organise a Central Blood Transfusion Service in the Division of Laboratory Services. This central institute will act as consultant to the Provincial Blood Transfusion Service. The ultimate aim is to develop a National Blood Transfusion Service.

A greatly enlarged and improved laboratory at Castle Street Hospital for Women was completed during the year and is in full function.

The new laboratory at the Children's Hospital is nearing completion and promises to be one of the best of its kind.

A spacious Laboratory has been provided in the new Eye Hospital building which has not yet been occupied.

Four Provincial Hospital laboratories—Kandy, Jaffna, Galle and Kurunegala have been provided with additional space, staff and equipment.

The new laboratories at Ratnapura hospital were furnished and equipped and the technical staff was strengthened.

Financial provision has been made and plans are ready for new laboratories at the Colombo South Hospital and Jaffna Hospital.

The new administration blocks in several Base and District Hospitals have been provided with special accommodation for laboratories. Some of these were furnished with equipment and staff.

Medical Research Institute

While continuing to function as the Central Reference Laboratory and undertaking a large volume of routine work, this Institute has endeavoured to expand its research activities and to keep abreast of rapidly developing new techniques.

In keeping with modern trends, the Virus Section has been receiving more attention. The scope of work has been expanded; equipment ordered to undertake a much wider field of work is now arriving, and the conversion of the Old Museum room into a Virus Laboratory is awaited. Work is expected to start early in 1959. A beginning has been made in tissue culture techniques.

In the Bacteriology Section, the main activity has been routine, diagnostic and public health bacteriology.

Work on abnormal haemoglobin carried out in the Serology Department deserves special mention. Special work was done on the occurrence of haemoglobin (E) in Veddhas and a paper entitled "Haemoglobin E and Yaws in Ceylon Veddhas" was read and discussed at the Institute Pasteur in Paris. Special work is also being done on the chromatography of caemoglobins on ion exchange resins.

Experimental Pathology is now a regular activity in the Pathology Department. An experimental investigation into the relation between carcinoma of the mouth and the betel-chewing habit continued during the year. A study of the effect of "stressing agents" on the cardio-vascular system was started.

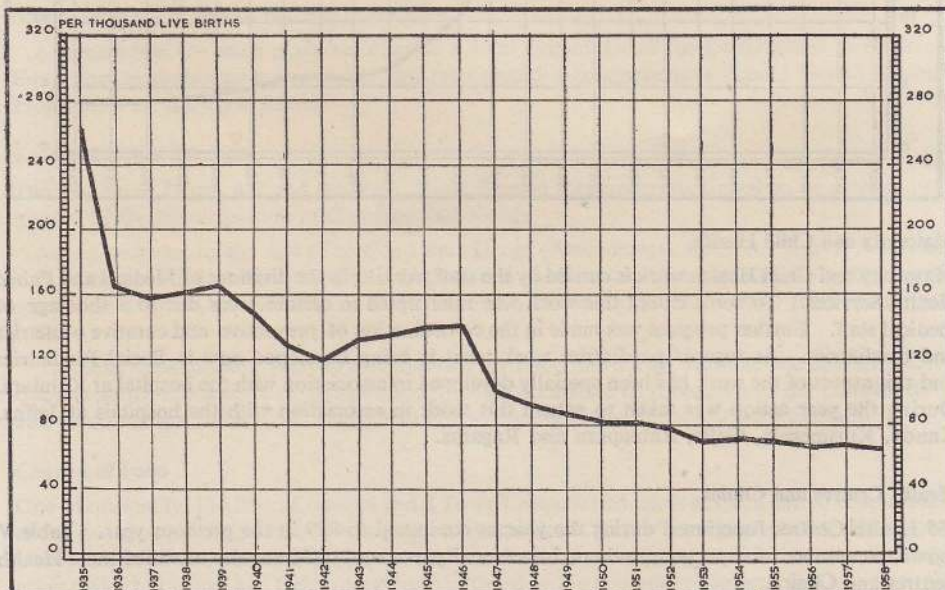
The isolation of active principals from indigenous drugs was continued in the Pharmacology Section in addition to its usual routine.

A study of the basal metabolic rates in different groups in this country is continuing in the Nutrition Department.

Interesting studies are nearing completion in the Parasitology Section on the possible role of animals as a reservoir of human filariasis.

IV—PUBLIC HEALTH SERVICES

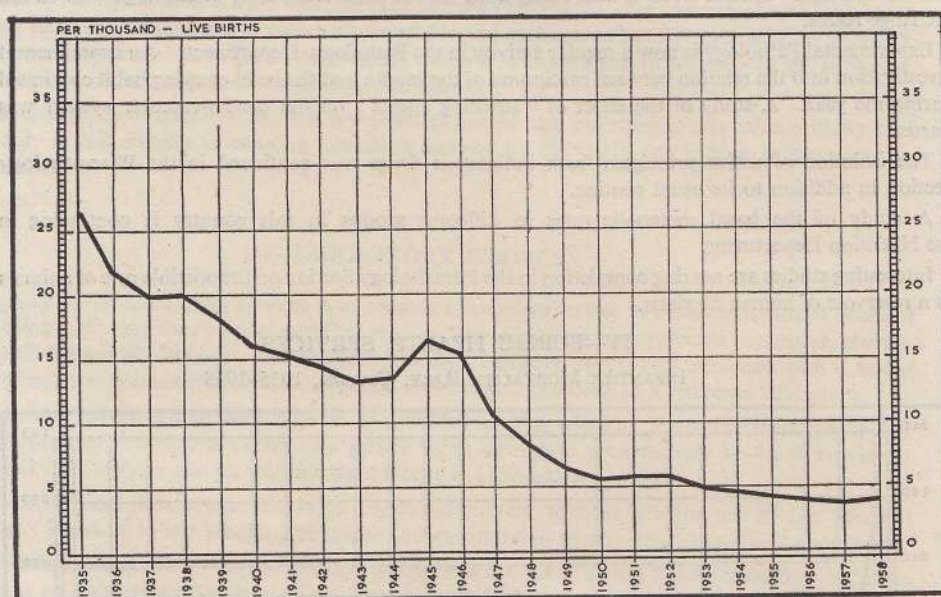
INFANTILE MORTALITY RATE, CEYLON, 1935-1958



Environmental Sanitation

It is generally accepted that the chief public health problem in Ceylon is the sanitary control of the environment. In view of the fact that this is a problem that cannot be tackled adequately by one single department it has been decided to set up a National Water Resources Board to take over the control of all water supplies of the land together with sewerage and drainage. As a preliminary to the establishment of a Water Resources Board an Inter-Departmental Committee was formed in June 1958 and this Committee has prepared the draft legislation, as the enactment of legislation in this connection is an essential pre-requisite. The Environmental Sanitation Project at Kurunegala sponsored jointly by UNICEF and W.H.O has made much progress in the field of experimentation with newer designs and cheaper construction methods of latrines and wells. An octagonal sanitary squatting plate, which costs only Rs. 6 each has been evolved. Further investigations are being carried out in the field for turning out cheaper squatting plates by using clinker. Another chief equipment that has been constructed is a "chain pump" for lifting water from wells. It costs only Rs. 75 and is considered to be a satisfactory and cheap method for pumping water from wells.

MATERNAL DEATH RATE, CEYLON, 1935-1958



Maternity and Child Health

Maternity and Child Health work is carried by the staff working in the divisions of Medical and Public Health Services. To some extent this work was interrupted in certain areas due to a shortage of medical staff. Further progress was made in the co-ordination of preventive and curative obstetrics and paediatrics. As regards paediatrics work what is being developed now is Social Paediatrics and this aspect of the work has been specially developed in association with the hospital at Kalutara. During the year action was taken to extend this work in association with the hospitals at Jaffna, Kandy, Kurunegala, Galle, Ratnapura and Ragama.

Health Centres and Clinics

855 Health Centres functioned during the year as compared to 829 in the previous year. Table V shows the number of expectant mothers, infants and pre-school children who attended these Health Centres and Clinics.

It will be seen that there has been a decline in the attendance of all these groups at the clinics. This decline was chiefly due to the unprecedented floods that occurred at the beginning of the year and the communal disturbances that occurred in the middle of the year and also due to the temporary closure of some of the clinics due to a shortage of medical staff.

TABLE 16.4 HEALTH CENTRES AND CLINICS

	1957	1958
Number of Health Centres	829	855
Number of Clinics held	32,153	31,699
Number under care—		
(i) Expectant mothers	486,152	272,529
(ii) Infants	383,444	324,724
(iii) Pre-school children	212,159	148,593
Visits to Clinics by :—		
(i) Expectant mothers	402,545	390,408
(ii) Infants	560,066	537,234
(iii) Pre-school children	245,108	253,599

School Health Services

The School Health Services were conducted on the same lines as last year. Of the total defects detected at the medical inspection of school children 19.59 per cent. were due to malnutrition and 14.01 per cent. hookworm. The mid-day meal of a bun and a glass of milk is meant only to supplement and not to replace an adequate diet in the home, which is denied to the average child either through the ignorance of parents of the requirements of a balanced diet or their lack of means to provide it.

The Preventive School Dental Health Service has been progressively expanded. There are now 16 clinics worked by 31 trained Dental Nurses. These services are at present confined to Colombo School children and those in the immediate vicinity of the city until more dental nurses are trained. Dental caries constitute a common defect in school children and was over 11.12 per cent. of the total defects detected at school medical inspections.

Arrangements are being made to organise a Joint Committee of the Departments of Health and Education to study existing methods and recommend a comprehensive School Health Education Programme for the whole Island.

Food and Drugs Control

The Food and Drugs Act and the Regulations framed thereunder continued to be actively implemented by the Municipalities of Colombo and Kandy.

An amendment to the Act (The Food and Drugs (Amendment) Act, No. 3 of 1958) defining "Government Analyst" to include the Deputy and the Assistant Analysts to enable them to issue reports on analysis, was introduced in Parliament and became law with effect from February 20, 1958.

The Inter-departmental Advisory Committee on Food and Drugs Act and the Special Advisory Committee for the control of Drugs under the Act continued to function and the Directorate was able to obtain their advice on various matters pertaining to the Act and the Regulations.

Control of Food

One Municipality, 13 Urban Councils and 2 Town Councils had taken administrative action in terms of the Act by appointing a Public Analyst and "Authorised Officers" in respect of their administrative areas, to enable them to enforce the act and the Regulations relating to Food, while some of the other major Municipal and Urban areas have initiated action towards implementation.

For analysis of food, fifteen of the administrative areas have appointed the Government Analyst as Public Analyst while three have appointed a private Analyst as public analyst under the Act.

Estate Health Work

In 1958, the number of estates scheduled was 2,587 in comparison with 2,611 estates in 1957. The population on the estates was 1,059,346 as compared with 1,278,583 in 1957.

The estate authorities maintained 108 estate hospitals and 360 estate dispensaries. All estate hospitals were inspected in 1958 for the purpose of granting rebate and it was reported that all of them were being maintained in good condition.

The sanitary inspection of 374 estates as compared with 566 in 1957 was undertaken during the year and action is being taken to have more estates inspected.

With regard to the control of housing of labourers on coconut estates the rules under the Diseases (Labourers) Ordinance have been made applicable to coconut estates as well. Action has also been taken to amend the rules under the same Ordinance so as to permit the Director of Health Services to use his discretion in approving the number of line rooms in a block without the restriction now imposed limiting the number to only four.

Colonisation Schemes

Public Health work was carried out in 66 Colonisation Schemes covering a total of 9,938 square miles, during 1958. All medical and sanitary facilities were provided for these schemes. During the major floods in 1957, special attention with regard to medical facilities was given to the colonists in order to assist them in rehabilitation work. Anti-Typhoid inoculations were given to most of the colonists in the flooded areas. All precautions were taken to safeguard the health of the colonists during and after the major flood.

Twenty-three Centres functioned in the colonization schemes during 1958. The Public Health Midwives conducted 1,859 deliveries as compared with 1,443 in 1957. The maternal mortality rate continues to be low and is 0.5 per 1,000 live births. The infant mortality rate has risen to 86 from 57.7 per 1,000 live births in 1957. The crude death rate was 3.3 per 1,000 and the birth rate 18 per 1,000.

Rabies Control

It was not possible to proceed with the eradication programme for rabies as the Government had not fully accepted the scheme and because the Public Health Veterinary Officer who was in charge of this work was seconded for service with the Department of Agriculture.

During 1958 the Medical Research Institute examined 846 specimens of brains for rabies. The number of persons who received post exposure anti-rabic treatment at various hospitals was 4,495 compared to 11,548 in 1957. This shows a considerable reduction in the number of people apparently bitten by dogs.

Health Education and Publicity

Health Education activities were carried out according to programme as during the previous year. There was a limited expansion of the services by the appointment of locally trained Health Educators to the Anti-Tuberculosis Campaign and the Environmental Sanitation Project, Kurunegala.

In many of the Divisions Co-ordinating Councils have been established to bring in more co-ordination and co-operation of the Divisional Officers of related Government Departments. In areas where these Committees have not been established the District Co-ordinating Council convened by the Government Agent is been utilised for this purpose. The National Co-ordinating Council which was established in 1957 has been reorganised.

The field organisation was further strengthened by the addition of eight New Health Educators (Public Health Inspectors) locally trained. There is at present a Health Educator (Public Health Inspector) in each of the 15 S. H. S. Divisions, in the Specialised Campaigns of Anti-T. B., Anti-V. D., Anti-Malaria and in the special W. H. O. Environmental Sanitation Project at Kurunegala.

The Health Education Sub-Division provided the necessary advice and guidance to Health Education field staff, to departmental personnel, to Voluntary Organisations and to related Government Departments in carrying out all aspects of Health Education and Publicity work.

The Publicity Section has been responsible for all Departmental Publications, and assisted the Ministry in the preparation of special reports, memoranda &c. The editing and revision of all leaflets, booklets &c. was also undertaken.

V—SPECIAL DISEASES

Malaria

Malaria, though effectively controlled, continues to menace the country. There was a resurgence of the disease in the three years which followed the interruption of residual spraying of houses early in 1955, until it was brought under control again in the latter part of 1958. In order to do this, residual spraying had to be reinstituted in the whole of the dry zone (endemic areas) combined with drug therapy at a cost of 79 cents per head of the population.

This experience demonstrated the danger of the interruption of spraying before transmission has been stopped and adequate machinery for surveillance has been set up to detect the residual foci and to deal expeditiously with any infection introduced from these foci into freed areas.

During 1958, 1,035 cases were clinically diagnosed at Hospitals and Dispensaries as malarial fever though only 463 of these cases had a positive blood picture.

In the latter part of 1958, the Department embarked on a five-Year Malaria Total Eradication Programme in order to complete the attack on this disease before Ceylon too was faced with insecticidal resistance in the local malaria carrier. The United States Operations Mission came to Ceylon's assistance in this programme in a very generous way with a guaranteed contribution of Rs. 6,813,190 out of an estimated total expenditure of Rs. 26,415,038 for the five-year period. This malaria eradication programme will get under full swing from the first quarter of 1959.

Tuberculosis

The programme of the Anti-Tuberculosis Campaign for 1958 was planned taking into consideration some of the findings of the National Tuberculosis Survey of 1956. This survey disclosed that the largest number of undetected cases was in rural areas. Therefore, more branch clinics were opened in these areas during the course of the year.

The dramatic decline in the mortality from tuberculosis continues. The most valuable specific method of control, viz., early detection in the interest of speedy and effective treatment and the prevention of spread of infection, achieved considerable success in the fight against this disease. This procedure admitted 11,172 new cases to the T. B. Register which had on it 28,265 cases at the end of 1957.

The number of cases undergoing treatment at the end of the year was 32,949 of whom 3,129 were occupying beds out of the 3,500 now available for the tuberculosis in all institutions of the Department. The estimated number of cases of tuberculosis in the then population according to the 1956 National T. B. Survey was 63,000 cases of unhealed pathology and 35,000 cases of healed pathology with a prevalence rate of 1.55 per cent. for all Ceylon.

Much commendable work has been done by two Voluntary Organisations the Ceylon National Association for the Prevention of Tuberculosis and the Moratuwa National Anti-Tuberculosis Association in the fight against tuberculosis. Their activities supported the state effort both with the valuable personal services of their members and finances in many a field where the interest of a Government Department was perforce limited or wanting.

The B. C. G. Campaign consisting of 7 Units was decentralised in 1958 and the scheme of testing and immunisation was carried out with more intensity specially around known sources of infection.

The Departmental expenditure on the Anti-T. B. Campaign for 1957-58 was Rs. 9,526,618 while the Department of Social Services spent Rs. 7,634,903 on its scheme of financial assistance to the afflicted.

Filariasis

The present programme in the control of urban filariasis is to detect cases by blood-filming of the population in potentially infectious areas so as to detect microfilaria in the community, treat them as quickly as possible to free them from infection and thus prevent them from functioning as reservoirs of infection. A very high proportion of the people along the coastal belt have been blood-filmed and microfilaria cases detected and treatment given.

The majority of the microfilaria cases were treated in the field by the special Public Health Inspectors attached to the campaign. The patients consist of clinical and/or microfilaria cases. The total number of clinical cases treated at various clinics in 1958 was 5,132. This figure may not be an exact representation of the total number of elipantiasis in the country. Of the 2,462 microfilaria cases 1,558 were freed from microfilaria.

The most important factor in the control of this disease is the improvement of environmental sanitation. This can only be done by the establishment of pipe-borne water supplies to endemic areas with adequate drainage of surface water. The early completion of pipe-borne water supply schemes to Urban Councils of Dehiwela-Mount Lavinia, Kotte, Kolonnawa, Moratuwa and Panadura will help to effect a considerable reduction of the disease in these areas in the near future.

Venereal Diseases

Besides the Central V. D. Clinic in Colombo, eight full time V. D. clinics functioned at Kandy, (Katugastota) Jaffna, Galle, Kurunegala, Anuradhapura, Badulla Negombo and Ratnapura during the year.

Provision was made for a full time V. D. clinic in the new buildings of hospitals at Galle, Badulla, Anuradhapura, Ratnapura, Matale and Polonnaruwa. Of these, the V. D. clinics at Ratnapura and Badulla are conducted in the newly constructed buildings.

No additional equipment has been obtained during the year 1958. Three small military type jeeps were gifted by U. S. O. M. for the Yaws Eradication Programme.

P. A. M. and other Antibiotics are available for the treatment of V. D. and Yaws. Distribution of P. A. M. and special drugs is through the Office of the Anti-V. D. Campaign.

The staff at the full time clinics undertake V. D. control activities in their respective areas, viz., health education on V. D.—group discussion, lecture demonstrations and film shows. They participate in the inservice training programme of health personnel. Blood Surveys on certain population groups are undertaken with prior approval of the Superintendent, Anti-V. D. Campaign.

The total attendance in the male section has remained approximately same as in 1957. There is a reduction in the new cases registered in 1958 due to Rat-bite cases having been excluded from the regular clinic cases. However, it is observed that there is an increase in the subsequent visits in 1958 in both sections which probably has resulted from increased educational activities and better follow-up work.

In addition to the eight full time V. D. Clinics, part time V. D. Clinics are conducted at Kuliya-pitiya, Kegalla, Nawalapitiya and Kahawatta. Treatment for V. D. and Yaws is afforded to patients at several institutions.

The routine blood testing at all anti-natal clinics in Colombo has been regularly maintained. It is also established at all institutions where full time V. D. clinics function. Some of the Governmental Medical Institutions also carry out the blood testing of frequent mothers who are admitted to the Maternity Wards of these institutions. 32,960 cases were examined in 1958 of whom 1.2 per cent, or 396 were found to be positive.

In 1958 the anti-V. D. Campaign in addition to its usual activities launched a Yaws Eradication programme in the hinterland of the Southern Province to be followed by similar efforts in the pockets still persisting in the backwoods of the North-Western Province, the North-Central Province, and the Matale District.

Leprosy

The Anti-Leprosy Campaign completed its Island survey which indicated that the total number of living cases in the country is 3,223 which includes 308 new cases traced during the year. Some of these new cases are those earlier removed from the Register as "untraceable" and rediscovered at the survey. The discovery of actual new cases, however small it may be in numbers, is a pointer that infection is still occurring in the community. There are 910 of the known cases in the three State Leprosoria though nearly a quarter of these inmates are non-effective. Occupational therapy consists of shoe making, weaving, poultry and dairy farming, and gardening.

One of the objects of the leprosy campaign is to do a survey of each Health Unit area once a year and to visit endemic areas twice a year. With the exception of a few areas all the others were surveyed in 1958. The whole Island could not be completed due to the disturbances in May and June.

VI—QUARANTINE AND INTERNATIONAL HEALTH

To prevent the introduction of diseases from outside Ceylon measures have been adopted under the "Quarantine and Prevention of Disease Ordinance"—Sections 2 and 3 : Cap. 173. Quarantine activities are carried out through the Department of Quarantine.

The Government of Ceylon is a signatory to the International Sanitary Regulations sponsored by the World Health Organisation. Existing Quarantine Regulations framed under the Quarantine and Prevention of Disease Ordinance will be brought in conformity to the International Sanitary Regulations.

Action was continued actively to give effect to the decision to close down Mandapam Camp, the institution that controls Indo-Ceylon Traffic by rail, by establishing an alternate Camp at Talaimannar. The Quarantine Station at Talaimannar will be considerably small in comparison with the Mandapam Quarantine Camp, due to the changed conditions in South India ; legislation of the Indian Government preventing the export of unskilled Labour ; and the introduction of the International Sanitary Regulations. The Passenger Traffic via this Camp is thereby very much reduced.

It has been possible to relax considerably the Quarantine Regulations as they affect persons entering Ceylon. Disinfection at Mandapam Camp was reduced, the number of visits of passengers under Medical Surveillance to Medical Officers was reduced and the detaining of crews proceeding to join ships &c., at the Disinfecting Station, Colombo, was discontinued with effect from June 1, 1958. Tourists are given special concessions.

It is gratifying to note that there is a sharp decrease in the number of Illicit Immigrants coming from India. Illicit landers are always a potential danger in the introduction of quarantineable diseases from India for the obvious reason that they do not yet themselves immunized against infection.

There were 3 cases of Small-pox among the crew and passengers on board the Pilgrim-ships. "Razwani" and "Mozaffarin" and on board the s.s. "Arona" which called at Colombo Port. These cases were not landed in Colombo. However, all contacts who disembarked in Colombo were vaccinated and sent to the Fever Hospital, Angoda, for isolation. Also a case of Measles two cases of Small-pox and a case of Dysentery were detected at the Port of Colombo. Two cases of Small-pox were detected among the Illicit landers Quarantined at the Quarantine Camp at Talaimannar. Necessary precautions were taken in each case. No infectious diseases were reported at other Ports and Air-ports.

The fumigation of rice cargoes in ships-holds which was started as an experiment at the Port of Colombo last year to expedite discharge of cargoes has now been adopted as a routine measure in addition to fumigation in lighters.

International Assistance and Co-operation

The Department of Health continued to receive assistance in the form of Scholarships and Fellowships, Consultants and Experts, and Equipment and Materials from the various International Agencies.

The World Health Organisation offered four Film-strips in 1958 viz. one each in Paediatrics and Mental Health to two Medical Officers and in Psychiatric Nursing to two nurses.

Assistance has also been received from the W. H. O., UNICEF, CARE, USOM and also from the Australian, Canadian, and New Zealand Governments under the Colombo Plan for the various Health Projects of the Department.

VII—INDIGENOUS MEDICINE

A very important event which took place in the year 1958 was the establishment of a separate department with a Commissioner for the development of Indigenous Medicines. This was the main recommendation made by the Special Committee of Ayurveda appointed by the Honourable Minister of Health in 1957. Arrangements were made to obtain the services of Pandit Shiva Sharma an Expert on Ayurveda under the auspices of the Colombo Plan in order to finalise the curriculum of the College of Indigenous Medicine and initiate research in this field.

It was found beneficial for Ayurvedic students to acquire a knowledge of Hindi as many books and periodicals dealing with Ayurvedic research have been published in this language. With this end in view, necessary steps were taken to conduct Hindi classes for students with the assistance from the Indian High Commissioner's Office in Ceylon.

With the assistance of the Special Commissioner for Official Languages, necessary steps were taken to translate into Sinhala original Ayurvedic works such as Charko, Susruta, Vaagbhata, &c.

A delegation from Ceylon consisting of the Ayurvedic Commissioner and a senior lecturer of the College of Indigenous Medicine represented Ceylon at the All India Ayurvedic Conference held at Calcutta in December, 1958.

College of Indigenous Medicine

During the year under review there were 118 students on the roll. This number included students pursuing Ayurvedic, Siddha and Unani systems of medicine. Three Unani students and six Ayurvedic obtained the College Certificate having successfully completed the final examination. There are 35 scholarships of the value of Rs. 240 per annum and 40 Bursaries of the value of Rs. 120 per annum available to the students of the college hospital.

The number of patients treated during 1958 was 2,148. This included 328 maternity cases. The number treated at the Out Patients Department during 1958 was 284,506.

Pharmacy

The Pharmacy attached to the hospital continues to manufacture all the medicines necessary for the Hospital and Out Patients Department. It also imparts a practical training to the students of the College.

Grants to Free Ayurvedic Dispensaries

Annual grants varying from Rs. 75 to Rs. 1,500 have been made to Ayurvedic dispensaries which are maintained by recognised boards of management and conform to certain conditions laid down by the Ministry of Health. Free Ayurvedic Dispensaries run by Local Bodies have also been given grants varying from Rs. 150 to Rs. 17,000. The total financial assistance granted to Ayurvedic Dispensaries during 1958 amounted to Rs. 99,165.

Registration of Practitioners of Indigenous Medicine

The total number of practitioners of Indigenous Medicine registered up to the end of December, 1958 is 7,640. Of this number 5,427 are ordinary practitioners and 2,213 are experts. During the year 1958, 70 practitioners of Indigenous Medicine were registered.

Pharmacopoeia of Indigenous Medicine

During the year under review, only the sub-committees on Siddha and Ayurveda systems of medicine appointed by the Honourable Minister for Health were functioning. The sub-committee on Ayurveda is revising a complete list of medicinal herbs and chemicals and the sub-committee on Siddha has completed almost half of its pharmacopoeia.

Extensions to the Hospital

The two storeyed building containing the additional block built at a cost of about Rs. 350,000 and another two storeyed building comprising the new wards built at a cost of nearly Rs. 300,000 were declared open by the Prime Minister and Minister of Health respectively.

CHAPTER XVII

SOCIAL SERVICES, RURAL WELFARE AND NATIONAL HOUSING

I—SOCIAL SERVICES

A Separate Department of Social Services was created in 1948 to deal with the following subjects :—

- (1) Public Assistance (including statutory Poor Relief and Relief of Distress resulting from floods, failure of crops, epidemics, &c.).
- (2) Workmen's Compensation.
- (3) Charities and Charitable Associations and Charitable Institutions, other than Educational and Medical.
- (4) Rehabilitation of flood victims.

With the expansion of social welfare activities undertaken by Government, the Department took over the following additional subjects :—

- (1) Vagrancy.
- (2) House of Detention.
- (3) State Homes for the Aged and Infirm.
- (4) Financial Assistance to Tuberculosis patients and their dependants.
- (5) Social Insurance.

The last twenty years has been the development of far-reaching social changes in this country. Until then, the people of Ceylon relied for the greater part on private alms, public charity, government grants and free medical assistance as a cushion against economic and social distress. These proved reasonably satisfactory so long as the Islands' economy was fundamentally rural. But with the economic prosperity of the years subsequent to the last war, Government has taken an increasing interest in social welfare, and current social services work reflects State participation in both leadership and finance of programmes.

Public Assistance

The administration of the Poor Law Ordinance of 1939 promulgated for rendering public assistance to the poor is vested in the three major Municipalities of Colombo, Kandy and Galle. The Municipal authority established its own standards of determining relief within a general pattern set by this Ordinance.

In areas outside these Municipalities, payment of monthly allowances to the needy continues to be the basic social service and still affords the major governmental protection against the hazards of old age, sickness and disability. Assistance is also given to destitute widows and to women deprived of their husbands' help owing to imprisonment or physical disability. The standards determining relief are set out in the Manual of Public Assistance Orders and Procedure of the Department of Social Services. The maximum amounts are Rs. 10 per mensem for an individual and Rs. 20 per mensem for a person with dependants.

The number of persons who received monthly allowances and the total sums expended on such cases since 1955-58 are given below—

TABLE 17-1.—PUBLIC ASSISTANCE

Year	Number of Persons	Total Sum Expended Rupees
1955-56	84,798	7,411,156
1956-57	106,133	9,614,715
1957-58	111,864	11,132,587

The responsibility for the administration and expenditure of Public Assistance and relief of distress, whether casual or widespread, is borne by the Central Government through its Revenue Officers.

Casual Relief

Assistance is given to relieve distress resulting from accidents or other emergencies affecting individuals or small groups. The relief covers distress resulting from loss of earnings or food supply by fire or accident and comprise assistance to repair or reconstruct houses, to purchase clothing, implements of trade or tools or cooking utensils lost through fire, rain, storm or other similar cause. The maximum grant payable in any one case is Rs. 300. The amount spent on casual relief in 1957-58 was Rs. 293,714 on 3,595 cases.

Relief of Distress

Floods and droughts are a common cause of distress. Catastrophic occurrences like cyclones, earthslips and epidemics which entail hardship and suffering are regarded as casual abnormal distress.

The scheme for relief of distress due to floods, &c., provides for the immediate grant of relief in the form of food, clothing and shelter to those rendered homeless, and grants of money up to a maximum of Rs. 300 to those whose houses require repair or rebuilding or for the purchase of implements of trade damaged or destroyed. Assistance to relieve distress due to crop failure usually takes the form of provision of unskilled employment in relief works.

Assistance to Tuberculosis Patients

A scheme of financial assistance for indigent tuberculosis patients and their dependants has been formulated with the object of compensating for loss of earning power during the period of treatment and convalescence. The scheme is administered by the Department of Social Services in collaboration with the Department of Health Services.

The maximum payment to a patient with dependants who receives institutional treatment is Rs. 60 per mensem, while payment up to a maximum of Rs. 80 per mensem is made to a patient with dependants who takes out-door treatment.

Supplements of Rs. 40 per mensem for T. B. patients are also payable in respect of dependants of T. B. patients who are themselves afflicted by the disease. Minor dependant children under 16 years of age suffering from T. B. in families where the bread-winner is not a T. B. patient are also assisted as single unit cases at the rate of Rs. 40 per mensem. The total number of cases on the pay list at the end of December 1958 was 15,991 and the expenditure incurred during the financial year 1957-58 was Rs. 7,634,903 as compared with Rs. 5,940,959 in the previous year.

Voluntary Agencies

The Voluntary Agencies engaged in Social Welfare work continue to perform a very necessary and useful service. The paucity of funds at their disposal generally makes their effort inadequate in relation to the large numbers seeking assistance, even though the sphere of State Assistance has increased in recent years. Government in pursuance of its policy of encouraging voluntary effort, gives grants to such agencies to further the good work undertaken by them. In 1957-58 Rs. 328,722 was paid as grants to 96 Voluntary Agencies excluding Orphanages for which grants were paid by the Department of Probation and Child Care Services.

Homes for the Aged

Government policy in regard to the Homes for the Aged has been to assist financially homes administered by voluntary agencies. A sum of Rs. 381,994 was paid to 28 such organisations in 1957-58 as grants-in-aid. As voluntary agencies were unable to cope with the demand for institutional relief, Government decided to establish and run State Homes for the Aged in suitable areas. Four such Homes have already been established at Koggala, Anuradhapura, Kaithady and Mirigama.

The policy of establishing a State Home for the Aged to accommodate 240 persons in each Province has since been revised and smaller Cottage Homes for the Aged with accommodation for about 24 persons in each Home are now being established in smaller divisional areas. These Homes which will initially be run by a local committee of management, would be more suited to serve rural areas.

The proposed scheme is being implemented in the first instance in the Kandy and Kurunegala Districts and the first Cottage Home for the Aged set up at Godahena in the Kandy District in the Harispattu Division is now functioning.

Creches

A scheme to provide Creche facilities for the day time care of children between the ages of about three months and 5 years in areas where there is a concentration of working mothers came into force in 1951. Grants are given to Voluntary Organisations or Local Authorities for the erection of buildings and purchase of equipment and furniture for the running of the creches. An annual maintenance grant is payable depending on the number of children cared for in the creche. In 1957-58, 35 creches were assisted with Government Grants amounting to Rs. 289,410.

Services to Physically Handicapped

With the object of taking effective steps towards the resettlement and rehabilitation of the physically handicapped, a survey of the permanently and substantially disabled was made in 1958. A special section in the Department was also formed to deal with the care, welfare and rehabilitation of disabled persons in the Island. Their individual needs are being looked into by the Welfare Officers recently recruited by the Department. These Welfare Officers will initially follow up the cases reported in the recent Survey of the physically handicapped, investigate their needs and render whatever assistance is necessary and possible with the help of government or voluntary organisations. The sheltered Workshops for the Deaf and the Blind at Seeduwa which were taken over by the Government from the Ceylon Schools for the Deaf and Blind in October, 1957, are being re-organised as a Government concern with the assistance and advice of the I.L.O. Expert Mr. Marland. The Deaf and Blind at Seeduwa are trained and employed in trades such as carpentry, coir work, weaving, knitting, rattan work, needlework, &c. New trades like Plastics and Braille printing have also been introduced and the necessary machinery installed.

Apart from the residents at the workshops, 90 persons were assisted under the Homeworkers Scheme.

Grants are also paid to Voluntary Organisations engaged on the services for the Deaf and Blind. A sum of Rs. 120,000 was paid to six such organisations during the financial year 1957-58.

A training scheme for orthopaedically disabled at the Orthopaedic Workshop affords training facilities in Carpentry, Leather-work, Spray painting, Electroplating and the manufacture of surgical appliances. The trainees selected by a special panel consisting of officials from the Health and Social Services Departments are paid an allowance of Rs. 2.76 per day to cover their out-of-pocket expenses while under training. Arrangements have also been made for training facilities in typewriting at the Ceylon Technical College for suitable disabled persons.

A scheme has been introduced to provide aids and appliances such as wheel chairs, spectacles and hearing aids to physically disabled persons.

Problem of Vagrancy

The rehabilitation of vagrants and other anti-social persons is being done by the Government through the House of Detention and the Home for Vagrants. At present the House of Detention and the Home for Vagrants are two separate institutions, the former being under the direct management of the Department of Social Services while the latter is managed by the Salvation Army on behalf of the Government. New buildings at a cost of Rs. 1,450,000 are being put up on a 11 acre block of land at Gangodawila to administer both these institutions under the Government.

At present training in Cottage Industries is given to the inmates as a rehabilitative measure. This training, in addition to keeping the inmates gainfully occupied while under detention, helps them in their rehabilitation. A survey of the Beggar Problem in Ceylon was carried out by the Department of Social Services and its report was published in 1956 as Sessional Paper XI of 1956.

Workmen's Compensation

The payment of compensation to workmen meeting with accidents in the course of their work is provided for under the Workmen's Compensation Ordinance, No. 19 of 1934. It was brought into operation in 1935, and has been administered by the Director of Social Services since 1948. The Workmen's Compensation Ordinance, No. 19 of 1934, was amended by the Workmen's Compensation (Amendment) Act, No. 31 of 1957. The Ordinance expressly extends the term "accident" to include occupational diseases like anthrax, lead poisoning, &c. The compensation payable is determined on the basis of wages earned by a workmen in relation to the loss of earning capacity sustained by him. Insurance is not compulsory under the Ordinance but an employer may insure with an Insurance Company in order to safeguard himself against these risks. Claims paid to employees who met with accidents since 1956 are as follows :—

TABLE 17.2—WORKMEN'S COMPENSATION CLAIMS, 1956-58

<i>Year</i>	<i>Claims</i>	<i>Amount Rs.</i>
1956	7,646	656,779
1957	8,864	654,022
1958	8,606	572,628

Legislation

The Poor Law Ordinance for rendering public assistance is in force in the Municipalities of Colombo, Kandy and Galle since 1940.

A draft Charities Regulation Bill to prevent the improper collection of funds allegedly for charitable purposes is receiving the attention of Government.

A draft Ceylon Beggars Act and the regulations thereunder submitted by the Committee appointed in November, 1957, by the Hon. Minister of Labour, Housing and Social Services to draft legislation to deal with the Beggar Problem in Ceylon are under consideration by the Government.

In pursuance of the recommendation of the Parliamentary Committee appointed to report on further revision of the Workmen's Compensation Ordinance, Government has decided to set up a Workmen's Compensation State Insurance Scheme. This Scheme will be administered by a Statutory Board and will provide adequate compensation to the injured worker and his dependants promptly, without exception and without unduly burdening his employer. The Scheme will be based on Employer liability. A Committee has been set up to draft the necessary legislation.

II—RURAL DEVELOPMENT

Rural Development activities continued to progress during 1958. All indications were that Rural Development Societies had once again turned their attention to organising programmes to meet the problems and needs in their respective communities. Many of the societies took a renewed interest in welfare schemes in their communities and also participated actively in the functions and activities of the Group Societies. By the end of the year there were 7,014 rural development societies, 835 group societies and 3,261 Kantha and Mahila samities. A special feature of the work of the department during 1958 was the re-organisation and strengthening of the Group Societies.

Public Utility Works

A sum of Rs. 1,500,000 was made available during the financial year 1957-58 for assisting development works in village areas. A noteworthy feature of the programme for 1958 was that the works were better planned and many of them were completed except for the disruptive effects of the

major floods at the beginning of the year and the communal disturbances in June along with the subsequent Emergency situation. The development works assisted through this vote were 193 community halls, 99 schools, 261 industrial centres and 111 other buildings. 125 miles of new roads and 147 miles of old roads were also improved through this assistance. Moreover, 311 public latrines and 833 public wells were also assisted.

Canadian Aid for Rural Roads

The assistance which Canada had given for improving rural roads was utilised to undertake further improvement of roads in rural areas. Of the sum of Rs. 5,217,522 made available so far, a sum of Rs. 4,896,644 has already been authorised for expenditure on such roads.

Training

Training of rural leaders continued at Bandarawela, Nikaweratiya and Jaffna. Two-day seminars for village leaders engaged in rural development activities were held in all the districts as in previous years. The schemes of itinerating training classes was continued during the year specially in those areas where the residential training facilities were not available.

Backward Community Development

Re-habilitation of these backward communities include the re-organisation and rationalisation of their traditional crafts.

Association with International Organisations

Many Scholars and Fellows sponsored by various International Organisations visited Ceylon in 1958, in order to observe and study the rural development and cottage industries work. Some of the visitors were Dr. C. W. Chang, F.A.O. adviser, 4 Fellows from the Philippine Government sponsored by the United States Operation Mission, 2 officers from the Government of Afghanistan and a Team of 9 Fellows from Thailand sponsored by the UNESCO.

Women's Welfare Activities

Women's Welfare Activities continued to expand during this year in addition to re-organising and reviving some of the older societies; 57 new societies were formed in the districts of Mannar, Jaffna, Colombo, Matara and Kegalle. Among the activities undertaken by these Women's Societies were cottage industries, savings campaigns, sanitation, home gardens, nutrition campaigns, child care, nursing of the sick, cookery classes and assistance schemes in times of distress. During the year, 8 women's training classes were held at three training centres in Nikaweratiya, Kondavil and Bindunuwewa. The total number trained at these classes were 181. The training schemes had to be curtailed during the year as three of the training centres at Rambewa, Nalanda and Sittandi could not be used owing to flood damage.

III—THE CO-OPERATIVE MOVEMENT

The Co-operative Credit Movement in Ceylon was commenced in 1913 under Ordinance No. 7 of 1911 based on the Indian Act of 1904. Other (non-credit) types of societies and secondary institutions could not be organised under it. This Ordinance was repealed and a new Ordinance No. 34 of 1921 was passed extending the scope of the Co-operative Movement and making adequate provision for the supervision and control of Co-operative Societies. This was later replaced by Ordinance No. 16 of 1936 which has also been amended by Act No. 21 of 1949.

The following table shows the progress of the Movement between 1921 and 1941 :—

TABLE 17-3 PROGRESS OF CO-OPERATIVE SOCIETIES, 1921-1941

Year	No. of Societies	No. of Members	Turnover Rs.	Owned Capital Rs.	Assets in Rupees	
					Primary Societies	Secondary Societies
1921	154	18,000	132,000	143,000	204,000	—
1931	600	24,000	1,243,000	641,000	1,610,000	249,000
1941	1,852	79,000	4,458,000	3,230,000	4,952,000	1,243,000

The Co-operative Movement in its early stages was concerned with the provision of rural credit. The last world war gave a new pattern by shifting emphasis from credit to productive and distributive functions. The consumers' movement became the life line of food distribution during the years 1942-1945. The following table indicates the development of the movement in recent years :—

TABLE 17-4 ANALYSIS OF THE CO-OPERATIVES BY TYPE OF SOCIETY 1942-1958

<i>Type of Society</i>	1942*	1947*	1952**	1957**	1958**
1. Credit	1,622	1,902	2,495	3,743	3,843
2. Thrift and Savings	164	215	320	404	411
3. Consumers' (Primary)	52	3,961	3,408	2,569	1,260
4. Agricultural Production and Sales	11	26	498	995	424
5. Cottage Industries	16	30	210	801	868
6. Production and Sales (excluding 4 and 5)	40	115	194	330	375
7. Multipurpose	—	—	—	68	3,897
8. School Co-operative and Youth Clubs	32	56	816	1,472	1,618
9. Other Primary	29	33	77	157	156
10. Secondary	70	172	221	273	283
Total	2,036	6,510	8,239	10,812	13,135

Towards the end of 1957 a beginning was made with the re-organisation of the Co-operative structure which formed the basis of Co-operative Development for the last 45 years, with the replacement of the varied types of Co-operative Societies by a single Multipurpose Co-operative in each village. 1,252 Primary Consumer Societies, 553 Agricultural Production and Sales Societies and 37 other societies were converted into Multi-Purpose Societies during the year. These societies are engaged in the distribution of consumer articles, the production and sale of agricultural produce, the execution of labour contracts and the grant of credit. Not all the functions are carried out by every society. The total number of Multi-purpose Societies at the end of 1958 was 3,897.

The Government lent Rs. 15.7 million to the CAPS Societies and Multi-purpose Societies for agricultural work during the year, and recovered Rs. 11.4 million. The amount outstanding was Rs. 23.5 million. In addition to the above Marketing loans amounting to Rs. 10.0 million was granted by the Co-operative Federal Bank. Of the latter Rs. 5.7 million was recovered during the year. A sum of Rs. 7.9 million was overdue to the Government. Under the Guaranteed Price Scheme of Government, these societies collected during 1958 produce worth Rs. 190.4 million of which members' produce amounted to Rs. 152.7 million, i.e. 80.2 per cent. The quantity of paddy collected was 15,344,400 bushels.

The Coconut Industry is being rehabilitated on co-operative basis in certain areas and there are 28 societies with a membership of 7,704. The total extent of coconut land owned by the members is 86,000 acres which is 8 per cent. of the total acreage under coconut in Ceylon. Eighty per cent. of the members are small-holders owning between 1—10 acres each. 13 societies are equipped with desiccating and oil mills. The non-milling societies processed their members' nuts into copra or sold them fresh. The central organisation is a Union of Coconut Producer Societies. In order to resuscitate the milling societies, the Government has lent a sum of Rs. 3.4 million to the Union. During the year the sale of coconut produce (Desiccated Coconut, Coconut oil, Copra and Fresh Nuts) by the Union amounted to Rs. 1.2 million and that by the Coconut Producer Societies Rs. 9.5 million.

* Year ending April, 30.

** Year ending December 31

Development of Cottage Industries on co-operative lines has made rapid progress as will be seen from the above table. There are 868 primary societies in all and these comprise 465 Textile Weavers', 135 Carpentry, 89 Coir Workers', 69 Pottery, 14 Mat Weavers' and 96 others. The total membership is 31,195. Government assists these societies by way of short-term loans for purchase of equipment and marketing, and long-term loans for construction of buildings and purchase of land. During the year 1958 the loans granted by the Government amounted to Rs. 4.2 million. The amount repaid by these societies was Rs. 1.5 million. The amount outstanding to the Government by them at the end of 1958 was Rs. 2.7 million. These societies sold goods to the value of Rs. 10.1 million during the year. In addition to the above there are also 29 Unions of the Primary Cottage Industry Societies. These Unions render a vital service to the affiliated societies both in the supply of raw materials and equipment and in the disposal of finished products. The value of sales of these Unions was Rs. 18.3 million during the year, the nett profit earned being Rs. 1.0 million.

The fishermen are helped through Fishermen's Co-operative Credit and Sale Societies and the Co-operative Fishing Societies. There are 46 of the former type and 62 of the latter. The total membership in these societies is 3,967. The sales of members' catch through their respective societies in the year 1958 amounted to Rs. 1.5 million. The assistance given to these societies by the Government in 1958 was Rs. 151,300. The education of fishermen in co-operative methods has been undertaken by the Department mainly through the assistance of the grant given by the Canadian Government. The Ceylon Co-operative Fish Sales Union which is a Union of the Producer Societies was registered in 1952 to assist them in selling their catch. It also performs yet another function. The Director of Fisheries is also a member of the Union and is its largest supplier. The entire catch of the trawlers engaged by Fisheries Department is sold through the Union on a consignment basis. In 1958, of 3.2 million pounds of Fish handled by the Union, the Director of Fisheries supplied all but 0.2 million pounds which were supplied by the societies and the Fishing Centres run for migrant fishermen. The nett profits earned during the year by the Union was Rs. 167,200.

Co-operative production and sale of milk are becoming popular. There are 38 Dairy Societies. These societies produced among themselves 5,039,683 pints of milk during the year 1958 and sold 4.7 million pints for Rs. 2.0 million.

Five Rubber Producers' Societies operate in estates acquired by Government and allotted to landless peasants on a basis of long-term lease. These societies process and sell the produce of the member-allottees. The total acreage covered by these societies is 1,500 and the average holding per member is $2\frac{1}{2}$ acres. There are also another 7 societies registered for small-holdings (A rubber small-holding is an area of land under ten acres in extent).

The Tea Producers' Societies number 25 with a membership of 5,422 which is about 6.0 per cent. of the number of tea small-holders in the Island. The assistance received by these societies from the Government in 1958 was Rs. 285,000 by way of loans mostly for purchase of fertilizers and Rs. 70,000 by way of grants chiefly for soil conservation. The amount outstanding to the Government at the end of 1958 was Rs. 380,000. The Societies supplied among other things subsidised manure to the members. The quantity of green leaf collected by the societies during 1958 was 8.6 million lbs. The total value of sales during the year was Rs. 2.8 million. The Morawak Korale Tea Producers' Society has its own Tea Factory and its main business is the manufacture and sale of tea. During 1958 it sold manufactured tea to the value of Rs. 1.0 million.

Co-operative Tobacco Production and Sale Societies have increased in number to 92 with a total membership of 6,789. Sales during the year amounted to Rs. 1,790,000.

The Kalutara Co-operative Distillery Society is the only one of its kind in the Island. It has a membership of 163. The sales during the year amounted to Rs. 1.1 million. This society has brought within the reach of small owners the benefits of joint processing and sale.

The Consumer Section of the Co-operative Movement has 3,949 retail Selling Points with 5,405,000 consumers attached to them and 250 wholesale depots. Retail sales during the year amounted to

Rs. 287 million and the wholesale business (Sales) amounted to Rs. 465 million. The Unions now enjoy the monopoly of wholesale trade in rice, flour and sugar. In the city of Colombo, however, the C. W. E. still continues to be the wholesale distributor of rice, flour and sugar.

The C. W. E. was established in 1943 as a whole supplier of consumer goods to consumer societies in the Island. Originally a Government Department, it is now managed by an autonomous Board of Directors appointed by the Government.

Credit Societies number 3,843—the largest number of any single type of society. The total loans granted to members by this type of societies during 1958 amounted to Rs. 11.3 million ; the majority of loans was for agricultural purposes in the rural areas and for trade in the urban areas. The total savings in Credit Societies (as deposits) and in Thrift Societies at the end of 1958 amounted to Rs. 16.1 million.

There are 11 Co-operative Hospital and Dispensary Societies in the Island. Of these, 4 run hospitals and the rest only Dispensaries. Nearly $1\frac{1}{2}$ lakhs of persons received treatment during the year. The Tholpuram Moolai Co-operative Union Hospital established in 1936 continues to serve the people of the Jaffna Peninsula with great acceptance and deserves special mention. It has accommodation for 116 patients and is equipped with an Operating Theatre and a Labour Room. Free treatment and concessions to indoor patients are afforded as relief to poor patients. It receives an annual grant of Rs. 15,000 from the Government. The nett profit earned during the year was Rs. 57,319.

Co-operation among the young is fostered through the School Co-operative Societies and Youth Clubs ; there are 1,553 of the former with a membership of 135,256 and 65 of the latter with a membership of 1,882.

Other spheres of Co-operative activities include transport, welfare, housing and labour. Special mention should be made of the Colombo Chalmer's Granaries Co-operative Labour Society which is one of the most recent examples of a successful co-operative effort to remove exploitation by middlemen. The members of this society handles food cargoes at the Chalmer's, Veyangoda and Manning Market Granaries. During the year 1958 it earned a nett profit of Rs. 67,740.

The Co-operative Federation of Ceylon, the apex representative body of the movement is a member of the International Co-operative Alliance.

The Co-operative Societies are financed by the Co-operative Federal Bank of Ceylon, the Co-operative Provincial and District Banks (of which there are twelve), and the Government under its scheme of assistance, through various Departments.

The Government had lent a sum of Rs. 2 million, free of interest, to the Federal Bank in 1949 and another Rs. 4 million by 1953 in order to enlarge the working capital. A sum of Rs. 4 million has been returned to the Government.

The total financial turnover of the societies in 1958 was Rs. 2,111 million.

The School of Co-operation at Polgolla run by the Co-operative Department has earned world-wide recognition within the last few years. The School is primarily run for training Co-operative Inspectors. It also trains foreign students, unofficials, employees of Co-operative Societies and officers of other Departments.

The Co-operative Training School at Jaffna run by the Northern Division Co-operative Federation trains persons for employment in Co-operative Societies.

The Extension Division which was recently started in the Department for the main purpose of providing extra-mural education in Co-operation runs nine Education Centres at which study circles and training classes are conducted for fishermen, prospective employees of societies and for members.

The Commissioner of Co-operative Development and Registrar of Co-operative Societies has a number of statutory functions to perform such as Registration, Supervision and Audit of Societies.

The following Tables show the number of Co-operative Societies as at 31st December, 1958 :—

TABLE 17-5 STATISTICS OF CO-OPERATIVE SOCIETIES AS AT DECEMBER 31, 1958

Type of Society	Number of Societies	Membership	*Working Capital Rs. '000	Turn over Rs. '000	Net Profit Rs. '000
Primary Societies :					
Credit Unlimited Liability	3,680	119,789	11,857.3	9,122.7†	305.4
Credit Limited Liability	163	17,572	3,474.4	2,157.0†	80.2
Thrift	411	62,709	12,305.2	†	310.5
Retail Stores Societies	1,260	351,338	10,101.9	97,897.9¶	1,289.3
School Co-operatives	1,553	135,256	378.2	535.3¶	52.2
Production and Sales Societies	1,667	164,037	28,414.1	79,094.6¶	1,866.7
Transport Societies	6	1,924	225.3	†	87.1
Multipurpose Societies	3,897	576,358	38,859.5	222,719.6¶	4,043.8
Other types	215	23,995	4,922.9	1,663.7¶	319.3
Total	12,852	1,452,978	110,538.8	413,190.9	8,260.3
Secondary Societies :					
Provincial and District Banks	12	7,418	36,115.4	510,484.0¶	486.3
Stores Societies Unions	93	2,971	13,820.7	531,046.9¶	3,729.4
Productions and Sales Unions	53	2,255	10,396.8	18,295.9¶	1,467.1
Multipurpose Unions	12	130	305.2	5,633.5¶	133.6
District Unions	23	5,353	103.2	†	—
Other Unions	88	2,373	4.2	†	80.4
Total	281	20,500	60,745.5	1,065,460.3	5,816.0
Co-operative Federal Bank of Ceylon	1	1,297	27,950.7	632,093.0†	31.3
Co-operative Federation of Ceylon	1	23	10.3	—	39.9

* Includes paid up share capital, reserves, loans and deposits.

† Loans granted during the year ending December 31, 1958.

‡ Not available separately.

¶ Sales during the year ending December 31, 1958.

§ Nett loss.

IV—NATIONAL HOUSING

The scope of the National Housing Act was extended by amendment to the Act in November, 1958. Amongst the more important amendments were the following :—

Provision was made for the acquisition of any house with the consent of the owner of such house. It is intended to apply this in the first instance to cases where persons had built a large number of houses with the assistance of loans from the Department in order to make such houses available to tenants on terms of rent-purchase. The amounts of compensation payable under acquisition proceedings would be small in view of the fact that large sums of money would be due to the Department by way of capital and interest on mortgages executed by the owners of such houses. In addition provision was also included to acquire houses which have been constructed on loans taken from the Department where the mortgagor had not complied with any conditions set out in the mortgage bond. Several large schemes under construction with loans given by the Department still remained incomplete and these premises will be taken over by the Department in terms of this provision.

Provision to grant relief to persons who had lost their houses as a result of their houses being sold in execution of a mortgage decree was also made in the Act.

In estate areas where buildings had been constructed by lessees on estate land, provision was included for the acquisition of such premises in order to transfer the ownership to the occupants.

Other important amendments included the withdrawal of exemption from Income Tax from persons who had constructed houses after 1954 and were utilising them or renting them out for business or commercial purposes.

In order to facilitate the collection of monies payable to the Department by borrowers or occupants of buildings of the Department provision was included in the Amending Act for the recovery of such monies from employers.

Loans to Individuals for the Construction of Houses

The total number of houses completed as a result of loans being granted was 1,301 and 3,364 houses were under construction at the end of 1958. 556 loans were offered during the year making a total

of 2,735 loans sanctioned from the inception of the Department. 3,364 houses were under construction at the end of 1958. The Department of National Housing paid out a sum of Rs. 8,414,300 for the construction of houses on loans after inspection by the Department.

A sum of Rs. 4,176,585 was collected during the year.

Building Societies

The number of houses under construction by Building Societies at the end of December, 1958, was 304 and 260 houses had been constructed and occupied by members.

9 Building Societies were registered in 1958. The Building Societies were restricted to—

- (i) the granting of assistance to members to obtain land ;
- (ii) the granting of assistance to members to construct their houses.

in view of the fact that as yet the Department has insufficient legislative control over Building Societies.

Acquisition of Lands

Up to the end of December, 1958, the Department had acquired and taken possession of 642 acres 3 roods and 2·70 perches and a further extent of 112 acres, 23·43 perches were under acquisition proceedings for the construction of houses mainly in the outstation areas. This is exclusive of Crown land which has been handed over to the Department by the Land Commissioner and the various Revenue Officers with the sanction of the Hon. Minister of Lands and Land Development on which lands housing schemes are or will be under construction.

Rent-purchase Schemes

Schemes of this nature were extended practically to every District of the Island. The following are some of the schemes under construction or commenced by the Department during the year :—

Hambantota, Tangalle, Dondra, Ahangama, Bataduwa, Hirimbura, Kahawa, Bentota, Matugama, Mahawela Estate at Ratnapura, Dalveen Estate at Rakwana, Puttalam, Nattandiya, Anamaduwa, Ulhitiyawa, Chilaw, Madampe, Anuradhapura, Kegalle, Rockhill Estate, Deraniyagala ; Pattiyakellewatta at Kandy, Watapuluwa, Sirimalwatta, Galaha, Gelioya, Ambatenne, Talatuoya, Gelewatta, Matale, Dambulla, Pussellawa, Maskeliya, Hatton, Nuwara Eliya, Punduluoya, Polonnaruwa, Vankalai at Mannar, Gampaha.

The following are some of the schemes in the vicinity of Colombo :—

Hendala, Nahena, Dodangahena, Appugewatte, Dalugama, Gothatuwa, Kotte U. C. Park, Kiribathgoda.

In addition in the Nawala-Kirillapone areas over 297 middle-class houses were under construction and 61 houses were completed during the year through contracts signed by Building Societies.

Flats and Houses on Rent

In Bambalapitiya 12 shops and 36 flats were under construction during the year and they will be ready in mid 1959.

316 flats and 29 shops at Bloemendhal and Messenger Street, Colombo, were nearing completion at the end of the year.

National Housing Advisory Board

The National Housing Advisory Board held frequent meetings during the year and submitted two memoranda to the Cabinet on the following subjects :—

- (i) Shanty problem and recommendations with regard to the solving of the problem ;
- (ii) Co-ordination of housing schemes.

The Advisory Board also examined during the year the problem of reducing building costs in all its aspects.

The total payment made by the Department up to the end of 1958 was Rs. 104,639,357 of which an amount of Rs. 17,451,551 has been collected up to the end of 1958. During 1958 alone Rs. 7,585,784 was collected by way of rents, amounts repaid by borrowers and payments on account of land purchases.

At the end of 1958 the Department had accepted commitments up to the amount of Rs. 119,874,378.

CHAPTER XVIII

TRANSPORT AND COMMUNICATIONS

I—RAILWAYS

THE Railway system of the Island has been patterned to meet her commercial and agricultural requirements and falls naturally into two categories ; (a) that serving the flat low country and (b) that serving the central hilly portion of the Island and the Kelani Valley which produce its tea and rubber.

All the lines except the Kelani Valley line are of broad gauge. A double track exists only on the main line up to Polgahawela and on the coast line up to Panadura.

The total length of railway line in Ceylon is 898 miles 08 chains of which 811 miles 30 chains are broad gauge ($3\frac{1}{2}$ feet) and 86 miles 58 chains narrow gauge ($2\frac{1}{2}$ feet).

TABLE 18·1 VOLUME OF RAILWAY TRAFFIC

<i>Year</i>	<i>Passengers* conveyed— (thousands)</i>	<i>Season Ticket Holders (thousands)</i>	<i>Goods conveyed including livestock (thousand tons)</i>
1953	26,042	516	1,596
1954	18,479	468	1,607
1955	18,763	451	1,617
1956	19,717	466	1,638
1957	20,114	480	1,826
1958	18,916	461	1,534

*Excludes Season Ticket Holders.

Organisation

The railway in Ceylon is state-owned and controlled, the management being vested in the Ceylon Government Railway Department. The set-up, at present, consists of five divisions or sub-departments under the General Manager.

Finance

Commercial accounts were introduced into the Railway in the Financial Year 1928–29. Excluding provision for interest and annuities, the following table compares results since 1943–44.

TABLE 18-2 EXPENDITURE AND REVENUE OF THE RAILWAY, 1943-44 TO 1957-58

Year	Working Expenditure (Rs. Million)	Gross Receipts (Rs. Million)	Nett Receipts (Rs. Million)	Paying Train Miles (Rs. Million)
1943-44	32.1	52.0	19.8	3.6
1944-45	39.7	59.6	19.6	3.8
1945-46	52.1	56.3	4.2	4.2
1946-47	62.8	48.3	-14.5	4.4
1947-48	70.9	52.5	-18.4	5.1
1948-49	71.2	55.1	-16.2	5.5
1949-50	71.3	57.7	-13.6	5.7
1950-51	72.8	66.0	-6.8	6.0
1951-52	83.2	70.9	-12.3	6.2
1952-53	85.6	70.1	-15.4	6.2
1953-54	81.6	73.4	-8.2	5.9
1954-55	83.3	74.0	-9.3	6.1
1955-56	88.7	78.0	-10.7	6.5
1956-57	96.2	81.1	-15.1	6.9
1957-58	102.0	72.5	-29.5	6.2

The railway worked at a profit during the period 1928-29 to 1933-34 and 1941-42 to 1945-46. The deficit in 1957-58 is 29.5 million rupees.

The annual capital outlay on the Railway since 1952-53 was as follows :—

TABLE 18-3 ANNUAL CAPITAL OUTLAY 1952-53 TO 1957-58

Year	Rs. Million	Year	Rs. Million
1952-53	9.1	1955-56	30.0
1953-54	12.1	1956-57	14.0
1954-55	19.3	1957-58	16.2

The capital expenditure on the Railway since its inception up to the period 1957-58 was Rs. 362,928,764.

Train Service

The train service provides well equipped fast express trains with sleeping berth and buffet facilities for long distance travel and an intensive suburban service for city workers. Similar fast service is available for transport of goods.

Recent innovations are classless travel in the morning till 7.30 a.m. and three evening trains for suburban travellers and the provision of seats in every carriage for the exclusive use of the clergy.

The service introduced on 23rd April, 1956 continues to be in force and a new service is now in the course of preparation.

The long distance express service and the suburban service has been intensified. In the improvements effected to the long distance service, co-ordination is maintained by the Ceylon Transport Board to provide transport to the intermediate and the hinterland areas. In the case of the suburban service, Power Unit Sets providing more accommodation and faster transport have been introduced.

Railway Workshops

Fifteen Diesel Hydraulic Power Coaches have been received and are being used in conjunction with locally built passenger coaches to provide a more intensive and faster suburban train service. Each Power Coach hauls three passenger trailer coaches to form a four coach train set. Up to a maximum of four such sets could be coupled together and driven from either end to cope up with peak hour traffic, if necessary.

The following development schemes are under progress :—

- (a) New Carriage Building Shop,
- (b) Testing and Research Laboratory,
- (c) New Battery Shop,
- (d) New Diesel Repair Shop,
- (e) Steel Foundry.

Co-ordinated Road Motor Service

With a view to affording the general public the facility of through transport by rail and road, regular road motor services for passenger and freight traffic have been established in various parts of the Island. These services, which constitute an important link between outlying areas and their nearest rail-head stations, has a total mileage of 415. Services for goods and parcels traffic function between Chilaw/Puttalam, Nanu-Oya/Ragalla, Matara/Tissamaharama and Nanu-Oya/Welimada, while passenger services exist in the first two areas.

Collection and delivery services worked with departmental lorries are in operation within the municipal limits of Colombo, Kandy and Galle and the adjacent suburbs, affording the general public expeditious and economic door to door transport for goods and parcels. Rail-road distribution is also carried out by cartage agents in the Matara/Tissamaharama, Chilaw/Puttalam, Nanu-Oya/Ragalla and Nanu-Oya/Welimada areas.

Co-ordinated road and rail transport facilities are also provided enabling the residents of remote areas to patronise the popular express trains at important Railway Stations. These services operate on the Coast, Up-country and Northern Lines. Bus connections have also been provided at several intermediate and terminal Railway Stations. Special Transport is also arranged for tourists and excursion parties visiting health resorts and other points of scenic and historical interest.

A scheme for the co-ordination of rail and road passenger transport in Colombo and the suburbs, with Colombo Fort Railway Station as the base is also in operation. Omnibuses plying to and from Mount Lavinia, Nugegoda and Ja-ela now call at Colombo Fort Railway Station to connect with long distance trains.

During the pilgrim seasons combined road and rail passenger parcels and goods services are provided to St. Anne's Church, Talawila and Madhu Church and passenger services to Sri Pada, Kataragama and St. Anthony's Church, Wahacotte.

II—ROADS, ROAD TRANSPORT AND CANALS

Motor Transport

Motor Transport enjoys an exceptionally favourable position in Ceylon. The development of road transport in Ceylon has been very rapid since the war. The number of vehicles at the end of each year beginning with 1947 was as follows :—

<i>Year</i>	<i>Number of Motor Vehicles</i>
1947	39,783
1948	47,210
1949	52,085
1950	56,646
1951	64,864
1952	73,379
1953	80,201
1954	83,404
1955	88,750
1956	96,033
1957	104,001
1958	112,216

Registration of Motor Vehicles

The total number of new motor vehicles registered during 1958 was 9,612 as against 9,537 in 1957.

These figures indicate that in spite of the increase in the rates of import duty on certain categories of cars, the annual purchase of new motor vehicles had continued to increase. There was also an appreciable increase in the number of new buses registered. This increase is due to extensive purchase by the Ceylon Transport Board after nationalisation of bus services early in January, 1958.

About 40 to 45 per cent. of the vehicles in the register of motor vehicles are garaged in the Colombo area for which the licensing authority is the Registrar of Motor Vehicles. Licence fees amounting to Rs. 3,707,027 was collected during the financial year 1957-58 by the Department. Other fees collected in stamps under the Motor Traffic Act during this period amounted to Rs. 1,820,568.38.

Drivers, Conductors and Ticket Inspectors

The total number of driving licences issued up to December 31, 1958, was 197,561. Between ten-thousand and fifteen-thousand licences are issued annually, but as driving licences are not renewable it is not possible to give the actual number of licence holders in the Island.

In view of the nationalisation of the bus services, the Law was amended to restrict applicants for Bus Conductors' and Ticket Inspectors' licences. However, 2,633 Conductors' and 3,903 Ticket Inspector's licences were issued in 1958.

Copies of the Highway Code which are available in Sinhala, Tamil and English were sold to the public at a nominal price of 10 cents per copy.

The Motor Traffic Department granted an allocation of about Rs. 30,000 to the Police Department during 1958 for the road safety campaign.

Nationalisation of Omnibus Transport

The Motor Transport Act was passed by Parliament in the course of 1957 to provide the legal machinery for the take over of Omnibuses operated by private organizations. Under the Act the Ceylon Transport Board was constituted to be the authority to take over and run the bus services. The Board took over the services in the whole Island as from January 1, 1958, and it now controls the second largest Road Passenger Transport Undertaking in the World.

Road Haulage

Lorries provide the chief source of goods transport by road. There has been a very rapid increase in the number of lorries in use since the war. In 1958 there were 20,170 lorries in use as against 18,933 in 1957.

Under the Motor Traffic Act, no lorry could be licensed and used unless it was authorized by a Carrier's Permit. Carrier's Permits were divided into two classes, viz, Public Carrier's Permits and Private Carrier's Permits. During the year 1958 several applications for Public Carrier's Permits by new comers, for variation of permits by existing holders and applications for renewal were dealt with.

New permits were granted to applicants who were able to establish a public need for new services in areas recently developed consequent on new trading and industrial activities and for substitution of obsolete modes of transport. Permits were renewed if the holder of the permit showed that the vehicles were regularly employed and that there was no material change in the circumstances of his business as a carrier of goods serving a particular area or route.

The number of private carrier's permits issued up to December, 1958, was 7,568 authorizing the use of 13,200 lorries.

No restriction was placed in the consideration of bona fide applications that were made for the carriage of fresh fish, fresh vegetables, other perishable and fragile goods, live-stock, felled timber and oil in tankers though long distance carriage was involved. In considering these applications the extent to which rail facilities are available is a factor that was taken into consideration.

The entire system of control of goods transport by the system of Carrier's Permits was abandoned by Cabinet decision in January 1959. The decision was implemented administratively pending amendment of the Law. Lorries are now free to ply to any part of the Island and to carry any goods without restriction. All controls on lorry transport was abandoned for the primary purpose of bringing down the cost of living by bringing down transport costs.

International Convention Relating to Motor Traffic

Ceylon has subscribed to the 1949 International Convention relating to Motor Traffic, which superseded the 1926 International Convention. Although the 1949 International Convention provides for the recognition of Domestic Driving Licences by countries subscribing to the 1949 Convention, Ceylon decided that under Article 24 (2) she would insist on International Driving Permits.

The Automobile Association of Ceylon continues to issue International Certificates for motor vehicles and International Driving Permits to Ceylon residents going abroad.

Maintenance of Roads

The Public Works Department maintained 11,508 miles of road during the year 1958. This figure excludes 21.29 miles of trunk roads maintained by the Municipal Council of Colombo at the expense of the Central Government. Of the total mileage maintained by the Public Works Department, 9813.95 miles are motorable, 7,430.72 miles are bitumen surfaced and a further 442.15 miles are metalled but not bitumen surfaced.

The general average spent on the maintenance per mile of all P. W. D. Roads in 1957-58 was Rs. 2,461.99 compared with Rs. 1761.03 in 1956-57.

Development of Trunk Roads

The programme for premixed bitumenous carpet utilising the 2 Barber Green finishers in the possession of the Public Works Department was continued on trunk roads within the Colombo Municipality as well as the trunk roads outside the Municipal Council limits such as Kandy Road and the High Level Road. Construction of Roads recommended by the Kandyan Peasantry Commission : Estimates were sanctioned for the construction of 60 miles of road. 20 miles of new roads have been formed and completed to P. W. D. Standard. 12 miles of road have been surveyed and are ready for construction. In addition, 15 miles of Ex-D.R.C. roads included in the Kandyan Peasantry Commission Report have been fully developed. The total expenditure incurred in 1957-58 in the execution of this Scheme is Rs. 781, 658.52 which is more than double the amount expended during last year. To speed up the construction of the entire mileage of roads recommended by the Kandyan Peasantry Commission, a new organisation with its Headquarters at Kandy has been set up under a Chief Construction Engineer to deal exclusively with the implementation of the Kandyan Peasantry Commission Report as far as roads and bridges are concerned.

Construction of Roads under the Canadian Grant

The Public Works Department continued its policy in assisting the Director of Rural Development and Cottage Industries in constructing roads and bridges under the Canadian Grant. All works costing Rs. 10,000 and over are generally handled by the P. W. D. where metalling and tarring of road surfaces and constructing culverts and bridges are concerned. Earthwork is invariably carried out by the Rural Development Societies. The P. W. D. has undertaken work to the extent of Rs. 606,190 under this Aid this year.

Approach Road to Illmenite Factory at Pulmoddai

The Scheme consists of the following—

- (i) Carrying out improvements to Madawachchiya-Kebitigollewa Road,
- (ii) Construction of new road from Bogahawewa to Pulmoddai.

The work is being executed departmentally. The trace of the new road from Bogahawewa to Pulmoddai is 16 miles in length and is through thick jungle which was cleared during 1957 by employing bull-dozers mainly. A service road has been formed to the site. Further works on the portion of the 16 miles of road is in progress.

Construction of Aluthnuwara-Padiyatalawa Road

Construction of this road is a major project that has been undertaken by the Public Works Department and is partly sponsored by the United States Operations Mission. This road is being constructed as a continuation of the Kandy-Weragantota Road and commencing at Aluthnuwara end of the new Bridge at Weragantota across the Mahaweli and ultimately joining the Badulla-Batticaloa Road at Padiyatalawa.

The length of the new road will be 20 miles and estimated to cost Rs. 4,500,000. It provides for the construction of a road on the American system of design and operation using heavy earthmoving machinery and other equipment and includes construction of three large bridges and several culverts. Works on about 4 miles of the road was in progress. Work on Madura Oya Bridge with a total span of 132 feet is in progress on contract.

Construction and Maintenance of Bridges

The construction of the New Kelani Bridge is completed and is open to vehicular traffic. A sum of Rs. 253,958.98 was spent on the maintenance of iron and timber bridges over 50 ft. in length of which there are 549 on the roads maintained by the P. W. D. Maintenance work was carried out on 10 major bridges. The construction of 35 new bridges was in hand. Of these 29 were undertaken departmentally and 6 were done on contract.

Maintenance of Inland Navigation

A total length of 145.77 miles of inland Waterways was maintained by the Public Works Department at a cost of Rs. 200,876.84.

Tramways and Trolleybus Service

The Passenger Transport Department of Colombo Municipal Council was providing Trolleybus Service along 11.5 route miles and Tram Service along 2.5 route miles. The Rolling Stock consists of 35 Double Deck Trolleybuses and 26 Single Deck Trolleybuses and 20 Tramcars.

Electric Power to operate the vehicle is drawn from the Government Electricity supply at 11,000 volts A.C. and the Council owns and maintains six Rectifier Sub-stations and Distribution systems for supply to the Overhead Trolley Wires.

III—SHIPPING

The Port of Colombo today ranks as the seventh busiest Port in the British Commonwealth of Nations. Although it is one of the biggest artificial harbours in the world, Colombo in the past, lacked many of the facilities essential for a modern Port of this size, quays for alongside berthing, modern warehouses, mechanical cargo handling equipment, &c. The modernisation of the Port was started in 1950 and completed in 1956. It provided seventeen alongside berths at Quays, a large number of warehouses and the latest mechanical equipment for cargo handling and includes an Oil Deck with modern equipment capable of accommodating two tankers simultaneously at alongside berth.

The fendering at the alongside berths have been improved by the provision of 2 feet square floating fenders to augment the rubber fenders. This has resulted in an appreciable improvement in the fendering scheme at an alongside berths.

The electrification scheme of the Port on which a sum of Rs. 4½ million was spent has virtually been completed and A.C. and D.C. current will be available to shipping at alongside berths within a few months. It is expected that almost all port facilities, equipment, &c. will be electrified with appreciable economy in working costs.

The deepening of the Beira Lake, which lies adjacent to the harbour, has been carried out almost over the whole of the Lake areas. With the opening of a new 100 ton lock in 1955 and the construction of bridges, it will be possible for 100 ton lighters to negotiate any part of the lake, without difficulty.

Progress was made in the laying of the water mains to the alongside berths and water to shipping at alongside berths will become available soon.

This development now places the Port of Colombo, at least, on par with other large modern Eastern Ports.

Imports and Exports

The quantity of exports, excluding coconut oil, amounted to 713,831 tons in 1958 and imports amounted to 1,917,728 tons, excluding coal and fuel.

Port Railway

The total tonnage handled by the Port Railway amounted to 496,183 tons approximately.

Passenger Traffic

The Passenger traffic handled in the Port, during the year 1958 was 213,034—an increase of 35,457 over the figure for the previous year. This was caused by the increase in the numbers of "transit" passengers, who constituted the main group.

Landing and Shipping

Colombo is a Port of Call, not a Terminal Port. Berths are easily accessible and every facility is provided to give a quick turn round to a vessel. In addition to the 30-35 berths in stream, 14 to 16 alongside berths are available with the completion of Prince Vijaya Quay, Queen Elizabeth Quay, Delft Quay and the lengthening of the Guide Pier or South Quay of the Old Dock.

These alongside quays are fully equipped with rail and road facilities. Large and adequate transit sheds are provided. Supplies of fresh water and oil fuel will also be available at these berths.

Portal cranes of 6 tons capacity are installed on these quays and in addition 2 floating cranes of carrying capacity 60 tons each are also available. The conveyance of cargo from the vessel to the wharf is done by lighters of varying capacity from 30-100 tons and was carried out by licensed Stevedore and Landing Companies up to 31st July, 1958. The Port was nationalised on 1st August, 1958, and since then cargo handling operations have been undertaken by the Port (Cargo) Corporation.

Merchant Vessels

The total number of merchant vessels engaged in foreign trade which entered the Port and the total nett registered tonnage are as follows :—

	<i>No of Ships</i>	<i>Nett Registered Tonnage</i>
1957	3,144	12,043,423
1958	2,698	9,956,708

Coal Imports and Bunkers

The quantities of coal imported and issued for bunkers during the years 1956, 1957 and 1958 were as follows :—

	<i>Imports Tons</i>	<i>Bunkers Tons</i>
1956	166,772	14,646
1957	216,965	9,017
1958	118,332*	1,207*

Liquid fuel Imports and Bunkers

Liquid fuel imports during the last two years were as follows :—

	<i>No. of Tankers Discharging</i>	<i>Tons</i>
1957	71	724,448
1958	99	856,595

The quantities of liquid fuel issued for bunkers during the two years were—

	<i>No. of Ships Bunkered</i>	<i>Tons</i>
1956	1,581	547,156
1957	1,992	614,534
1958	1,577	405,957

* Particulars from April to July not included.

Bulk Coconut Oil Facilities Scheme

The receipts collected from operating through Bulk Coconut Oil Facilities Scheme during 1956-57 and 1957-58 was Rs. 196,610 and Rs. 235,121 respectively.

Fresh Water Supplies

In 1958, 655,186 tons of water were supplied as against 743,400 tons in 1957.

IV—CIVIL AVIATION

International Relations

Ceylon is a member state of the International Civil Aviation Organisation since July, 1948. The Ceylon Government in common with other Member States continues to implement through its National Legislation the international standards and practices that are recommended by the Organisation for the systematic and orderly development of Air Transport.

Air Transport Services

Air Ceylon International Service.—Air Ceylon in partnership with K. L. M. Royal Dutch Airlines continues to operate a once weekly service with Lockheed Super Constellation on the route—Colombo/Bombay/Karachchi/Bahrein/Cairo/Rome/London/Amsterdam. Air Ceylon also operates on the route Colombo/Singapore/Colombo.

Air Ceylon Regional Service.—Air Ceylon operates a daily service with Dakota aircraft between Colombo/Jaffna/Madras and four times a week on the route Colombo/Jaffna/Tiruchirappalli.

Air Ceylon Internal Service.—Air Ceylon also operates an Internal service twice a week on the route Colombo/Amparai/Trincomalee/Jaffna, and daily on the route Colombo/Amparai. It is expected to extend this service to include Batticaloa this year and Anuradhapura and Tissamaharama in 1960.

Foreign Airlines ; The Indian Airlines Corporation, British Overseas Airways Corporation, Qantas Empire Airways, Trans World Airlines and K. L. M. Royal Dutch Airlines continue to operate services through Colombo.

Aerodromes

The two civil airports available for use by international services are—

- (a) Colombo Airport (Ratmalana) situated nine miles south of Colombo Harbour. This is the chief civil aerodrome in the Island designated as an International Airport by the Government. Extensions to the terminal building were completed and declared opened for public use from 24th September, 1958.
- (b) Jaffna Airport (*Kankasanturai*).—This aerodrome is situated in the Northern most tip of the Island approximately twelve miles North of Jaffna and is the designated International alternate to Colombo Airport.

Other Aerodromes.—The aerodromes at Puttalam, Minneriya and Vavuniya have been maintained by the Government as emergency landing grounds. A landing strip at Amparai 1,200 yards long has been constructed and is in regular use by internal service aircraft operated by Air Ceylon. An airstrip 1,000 yards long has been constructed at Batticaloa and another 1,200 yards long is in course of construction at Anuradhapura.

Negombo Airport : This is a Military aerodrome, and is situated nineteen miles to the North of Colombo Harbour and normally may only be used by civil aircraft with permission from the Ministry of Defence and External Affairs.

Flying Training

The Ceylon Air Academy has undertaken the maintenance of aircraft used by the Air Survey branch of the Surveyor-General's Office and the aircraft purchased by the Department of Agriculture for crop-spraying.

V—POSTAL AND TELECOMMUNICATION SERVICES

On December 31, 1958, 246 Post Offices (including the Central Telegraph Office which does only telegraph business) 1,450 Sub-Post Offices, 81 Village Receiving Offices and 1 Railway Receiving Office were open for business.

Post Offices deal with all classes of postal business, viz., Mail and Parcel work, Registration and Insurance of Postal articles, Money Order, Postal Order, Savings Bank and Savings Certificates work and Telegraph and Telephone business.

Sub-Post Offices provide restricted facilities on a lesser scale. Village Receiving Offices deal with mail work only while at the Railway Receiving Offices facilities for despatch and receipt of inland postal telegrams are available in addition to mail work.

Air Mail Services

Foreign Air Mail Service is available to practically all countries; the rates of air postage and other information are shown in the Air Mail Leaflets issued from time to time by authority of the Postmaster-General.

Inland Air Mail Service for first class mail letters, letter cards and postcards is available between Colombo and the principal Post Offices in the Jaffna Peninsula. A special air fee of 5 cents per article in addition to the ordinary inland postage is levied.

Facilities for transmission of postal articles by inland post on the value payable system are available provided the amount specified by the sender is between 50 cents and Rs. 600. In addition to the ordinary postage payable on the article, a posting and delivery of 5 cents to 15 cents is charged on every article.

Inland letter cards at 7 cents each were introduced with effect from October 1, 1957.

Money Orders

Money Orders are issued and paid at any Post Office in the Island. They may also be sent to most foreign countries. The maximum amount for which an Inland Money Order can be issued is Rs. 600. Money Orders are also both issued and paid at Sub-Post Offices, Grades A and B, but the amount is limited to a sum of Rs. 300 and Rs. 150 respectively per individual per day.

Money Order remittances to India and most other foreign countries are accepted at all Post Offices subject to Exchange Control Regulations. At Sub Post-Offices, however, money orders are accepted for remittances to India only, but payment of foreign money orders is done subject to the limits applicable to each Sub-Post Office.

The Telegraph Money Order system is in operation between all Money Order Offices in Ceylon and those in India, Burma and United Kingdom and the states of the Federation of Malaya.

In the case of telegraph money orders, (inland and foreign) the cost of the telegram is collected in addition to the usual money order commission. A fixed fee of 10 cents is also charged on Inland and Indian Telegraph Money Orders.

Ceylon Postal Orders

Postal Orders for 50 cents, Re. 1, Re. 1.50, Rs. 2, Rs. 2.50, Rs. 3, Rs. 4, Rs. 5, Rs. 7.50 and Rs. 10 could be obtained from and cashed at any post office or Sub-Post Office in the Island. The commission levied is five cents for sums up to Rs. 3 and ten cents for the others.

If a postal order is not presented for payment within three months from the last day of the month of issue, a commission equal to the original commission will be charged. The commission levied after six months is five per centum of the face value of the order or ten cents whichever is higher.

A postal order is not valid after two years.

Post Office Savings Bank

Post Office Savings Bank business is transacted at all Money Order Offices during the hours appointed for Money Order business. The Post Office Savings Bank receives deposits from Re. 1 up to a maximum of Rs. 4,000 per year provided the total amount standing to the credit of a depositor does not exceed Rs. 10,000. Interest is allowed at 2 per cent. per annum on every complete sum of Rs. 10.

Savings Certificates

Ten-year Savings Certificates are of five denominations, viz., Rs. 7.50, Rs. 15, Rs. 75, Rs. 150, and Rs. 1,500. Their purchase prices are Rs. 5, Rs. 10, Rs. 50, Rs. 100 and Rs. 1,000, respectively. These certificates are issued at all Post Offices. They can also be purchased through Sub-Post Offices (A and B grades), the Bank of Ceylon and through authorised helpers during Savings Weeks organised by the Commissioner of National Savings Movement.

The maximum an individual could invest on these certificates is Rs. 12,500 (issue price) Rs. 18,750 (denominational value). Societies and Savings Groups could invest double this amount. They reach maturity in ten years. This issue of Savings Certificates can be cashed at any time. The difference between face value and purchase price represents 5 per cent. simple interest or 4.10 compound interest.

The interest earned on these certificates is free from income tax.

Telecommunication

Telecommunication Services in the Island are provided by the Department of Posts and Telecommunications which holds a monopoly in respect of these services.

There are 11,299 miles of telegraph wire (including railway telegraph wires) of which 3,272 are laid underground, and 144,773 miles of telephone wire (including trunk and junction lines) for subscribers circuits of which 82,048 are laid underground (excluding private estate lines). There are also 126 miles of underwater cables. The number of automatic exchanges as at December 1957 was 207.

Telephone communications exist between the principal towns and most of the rural districts. They are generally served by Government Exchanges. A few rural districts are served by private licensed exchanges connected to the General Trunk System by means of Government trunk lines.

At the end of 1958 the number of telephone subscribers in Colombo was 10,797 and those in the provinces were 8,403. The number of telephone call offices was 891. There are 374 telephone exchanges of capacities ranging from 5 lines to 10,000 lines. The largest is the Colombo Exchange and consists of a central automatic exchange of 8,000 lines capacity and two satellite exchanges of each 2,800 lines capacity. Other large Auto Exchanges are in the towns of Kandy, Galle, Jaffna and Nuwara Eliya with capacities ranging between 300 and 600 lines.

Telephone call office facilities have been made available to 648 Sub-Post Offices without telephone exchanges.

The charge for the use of a public call box for six minutes or less is 10 cents.

Telegraph Service

The telegraph network is as widespread as the telephone network. There are 889 Post Offices including Sub-Post Offices open for telegraph business. All important provincial stations connected to Colombo are worked by code, whilst less important offices are worked by morse telegraphy. The Sub-Post Offices open for telegraph work transmit and receive telegrams on the telephone.

Telegrams in the National Languages

Inland Telegrams written in Sinhala and in Tamil are accepted at certain specified telegraph offices. The charges are the same as for telegrams written in English. For purposes of telegraphic transmission a system of transliteration of Sinhala and Tamil characters into Roman characters has been adopted.

Telegrams to Foreign and Commonwealth Countries

Telegrams to Foreign and Commonwealth Countries are accepted for transmission by the Overseas Telecommunication Service (now owned by the Ceylon Government) and are routed "via Imperial". The rates vary from Rs. 1.25 to Rs. 3.75 per word for ordinary telegrams and double charges for urgent telegrams. The rates for telegrams to India are Rs. 2.50 (express) and Rs. 1.25 (ordinary) for the first 12 words or less and 15 cents and 10 cents respectively for each additional word. A plain language letter telegram service is available to most foreign countries at a minimum charge for 22 words. The charge for such telegrams to Commonwealth Countries is Rs. 14.30 for 22 words or less and 65 cents for each additional word. Social telegrams are also accepted to all Commonwealth Countries at a charge of Rs. 6.50 for 10 words or less and 65 cents for each additional word.

Photo-Telegrams

The charges for facsimile service will depend on the dimensions of the picture and the country to which transmission is desired; the minimum being Rs. 40.80. Photo-telegrams are accepted only at the Central Telegraph Office, Colombo. The rates and the countries to which the service is available are shown in the Ceylon Post Office Guide.

Overseas Telecommunications

Ceylon is a Partner Government in the Commonwealth scheme of telecommunications by adherence to the Commonwealth Telegraphs Agreement of 1948, and on 1st June, 1951, took over the assets of Cable and Wireless, Limited, in Ceylon, following the lead set by the United Kingdom and other Dominion Governments.

The Island is very well served with overseas telecommunications both by cable and by wireless.

Submarine telegraph cables radiating from Ceylon connect with the world network of cable and wireless services and provide rapid communication to all parts of the world.

Radio telegraph circuits are in operation with the United Kingdom, Burma, Japan, China and Malaya. Telegrams to foreign countries are forwarded either by cable or by wireless according to whichever service is the more expeditious dependent on the load of international telegraph traffic.

A radio telephone service is available with the United Kingdom, Australia, Japan, Canada, the U.S.A. and most European Countries and countries in Africa. Subscribers in Ceylon, can, therefore, be connected with a large proportion of the world's telephone users.

The Radio Telephone service is available to the public on all days except Sundays and Holidays at a basic charge of from Rs. 40 to Rs. 60 for three minutes. Full details of the service and charges are published in the *Ceylon Telephone Directory*.

Telephone and telegraph communication with India is via a submarine cable laid across the Palk Strait between Talaimannar and Rameswaram. Contact is made with the Indian telephone net work through three carrier telephone circuits between Colombo-Trichinopoly.

Six voice teleprinter circuits are in use between Colombo-Madras, Colombo-Madura and Colombo-Tuticorin and from these stations distribution and collection of traffic from other places in India takes place.

Radio Telegrams are accepted at any postal telegraph office in Ceylon for transmission to ships equipped with radio telegraph apparatus. These telegrams are transmitted through the coast station in Colombo.

CHAPTER XIX

LAND DEVELOPMENT

1—PROGRESS OF LAND DEVELOPMENT

The year under review has been one of very considerable progress in the activities of the Department comprising the management, protection, alienation and the development of the Crown Estate of which the Land Commissioner is the custodian. Land Administration is governed by a number of Ordinances of which the Land Development Ordinance, No. 19 of 1935, the Crown Lands Ordinance, No. 8 of 1947, Crown Lands Encroachments Ordinance, No. 12 of 1840, with subsequent amendments form the most important legislative enactments in operation.

Land development was, however, hampered to some extent by the aftermath of the disastrous floods of December, 1957, and the widespread communal disturbances of May/June, 1958, which put the administrative machinery out of gear for some time. The majority of the officers who execute the land policy of the Government, both officers of the Land Commissioner's Department and the District Administration had perforce to be diverted to work connected with relief and rehabilitation of those affected by these national calamities.

Alienation of Crown Land

(a) TO PEASANTS

It became increasingly apparent during the year that more and more people were interested in obtaining Crown land for purposes of residence and cultivation. The pressure of population in the already thickly inhabited areas continued to increase and the policy of the Government to satisfy the demand for land from these persons by either alienating available Crown land or by acquiring extents of suitable private land was pursued. In all 365 Land Kachcheries were held for the alienation of 29,188 acres suitable for village expansion. Of this extent, 22,575 acres were alienated on permits under the Land Development Ordinance to 14,699 peasant allottees. The corresponding figures for 1957 were 973 Land Kachcheries at which 44,725 acres were offered and 34,402 were alienated to 26,008 allottees. In addition to land alienated at these Land Kachcheries, longstanding encroachments were regularised and there were also the instances when some allotments were given out without any Land Kachcheries being held and on account of the merits of the cases. These accounted for 4,078 acres alienated to 3,427 persons. It will be seen from the figures for 1957 and 1958 that there has been a decrease in the extent of Crown land alienated under Village Expansion Schemes to peasants.

The lack of Crown land has to a certain degree been satisfied by the acquisition of private land suitable for Village Expansion purposes. As a rule private land acquired formed parts of private estates planted in commercial crops. 129 Land Kachcheries for the alienation of 2,907 acres of such acquired land were held during the year. At these 4,677 allottees were selected to receive permits for 2,329 acres of acquired land. In addition 73 persons received 49 acres of acquired land outside Land Kachcheries.

Since land suitable for Village Expansion was scarce, the policy of the Department was increasingly directed to the settlement of more people from congested areas in both Highland Colonization Schemes situated comparatively close to their homes, and in the irrigated paddy and highland schemes in the Dry Zone.

Where the land alienated on permits is satisfactorily developed, the Land Development Ordinance provides for the issue of grants in place of the existing permits. During the year, 299 permits were converted to grants covering an extent of 273 acres at 19 Land Kachcheries held for the purpose. At the end of 1958, 292,900 permits and 3,323 grants were in force covering 430,000 and 6,660 acres

respectively of Crown land alienated from Village Expansion Schemes. The extents under alienation at the end of 1955 were 314,000 acres on 221,000 permits and 6,400 acres on some 3,300 grants respectively.

According to the figures available from the Districts there were 43,744 encroachers on 62,964 acres of Crown land as against 41,816 encroachers on 51,893 acres in 1957. The policy is to consider regularization where the encroachment has been for an appreciable period with consequent improvements and where the land encroached upon is available for alienation.

(b) TO MIDDLE-CLASS CEYLONESE

During the year 9 Land Kachcheries were advertised for the alienation on permits of 7,404 acres to Middle-Class Ceylonese at which 150 allottees were selected to receive 3,724 acres. Of the extents offered no less than 5,785 acres were from one District alone, viz., Puttalam. The only other extent of over 1,000 acres offered was from Ratnapura District. The extent offered for alienation in 1957 was 6,391 acres of which 6,361 acres were given on permits to 622 individuals. There is now a very pronounced decrease in the extent of land made available to Middle-Class Ceylonese. As a general rule, only lands for which there is no demand at all from peasants are now considered for such alienation. In Puttalam the extents offered were all lands situated close to and north of Puttalam town on which coconut can be grown only under extremely marginal conditions.

Although the extents alienated on permits was less than in the previous year the number of Land Kachcheries held for the alienation of Middle-Class lands on grants was almost up to last year's figures. In 1958, 23 Grant Land Kachcheries were held for the alienation of 1,548 acres to 122 allottees; the corresponding figures for 1957 being 20 Grant Land Kachcheries at which 1,922 acres were given to 190 persons. At the end of 1958 there was an extent of 72,309 acres held by 5,147 Middle-Class allottees on permits and 20,847 acres held by 1,555 Middle-Class persons on grants.

Settlement in Colonization Schemes

The increased pace of alienation of land under Major Colonization Schemes has been consistently maintained during the year. The scheme of advanced alienation commenced during 1957, viz., alienation of allotments in advance of both jungle clearing and irrigation work, was continued with tremendous advantages to the colonists, who themselves were engaged on the preliminary tasks of jungle clearing and channel cutting. The number of persons selected to receive allotments on this basis, as detailed below, constitutes an all time record in the sphere of alienation of land under Major Colonization Schemes.

The allottees who were entrusted with work of jungle clearing and channel cutting have performed these tasks with commendable enthusiasm and much acceptance and with greater economy than through the normal channels used by the respective Departments.

Considerable other advantages have all accrued as a result of the existence of this system of advanced alienation during 1958. The colonists obtained chena crops from the cleared land, besides being provided with regular work until irrigation facilities are provided. On the basis of the experience gained during 1957 and 1958 and the very satisfactory progress made by the colonists, the scheme of advanced alienation has come to stay.

The number of colonists settled and the extents alienated to them during the year are as follows :—

<i>Name of Scheme</i>	<i>District</i>	<i>No. of persons</i>	<i>Extent Paddy</i>	<i>Alienated Highland</i>
Padaviya	Anuradhapura	159	27	138
Maha Wilachchiya	Anuradhapura	475	1,425	950
Usgala Siyambalangamuwa	Kurunegala	135	405	270
Minipe (Extension)	Kandy	1,393	2,786	1,857
Mahagalwewa	Hambantota	152	456	304
Vavunikulam	Jaffna	400	1,200	800
Periyamadu	Mannar	20	60	40
Periyapandivirichchankulam	Mannar	21	63	42
Pavatkulam	Vavuniya	205	615	307
Chemmadu	Vavuniya	27	81	54
Morawewa	Trincomalee	121	363	—
Katupotha	Puttalam	6	—	18
Kottukachchiya	Puttalam	5	—	10
Minneriya	Polonnaruwa	400	1,200	800
Kaudulla	Polonnaruwa	800	2,400	1,600
Badulu Oya	Badulla	352	1,056	84
Etimole	Badulla	127	381	254
Dambarawa	Badulla	135	405	270
Chandrikawewa	Ratnapura	490	1,470	980
	Total	5,423	14,393	8,778

At the end of 1958 there were 32,091 colonists holding 105,420 acres of paddy land and 63,283 acres of highland—a total of 168,703 acres—in Major Colonization Schemes.

Highland Colonization Schemes were started a few years ago with a view to settling peasant families on land suitable for commercial crops such as tea, rubber and coconut. These are undertaken under plantation conditions with a Visiting Agent, a Planter of standing, paying regular visits. The peasant colonist is assisted in the adoption of soil conservation measures, &c. and supplied with manure at the appropriate time; all the operations are carried out under strict supervision at the spot. The response from the peasant has been very good and reports reveal that the standard of the plantation can compare favourably with any Company managed property. Tea is generally considered to be a crop not for the small-holder but the results so far reveal that if the peasant is advised and guided properly he will do as good a job.

The policy of opening these schemes was continued in 1958 though to a limited extent. Towards the end of the year, however, Land Kachcheries were being held for the alienation of over 1,000 allotments in Highland Schemes. During the year 550 allottees were settled on 1,612½ acres as stated below :—

<i>District</i>	<i>Name of Scheme</i>	<i>Crop</i>	<i>Extent in acres</i>	<i>No. of peasant families</i>
Ratnapura	Delgoda Stage II	Tea	112½	50
Badulla	Hulandawa	Coconut	1,500	300

From 1956 a total extent of 9,565 acres have been alienated in Highland Colonization Schemes to 2,412 families.

Assistance to Peasant Allottees

The schemes of assistance in operation in 1957 were continued in 1958 also. The Government made available subsidies to peasant allottees at the rate of Rs. 700 for a house, Rs. 75 for a latrine and Rs. 300 to Rs. 600 for a well depending on the depth to which it is sunk. In certain instances construction of houses, latrines, and wells were undertaken on contract. Assistance for effecting soil conservation measures were also continued at the old rate, *i.e.*, at Rs. 2.50 per chain of drain and Rs. 3.50 per chain of stone terrace, in both cases up to a maximum of 30 chains only per allottee. Planting material was also distributed up to a maximum value of Rs. 50 per allotment. An analysis of the expenditure on development of L. D. O. allotments is made below in respect of village expansion schemes and acquired estates. During the year in Village Expansion Schemes 4,594 type plan houses were completed on subsidy and 23 houses on contract while 5,765 houses were under construction on subsidies and 852 houses were under construction on contract. The houses cost a total of Rs. 3,839,178 for work done on subsidies and Rs. 16,155 for work done on contract. In addition, 1,782 latrines were completed while 729 latrines were under construction on which the Government spent a sum of Rs. 127,304.

As in past years the construction of wells formed an important item of development specially in the Dry Zone Districts. During the year 1,203 wells were constructed on subsidies while 29 wells were sunk on contract system. In addition 1,995 wells on subsidies and 29 wells on contract were under construction. The total expenditure on wells during the year was Rs. 564,152. The provision of water supply schemes was restricted to one District, Kandy, where an amount of Rs. 20,694 was spent to benefit a number of settlements.

Planting material was distributed during the year at a total cost of Rs. 130,498.

As in the past, it was increasingly felt that the provision of roads to settlements was a *sine qua non* for the speedy development of alienated lands. During the year 62½ miles of roadway were constructed at a cost of Rs. 305,789. The total amount spent on development works in Village Expansion Schemes was Rs. 5,003,772 as compared with Rs. 6,071,167 during 1957.

In acquired estates 564 houses were completed on subsidies and 28 on contract while at the end of the year 1,575 houses remained in various stages of construction. On this item the Government has spent Rs. 588,529 on payment of subsidies while the 28 new houses and final payments on previous year's houses constructed on contract cost Rs. 164,674. The payments for 703 latrines completed and 363 latrines under construction at the end of the year was Rs. 60,425. The construction of wells on acquired estates was done both by the allottees themselves and by the Government on contract. On subsidy the allottees completed 223 wells while 103 remained under construction at the end of the year. In addition 11 wells were completed and 3 wells are in course of construction by contractors. The construction of wells both on subsidy and contract cost a total of Rs. 72,956. Some acquired estates in Kandy, Matara and Nuwara Eliya Districts were provided with water supply schemes costing Rs. 33,077. On all these items of assistance to allottees on acquired land, including Rs. 24,512 on planting material and Rs. 42,859 on road construction a total amount of Rs. 987,034 was spent. The corresponding figure for 1957 was Rs. 1,037,620.

Acquisition of Land for Village Expansion

The increase in demand for land from landless peasants and the scarcity of suitable Crown land close to villages necessitated the acquisition of more and more land owned by private individuals. As in the past, the policy was to acquire comparatively small extents comprising strips of privately owned estates. Whenever there was uncultivated land forming parts of estates, such land was acquired in preference to planted up lands. The largest extent of private lands were acquired in the Kandyan Districts, where landlessness was found to be acute. During the year a total extent of 2,599 acres was acquired for which Rs. 1,453,397 has already been paid as compensation, while Rs. 938,848 still remains unpaid.

The great majority of these lands are in tea, rubber, coconut and cocoa and are invariably in a poor condition of maintenance and cultivation. Some of this land immediately after acquisition was alienated to 2,903 allottees who were selected at land kachcheries held during the year itself. At the end of 1958 a total of 32,547 acres had been acquired in the Districts for distribution to deserving peasants.

Special Acts

(a) CONTROL OF FRAGMENTATION OF ESTATES

The Tea and Rubber Estates (Control of Fragmentation) Act, No. 2 of 1958, is administered by a Board appointed under Section 10. With the appointment of the Land Commissioner as Chairman and since the work during the year was not sufficient for a full-time officer, the work of the Board was attended to by officers of this Department on a part-time basis.

(b) ESTATE BAZAARS (COMPULSORY ACQUISITION) ACT

The operation of the Estate Bazaars (Compulsory Acquisition) Act, No. 19 of 1958, is a responsibility of this Department. The object of the Act is, amongst other matters, to safeguard the interests of traders and others occupying buildings in Estate Bazaar areas at a time of a proposed sale of the bazaar. At the end of the year a number of applications for acquisition were under consideration.

Land Settlement

The Survey Staff engaged on surveys continued to be inadequate for the year 1958. The delay in demarcation has arrested the development of land to be settled on claimants and has been the cause of many bitter complaints by claimants.

Settlements of claims to lands, under the provisions of the Land Settlement Ordinance, were made in the Districts of Anuradhapura, Badulla, Galle, Kurunegala, Puttalam, Chilaw, Ratnapura, Kegalla, Kandy, Matale, Nuwara Eliya, Vavuniya, Jaffna, Batticaloa, Trincomalee and Mannar.

Activities of the Land Development Department, 1958

In 1958 the Department of Land Development was engaged as in previous years on development work in Major Colonization Schemes for paddy cultivation in the Dry Zone and in Highland Colonization Schemes for the cultivation of commercial crops such as tea, rubber and coconut located both in the Dry Zone as well as the Wet Zone.

The unit of alienation was the same as in 1957, viz., 3 acres of paddy and 1 to 2 acres of highland—the size of garden allotment varying according to the availability of highland. The units of allotment for tea, rubber and coconut too remained the same at 2½, 3 and 5 acres respectively.

The policy of advance alienation, i.e., the selected colonists coming into the land before the completion of the houses and the preparation of the highland and where they were given subsidies for clearing and preparing their paddy land was intensified so as to provide for more active participation by the colonists in the actual task of developing and also foster among the new settlers the necessary pioneering attitudes. This policy which was tried out as an experiment in 1956 and 1957 was implemented on a large scale in 1958. This method accelerated the pace of development much quicker than when the paddy land was cleared by Departmental Units on check roll labour.

The total extent of land cleared by the Department in 1958 was 7,802 acres. Of this 7,011·5 acres were under irrigable schemes and consisted mainly of garden allotments. 5,180 allotments were alienated during 1958 of which 4,396 allotments were on the new policy of advance alienation which required the colonist to clear their own paddy land on payment of a subsidy. The following statement shows the details of settlement in 1958 :—

<i>Scheme</i>	<i>No. of allotment</i>	<i>Paddy acres</i>	<i>Highland acres</i>	<i>Total acres</i>
Minipe Extension	1,393	2,786	1,757	4,543
Mahagalwewa	152	456	304	760
Vavunikulam	400	1,200	800	2,000
Badulu Oya	352	1,056	528	1,584
Morawewa	121	363	242	605
Chandrikawewa	490	1,470	980	2,450
Usgala Siyambalangamuwa	135	405	220	625
Minneriya	400	1,200	800	2,000
Padawiya	159	477	318	795
Dambarawa	135	405	270	675
Etimolawewa	127	381	254	635
Mahawilachchiya	475	1,425	950	2,375
Kaudulla	800	2,400	1,600	4,000
Periyamadu	20	60	40	100
Periyapandivirichankulam	21	63	42	105
Total	5,180	14,147	9,105	23,252

The largest alienation during this year was in Minipe Scheme, where 1,200 colonists were settled in a single Irrigation Project since the inception under the Land Development Ordinance. The year also saw the first alienation under Chandrikawewa Scheme in Ratnapura, a large irrigation project which forms a part of the development of the Walawe Basin. 1,220 colonists were settled in the Polonnaruwa District under Kaudulla and Minneriya Schemes.

The Department constructed 1,368 colonist Type Plan cottages, 2,442 Type Plan latrines, 82 wells and 2,458 colonists Type Plan cottages. 1,877 Type Plan latrines and 190 wells were under various stages of construction at the end of the year. Approximately 62 miles of internal roads were opened up in the various Colonization Schemes.

Seventy-two public buildings were completed and another 132 public buildings were at various stages of construction.

The work of the Department was seriously affected by two unforeseen factors. The first being the unprecedented floods in the Dry Zone in December, 1957. The sequel to this was the severe disorganisation of the work of the Department in the Dry Zone and its share of work associated with the rehabilitation of the flood victims. The second factor was the communal disturbances of May-June, 1958. The disturbances caused the withdrawal of staff from several schemes and large scale transfers had to be effected on very short notice.

II—IRRIGATION

Planning for Progress

A comprehensive 5-year programme of development for the period 1958-59 to 1962-63 was drawn up for normal development programme. This envisages the provision of irrigation facilities to nearly 100,000 acres of new land. The Department's efforts which hitherto have been confined to the restoration and development of irrigation projects have this year been extended to the systematic study of the entire river basins of some of the major rivers. On their proper utilisation, conservation and development depends the future prosperity of the country.

Flood Damage Repair Works

The efforts of the Department were concentrated this year on the repair of the extensive damage that most of the major and minor irrigation works were subjected to during the disastrous floods of December, 1957. A record progress was achieved in this direction and 27 major irrigation works and 1,100 village tanks were repaired. Nearly half a million cubes of earth were moved by machinery alone.

Progress on some of the major construction works is indicated below :—

Mahawillachchiya Tank	Headworks and 7 miles access complete. Channel construction in progress
Padawiya	Headworks complete except for spill which is in progress
Gal Amuna	Headworks nearing completion. Work on flood bund, main channel and irrigation facilities in progress
Badulu Oya Anicut Scheme	4 miles channels complete, fifth mile in hand
Giritale Extension Scheme	Irrigation and drainage facilities, Tracts 1-6 complete. Irrigation facilities for Tracts 7, 12, 13 and 14 in progress
Kantalai Augmentation Scheme	Work on reconditioning Minneri, Kantalai Yoda ela and head-works complete
Vavunikulam	Headworks complete, work on main channel 0-6 in progress

Construction of New Irrigation Works

Preliminary works are in progress for the following major construction works :—

Chandrikawewa, Hakwatuna Oya Scheme, Minipe L. B. Extension Scheme, Kaudulla Scheme, Muttu Aiyan Kaddukulam, Angamuwa Scheme and Rajangana Scheme.

Minor or Village Works

Nearly 85 village works were taken up during the year under review. The expenditure on these village works and 125 other minor miscellaneous works was nearly two million rupees.

Irrigation Development

Irrigation facilities under *village works* were provided for 2,122 acres of existing lands and 776 acres of new lands. Under major works, irrigation facilities were provided for 4,237 acres of new lands and 854 acres of existing land.

Major Development Projects

Investigation for the following were taken up during the year under review :—

- (a) Investigation of Flood Control and Planning of the Development of the Mahaweli Ganga Basin.
- (b) Planning of the development of Walawe Ganga Basin.
- (c) Investigation of the Malwatu Oya Reservoir Scheme.

Gal Oya Valley Scheme

The year 1958 commenced closely on the ravages of the unprecedented floods of 1957. Consequently men and machines had to be deployed with speed to repair and reconstruct the damage to enable life and work to continue undisturbed in the Valley.

The following works of capital development were completed during the year :—

- (1) Completion of the construction of the Pallang Oya Detention Reservoir with a capacity of 78,000 acre feet and capable of irrigating 4,500 acres.

- (2) The extension of the construction of the main right bank channel from the 6th to the 12th mile with the Alahena Tank sited along it, together with two radial gate regulator bridges and a 300 ft. causeway at Damana.
- (3) The construction of a length of 4 miles of the Varipattanchenai distributory channel with concrete and masonry structures along it.
- (4) Commencement of the initial work on the Ambalan Oya Detention Reservoir after completion of sub-soil investigations.

In the sphere of hydrel power transmission extension, 20 miles of high tension transmission lines were erected along with eight new transformer sub-stations. The power supply is now carried to Eravur, Chenkaladi, Puliyantivu, the Sugar Factory site, and for lift irrigation projects in the valley.

In the sphere of industrial development, the largest Rice Mill in Ceylon went into operation to mill about a million bushels of paddy annually. The installation of new machinery and automatic conveyors at the Tile Factory, Irrakkamam, was completed and put into commission. The building of a continuous kiln capable of accommodating a lakh of tiles started. These renovations and improvements would gear this industry to a production of 3 million tiles and 1 million bricks per annum from 1959.

The work of modernising, with better equipment and machinery, the Carpentry Workshop and Saw Mills was completed along with the Impregnation Plant to treat soft woods. In 1959 this institution would go into production of cheap household furniture, bullock carts, and its parts, agricultural implements, and body building for lorries to serve the Gal Oya Valley on a commercial basis.

Despite the flood ravages which dislocated communications and the unsettled conditions in the country during the middle of the year, fair progress was made on the construction of the Sugar Factory at Damana. This industry would go into initial production at the end of 1959. During the ensuing three years its output would be stepped up to 30,000 tons of refined sugar per year.

In the sphere of agriculture, expansion work on the sugar plantation to feed the sugar industry was seriously handicapped due to flood ravages in the plantation which completely submerged it for over two weeks. The damage to the plantation, irrigation and drainage system, was put right and the area under new cane extended to about a thousand acres. The establishing of villages for plantation workers, each capable of carrying 250 families was carried out and two such villages completed with drainage, electricity and water supply.

On the left bank area the agricultural activities mainly comprised the introduction of improved methods of paddy and tobacco cultivation. Subsidised fertiliser, insecticides, Japanese row-seeders, &c., were supplied and an intensive campaign carried out to popularise their use. The results achieved were noteworthy in that from the Yala of 1958, the colonists sold a total of 127,840 bushels of paddy to Government as against 46,447 bushels they sold from the corresponding harvest in the previous year.

Initial work to establish lift irrigation projects with power pumps for bringing under the plough uncultivated high lands was also commenced.

The year under review saw the completion of settlement of villages 38 to 40 and also the completion of settlement in Block J of the Village Expansion Scheme which was turned into a further three villages, i.e., 41 to 43.

The work in all other spheres of the Board's activities continued satisfactorily during the year in the light of the floods and other difficulties.

III—LAND REGISTRATION AND VALUATION

Land Registration

There is no system of registration of titles to land in Ceylon. What is registered are deeds and other documents affecting land. For this purpose, every instrument presented for registration is required to embody an accurate and clear description of the land affected, its boundaries, extent and situation specifying the district and the village, pattu, korale or other division of the district in which the land

is situated. These instruments are registered at the Land Registry established for the district in the books maintained in that office. Each district is divided into divisions and a book is allotted to each division.

The present law relating to registration of documents is the Registration of Documents Ordinance (Cap. 101), as amended by the Registration of Documents (Amendment) Ordinances, Nos. 34 of 1939, 13 of 1947 and Act No. 22 of 1958. Under this law, registration is not essential to the validity of a deed but merely confers priority, *i.e.*, an unregistered deed is void against any later registered deed adverse to it, if executed for valuable consideration.

Before a deed is tendered for registration it should be stamped in accordance with the provisions of the Stamp Ordinance. Registration of a deed which is improperly stamped or registered in a wrong folio will entail serious consequences to the public, such as loss of title to land.

The nature and number of deeds affecting immovable property registered during the year 1958 are shown in the following table.

TABLE 19-1 NATURE AND NUMBER OF DEEDS REGISTERED AFFECTING IMMOVABLE PROPERTY

<i>Nature of Deed</i>	<i>Number</i>
Transfers by sale, gift, &c.	149,768
Mortgages	59,099
Discharges	39,984
Leases	13,246
Other deeds	18,131
Settlement Orders	27

Land Valuation

The Valuation Department is responsible for making valuations for Government as well as for Local Bodies and demi-official Institutions. The two main branches of work are :—

- (i) Assessment of capital values of properties.
- (ii) Assessment of rental values.

Assessment of Capital Values.—Assessment of capital values is done chiefly for the following purposes :—

- (a) Acquisition of land for a public purpose under the Land Acquisition Act, No. 9 of 1950.
- (b) Collection of Estate Duty under the Estate Duty Ordinance.
- (c) Collection of Stamp Duty under the Stamp Ordinance.
- (d) For Local Bodies and demi-official institutions like the State Mortgage Bank, Central Bank, &c., for various purposes.

(a) *Valuation for Acquisition.*—As in the past the number of acquisitions for public purposes is on the increase, primarily due to the large number of acquisitions both for Village Expansion Schemes, Housing Schemes, Road Widening Schemes, Hospitals and extensions to them, &c.

The procedure with regard to valuation for land acquisition is that when notice of acquisition is given by the Acquiring Authority, namely, the Government Agent, the Department makes independent investigation and places before the Acquiring Authority expert evidence in regard to the amount of compensation to be awarded.

A total of 1,307 lots, in extent 1,201 acres, valued at Rs. 3,543,012 were assessed during 1958.

In addition to these the Department furnished a large number of estimates of cost of proposed acquisitions to various Government Departments and Local Bodies.

(b) *Valuation for purposes of Estate Duty*.—Estate Duty Work constitutes a major item of work of the Department, in spite of the fact that by arrangement with the Commissioner of Estate Duty rural properties and properties in towns other than Colombo, Kandy, Nuwara Eliya and Galle are attended to by Revenue Officers without consulting this Department. During the year under review 800 lots, in extent 10,548 acres, were valued, the official valuations totalling Rs. 28,371,735 as shown below :—

Nature of property	Numbers of properties	Extent			Declared value Rs.	Official valuation Rs.
		A.	R.	P.		
House (a)	518*	187	3	18.12	10,119,606	15,769,379
Properties (b)	30**	8	—	32.06	—	341,075
Agricultural (a)	192*	9,063	2	22.95	7,127,802	10,314,666
Estates (b)	60**	1,288	2	6.4	—	1,946,615

* Where value has been declared.

** Where value has not been declared.

(c) *Valuations for purposes of Stamp Duty*.—When properties are gifted, it is not unusual for stamp duty to be fixed on low valuation and in such cases the Registrar-General, the Commissioner of Stamps and the Registrar of Lands consult this Department. With the steady increase of market value of properties the valuation in cases of understamped deeds have also increased in recent years.

During the year under review 332 lots were valued for Stamp Duty, the total of official valuations being Rs. 29,177,922.

(d) *Miscellaneous Valuations*.—Assessments of capital values, apart from the three main items mentioned above, are made for Local Authorities and demi-official institutions like the Savings Bank, Loan Board, Public Trustees, &c.

Assessment of Rental Values.—Assessment of rental values is mainly done for the following purposes :—

- (a) Rating within Local Government Areas for levying rates.
- (b) Payment of rent by Government where properties are leased out from private owners.
- (c) Collection of rent where Government leases or rents out Government property to private parties.

(a) *Assessment for Rating*.—The Assessment of towns for rating purposes involves revision of assessments, generally every five years and also making fresh assessments in case of towns which have not been assessed by this Department hitherto.

(b) *Assessment of Rents for Private Property hired by Government*.—In Colombo as well as in out-stations, Government rents out buildings from private parties, and in these cases the rental value is assessed by this Department. During the year under review 1,063 properties have been assessed.

(c) *Assessment of Rent of Crown Properties leased to Private Parties*.—Crown lands are leased out to various private parties and in these cases the Revenue Officers as well as the Land Commissioner consult this Department regarding the amount of rent that should be recovered.

Fees for Valuations

The Department recovers fees in cases where work is undertaken for Local Authorities and demi-official institutions, where it be for assessment of capital value or rental value.

IV—LAND SURVEYS

No land can be alienated or otherwise dealt with by the Government unless it has been surveyed and demarcated by the Survey Department.

Triangulation

Records of systematic triangulation in Ceylon began with the measurement of a base at Negombo on the West Coast in 1857, and the subsequent building up of a system of triangulation. Where this was impracticable especially in the flat parts of the Island, a frame-work of primary traversing was substituted.

In the year 1958, 2 Conformal points were added to the list of Trigonometrical Stations. Nineteen miles of primary traversing were surveyed.

Levelling

The earliest recorded levels were taken in 1865, the average determination of mean sea levels being made at five tidal stations. Since then Primary and Secondary Levelling has been carried out serving in subsequent years the requirements of engineering surveys scattered over many parts of Ceylon.

During the year under review, 67 miles of Primary Levelling, 168 miles of Secondary Levelling, 184 miles of Tertiary Levelling and 227 miles of benchmarking were carried out.

Topographical Surveys

The topographical survey of Ceylon commenced in 1897. A contoured topographical map on the scale of an inch to a mile, covering the whole Island, was completed in 1924. Systematic revision has, been carried out since then and now editions of the maps issued.

Topographical Revision Survey.—The revision of 1" sheets Kayts and Western half of Jaffna was completed and the revised originals are being prepared for printing. An area representing 163 sq. miles on both sheets was revised.

Engineering Surveys

Engineering Surveys were carried out chiefly for the Irrigation Department for the design and construction of Irrigation Schemes, Flood Control Projects, Drainage Works, &c. The plans show the relief of the ground by contours or often in great detail by means of levels taken along sections, and by spot heights observed in a regular pattern or at specially selected points to facilitate the location and design of channels, roads, bridges, buildings, &c., and to prepare estimates of quantities, costs, labour requirements and other necessary information.

227,860 acres were contour surveyed in connection with major irrigation projects and drainage schemes, of which about 79,000 acres were for reservoir bed surveys. In addition, 162 miles of channel trace surveys were carried out.

Block Topo and Demarcation Surveys

Block and Topo surveys comprise the survey of large areas of land for the final settlement of claims as preferred by private parties. Block surveys of 27, 640 acres and Topo P.P. Surveys of 140,600 acres were completed during the year.

Twenty-three Demarcation Requisitions and 32 other requisitions were completed and disposed of in the Block-Surveyed areas.

Ninety-nine Draft Settlement Notices and Orders were checked and 22 Settlement Plans were prepared and sent to the Settlement Officer. Nineteen Final Village Plans were issued to the Revenue Officers.

Air Surveys

On the results of several pilot projects which were carried out during the years 1952-54, the Government approved in 1955 the establishment of a self-contained air survey branch in this Department.

The high precision machinery needed for plotting of maps from air photographs were installed towards the end of the year, and the photogrammetric section commenced functioning as a productive unit. They are engaged on the reconnaissance mapping of about 35 sq. miles between Kandy and Dambulla required by the Department of Irrigation for studying the Mahaweli Ganga Diversion Project. Considerable capital aid in photographic and processing equipment has been received for this project from the Government of the United States, and these included photographic aircraft complete with an air survey camera.

The tragic loss of the first aircraft on its ferry flight delivery when it crashed in Italy killing the entire crew, is recorded with profound regret. The second aircraft supplied through the Insurance crashed shortly after its arrival in Ceylon, as a result of faulty manipulation of controls. These reverses have delayed the establishment of the Flying Unit until a third aircraft, which is now on order, arrives about the middle of 1959.

About 1,050 sq. miles in the Upper Uva, Upper Kirindi Oya, and Walawe Basins have been mapped by Messrs. Hunting Aerosurveys, U.K., and Photographic Survey Corporation Limited of Toronto, Canada, on contract with their respective Governments under Colombo Plan Aid. These maps are being checked and revised on ground prior to fairdrawing and reproduction as a national map series on the scale of 16 ch. to an inch ($5'' = 1$ mile) with contours.

Air photographs are also applied in the analysis of land, forest, water and geological potential for the formulation of integrated development plans. A physical Resources Centre was established early in 1956 with the aid of the Government of Canada. This centre is manned by personnel from the Photographic Survey Corporation Limited of Canada working on contract with their Government and personnel from Government Departments collaborated with them on a training cum production basis. This team completed studies in the Walawe Ganga and the Mahaweli Ganga Basins and their reports are awaited. Forestry studies in the Sinharajah Forest area were completed and the report was tendered to the Conservator of Forests. Geological studies for the preparation of a Tectonic Map of the Island, and airborne geophysical surveys were carried out for the Department of Mineralogy.

Land Development Surveys

Land Development Surveys for colonization and peasant allotments were continued in many parts of the country during the year under review.

The extent surveyed under this category on 318 Requisitions was 36,919 acres.

Town Surveys

Town Surveys dealt with during the year under review were as follows :—

Kotte Town.—Field work completed and examination of plans is in progress.

Polgahawela Town.—Skeleton and Assessment Survey is complete.

Ratnapura Town.—This survey was started in 1957. 800 acres of the Skeleton survey in the extension area and 1,480 acres in the revision area (old town) have been completed.

Kolonnawa Town.—Preliminary work in respect of this survey is complete.

Moratuwa Town.—Survey of control traverses is complete.

Map Publication

Among the maps printed were the Two Inch to one Mile Sheets of Colombo North, Colombo South, Mahara and Hanwella, $\frac{1}{4}''$ coloured and layered map of Ceylon in 4 sections ; 12 miles map showing Medical Institutions ; 24 mile map showing Divisional Revenue Officers' Divisions and the revised Edition of the 8 mile Motor Map. In the Town Map series, the 16 ch. Colombo and surroundings map ; 16 ch. Colombo Map showing Postal Zones and wards ; 50 ch. Colombo Map showing wards and the 8 ch. map of Ratnapura were printed.

One Inch Administrative Area series Maps of Talaimannar ; Chilaw ; Negombo ; Gampaha ; Colombo ; Panadura-Horana ; Avissawella ; Passara ; Nilgala ; Nuwara Eliya ; Hatton ; Hanguranketa ; Westminster Abbey and Kandy were printed.

Reprints of One Inch Topographical Sheets ; Horowapotana ; Kayts ; Jaffna ; Iranamadu ; Tunnukai ; Puliyankulam ; Marichchukkaddi ; Kalpitiya and Panadura-Horana, and Revised Edition of Talaimannar were made.

Good progress has been made in the compilation of the 5" maps—Hatton/15 ; Hatton/16 ; Hatton/23 ; Hatton/24 ; Nuwara Eliya/17 ; Avissawella/26 and Hambantota/12 were compiled for printing.

V—TOWN AND COUNTRY PLANNING

Administration of the Town and Country Planning Ordinance, No. 13 of 1946.—The Central Planning Commission constituted under the Ordinance held two meetings during the year. Sub-Committees appointed to advise on the Kataragama Planning Scheme and the Kelaniya Planning Scheme completed their final reports. The draft scheme will be exhibited for public inspection at Kataragama and the provincial kachcheries after due notice in the press, so that members of the public and interested parties may, if they wished, lodge objections to any provisions in the scheme. Such objections will be inquired into by the planning authority in the first instance and then by the Central Planning Commission and the Honourable Minister before the scheme is finally sanctioned by him.

As regards the Kelaniya planning scheme, the Government Valuer is proceeding with the valuation of lands necessary for new roads and parks in the first stage of the scheme, and the P. W. D. with the widening of existing roads in the vicinity of the Rajamaha Vihare.

The work of other Sub-Committees of the Central Planning Commission advanced to various stages. In the Mahiyangana Planning Scheme, a layout plan of the new town was completed and some sites have already been allocated to various Government Departments. Sub-Committees appointed to report on the removal of Chalmers Granaries, Devinuwara Planning Scheme, Beira Lake site development (Colombo), parking standards and petrol filling stations continued their investigations during the year.

Urban Development Schemes for Matara and Nuwara Eliya were examined by the Central Planning Commission. The Nuwara Eliya Planning Scheme is awaiting the completion of schedules defining the various zones. The draft Colombo Regional Planning Scheme revised by the Legal Draftsman is expected to come into force next year.

Technical Assistance for the Planned Development of Urban and Rural Areas.—The planning functions of this Department have been extended to include technical assistance not only to local authorities for the preparation of planning and zoning schemes but also to several Government Departments. During the year, 291 applications were received from local authorities for layout plans for development areas, new roads and improvements to existing roads, public buildings and housing schemes and for advice on the provisions of the Housing and Town Improvement Ordinance and the Town and Country Planning Ordinance. Several applications were received from Government Departments and these related to the layout of Crown Land for Government office accommodation, Government residential buildings and lands to be leased by the Land Commissioner.

Slum Clearance Schemes

The Government continued to give local authorities monetary grants and technical assistance to help them in solving the problems of housing and slum clearance in their areas. In the year 1958 grants aggregating Rs. 1,938,000 were allocated to 29 Urban Councils and 27 Village Committees for the purpose of commencing new housing schemes or for continuing schemes that had already been started.

During the year the Department prepared plans for 40 new housing schemes for the Municipal Councils of Galle, Negombo and Nuwara Eliya, the Urban Councils of Batticaloa, Kegalla, Beruwala, Hambantota, Anuradhapura, Kolonnawa, Kalutara, Dehiwala, Chilaw, Badulla, Moratuwa, Matara, Trincomalee, Kuliapitiya, Avissawella, Hatton-Dickoya, Haputale and Balangoda ; the Town Councils of Alutgama, Wadduwa, Rattota, Pussellawa, Beliatta, Kekirawa,

Veyangoda and Watugedera ; the Village Committees of Ragala, Deniyaya, Weuda, Weke, Panawal-atulugam Korales, Polgahawela, Makandura, Ratgama and Bogoda.

These schemes comprised a total of nearly 830 houses and in 19 of the schemes nearly 200 houses were under construction by the end of 1958. The Department also examined and approved plans prepared by the Colombo Municipal Council for 3 housing schemes at Kolonnawa, Kochchikade and Maligakanda comprising 234 houses and 78 flats which are intended for rehousing slum dwellers in Colombo.

The Department assisted the Department of Fisheries in the preparation of plans for 5 housing schemes comprising 117 houses in all. These are located at Magalle and Telwatte (Galle District), Dehiwala, Negombo and Trincomalee. The type of house adopted in these schemes is estimated to cost Rs. 3,200 and the houses are intended for fisher-folk living in insanitary houses.

Housing Scheme for Shanty Dwellers

Plans were prepared by the Department for 3 housing schemes at Maharagama, Kandy and Dehiwala for the accommodation of 330 families living in shanty dwellings in and around Colombo. These schemes are provided with amenities such as playgrounds, community centre halls, bathing places, &c.

Building Research

The Low Cost Housing Experimental Station of the Department at Jawatte Road, Colombo, continued to function under the directions of the Advisory Committee consisting of the Director, Ceylon Technical College Department, Government Town Planner, Conservator of Forests, Chief Architect, P. W. D., the Municipal Engineer, Colombo ; the Superintending Engineer, Land Development Department, and the Chief Chemist, Industrial Research Laboratory.

Experiments on a waterproof limewash initiated by Mr. E. Fitzmaurice, United Nations Expert on low cost housing, were further continued during the year and a suitable cheap waterproof composition consisting of coconut oil and quick lime has been found. This waterproof limewash will be used for waterproofing the walls of low cost houses constructed of cement-sand and cement-sand-lime blocks.

Investigations on cement-sand-lime blocks as a method of construction cheaper than brick and cabook masonry were finalised, and these blocks will be used in future low cost housing schemes, where cement, sand and lime are readily available.

A demonstration low-cost fire-place using pre-cast component units turned out at the Experimental Station was constructed for the Lanka Mahila Samiti at their Headquarters in Fort, Colombo. These low-cost fireplaces are proving to be very popular and there is a large demand for these component units, both from the working class and middle class families.

Development of the New Town of Anuradhapura

The construction of Government buildings for administrative, residential and commercial purposes progressed steadily during the year 1958 in Stage I area of the New Town, where also private development on lands leased for residential and commercial purposes proceeded very rapidly. Similar development, mostly in the private sector, took place, though on a much smaller scale, in Stage II area of the New Town where the Government had nearly completed $2\frac{1}{2}$ miles of new roads by the end of the year.

Other Services

The Government Town Planner served as a member of the Housing Advisory Board appointed by the Minister of Labour, Housing and Social Services and as a member of the Committee appointed by the Minister of Lands and Land Development to investigate into the reclamation of swamps in and around Colombo. He also continued to serve in the capacity of a Consultant to both the Board for the replanning of the Dalada Maligawa and the Archaeological Advisory Board of the North-Central Province.

CHAPTER XX

ELECTRICITY, WATER SERVICES AND PUBLIC WORKS

I—ELECTRICITY

THE Department of Government Electrical Undertakings, besides maintaining generation, transmission and distribution of electricity at Norton Bridge, Nuwara Eliya, Diyatalawa, Bandara-wela, Haputale, Colombo and to a limited extent in Jaffna is responsible for all Government installations in the country and also acts in an advisory capacity to Local Bodies which operate their own supply scheme. The Department is also empowered by the Electricity Act, No. 19 of 1950, to inspect and report on electricity undertakings operated by licencees.

Generating Stations

The 4 main generating stations are located at Laxapana, Kolonnawa, Gas Works Street, Colombo, and Chunnakam. The generating capacity available at Laxapana is 50 MW consisting of 3 water wheels of 8,333 KW each and 2 water wheels of 12,500 KW each. The Stanley Power Station at Kolonnawa is provided with 3 steam sets each of 3,000 KW capacity. The Pettah Power Station situated in Gas Works Street, Colombo, has one steam set of 3,000 KW capacity, three 1,000 KW diesel sets and five 2,000 KW diesel sets. The Central Power Station at Chunnakam has four 1,000 KW diesel sets.

Hydro Electric Scheme, Stage IIB—Thermal

Tenders for this work are now being scrutinised and it is expected that the work will be started during the latter part of 1959. This steam power station of 25,000 KW capacity is being financed by a loan provided by the International Bank for Reconstruction and Development for foreign expenses. The loan of U. S. \$7,400,000 so provided is repayable in 34 semi-annual instalments, interest payable being 5 3/8 %.

Plans for the construction of Stage IIB of the Hydro Development project which envisages an additional 50,000 KW hydro station at Norton Bridge are in hand.

7 Virgins Scheme

The United States International Co-operative Assistance Organisation has kindly agreed to carry out detailed investigations of the 7 Virgins Project and furnish a feasibility report.

Transmission, Distribution, Substations and Low Tension facilities

On the first of January, 1959, 52.8 miles of 132 KV lines, 241.44 miles of 66 KV lines, 433.50 miles of 33 KV lines, 153.24 miles of 11 KV lines were in commercial use. 217.55 miles of L. T. overhead distribution mains and 166 miles of L. T. underground distribution mains were in operation.

The number of transformer points at the beginning of the year was 494 and the transformer capacity was 183,699 KVA. The transformer capacity at the generating stations was 225,000 KVA.

Commercial Operation

163,000,000 units were sold during the year under review. Sales to industrial consumers was 52,000,000 units, to the commercial consumers 43,000,000 units and to the domestic consumers 28,000,000 units and sales for bulk supplies to Local Authority Undertakings was 32,000,000 units. Supplies to traction and for street lighting was also provided.

The maximum demand on the system was 45,100 KW. The number of consumers was 28,928.

Finance

The total income from all activities of the Department for the year amounted to Rs. 26,637,149.

The summary of the financial results for the year 1957-58 was as follows :—

	Rs.
1. Gross Revenue	26,637,149
2. Total working expenditure	14,753,430
3. Excess of revenue over expenditure	11,883,718
4. Interest and annuities	6,288,366
5. Surplus	5,595,352

The expenditure on capital works during the year amounted to Rs. 34,039,099 bringing the total capital up to 30th September, 1958, to Rs. 219,592,100.

II—WATER SERVICE**The Colombo Water Supply**

The Colombo water supply is obtained from Labugama Reservoir which is situated in the Western Province at a distance of 28½ miles from the City. The Reservoir was formed by impounding the water of the Wak Oya, a tributary of the Kelani Ganga.

The catchment area, which is 2,500 acres in extent, is free from any habitation or cultivation, all the land as far as the summit of the watershed having been reserved with a strip, two chains in depth, along the adjacent water sheds. The top water level is 374 ft. above mean sea level and has a maximum depth of 73 ft. The area of the Reservoir at the present top water level is 205 acres. The storage capacity of the Reservoir is 1,960 million gallons. The estimated safe yield from this Reservoir is 12½ million gallons per diem. Filtration works of the Jewell Rapid Gravity type are situated immediately below the reservoir dam. In addition to filtration the water is sterilised by the chloramine treatment.

The water has a very low alkalinity and is quite pure. It is conveyed to the two service reservoirs in Colombo, each of 8 million gallons capacity, through four separate pipe lines. There are approximately 372 miles of supply and distribution mains, varying in size from 30 to 3 inches in diameter. Water service is available to almost all premises within the city and also to shipping in Colombo Harbour. Seventy-four deacon meters for the detection of waste have been fixed throughout the City. The average daily consumption is now between 20 and 21 million gallons, or 46 gallons per head of the resident population.

Kalatuwawa Water Supply Scheme

In order to augment the present supply of water from Labugama, the construction of another reservoir impounding the water of the Kalatuwawa Ela, another tributary of the Kelani Ganga in the adjoining catchment was begun in 1949. The construction of the Main Dam and the two subsidiary dams was completed in 1954 and the Treatment Works are expected to be completed during the course of this year.

The catchment area feeding the new Reservoir is 3,320 acres. The top water level is 380 ft. above mean sea level and has a maximum depth of 60 ft. The area of the Reservoir at present top water level is 480 acres. The storage capacity of the Reservoir is 3,900 million gallons. The estimated safe yield from this source is 20 million gallons per diem.

As the total carrying capacity of the four existing trunk mains from the Headworks to Colombo is only 20 million gallons per day, Colombo Municipal Council decided to take in hand the laying of an additional 33" diameter trunk main from Kalatuwawa to a new Service Reservoir at Dehiwela. The work was started in 1955 and completed in 1958. The new trunk main and the Service Reservoir are now in commission.

Kandy Water Supply

The position of the present supplies in Kandy remain the same and the rapid increase in population has added considerable strain on the existing supplies. The main distribution system is over 80 years old.

The Council is most concerned in expediting the Mahaweli Major Pumping Scheme, and the Public Works Department have now completed the final designs, specifications and the estimates for the Scheme and have called for tenders for the Purification Plant, pending the sanction of the estimates by the Cabinet.

Kalatuwawa Pipe Line and Services Reservoir at Dehiwala

During the year under review a number of Water Supply Schemes were completed and the largest completed was the Kalatuwawa 33" Supply Main, a distance of about 27 miles from Kalatuwawa to Colombo and the Service Reservoir at Dehiwala at an estimated cost of Rs. 24,995,082. This Scheme is now under operation and augments the existing supply of the City of Colombo by 12 (twelve) million gallons per day.

Towns South of Colombo Water Supply Scheme

This is one of the largest unified Schemes, which is being constructed by a Firm of French Contractors Messrs. Socoman, to eventually supply treated pipe borne water to the Towns of—

- (a) Dehiwala-Mt. Lavinia.
- (b) Moratuwa.
- (c) Panadura.
- (d) Kotte.
- (e) Kolonnawa.

From the excess water available at the Dehiwala Municipal Reservoir approximately 7½ million gallons will be temporarily made available by the Colombo Municipality for supply to the five Towns mentioned above until such time the Kelani Ganga headworks under Stage II of the Scheme is completed. Stage I of the Scheme is estimated to cost Rs. 42,450,000.

The construction of the Scheme is progressing rapidly and the towns of Dehiwala-Mt. Lavinia and Moratuwa will get their supplies in 1959 and the rest of the towns in 1960.

Provision has also been made in the Scheme to supply additional areas such as Ratmalana Satellite Town, Gorakapola, Piliyandala, Ratmalana Railway Workshop and Angulana, but the construction work may take some time. The ultimate requirements of the above five towns and the additional areas is estimated to be in the neighbourhood of 26 million gallons per day at the rate of 50 gallons per head per day.

Stage II of the Scheme estimated to cost Rs. 21,800,000 will form the Headworks at Kelani Ganga, Treatment Station, Pumping Station and Supply Main. The plans for this Scheme have already been received from the Consultants and Tenders have already been called for the Purification Plant and tenders for the Civil Engineering Works will be invited shortly.

Stage III of the Scheme will be the Kaluganga Scheme which will serve the towns at Kalutara and Wadduwa. The design for this Scheme is being revised by the Consultants.

Matara Water Supply

The Construction of the Civil Engineering Works is in progress. The scheme consists of a River Intake at Bandattara (Nilwala Ganga), Pumping Main, Pumping Station, Treatment Station, a Reservoir 400,000 gallons capacity, Two Water Towers each of 200,000 gallons capacity and a Distribution System. The work on the Reservoir and the two Water Towers is progressing very rapidly due to the adoption of the use of continuous sliding shuttering. This is the largest of its kind attempted in Ceylon, and it is hoped to adopt this method in other large construction works.

Tenders have been invited from local and foreign firms for the Purification Plant. It is expected to complete this scheme in about $2\frac{1}{2}$ years' time and on completion will supply an expanded population of 30,000 at 45 gallons per head per diem. The estimated cost of this scheme is Rs. 6,766,094.

Negombo Water Supply

The construction of the Civil Engineering portion of the works is in progress. The scheme consists of a River Intake at Bambukuliya (Maha Oya), a Treatment Station, Pumping Station, Pumping Main, Reservoir 400,000 gallons capacity, Four Water Towers each of 200,000 gallons capacity and a Distribution system. To speed up work on the Towers it is proposed to adopt the Sliding shuttering forms used at Matara. Tenders have been invited from local and foreign firms for the Purification Plant. It is expected to complete this Scheme in about $2\frac{1}{2}$ years' time and on completion it will supply an expanded population of 54,000 at 50 gallons per head per diem. Kochchikade and Katunayake will be supplied from this Scheme at a later date. The estimated cost of the Scheme is Rs. 8,070,728.

Kandy Water Supply

Plans are ready for Major Augmentation Scheme using the Mahaveli Ganga as the source of supply. Tenders have already been invited for the Purification Plant and tenders for the Civil Engineering works will be invited shortly. This Scheme when completed will increase the present supply of approximately one million gallons a day to five million gallons per day. The estimated cost of the Scheme is Rs. 16,689,530, and it will be one of the largest schemes in the Island.

III—PUBLIC WORKS

Building Construction

During the period under review, the Public Works Department executed a very large programme of new buildings. A short description of some of the major buildings under construction is as follows:—

Colombo South Hospital, Kalubowila

This hospital in the Southern region is meant to ease the congestion in the Colombo Group of Hospitals in the heart of the City. Planned for bed strength of approximately 600 beds, the scheme consists of 4 sets of double blocks of wards, two storeys each, a separate Maternity Ward Block, an Administration and O. P. D. Block, an X-ray Block—all of two storeys, an Operating Theatre Block for 3 theatres, a Kitchen, Mortuary and Pathological Laboratory and covered ways. All these are similar to the buildings at the Colombo North Hospital at Ragama. Quarters are provided for Nurses, Sisters and Matrons, for Nurse Aids, the Medical Officer-in-Charge and for House Officers. In addition there are other minor buildings included. The major portion of the building work is complete. The last set of ward blocks is now under construction.

Colombo North Hospital, Ragama

This hospital, situated in the North at Ragama, is like the Colombo South Hospital, meant to ease the congestion in the Colombo Group of Hospitals in the City. The bed strength is approximately 600. The building consists of 4 sets of double blocks of wards two storeys in height, a Maternity Ward Block, an Isolation Ward, and Administration and O. P. D. Block, an X-ray Block—all of two storeys, an Operating Theatre Block for 3 Theatres, a Kitchen, a Mortuary and covered ways. The residential accommodation includes Quarters for Nurses, Matrons, Midwives, Doctors, Stewards, Apothecary and subordinate and minor staff. The building work is now practically complete.

The whole scheme is estimated to cost approximately Rs. 3,500,000.

Hospital of Indigenous Medicine, Colombo

A development programme was drawn up for this Hospital along with the College of Indigenous Medicine within the same boundaries at Cotta Road. One set of Ward Blocks for 124 beds and an O. P. D. and Administration Block have so far been constructed at an approximate cost of Rs. 900,000.

Children's Hospital, Colombo

This scheme is for a new 500-bed Hospital on the grounds of the old, with a multi-storeyed block for Nurses, &c., on a site across the road.

A two-storeyed ward-block for 250 beds, a large and comprehensive Administration Block and O. P. D., a Pathological Laboratory and Mortuary and a Mothers' Waiting Hall have been completed. A second two-storeyed Ward Block for a further 250 beds is under construction.

The whole scheme, with a block for five operating theatres, Nurses' Quarters for 140 Nurses, 10 Sisters, Matrons, &c., and other buildings is expected to cost approximately Rs. 6,400,000.

Castle Street Maternity Hospital, Colombo

The accommodation, as revised from time to time, will provide for an ultimate bed strength of 300 beds and quarters for Nurses, Pupil Nurses, Midwives, Doctors and other staff.

Buildings so far completed include ward accommodation for 250 beds with related labour units and theatres, an Administration Block with O. P. D. and Pathology Laboratory, Kitchen, Stores, Mortuary, Disinfector Block, Ambulance and car garages, a two-storeyed block of quarters for Nurses, Pupil Nurses and Midwives and quarters for Doctors and other staff.

Work now under construction in the Second Stage of the Scheme is a further block of Nurses' Quarters for 48 Nurses, 9 Sisters, Matrons and Assistant Matrons.

The scheme when completed is estimated to cost approximately Rs. 4,000,000 for all three stages.

Institute of Practical Technology, Katubedda

Institute buildings consist of an Administration Block, Laboratories for the teaching of Chemistry, Physics, Electricity and Geology, Sheet Metal and Machine Workshop, Buildings Trades Workshop, Autobody and Auto Electric Workshop, Smithy and Wood Workshop. A Lecture Hall, Gymnasium and Canteen with all other ancillary buildings have also been provided. It is to cater for 200 resident and 200 external students. Hostel buildings provide hostel accommodation for 200 students, housed two to a room, with a Dining Hall and Kitchen, Matron's Quarters and Sick Room. The cost of the whole project is Rs. 3,180,000.

The Institute buildings are expected to be completed by July, 1959, while the Hostels are to be made available by December, 1959.

The Proposed Administration Block for the Government Factory at Kolonnawa

This building is constructed of reinforced cement concrete comprising of four floors. The ground floor will be mainly for garages for the staff while the first and the second floors will be housing the clerical and accounts section of the establishment. The third floor will accommodate the technical staff while the fourth floor will be allocated for the canteen for the full staff of the Factory.

Apart from the staircase it will have an electric lift serving all floors ; it will also have a strong room for the records of the Time-Keeper whose office will be located at the ground floor.

CHAPTER XXI

THE PRESS, INFORMATION AND PUBLICITY

I—THE PRESS

THERE are three main newspaper groups in Ceylon. The Associated Newspapers of Ceylon, Ltd., the biggest group, owns six dailies and three Sunday papers in the three languages. The Times of Ceylon, Ltd., the next biggest group, publishes two dailies and two Sunday papers in the two languages Sinhalese and English. The third organisation, the Virakesari, Ltd., publishes one Tamil daily and one Sunday paper.

On a language basis there are two morning and one afternoon and two Sunday papers in Sinhalese; one morning and two afternoon and two Sunday papers in English; and two morning papers and two Sunday papers in Tamil. Of the Sunday papers, the "Silumina" (Sinhalese) and "Lankadipa" (Sinhalese) are supposed to have the largest circulation in South-East Asia.

The oldest of the Ceylon Newspapers is "The Ceylon Observer", the next being "Times of Ceylon", each of them counting over a century of continuous publication.

The following shows particulars of the principal daily newspapers and their approximate circulation.

TABLE 21.1 DAILY NEWSPAPERS

<i>Name of Newspapers</i>	<i>Year Established</i>	<i>Language of Publication</i>	<i>Circulation*</i>	<i>Publishers</i>	<i>Address</i>
Ceylon Daily News	1918	English	48,084	Associated Newspapers of Ceylon	Lake House, McCallum Road, Colombo
Ceylon Observer	1834	do.	19,372		
Dinamina	1909	Sinhalese	59,847		
Janata	1953	do.	30,659		
Daily Thinakaran	—	—	14,509		
Nava Yugaya Magazine	—	—	11,706		
Lankadipa	1947	Sinhalese	n.a.	Times of Ceylon	3, Bristol Street, Colombo
Times of Ceylon	1846	English	n.a.		
Sunday Thinakaran	1932	Tamil	18,046	Associated Newspapers of Ceylon	Lake House, McCallum Road, Colombo
Sunday Observer	—	English	61,312		
Silumina	—	Sinhalese	124,066		
Virakesari	1930	Tamil	16,521†	Virakesari, Ltd.	185, Grandpass Road, Colombo

* Average daily net sales for July–December, 1958.

† Average daily net sales for 1958.

n.a. = Not available.

II—DEPARTMENT OF INFORMATION

The Department came into existence in 1948. It arranges press conferences of Ministers and Permanent Secretaries and handles the communiques of all Government Departments. It also publishes booklets and pamphlets for the various Government Departments in order to explain to the people the activities in those Departments.

The Department publishes monthly an illustrated magazine in English entitled "Ceylon Today", and two other illustrated magazines in Sinhalese and Tamil entitled "Sri Lanka".

It issues a weekly news-sheet called "Sri Lanka" in English, Sinhalese and Tamil, and also publishes another weekly called the "Ceylon News Letter" which is mainly for overseas distribution.

The Department reprints books of which the Government holds the copyright and publishes new books of cultural value relating to Ceylon.

The Publications Bureau is the Government's Bookshop. There is a sales centre at the General Post Office, Colombo, and one or more other such centres are contemplated.

The Government Film Unit has laboratory facilities for the limited output of news, documentary and instructional films. They are made with dialogue or commentaries in English and Sinhalese. Fifty seven films including news reels, documentaries and shorts were produced during 1958. The Department also affords limited facilities to private producers of films.

III—BROADCASTING SERVICES

The Broadcasting Department runs a National Service and a Commercial Service.

The National Service has a School Broadcasting Service as well. The National Service broadcasts its normal programmes in Sinhalese, Tamil and English. The Commercial Service broadcasts programmes to Africa, India, Pakistan and South-East Asia in addition to its local programmes.

One journal is published by Radio Ceylon, namely "Radio Times". This carries particulars of the programmes for each fortnight in all three languages.

The total number of Radio Licence holders at the end of 1958 was 229,506. The licence fee in Ceylon is Rs. 15 per annum.

IV—GOVERNMENT TOURIST BUREAU

Tourist Traffic Trends and Income

Ceylon's Tourist Industry suffered a set-back in 1958, the earnings from tourism being 6.4 million rupees. This represents a drop of 3.6 million rupees from the earnings of the previous year (or 1.8 million rupees if the credit of 1.8 million rupees in 1957 on account of expenditure by the River Kwai Film Unit is excluded.)

The civil disturbances of May 1958 played a large part in reducing income. The volume of stop-over tourist traffic also fell from 43,990 arrivals to 37,367. These figures are subject to revision by the exclusion of resident visa holders for both years. Transit traffic increased from 163,018 to 219,104 tourists during 1958.

The trends of traffic and earnings during the past 10 years are shown below :—

Year	Transit Traffic	Stop-over Traffic	Total Traffic	Tourist Income Rs. million
1948	117,918	32,824	150,742†	5
1949	243,789	24,865	268,654	5.6
1950	403,359	47,102	450,461	6.4
1951	414,300	64,938	479,238	7.3
1952	416,236	66,185	482,421	10.96
1953	388,751	60,114	448,865	8.6
1954	354,332	59,111	413,443	9.9
1955	344,366	52,601	396,967	8.3
1956	262,622	52,156	314,778	8.9
1957	163,018	43,900*	207,008*	10.03‡
1958	219,104	37,367*	256,471*	6.4

* Includes Resident Visa holders.

† Includes Ceylonese nationals returning.

‡ Includes Rs. 1.8 million from River Kawai Film Unit expenditure.

A break down of Ceylon's stop-over traffic by sources shows that Indian arrivals constitute from 61 to 72 per cent. of the total stop-over traffic. Other commonwealth citizens, chiefly British and Australians, and aliens, including Americans and Germans, constitute about 19 to 15 per cent. each. There has been no appreciable change in this pattern of stop-over trade during the past decade. Nor has there been a change in the general pattern of Ceylon's tourist trade. Transit traffic still forms about 80 per cent. of Ceylon's total traffic. Analysed by means of transportation, it is found that traffic by air has increased (chiefly air transit traffic) while traffic by land and sea has decreased.

Tourist Development Board

The Tourist Development Board Act reached the Statute Book during the year. An expert on tourism, Col. G. S. Kovach, has assisted the Bureau in preparing the organisation for the Board. Col. Kovach has also assisted the Greek Government in setting up its tourist organisation apart from his work done for the Lebanese and Turkish governments.

Tourist Statistics

A complete tourist statistical system has been worked out with the assistance of Mr. Louis Moss, Director of Social Surveys of Great Britain, who spent some time in the Island assisting the Department of Census and Statistics. A sample survey of tourist expenditure, studies of tourist hotel nights, and a breakdown of the volume of traffic by nationalities and sources are being organised.

Development Measures

An intensified development programme was initiated in September 1958 in order to offset a decline in tourist traffic and earnings, expansion of accommodation was undertaken at Hikkaduwa which is to be developed as a coastal resort, Sigiriya, Habarana, Polonnaruwa, Belihuloya and Ambepussa. Further work is now being undertaken at Trincomalee. The development of tourist areas is the key to the growth of tourism in Ceylon, at the present stage. Hotel accommodation in the Island requires to be supplemented simultaneously. Negotiations with Hilton Hotels International were continued during the year.

It is estimated that an increase of Rs. 30 million in foreign exchange earnings on tourism will result after the establishment of a Hilton Hotel in Ceylon.

Publicity

Ceylon is advertising abroad through several media—newspapers, magazines, folders, films, posters and editorial publicity. Advertising campaigns were conducted in the U.K., Australia and U.S.A. In addition a Public Relations Campaign costing 50,000 dollars was carried out for the second year in succession in the U.S.A., as well as in Europe and Australia.

Campaign in West Germany

In addition to the campaign mentioned above a publicity campaign linked with Air Ceylon's publicity was undertaken in West Germany which is one of Europe's most fruitful markets.

Tour Booking Arrangements

A system of tour booking arrangements for transit passengers in Colombo was introduced during the year to enable a large number of tourists to make use of the services available. It was found that in the past approximately 35 per cent. of the transit traffic was being booked on tours.

The Bureau provided facilities to Dr. Hans Haas, world famous under water explorer and marine biologist to collect material in Ceylon for a book which he intends publishing. Similar facilities were provided to Pietro Mele, the photographer, who published a series of illustrated articles on Ceylon in leading French Magazines and also a book of photographs of Ceylon scenes, and to Nigel Cameron, the writer for an illustrated feature article on Ceylon in the National Geographic Magazine.

V—TEA PROPAGANDA BOARD

Tea promotion in Ceylon during the year 1958 was continued on the pattern of the previous years—through the Tea Caravan Service, the Tea Service in Schools and Advisory Services to Resthouses and other institutions, supported by publicity measures.

The Board also spent funds, over and above those placed at the disposal of the Overseas Tea Bureaux, for carrying out certain special publicity measures for Ceylon tea abroad.

The Tea Caravan Service

Three mobile Caravans fully equipped for the purpose of conducting Tea propaganda were stationed in three different places, viz., Batticaloa, Jaffna and Colombo.

The first two Caravans covered the Batticaloa and Jaffna Districts doing intensive propaganda at places such as schools, bus stands, market squares, busy street corners, railway stations, places of pilgrimage and agricultural centres.

Due to the communal disturbances that occurred in the country at the end of May 1958, the two units stationed in Batticaloa and Jaffna were recalled to Colombo and after a period of recess, they were allotted work in the Colombo District.

The third Unit stationed in Colombo was used for work in and around the city. It was present at small functions such as the opening of Rural Development Centres as well as major functions such as International Conferences. Besides these, the Unit participated in school sports meets, the All-Island Athletic Meet, Scout Rallies, Agricultural and Industrial shows and flood relief work.

A detachment of the Batticaloa Unit consisting of a Demonstrator and four Attendants was continued to be stationed in Amparai as in the previous year for work there in co-operation with the Gal-oya Development Board. The effort to get the new population in the Gal-oya Valley accustomed to good tea, prepared correctly, is progressing satisfactorily.

Tea Service in School

As usual, free supplies of dry tea were issued for the purpose of serving tea during school hours to the pupils in those schools which had their own arrangements for the supply of sugar through Parent-Teachers' Associations, Teachers' Guilds or the managements. During the year, 215 schools were so provided with tea.

Advisory Service

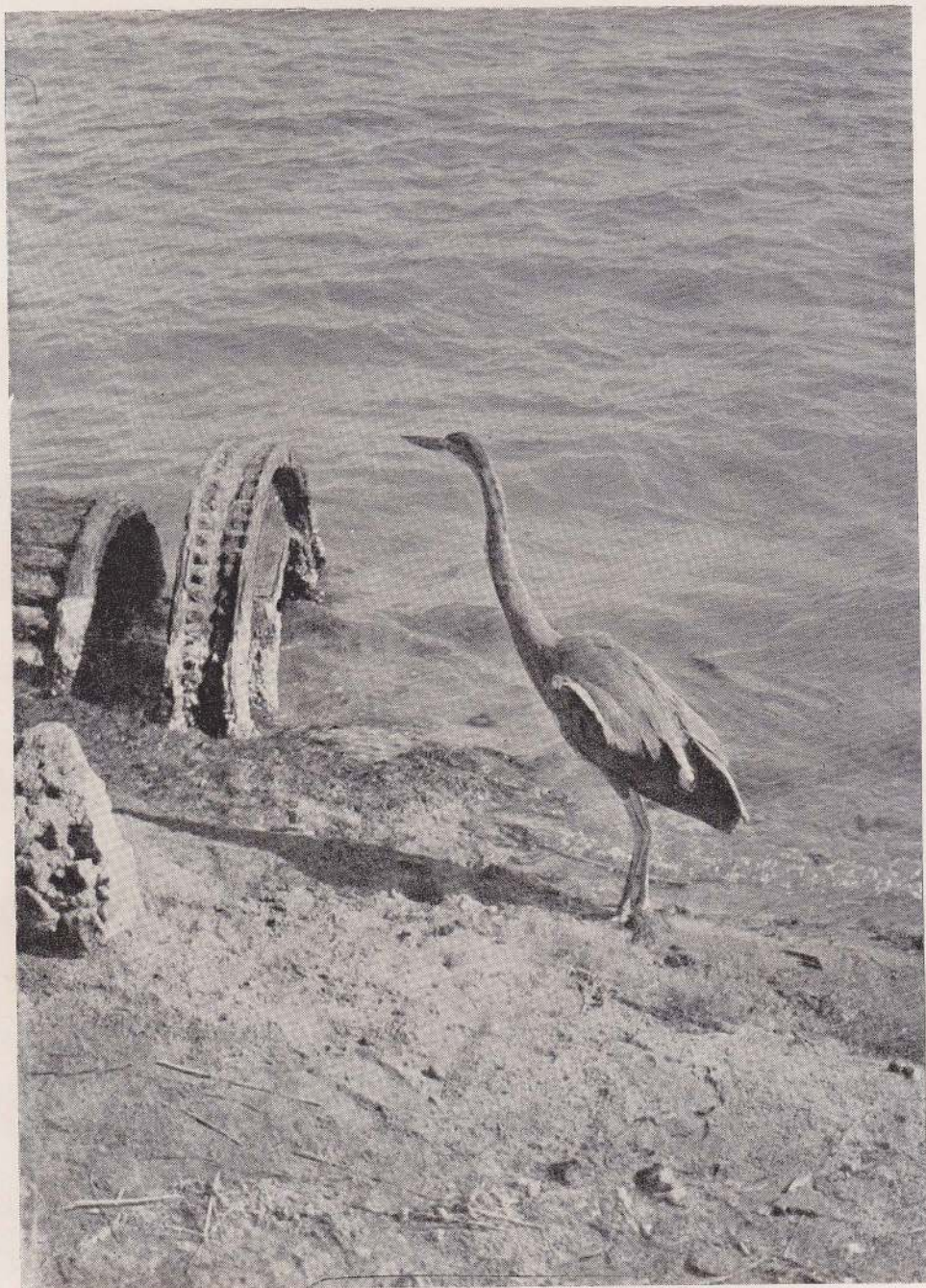
Advice and guidance regarding the running of tea-services in institutions were given whenever requested. Resthouses and three industrial canteens came under review in this manner.

Special attention was paid to the Resthouses managed by the Government Tourist Bureau, all of which were regularly inspected by the Board's executive staff and the results of the inspections communicated to the Tourist Bureau authorities.

General Publicity

"DRINK MORE TEA FOR GOOD HEALTH" continued to be the accepted slogan of the campaign in Ceylon and this was stressed at all places where the Caravans worked. Large cloth streamers with red lettering on a white background in all three languages were prominently displayed at functions attended by the Caravan Units. Tea brewing instructions in Sinhalese, Tamil and English were freely distributed.

Schools and school halls have always been special places visited by Caravan Units because of the opportunities provided for film shows during week-ends and end-of-term school functions. Pupils, parents and teachers attend these events and the Caravan Units make full use of their presence to transmit the message of Tea by means of talk, cinema shows and film strips.



FROM HAUNTS OF HERN

(Photo : by Kantha Retnam)

Two Ceylon Tea films "Sushila's Pilgrimage" and "Your Cup of Tea" were circulated through the kind services of the United Kingdom Information Service and copies of the film strip "Tea Growing in Ceylon" were circulated by the Education Department under their audio-visual educational programme.

The screening of the cartoon film "a Good Cup of Tea" illustrating the tea-brewing rules was continued in 60 cinemas throughout the Island. The English version was screened in 8 cinemas, while the Sinhalese and Tamil versions were shown in the remaining 52 cinemas.

Training Colleges

With the consent of the Principals of the Teachers' Training Colleges, the Board's Booklet "Your Tea from Ceylon" was introduced into all the colleges.

This distribution has been undertaken for the first time in order to stimulate teachers' interest in the Island's major industry in the hope that the school children will acquire similar interest through their teachers.

Tea for Visitors to Ceylon

The sales counters at the Colombo Passenger Jetty, the Trincomalee Naval Yard and Ratmalana and Katunayake air-ports were maintained during the year for the sale of the Board's special blend of tea to visitors. Facilities were provided at the Colombo and Trincomalee counters for the booking of gift tea parcels for despatch abroad and during the year, 26,548 lbs. of the Board's tea were sold at these counters while 7,381 lbs. were despatched abroad in gift parcels.

Tea Gifts

3,109 lbs. of the Board's tea were despatched by post as gifts during the year to Ceylon High Commissions Embassies and Legations abroad with the object of maintaining a stock of Ceylon's finest tea for service and presentation at these institutions.

The Board also supplied 105 lbs. of its tea for being taken as gifts by Ceylon Delegations to countries abroad while 70 lbs. in packets were gifted to foreign delegates who visited Ceylon for attending conferences, etc. In the case of the Conference of the World Federation of Democratic Youth, the Board maintained a tea-bar at the Grand Oriental Hotel, Colombo, for the service of liquid tea to delegates during conference hours.

The total expenditure incurred by the Board during the year on these gifts amounted to Rs. 22,000.

Publications

The Board's tea-posters, maps and other publications totalling over 1,600 and 2,000 small Ceylon tea-plucker figurines were distributed in response to requests received chiefly from abroad.

Participation in Overseas Trade Fairs

The Board supplied the Ceylon Legation in Bonn with 20 kg. of tea for free issue in packets at the Frankfurt Fair 1958.

Tea and Tourism

The Tea Bureaux in London, Sydney, Milan and Copenhagen were supplied with stocks of Ceylon tourist advertising material for display and distribution at the Bureaux.

CHAPTER XXII

MUSEUMS, ARCHÆOLOGY, FINE ARTS AND CULTURAL ACTIVITIES

I—NATIONAL MUSEUMS

THE Department of National Museums comprises the Colombo, Kandy, Râtnapura and Jaffna Museums which are open from 9 a.m. to 5 p.m. on all days except Fridays.

They contain the National collections pertaining to paleontology, zoology and prehistory, ethnology, archæology and antique art. The Colombo National Museum contains large reserve collections that are being studied and the new knowledge so obtained is being published and is in heavy demand from abroad. It also possesses one of the finest zoological libraries in Asia, and the largest known collection of Sinhala palm leaf manuscripts. The latter are now being published in book form under the National Museums Manuscript Series. All museum publications are on sale at the various museums.

Apart from the official bulletin "*Spolia Zeylanica*", numerous monographs, mostly dealing with Ceylon's fauna have been published recently. A coloured atlas of Ceylon vertebrates Vol. 4 (Mammals) for which 12 plates have been completed, is in hand and will complete the series on the vertebrate fauna of Ceylon. A coloured atlas of Ceylon antiquities is also in progress. A guide to the coins of Ceylon written in Sinhalese by the Educational and Publications Assistant was published. Special exhibitions are also held, the last being one of Chinese Engravings, organised by the Chinese Embassy in Ceylon, and it was largely visited by people and school children. The Department possesses an educational section which conducts a regular series of free lectures and films shows throughout the year, while its two guide lecturers cater to visitors.

Field work has yielded various interesting finds in paleontology, zoology and prehistory. The initial work on the stone age skeletons and artefacts of *Homo Sapiens Balangodensis* was completed and the account incorporated in "*The pleistocene of Ceylon*" by P. Deraniyagala. One of the skulls which is under reconstruction at the American Museum of Natural History is still being worked upon by Dr. Harry Shapiro there. The discovery has evoked much interest abroad.

II—ARCHÆOLOGY

THE Department was fortunate enough to have during the year the services of Dr. P. C. Sestieri, Superintendent of Archæology of the Government of Italy and UNESCO Expert in Archæology, as Acting Archæological Commissioner. Under his guidance a systematic excavation was conducted in the Gedige area in the ancient inner citadel in the Northern part of Anuradhapura. This work was undertaken for a dual purpose, the main to trace the oldest stages of the Ancient City and the second to train the departmental officers in the technique of deep, stratigraphic excavation. An opportunity was also afforded to about 25 students of Archæology and Ancient History of the University of Ceylon, Peradeniya, to participate in this training.

The most interesting feature in this excavation is the discovery of brick pavements and walls belonging to the earliest stages of Anuradhapura. The bricks can be relatively dated thus providing evidence for the chronology of the structures unearthed. The most abundant finds were potsherds. A good deal of glass beads and coins were also found. Only two pieces of the figurative art were found. The digging is not completed. Dr. Sestieri is expected to come to Ceylon early in 1960 on an Archæological Mission for three months when he will continue the excavation and furnish a further report. When the excavation is completed, it will be possible with the evidence discovered to draw up an absolute chronology.

Ancient monuments in various centres which were damaged by the floods of 1957 were repaired. Owing to the Emergency it was not found possible to make full use of the funds provided for the repairs. The repairs will have to be done along with the normal work of the Department. Conservation of monuments at important centres like Anuradhapura, Polonnaruwa, Mihintale, Sigiriya, etc., was carried out according to programme and necessary repairs effected to protected monuments.

Exploration and inspections were carried out as usual. In the Southern Province, the premises of the Resthouse at Ambalantota opposite the Girihandu Vihare were inspected and found to contain many remains of ancient buildings. It is under consideration to declare this piece of land an Archaeological Reserve and to convert the Resthouse building into a circuit bungalow and a local Museum to house antiquities discovered in the province. In the Uva Province, a moated site popularly known as Kadala Vehera was inspected and found to be of considerable archaeological interest. This site is proposed to be brought under the control of the Antiquities Ordinance.

The paintings at Degaldoruwa Temple near Kandy were chemically treated and conserved. The plaster of the Sigiri Frescoes was also treated and the weak portions of it strengthened. The damaged images of Buddha and Vishnu in the shrine room at Totagamu Vihare at Telwatta near Hikkaduwa were restored. The birth place of Rev. Sri Sumangala which was in dilapidated condition was extensively repaired during the year and is being maintained. The statue of Kustarajagala at Weligama was also chemically treated and the areas disfigured by jungle growth were cleaned. The terra cotta figures found at Ilukveva near Sigiri referred to in the report for 1957 were cleaned and sent for exhibition at the Archaeological Museum, Anuradhapura.

During the year, nine new inscriptions were copied, four ancient monuments declared "protected" and three new sites declared as Archaeological Reserves.

III—FINE ARTS

THE pictorial tradition of Ceylon goes back to the 3rd Century B.C. when Buddhism was introduced from India in the missionary enterprise of that sub-continent's greatest Emperor, Asoka. Painting came, with other aspects of culture, as a dower of the new religion. When religious buildings were reared to the glory of the Buddha, paintings formed part of the scheme of moral edification and less aesthetic decoration. The themes of these paintings were selected from the 550 Jataka Stories which were connected with the life of the *Bodhisatva* and were visual aids to bring home the value of *Paramitta* or strivings towards perfection.

The remains of these ancient paintings we know through notices in ancient books as well as from the researches of the Archaeological Department. The earliest paintings of any note extent are however datable no earlier than the 5th century A.D. They are known as the Sigiriya frescoes but are not patently religious. In the twelfth century we still find the classical school, samples of which are found in Polonnaruwa and in desolate rock-caves of the forests. The Kandyan school and its counterpart in the South evolved its own method of painting technique.

In the opinion of an Indian expert Ceylon's remnants of paintings are more numerous than in India. The folk art of the Island, known as Sittara, is peculiarly of Ceylon. This type of art persists to our day. During the Kandyan times, i.e., 16th to 18th centuries, this art received its best expression. With the coming of the first Europeans (Portuguese) with vested interests in Ceylon, a new trend in art appeared which became most noticeable in British times.

Modern Ceylon Art may be classified into two broad groups—the Folk Arts and the Fine Arts.

Folk Arts

The tradition in folk arts is what has been handed down from the Middle Ages of Ceylon. The Golden age of Sinhala folk arts was the Kandyan age of Ceylon History, with the system of service tenure which ensured the economic self-sufficiency of the artisan. The stimulus was so profound that it took shape in the *Kottal Badde*, the Department of Folk Arts, one of the fourteen departments of the Kandyan Public Services.

Among the most colourful of the folk arts, are the Masks of Ceylon—the artistic expression of the folk mind, as distinguished from the “fine arts” the art of the sophisticated. Ceylon masks are of two categories—those used in the ritual dances—the *Yak Natun*, and those featuring in the *Kolam*. In the ritual dances, the myths and legends of the past are vigorously danced out to the singing of the deeds of the supernatural. The *Kolam* is the popular masquerade of the South. Actors don masks suited to the several roles.

Disguised by the masks, short episodes are enacted giving free scope for the comic. The art of the mask is a highly realistic art, emphasizing the idea conveyed most effectively. The art of the Ceylon mask ranks among the highest expressions of the art of simple folks.

A folk art of medieval Ceylon was the Rukada, or the art of puppetry, dramatising stories with the use of figures in the round, gorgeously coloured and manually operated.

Fine Arts

The Arts Council of Ceylon which has been constituted by an Act of Parliament has been in existence since 1952. This body receives an annual grant from the Government and functions through a number of panels. Each panel looks after a particular branch of activity. There are panels for Handicrafts, Pageants and Festivals, Sinhalese Drama, Tamil Drama, Islamic Fine Arts, Music, Films and Publications, Paintings, Kandyan Dancing and Low-Country Dancing. The Head Office of the Arts Council is at the Art Gallery, Green Path, Colombo 7.

Other institutions and organizations which work for the development of Fine Arts in the country are The Ceylon Society of Arts, the '43 Group and the Jatika Kala Peramuna.

Arising out of this renaissance in art and culture is a consciousness of the place of the Kandyan Dance art in the life of the nation. Kandyan dance art finds its expression today in the *Ves Natuma*, the *Naiyandi*, *Udekki* and *Pantheru* dances. These dance forms are spectacular displays of artistic excellence and possess great entertainment and educative value.

Government College of Fine Arts

The Government College of Fine Arts which is the only institution of its kind in Ceylon provides courses of instruction at an advanced level in Drawing and Painting, Sculpture, Art Crafts, North Indian Music and Kandyan Dancing. No tuition fees are charged for any of these courses. The standard of work at this College compares very favourably with that of similar institutions abroad.

IV—CULTURAL ACTIVITIES

The Department of Cultural Affairs was set up in October, 1956. The activities of the Department are grouped into three categories, viz :—

- (1) Religious
- (2) Literary and
- (3) Arts and Crafts

Religious Activities

Religious activities, essentially an aspect of culture, come within the scope of the functions of the Department. Affording assistance to the chief religious groups of the Island in their activities was considered and for that purpose and also to advise the Honourable the Minister of Cultural Affairs and the Department in this sphere, Religious Affairs Advisory Committees were set up. Accordingly three Advisory Committees, viz., Buddhist, Hindu, and Islamic Religious Affairs Advisory Committees were formed. The Catholics and the Christians did not, however, consider it necessary for the Honourable the Minister to set up a separate Advisory Committee for their activities, as they considered the Church a competent body enough to give any advice in that sphere. On the advice of the Buddhist Religious Affairs Advisory Committee, the Honourable the Minister appointed a Special Committee to report on Dhamma Schools. This Committee of Inquiry

submitted its report and action is now being taken to implement its recommendations. For the year 1959, free books up to Standard V are being supplied to all the Dhamma Schools in the Island. On the recommendation of the Advisory Committee, the Department started a scheme of setting up of Viharastha Sasanarakshaka Samities at Buddhist temples throughout Ceylon, and Pradesika Sasanarakshaka Mandalas incorporating those Viharashthana Sasanarakshaka Samities have been set up on the basis of one Mandalaya for each D. R. O's Division. With the setting up of these Samities and Mandalas, the religious activities of the Island have been co-ordinated, enabling the work to be done on a centralized basis which was a long felt need. There are about 3,500 Viharasthana Sasanarakshaka Samities and 88 Pradesika Mandalas.

The Department also has given grants to various institutions for promoting religious activities. A few societies outside the Island such as the Maha Bodhi Society of India and the London Buddhist Vihara Trust were afforded assistance.

This Department having obtained exclusive rights of Bimal Roy's film "Gotama the Buddha" produced under the auspices of the Government of India, dubbed in Sinhala and was screened to the public through a Film Circuit, and donated a sum of Rs. 25,000 to the National Flood Relief Fund out of the nett profits. A 16 mm version of the film is now being shown free to the public through mobile cinema vans of this Department and as well as other Departments like Health, Education, Co-operative, Agriculture, Police and Information.

On the advice of the Buddhist Religious Affairs Advisory Committee a monthly newspaper entitled "Baudhalokaya" was organised through the All-Ceylon Buddhist Congress.

A Bhikku was sent to the Atthakatha Sangayana held in Rangoon to assist the Sangayana in its activities.

The Buddha Sasana Commission has now submitted its report to His Excellency the Governor-General. Its implementation will have to be handled by this Department.

Literary Activities

There are a large number of societies engaged in the popularisation of literature, both classical and modern.

A Literary Affairs Advisory Committee was set up to advise the Department and the Hon'ble the Minister on what steps the Department should take in this field. This Advisory Committee was constituted of literary men who were conversant with the literary activities of the country and its modern trends. On the advice of this Advisory Committee assistance was given to writers after perusal of manuscripts. A considerable number of books are now in the market which have received this assistance. A Special Committee was appointed to draft a syllabus for the teaching of Sinhalese Language and Literature in schools. This Committee has completed its sittings and is now engaged in drafting its report. The Department also directed its attention to Syntax in Sinhalese specially because there is no accepted system of Syntax according to present usage.

On the 23rd and 24th August, 1958, the Department held its second Literary Conference at Dambadeniya. Literary men from all parts of the Island had the opportunity of meeting each other and discussing matters which are of mutual interest to them and to the literary world. The various sessions were led by Prof. Senarat Paranavitana, Mr. Gunapala Senadeera, Mr. Chandraratne Manawasinghe, Dr. Ananda Guruge and Mr. Rapael Tennakoon. The final propaganda meeting was presided over by the late Prime Minister and was attended by about 10,000 people. In connection with this Seminar an anthology of modern Sinhalese poetry was also published for sale.

The Sahitya magazine which is a quarterly was also published regularly during the year. This magazine carried articles of literary interest. The Department also assisted writers by purchasing copies of printed books whenever those books were considered to be of special merit. Indigent authors were also assisted.

Dr. C. E. Godakumbure was given financial assistance to do research work in oriental manuscripts and printed documents deposited in the British and Continental libraries. Financial assistance has also been given to the Sanskruti publishers, Nugegoda, for the publication of their popular literary magazine "Sanskriti". The Ceylon Journal of Historical and Social Studies was also assisted.

The Department published a short biography of the late Anagarika Dharmapala and Sri Walisinghe Harischandra on the occasion of unveiling of the statues of these two persons.

The Department organized for the first time in the Island Sri Lanka Sahitya Day on the 14th September, 1959. Celebrations were held all over the Island with the co-operation of the Education Department and the Department of Local Government. For the main celebrations held in Colombo, Dr. Mulk Raj Anand of India attended as distinguished guest. Four publications were issued by the Department and also a Catalogue of Ola Leaf Manuscripts of Ceylon which was a long felt need to the research students was thereby satisfied. A special issue of the Sahitya Magazine and the Hansard giving the proceedings of the Seminars at Dambadeniya Congress were also published.

The Department took steps to set up a more permanent and autonomous body to attend to the literary activities of the country instead of the Sahitya Advisory Committee which functioned only in an advisory capacity. Thus a Bill was tabled in Parliament and the Sri Lanka Sahitya Mandalaya Act passed in 1958. The Sri Lanka Sahitya Mandalaya has now been set up. A Book Trust has also been set up under the Sahitya Mandalaya and these two organizations should be in a position to do a considerable amount of work in the field of literary activity.

Arts and Crafts

The activities of the Department in the field of Arts and Crafts were widened this year. The beginning of this year saw Ceylon entering a new sphere in the field of cultural activities with the signing of the Ceylon Soviet Cultural Co-operation Convention. Among the various activities contemplated under this convention were the following as far as it related to the year under review :—

- (a) Festival of Films ;
- (b) The Afro-Asian Writers' Conference in Tashkent, and
- (c) The visit of the Soviet Troupe of Dancers.

In August a Festival of Soviet Films was held at the Art Gallery. The Festival which lasted for a week was well attended and was a great success.

A team of well known writers from Ceylon attended the Conference of Afro-Asian Writers held in Tashkent in the first week of October.

A troupe consisting of 11 Soviet Dancers arrived in Ceylon during the second week of December and were the guests of the Ceylon Government. They performed in leading cities of the Island with great success. All proceeds from the shows were donated to charitable causes.

Among the other highlights of cultural exchanges with other countries were the visit to Ceylon of a Rumanian Delegation consisting of 43 members who were the guests of the Government. The troupe which remained in Ceylon for two weeks performed in various parts of the Island.

A famous Czechoslovak Puppet Ensemble also visited Ceylon and performed in various parts of the Island to packed houses.

As a first step for the promotion and development of Indigenous Dance and Music, assistance was given to 93 institutions teaching dance and music.

A scheme was drawn up for assisting ballets. According to this scheme those artistes who had previously produced ballets of a high standard were assisted in their nett productions. Those artistes who were producing ballets for the first time were given grants when the production was reported to be of a high standard.

Several institutions and individuals were given assistance for conducting various cultural exhibitions and festivals.

A scholarship was awarded to a leading musician in Ceylon to pursue studies at the Bhatkhande Institute, Lucknow, India.

With a view to systematizing the teaching of Sabaragamuwa Dances three text books were written by Mr. E. A. Delgoda, J.P., U. M. at the request of the Department.

A scheme has been drawn up for the grant of assistance to outstanding artistes who are in needy circumstances. A number of well known artistes who have been members of the former Ariya Sinhala Natya Sabha have received assistance under this scheme. This assistance is given not by way of charity but in recognition of their services.

Important References

- (1) Coomarasamy, Ananda K.—Mediaeval Sinhalese Art (re-issued by Pantheon Books Inc., New York).
- (2) Paranavitana, S.—The Art and Architecture of Ceylon (The Arts Council of Ceylon, Colombo).
- (3) Paranavitana, S.—Sinhalese Art and Sculpture (Journal of the Royal Society of Arts, Lond. Vol. XCVIII No. 4822, June 1950).
- (4) Rowland, Benjamin—The Art and Architecture of India, &c. (Pelican History of Art Series).
- (5) Saratchandra, E. R.—The Sinhalese Folk Play (The University of Ceylon).
- (6) Ceylon Paintings from Rock, Temple and Shrines (U N E S C O and New York Graphic Society).
- (7) Annual Reports of the Archaeological Survey of Ceylon.
- (8) Annual Reports of the Director of National Museums, Ceylon.
- (9) Annual Reports of the Arts Council of Ceylon.

CHAPTER XXII

POLICE AND PRISONS

I—POLICE SYSTEM AND CRIME STATISTICS

THE Police Service of Ceylon was established and is governed by Ordinance No. 16 of 1865, as amended by subsequent Ordinances from time to time. However, there was a Police Branch of the Administration dating as far back as the early 19th century. Before the Police Service was constituted these duties were performed by Village Headmen who still do so in some parts of the Island which are not policed as yet. Even in Policed areas, particularly in rural areas, the Head man plays a useful part in detection and investigation of crime.

At the end of the year 1958 there were 240 Police Stations in the Island and the strength was 9,064. Financial considerations have slowed down the Department's plans for taking over the unpoliced areas.

Causes of Crime and Preventive Action

Under the Head of Grave Crime are included offences of abduction, arson, burglary, cattle theft, exposure of children, grievous hurt, attempted homicide, hurt by knife, rape, unnatural offence, riot, robbing, theft over Rs. 20, theft of bicycles and receiving of stolen property.

There has been a marked increase of 923 cases as compared with the previous year ; the most significant increases being in respect of riot (500 %), arson (84 %) and homicide (33 %). On the other hand, theft, cycle and cattle thefts have shown a decrease, probably due to the measures adopted during the State of Emergency.

This is chiefly attributable to the communal troubles that flared up during May-June of the year under review. However, the unfortunate burnings and lootings which took place during the height of these disturbances can be considered to be outside the pattern of normal crime.

TABLE 23-1 CRIME STATISTICS 1952-58

Year	Population at mid-year	Total Crime	True	Convic- tions	Percen- tage	Pending	Cases per 100,000 of Population
1952	7,942,000	17,911	11,940	5,135	43.0	3,158	225.3
1953	8,248,000	18,016	11,690	5,152	44.0	3,489	218.4
1954	8,385,000	19,704	13,004	5,701	43.8	3,815	234.99
1955	8,589,000	18,163	12,296	5,431	44.17	3,205	211.47
1956	8,792,000	21,344	14,024	5,295	37.76	4,670	242.76
1957	8,929,000	19,021	12,043	5,282	43.86	4,352	213.0
1958	9,368,000	19,944	12,306	4,936	40.0	5,401	213.43

Rural Development Societies and Rural Patrol Movement

Figures reveal an all-round decrease in the number of Societies, Group Societies, Unions and of Rural Volunteers and Conciliation Boards. This could be attributed to the unsettled conditions prevailing in the country. For similar reasons the Police saddled with a tremendous amount of law enforcement work were unable to devote the customary time and attention in this direction. It is hoped that when conditions revert to normal, full use will once again be made of these efficient auxiliaries for the prevention and detection of crime and vice.

Vehicular Traffic

A total number of 92,976 detections of Traffic offences were made by the Police in 1958. In 24,557 cases, warning tickets were issued to offenders for instruction in lieu of prosecution, the accent being more on correction than punishment. In the remaining 68,419 cases prosecutions were launched under the Penal Code and other laws.

In 1958 there were 16,872 accidents with 8,461 persons seriously injured and 384 killed. The following table shows accident figures over the last ten years.

TABLE 23·2 ROAD ACCIDENTS, 1949-58

Year	Total Number of Motor Vehicles	Total Number of Accidents	No. of Persons seriously injured	No. killed
1949	52,085	9,566	4,104	157
1950	56,646	10,310	4,091	286
1951	64,804	10,722	5,734	286
1952	73,379	11,570	6,474	214
1953	80,201	14,099	7,385	334
1954	83,404	14,172	7,600	300
1955	88,750	14,912	7,930	311
1956	96,033	15,234	8,483	313
1957	104,001	16,093	8,197	364
1958	112,216	16,872	8,461	384

II—PRISONS

The Department of Prisons is responsible for the administration of all Prisons, Fiscal's Lock-ups and Borstal Institutions in the Island. There are 13 Prisons and two training schools in the Island providing accommodation for about 4,500 prisoners. The four largest of these institutions are those at Welikada (Colombo), Mahara, Kandy and Jaffna. Smaller prisons are situated at Galle, Anuradhapura, Badulla, Batticaloa, Matara and Tangalla. There is also an open prison camp at Kundasale near Kandy. In addition there are two separate remand prisons, one in Colombo and the other in Kandy. Each prison has a separate female section entirely in charge of female officers.

All prisoners capable of being trained in industrial work are given training in selected trades. At Welikada, Mahara and Kandy Prisons, there are large scale industrial establishments providing up-to-date training in carpentry, tailoring, laundry, shoe-making, blacksmith and tinsmith work, rattan work, weaving, mat making and printing. In those institutions where land is available for agricultural work, small groups of prisoners are trained in gardening, horticulture and agriculture. The output from prison workshops is mainly supplied to Government Departments and Local Bodies. There are also Satellite farms at Anuradhapura, Batticaloa and Jaffna where prisoners are employed in agricultural work.

The total value of industrial and agricultural operations is as follows :—

Year	Value
1952-53	1,037,744
1953-54	1,198,046
1954-55	1,551,920*
1955-56	1,557,256
1956-57	1,493,777
1957-58	1,604,794

* Revised figure.

Education and Recreation

Besides vocational training, every effort is made to give prisoners who require it some form of basic education. Educational classes are held in all the larger prisons, including evening classes by voluntary workers.

Provision has also been made for moral and spiritual guidance for prisoners of all denominations. The work of spiritual ministration is carried out by ministers of all religions and voluntary workers. At some prisons, attendance at outside churches or temples is allowed to specially selected prisoners on particular occasions. Regular recreation, apart from cinema shows and concerts, has been provided for and is a regular feature of prison routine. Prisoners are also encouraged to take up hobbies in their spare time.

Health

At Welikada Prison there is a centralised well-equipped Prison Hospital with accommodation for 120 beds for general cases and 60 for infectious cases. There is also an operating theatre, and dental and eye clinics are held regularly. There are separate hospitals in each of the other prisons and full-time medical officers are attached to the Institutions at Welikada, Mahara and Kandy.

Young First Offenders

Special mention should be made of the Welikada Prison Rover Troop, which is a unique feature in prison administration. A number of prisoners are selected for training on scout lines from well-behaved, young offenders between the ages of 16 and 21 with long sentences.

A very successful venture, recently introduced in Ceylon, has been the Open Prison Camp established at Kundasale, in the Kandy District. Here about 180 specially selected prisoners, who have served a fair proportion of their sentences in prison, are given a training with an agricultural bias under conditions of trust and freedom.

Borstal Institutions

There are two Borstal Institutions in Ceylon for the training and treatment of offenders between the ages of 16 and 21. The one at Wathupitiwela is of the Open Type and provides accommodation for about 350 inmates. It is run on the lines of a residential school and is divided into a number of "Houses", each house in charge of a House Master and Assistant House Master. In addition to industrial training, provision exists for training in agriculture and animal husbandry. There is also a Scout Troop where training on scout lines is given to selected inmates. The Institution at Negombo is a closed Borstal and accommodates about 300 inmates. Here provision exists for industrial training only. The training at these institutions includes education, indoor and outdoor games, hobbies, camps, hikes, &c.

Statistics

Statistics for the years 1955, 1956, 1957 and 1958 appear in the following table :—

TABLE 23-3 PRISON STATISTICS FROM 1955 TO 1958

	1955	1956	1957	1958
Number of Admissions on convictions—				
Total	9,546	9,102	9,059	7,826
Males	9,353	8,894	8,880	7,672
Females	193	208	179	154
Number of admissions on conviction from Supreme Courts and District Courts	556	532	471	454
Convictions for murder and culpable homicide not amounting to murder	285	261	230	236
Number of persons sentenced to death	98	91	96	117
Number executed	40	7	—	—
Number pardoned	—	—	4	—
Daily average population (convicted and unconvicted)—				
Total	5,166	4,726	4,660	5,829
Males	5,098	4,665	4,603	5,773
Females	68	61	57	56
Number of re-convicted prisoners	3,838	3,698	3,839	3,190
Admissions for non-payment of fines	3,585	3,481	3,772	3,122
Imprisonment for statutory offences	3,684	3,601	3,822	3,309
Admissions—				
(1) Race—				
Europeans	1	4	4	7
Burghers	269	271	275	368
Sinhalese	16,099	17,333	16,936	20,192
Tamils	5,311	5,542	5,998	6,105
Moors	1,763	2,032	2,015	1,723
Malays	165	156	236	85
Others	11	65	20	67
Total	23,619	25,403	25,484	28,547
(2) Religions—				
Christians	1,777	1,919	2,133	2,225
Buddhists	15,264	16,296	15,900	19,115
Hindus	4,606	4,900	5,241	5,357
Muslims	1,903	2,232	2,196	1,757
Others	69	56	14	93
Total	23,619	25,403	25,484	28,547

III—PROBATION AND CHILD CARE SERVICES**Probation**

In keeping with modern trends, Probation is now being increasingly used both as an alternative to imprisonment and as a method of treatment for delinquents in all age groups. During the year more than 3,000 cases of adults, youthful offenders and juveniles were investigated by over 100 Probation Officers scattered throughout the Island. In addition to this, over 2,000 other inquiries connected with the Payment of Fines Ordinance, the Adoption of Children Ordinance, the Orphanages Ordinance and After Care were carried out by Probation Officers. These investigations resulted in 1,500 Probation Orders, 150 Supervision Orders and 250 Certified and Approved School Orders.

Facilities in the 5 Certified Schools at Koggala, Makola, Senapura, Hikkaduwa and Jaffna have been considerably improved during the year and a realistic programme for the education and training of lads committed to these schools is being carried out. The method of self-help and self-reliance is being encouraged and developed to the maximum.

In addition to these training schools, the Government has also established a Receiving Home in Jaffna to cater to the needs of children lost, abandoned or deserted. Plans are afoot to establish 3 more at Colombo, Kandy and Galle in the very near future.

The 80 Children's Home (Orphanages) in the Island were given increased assistance and technical guidance with a view to the maintenance of minimum standards and the provision of better facilities for the healthy growth and development of the 5,000 children in their care. These Homes which are run by Voluntary Social Service Organisations continue to do valuable work in this field in spite of increasing financial difficulties and the lack of sufficient trained personnel.

Research

In order to facilitate the rehabilitation programme, a Research Section has been set up in the Department of Probation and Child Care Services under the direction of the American Research Adviser. The Section is now collecting material for its first pilot project.

A residential Training Course for staff of Child Care Institutions run by Voluntary Social Service Organisations was organised by the Department of Probation and Child Care Services in November. The course consisted of both practical and theoretical work over a period of a week.

Regular courses are now being planned and will be organised from time to time. It is hoped that the serious dearth of trained social workers throughout the country, can to some extent be overcome in this way, and thus make for better child care standards which demand skill in the handling and knowledge of children, in addition to an understanding and appreciation of the broader aspects of social work.

Legislation

A new and comprehensive Children's Charter incorporating modern trends and the basic provisions of the Children and Young Persons Ordinance of 1939, the Orphanages Ordinance of 1941 and the Adoption Ordinance of 1941, has been drafted and is now receiving final touches at the hands of the Legal Draftsmen.

CHAPTER XXIV

CENSUSES AND SURVEYS

I—HOUSEHOLD BUDGET SURVEY

A Household Budget Survey was undertaken by the Department of Census and Statistics in 1958 on behalf of the Committee appointed by the Government to revise the Cost of Living Index. A representative sample of 1,400 working class and middle income group households in the principal urban areas were investigated.

The field work which was spread over three phases was completed in December, 1958, each selected household being visited continuously for a period of one full month by Investigators who were specially appointed for this purpose. A report on the Survey has been published as Sessional Paper XI of 1959—Part 1. A further report giving more detailed statistical data is also being published.

II—EMPLOYMENT, UNEMPLOYMENT AND UNDER EMPLOYMENT SURVEY

The actual dimensions of the problems of unemployment and under employment in the country are not yet known. In order to have precise estimates of both the dimensions and the distribution of these problems among the different geographical regions, sectors of economy and classes of the population the Government launched an all-Island sample survey on employment, unemployment and under employment during the year. In view of the importance of the project, the services of an Expert from the International Labour Organisation to advise and assist the Department were obtained. The Department of Census and Statistics is closely associated with the Department of Labour in carrying out the Survey.

III—SOCIAL SURVEY

A Social Survey was conducted by the Department at the request of the National Committee on Vital and Health Statistics. The purpose of this Survey was to ascertain the existing pattern of food utilization, medical care of children and preferences shown to the sexes in the serving of meals. The survey also seeks to elicit information in an attempt to study the curious phenomena, existing in the country, of a higher female mortality rate.

IV—CENSUS OF AGRICULTURE, 1960

Action was initiated for the conducting of a comprehensive Census of Agriculture to be carried out some time in 1960.

CHAPTER XXIV

CENSUSES AND SURVEYS

I—HOUSEHOLD BUDGET SURVEY

A household budget survey was conducted by the Department of Census and Statistics in 1955 on behalf of the Government. The purpose of the survey was to obtain information on the expenditure of households on various items of consumption. A representative sample of 1,000 households was selected for the survey. The survey was conducted in the form of a questionnaire which was filled in by the head of the household. The results of the survey were published in a report in 1956.

The first work which was done over these plans was completed in December 1955. Each selected household was visited continuously for a period of one full month by investigators who were specially appointed for this purpose. A report on the survey has been published as Statistical Yearbook of 1956-57. A further report on the survey is being prepared and will be published in 1957. The survey was conducted in the form of a questionnaire which was filled in by the head of the household. The results of the survey were published in a report in 1956.

II—EMPLOYMENT, UNEMPLOYMENT AND UNDER-EMPLOYMENT SURVEY

The survey was conducted by the Department of Census and Statistics in 1955. The purpose of the survey was to obtain information on the employment status of the population. A representative sample of 1,000 households was selected for the survey. The survey was conducted in the form of a questionnaire which was filled in by the head of the household. The results of the survey were published in a report in 1956. The survey was conducted in the form of a questionnaire which was filled in by the head of the household. The results of the survey were published in a report in 1956.

III—SOCIAL SURVEY

A social survey was conducted by the Department of Census and Statistics in 1955. The purpose of the survey was to obtain information on the social conditions of the population. A representative sample of 1,000 households was selected for the survey. The survey was conducted in the form of a questionnaire which was filled in by the head of the household. The results of the survey were published in a report in 1956. The survey was conducted in the form of a questionnaire which was filled in by the head of the household. The results of the survey were published in a report in 1956.

IV—CENSUS OF AGRICULTURE, 1956

A census of agriculture was conducted by the Department of Census and Statistics in 1956. The purpose of the census was to obtain information on the agricultural production of the country. A representative sample of 1,000 households was selected for the census. The census was conducted in the form of a questionnaire which was filled in by the head of the household. The results of the census were published in a report in 1957.

INDEX

	PAGE		PAGE
Acreage under Tea ..	39-40	Banking Statistics ..	108-109
Activities of the Department of Mineralogy ..	78	Biochemistry ..	68-69
Activities of the Land Development Department, 1958 ..	192-193	Births and Deaths ..	32-33
Activities of the Ministry of Justice ..	23	Births ..	34
new courts ..	23	Borstal institutions ..	220
Activities of the National Milk Board ..	57	Botany ..	71
Administration of the Town and Country Planning ..	200	Broadcasting services ..	208
Administrative System ..	11-15	Building research ..	201
functions of Ministers and departments of Government ..	12-15	Building construction ..	205
Adult and audio visual education ..	149	Building societies ..	175
Advisory Committees and Councils ..	139	Bulk coconut oil facilities scheme ..	184
Agrarian Services ..	53-55	Cabinet ..	9-10
co-operative agricultural production and sales societies ..	53	Cabinet sub-committee on unemployment ..	138
guaranteed price scheme ..	54	Cacao ..	47
issue of seed paddy free and on loan ..	53	Canadian aid for rural roads ..	170
minor irrigation works ..	53	Capital expenditure ..	119
salvinia control ..	53	Census and Surveys ..	223
subsidy for construction of wells ..	55	census of agriculture, 1960 ..	223
Agriculture ..	39-57	employment, unemployment, and under employment survey ..	223
agrarian services ..	53-55	household budget survey ..	223
animal production and health division ..	55-57	social survey ..	223
coconut cultivation ..	46-47	Central Bank and its functions ..	104-107
general ..	39	interest rates ..	105-107
other commercial crops ..	47-49	Cesses ..	126
paddy and other food crops ..	49-52	Ceylon and the I. L. O. ..	146
rubber cultivation ..	42-46	Ceylon's Representation abroad ..	18
tea cultivation ..	39-42	Ceylon State Mortgage Bank ..	110-111
Agricultural and Industrial Credit Corporation of Ceylon ..	111-112	Ceylon Technical College department ..	152
Agricultural research ..	68-73	Chemistry ..	72
Air Mail Services ..	185	Citronella ..	48
Air Transport Services ..	184	Civil Aviation ..	184
Alienation of crown land ..	188-189	aerodromes ..	184
Ambulance service ..	154	air transport services ..	184
Animal Husbandry ..	56	flying training ..	184
Archaeology ..	212-213	international relations ..	184
Arrack Manufacture ..	63	Climate and Meteorology ..	4-7
Army ..	23-24	climate ..	4
Assistance to peasant allottees ..	191	diurnal variation ..	5
Backward Community development ..	170	hail ..	6
Balance of payments ..	117-118	highest temperatures ..	5
Bank clearings ..	110	humidity ..	5
Basket ware and needle work ..	66	inter-monsoon periods ..	6
		meteorology ..	6-7
		north-east monsoon ..	6
		rainfall ..	5
		seasonal variation ..	5
		south-west monsoon ..	5
		temperature ..	5

	PAGE		PAGE
Coal imports and bunkers ..	183	judicial system of Ceylon ..	22-23
Coconut cultivation ..	46-47	local government ..	15-18
acrage ..	46	parliamentary elections ..	11
coconut fertilizer subsidy scheme ..	47	Construction and maintenance of	
coconut rehabilitation scheme ..	46	bridges ..	181
cultivation and manuring ..	46	Construction of Roads under the	
replanting with high-yielding		Canadian grant ..	181
seedlings ..	46-47	Consular corps ..	21
Coconut Industries ..	61-63	Co-operative agricultural production	
arrack manufacture ..	63	and sales society ..	53
coconut oil ..	61-62	Co-operative movement ..	170-174
coconut shell charcoal ..	62	Co-ordinated road motor service ..	178
copra ..	61	Control, import and export ..	100-101
desiccated coconut ..	61	Copra ..	61
fibre ..	62	Cost of living ..	141-142
malt liquor ..	63	Cost of Living Allowances ..	145-146
poonac ..	62	Cottage Industries ..	63-67
toddy ..	62-63	bamboo and rattan ..	65
vinegar manufacture ..	63	basket ware and needlework ..	66
Coconut desiccated ..	61	coir ..	64
Coconut fertilizer subsidy scheme ..	47	co-operative textile societies ..	64
Coconut oil ..	61-62	co-operative development and	
Coconut Research Institute ..	73	financial assistance ..	67
Coconut Shell Charcoal ..	62	dolls and toys ..	66
College of Indigenous Medicine ..	164	exhibitions ..	67
Colombo Water supply ..	203	gold and silver ..	65
Commercial activities ..	85	government purchase reference ..	66
beche-de-mer industry ..	85	hand loom weaving ..	64
chank fishing ..	85	marketing ..	66
ice plants ..	85	onion kudoo ..	65
trawler fishing ..	85	sales shops ..	66
Commercial Banks ..	107-112	sized yarn weaving ..	64
agricultural and industrial credit		smithy and brass ..	65
corporation of Ceylon ..	111-112	sugar manufacture ..	65
bank clearings ..	110	textile (power loom project, Kandy)	63-64
banking statistics ..	108-109	woodwork ..	65
Ceylon state mortgage bank ..	110-111	Cotton ..	48
Commercial crops—other ..	47-49	Creches ..	167
cacao ..	47	Crops, paddy and other ..	49-52
citronella ..	48	Crops, highland ..	49-52
curing ..	48	Crown land, alienation of ..	188-189
harvesting ..	48	Cultivation, coconut ..	46-47
manuring ..	47	Cultivation, rubber ..	42-46
pests and diseases ..	48	Cultivation, tea ..	39-42
pruning ..	48	Cultural activities ..	214-217
soil and climate ..	47	arts and crafts ..	216-217
tobacco ..	49	literary activities ..	215-216
yields ..	48	religious activities ..	214-215
Commissioner of Local Government	18	Currency notes and coins ..	112-115
Constitution and Government ..	8-24	Curing ..	48
administrative system ..	11-15	Defence ..	23-24
defence ..	23-24	army ..	23-24
diplomatic service ..	18-21	royal Ceylon air force ..	24
government of Ceylon ..	8-10	royal Ceylon navy ..	24

	PAGE		PAGE
Defence and External Affairs,		Emigration ..	37
Ministry of ..	12	Employees of local authorities ..	17
Desiccated coconut ..	61	Employment Service ..	136-139
Development Finance Corporation	104	advisory committees and councils	139
Diplomatic Service ..	18-21	cabinet sub-committee on un-	
Ceylon's representation abroad ..	18	employment ..	138
Ceylon representation abroad ..	19-20	Ceylonisation ..	139
consular corps ..	21	co-operative labour societies ..	138
external affairs ..	18	employment exchange service ..	136-137
foreign representatives in Ceylon	20-21	employment information pro-	
other representation ..	21	gramme ..	139
Direction of Trade ..	96-100	training schemes ..	137-138
Diseases—Special ..	161-163	unemployment relief schemes ..	137
filariasis ..	162	Employment information programme	139
leprosy ..	163	Employment of women, young	
malaria ..	161	persons and children act no. 47	
tuberculosis ..	161-162	of 1956 ..	132
venereal diseases ..	162-163	Entomology ..	69
Distribution of population ..	25-26	Environmental sanitation ..	158
Distribution by age groups ..	30-31	Estate duty ..	127
District administration ..	15	Excess profits duty ..	127
commissioner of local government	18	Expenditure on health services ..	153-154
local government ..	15-18	Export control policy ..	101
Diurnal variation ..	5	Export duties ..	125-126
Duty, Estate ..	127	Export of Planting Material ..	41
Education ..	147-152	External affairs ..	18
adult and audio-visual education	149	External assets ..	116-117
english as a second language ..	147	Fees for valuations ..	197
general progress ..	150-151	Fibre ..	62
handicrafts ..	148	Filariasis ..	162
health education ..	147-148	Finance, Ministry of ..	12
physical education ..	148	Finance of local authorities ..	17
religious instructions ..	147	Finances (railways) ..	176-177
science ..	148	Fine Arts ..	213-214
swabasha programme ..	147-151	fine arts ..	214
training of teachers ..	149	folk arts ..	213-214
university, legal and technical		government college of fine arts ..	214
education ..	151-152	Fiscal and Monetary Measures ..	116-119
visual aids ..	149-150	balance of payments ..	117-118
Education and recreation (Prisons)	220	budget, 1958-59 ..	116
Education, Ministry of ..	14	capital expenditure ..	119
Elector's qualification of ..	11	external assets ..	116-117
Electricity ..	202-203	new taxation proposals ..	116
commercial operation ..	202	Fisheries ..	84-89
finance ..	203	cold storage plant ..	84
generating stations ..	202	commercial activities ..	85
hydro-electric scheme, stage IIB—		exploratory fishing and fishermen's	
thermal ..	202	training ..	84
7 virgins scheme ..	202	fisheries development ..	84-85
Electricity, Water Services and Public		socio-economic activities ..	86-89
Works ..	202-206	Floating debt ..	123
electricity ..	202-203	Food and drugs control ..	159
public works ..	205-206	Food subsidy temporary tax ..	127
water service ..	203-205	Foreign Representatives in Ceylon .	20-21

	PAGE		PAGE
Foreign trade	90-103	Geology	7
Ceylonisation of trade ..	101	structure	7
direction of trade ..	96-100	Government Accounts, 1957-58 ..	119-122
export control policy ..	101	Government Industrial Undertakings ..	58-59
general review	90-100	Government of Ceylon	8-10
import and export control ..	100-101	cabinet	9-10
import control policy ..	100-101	law of the constitution	8
imports	94-96	parliament of Ceylon	8-9
rubber	102	Grants to free Ayurvedic Dispen-	
share market review ..	102-103	saries	164
tea	102	Graphite	75
tea-cum-rubber	102-103	Growth of Population	31-33
terms of trade	92-93	births and deaths	32-33
Forests	80-81	Guaranteed Price Scheme	54
forest policy and management ..	80	Hail	6
protection	81	Harvesting	48
research and education	81	Health Education and publicity ..	160-161
utilisation	80	Health, Ministry of	15
Forests and Wild Life Protection ..	80-83	Health (Prisons)	220
botanic gardens	81	Highest temperatures	5
forests	80-81	Highland crops	49-52
wild life protection	82-83	Historical sketch	1-2
Fresh Water (shipping) supply ..	177	Home Affairs, Ministry of	13
Function of Ministers and Depart-		Homes for the aged	167
ments of Government	12-15	House of Representatives	9-10
agriculture and food	14	Housing, National	174-175
commerce and trade	14	Housing Schemes for shanty dwellers ..	201
defence and external affairs ..	12	Humidity	5
education	14	Hydro-electric scheme, stage II B—	
finance	12	thermal	202
health	15	I. L. O. Ceylon and the	146
home affairs	13	Import and Export control	100-101
industries and fisheries	15	export control policy	101
justice	13	import control policy	100-101
labour, housing and social services ..	14	Import duties	126
lands and land development ..	15	Income Tax	126-127
local government and cultural ..	13	Indigenous Medicine	164-165
affairs	13	college of indigenous medicine ..	164
nationalised services and shipping ..	15	extensions to the hospital	165
posts, broadcasting and informa-		grants to free ayurvedic dispen-	
tion	13-14	saries	164
transport and works	14	pharmacopoeia of indigenous ..	
Function and powers of local ..	17	medicine	165
authorities	17	pharmacy	164
Funded debt	122	registration of practitioners of ..	
Gardens botanic	81	indigenous medicine	165
Geographical Features	3-7	Indian Immigrant Estate Labour ..	38
climate and meteorology	4-7	Industries, Cottage	63-67
general	3	Industrial relations	133
relief of the land	3-4	Industrial Relations and Trade ..	
General (agricultural research) ..	68	Unions	133-136
General progress	150-151	industrial relations	133
General publicity	210-211	legal aid to trade unions	133-135

	PAGE		PAGE
recognition of trade unions ..	133	wages boards and other ordinances ..	131-132
trade unions ..	135-136	wages boards ..	131-132
Industrial Research ..	73-74	Labour, housing and social services, Ministry of ..	14
Industry ..	58-67	Lands and land development, Ministry of ..	15
coconut industries ..	61-63	Land development ..	188-201
cottage industries ..	63-67	irrigation ..	193-195
industrial undertakings, government ..	58-59	land registration and valuation ..	195-197
public and private sector ..	59-61	land surveys ..	197-200
Infant deaths ..	34	progress of land development ..	188-193
Information Department ..	207-208	town and country planning ..	200-201
Inland navigation, maintenance of ..	182	Land Development, progress of ..	188-193
Inter-monsoon period ..	6	activities of the land development department, 1958 ..	192-193
Inter National relations (civil aviation) ..	184	acquisition of land for village expansion ..	191-192
International Finance Corporation ..	104	alienation of crown land ..	188-189
International Labour Organisation (Ceylon and the) ..	146	assistance to peasant allottees ..	191
Irrigation ..	193-195	settlement in colonization scheme ..	189-190
construction of new irrigation works ..	194	special acts ..	192
flood, damage, repair works ..	194	land settlement ..	192
gal oya valley scheme ..	194-195	Land Registration ..	195-196
irrigation development ..	194	Land registration and valuation ..	195-197
major development projects ..	194	fees for valuations ..	197
minor or village works ..	194	land registration ..	195-196
planning for progress ..	194	land valuation ..	196-197
Issue of seed paddy free and on loan ..	53	Land, relief of the ..	3-4
Judicial system of Ceylon ..	22-23	Land settlement ..	192
activities of the Ministry of Justice ..	23	Land Surveys ..	197-200
courts of requests ..	22	air surveys ..	198-199
district courts ..	22	block, topo and demarcation surveys ..	198
judicial service commission ..	22-23	engineering surveys ..	198
magistrate's courts ..	22	land development surveys ..	199
new courts ..	23	levelling ..	198
rural courts ..	22	map publication ..	199-200
supreme court ..	22	topographical surveys ..	198
Kalatuwawa Water Supply Scheme ..	203	town surveys ..	199
Kandy water supply ..	205	triangulation ..	198
Laboratory services ..	156-157	Land valuation ..	196-197
medical research institute ..	157	Law College ..	152
Labour advisory council ..	133	Law of the constitution ..	8
Labour and employment ..	131-146	Legislation (Social Services) ..	169
Ceylon and I. L. O. ..	146	Legislation (Justice) ..	23
employment service ..	136-139	Leprosy ..	163
general ..	146	Limestone ..	77
industrial relations ..	133	Liquid fuel imports and bunkers ..	183
occupational health ..	140	Literacy ..	31
safety and welfare in factories ..	139-140	Local consumption of rubber ..	44
industrial relations and trade unions ..	133-136	Local Government ..	15-18
parliamentary advisory committee ..	146	modern local authorities ..	16
wages and cost of living ..	141-146	urban councils ..	16-17
		Local Government and cultural affairs, Ministry of ..	13

	PAGE		PAGE
Local Government, Commissioner of	18	insurance	115
Medical buildings	153	international finance corporation ..	104
Malaria	161	money supply	112-115
Malt liquor	63	Monsoon, north-east	6
Manuring	47	Monsoon, south-east	5
Map publication	199-200	Motor transport	179
Marketing—cottage industries	66	Motor vehicles, registration of	179
Marriages	33	Museums, Archaeology and Fine Arts	212-217
Maternal deaths	34	archaeology	212-213
Maternity and child health	158	cultural activities	214-217
Maternity benefits ordinance	132	fine arts	213-214
Medical care	154-156	national museums	212
Colombo group of hospitals	155	National Housing	174-175
mental care	156	acquisition of lands	175
special institutions	155	building societies	175
Meteorology	6-7	flats and houses on rent	175
Mica	76	loans to individuals for the construction of houses	174-175
Migration	35-38	national housing advisory board ..	175
Ceylon passports	36	rent purchase schemes	175
emigration	37	National Museums	212
Indian immigrant estate labour	38	National Savings Movement	128-130
new immigrants	38	Nematology	70
residence visas	37	New Immigrants	38
visit visas	37	New Industries	59
Mineral resources	75-79	Nurseries (rubber)	44-45
Minerals	75-78	Occupational health	140
clay investigations	76	Oidium	45
geological surveys	75	Oil coconut	61-62
graphite	75	Ordinance, maternity benefits	132
kaolin	77	Organisation, (railway)	176
limestone	77	Other commercial crops	47-49
mica	76	Other representation	21
mineral exploration project	77	Overseas telecommunication	187
monazite	76	Paddy and other food crops	49-52
muthurajawela peat deposit	77	highland crops	49-52
precious and semi-precious stones ..	76	rice	49
pulmoddai beach sand deposit	76	Parliamentary Elections	11
quartz, sands	77	Parliament of Ceylon	8-9
second cement factory investigations ..	78	Passenger traffic	182
Mineral Resources	75-79	Passports (Ceylon)	36
activities of the department of Mineralogy	78	Peasant allottees, assistance to	191
minerals	75-78	Pests and diseases	48
salt industry	78-79	Pharmacopoeia of Indigenous Medicine	165
Minor irrigation works	53	Pharmacy (Indigenous medicine)	164
Money orders	185	Photo-telegrams	187
Money Banking and Insurance	104-115	Plant pathology	69
central bank and its functions	104-107	Plant physiology	70
commercial banks	107-112	Police and Prisons	218-222
currency notes and coins	112-115	causes of crime and preventive action	218
development finance corporations ..	104		
general	104		

	PAGE		PAGE
police system and crime statistics	218-219	Pruning	48
prisons	219-221	Public and Private Sector ..	59-61
probation and child care services	221-222	Public assistance	166-167
rural development societies and		Public Debt	122-123
rural patrol movement ..	218	floating debt	123
vehicular traffic	219	funded debt	122
Population and vital statistics ..	25-38	Public Finance and Taxation ..	116-130
distribution by age groups ..	30-31	fiscal and monetary measures ..	116-119
distribution of population ..	25-26	government's accounts, 1957-58	119-122
growth of population	31-33	National savings movement ..	128-130
literacy	31	public debt	122-123
migration	35-38	public finance	119-122
population census, 1953 ..	25-31	taxation and yields	123-128
race	27-29	Public Health	153-165
religion	29-30	ambulance service	154
urban population	26-27	expenditure on health services ..	153-154
vital statistics of Ceylon, 1958	33-34	general	153-154
Poonac	62	incidence of infectious diseases ..	153
Port railway	182	indigenous medicine	164-165
Postal and Telecommunication		laboratory services	156-157
Services	185-187	medical buildings	153
air mail services	185	medical care	154-156
Ceylon postal orders	185	public health services	157-161
money orders	185	quarantine and international	
overseas telecommunications	187	health	163-164
photo-telegrams	187	special diseases	161-163
post office savings bank ..	186	Public Health Services	157-161
savings certificates	186	colonization schemes	160
telecommunication	186	control of food	159-160
telegrams in the national languages	186	environmental sanitation	158
telegrams to foreign and common-		estate health work	160
wealth countries	187	food and drugs control	159
telegraph service	186	health centres and clinics	158-159
Post Office savings bank	186	health education and publicity ..	160-161
Poultry	55-56	maternity and child health	158
Press, Information and Publicity ..	207-211	rabies control	160
broadcasting services	208	school health services	159
department of information ..	207-208	Publicity general	210-211
government tourist bureau ..	208-209	Public Works	205-206
tea propaganda board	210-211	building construction	205
the press	208	castle street maternity hospital,	
Prisons	219-221	Colombo	206
borstal institutions	220	children's hospital, Colombo ..	206
education and recreation	220	Colombo north hospital, Ragama	205
health	220	Colombo south hospital, Kalu-	
statistics	221	bowila	205
young first offenders	220	hospital of indigenous medicine,	
Probation and Child Care Services ..	221-222	Colombo	205
legislation	222	institute of practical technology,	
probation	221-222	Katubedda	206
research	222	proposed administration block	
Production of rubber	43-44	for the Government factory at	
Production (tea)	40-41	Kolonnawa	206
Profit tax	127		

	PAGE		PAGE
Quarantine and international health	163-164	international convention relating	
international assistance and		to motor traffic ..	180
co-operation ..	164	maintenance of inland navigation	182
Quartz sands ..	77	maintenance of roads ..	180
Qualifications of electors (Parliamentary) ..	11	motor transport ..	179
Qualifications of voters (Local Authorities) ..	11	nationalisation of omnibus transport ..	179
Race ..	27-29	registration of motor vehicles ..	179
Railways ..	176-178	road haulage ..	180
co-ordinated road motor service	178	tramways and trolleybus services	182
finance ..	176-177	Royal Ceylon Air Force ..	24
organisation ..	176	Royal Ceylon Navy ..	24
railway workshops ..	178	Rubber cultivation ..	42-46
train service ..	177	exports ..	44
Rainfall ..	5	fragmentation of estates ..	45-46
Registration and valuation land ..	195-197	local consumption of rubber ..	44
fees for valuation ..	197	nurseries ..	44-45
land registration ..	195-196	oidium ..	45
land valuation ..	196-197	production of rubber ..	43-44
Registration of motor vehicles ..	179	replanting ..	44
Registration of practitioners of		rubber new planting ..	44
indigenous medicine ..	165	rubber study group ..	46
Relief, casual ..	167	Rubber research institute of Ceylon	71
Relief of distress ..	167	Rubber, share market review ..	102
Relief of the land ..	3-4	Rural Development ..	169-170
rivers and water ways ..	4	association with international	
Religion ..	29-30	organisations ..	170
Replanting rubber ..	44	backward community development	170
Representation abroad, Ceylon's ..	18	Canadian aid for rural roads ..	170
Representation, other ..	21	public utility works ..	169-170
Research activities ..	67	training ..	170
Research—		women's welfare activities ..	170
agricultural ..	68-73	Safety and Welfare in Factories ..	139-140
building ..	201	Salt Industry ..	78-79
industrial ..	73-74	Sands, quartz ..	77
scientific ..	68-74	Savings Movement, National ..	128-130
Residence visas ..	37	Scientific Research ..	68-74
Rice ..	49	agricultural research ..	66-73
Rivers and water ways ..	4	industrial research ..	73-74
Road haulage ..	180	Seasonal variation ..	5
Roads, Road Transport and Canals	179-182	Services of Local Authorities ..	17
approach road to ilmenite factory		Settlement in colonization schemes ..	189-190
at Pulmoddai ..	181	Share Market Review ..	102-103
construction of Aluthnuwara-		rubber ..	102
Padiyatalawa road ..	181	tea ..	102
construction and maintenance of		tea-cum-rubber ..	102
bridges ..	181	Shipping ..	182-184
construction of roads under the		bulk coconut oil facilities scheme	184
Canadian grant ..	181	coal imports and bunkers ..	183
development of trunk roads ..	181	fresh water supplies ..	184
drivers, conductors and ticket		imports and exports ..	182
inspectors ..	179	landing and shipping ..	183
		liquid fuel imports and bunkers ..	183
		merchant vessels ..	183

	PAGE		PAGE
passenger traffic ..	182	Statistics—	
port railway ..	182	banking ..	108-109
Shop and office employees act ..	132	crime ..	218
Slum clearance schemes ..	200-201	prisons ..	221
Small holdings ..	72-73	trade, foreign ..	90
Social Services, Rural Welfare and		strikes ..	135
National Housing ..	166-175	vital statistics, 1958 ..	33-34
co-operative movement ..	170-174	Structure (Geology) ..	7
national housing ..	174-175	Surveys, land ..	197-200
rural development ..	169-170	Taxation and yields ..	123-128
Social Services ..	166-169	approved projects ..	128
assistance to tuberculosis patients ..	167	cesses ..	126
casual relief ..	167	estate duty ..	127
creches ..	168	excess profits duty ..	127
homes for the aged ..	167-168	export duties ..	125-126
legislation ..	169	food subsidy temporary tax ..	127
problem of vagrancy ..	168-169	import duties ..	126
public assistance ..	166-167	income tax ..	126-127
relief of distress ..	167	profit tax ..	127
services to physically handicapped ..	168	stamps ..	127
voluntary agencies ..	167	taxpayers' lists ..	128
workmen's compensation ..	169	Tax Income ..	126-127
Socio-Economic Activities ..	86-89	Tea for visitors to Ceylon ..	126-127
beaching grounds ..	86	Tea cultivation ..	39-40
coastal navigation ..	86	acreage under tea ..	39-40
crown timber ..	86	analytical control of tea ..	41
dynamiting of fish ..	88	export of planting material ..	41
fishermen's accident compensation		legislation ..	42
scheme ..	86	new planting ..	41
fishermen's co-operative societies ..	87	nurseries ..	41
fishery harbours ..	87	tea price—support scheme ..	42
fishery statistics ..	88-89	tea replanting and rehabilitation	
fishing disputes ..	88	scheme ..	41
fish kraals ..	88	Tea services in school ..	210
housing ..	86	Tea-cum-rubber, share market review ..	102
registration of fishing craft ..	88	Tea propaganda board ..	210-211
relief to fishermen ..	86	advisory service ..	210
scheme of individual loans for		general publicity ..	210-211
purchase of mechanised boats ..	87	participation in overseas trade fairs ..	211
scheme of loans to individual		publication ..	211
fishermen ..	87	tea and tourism ..	211
Soils ..	72	tea caravan service ..	210
Soil and climate ..	47	tea for visitors of Ceylon ..	211
Special diseases ..	161-163	tea gifts ..	211
filariasis ..	162	tea services in school ..	210
leprosy ..	163	training colleges ..	211
malaria ..	161	Tea Research Institute ..	68
tuberculosis ..	161-163	Tea, Share Market Review ..	102
venereal diseases ..	162-163	Technical College Department, Ceylon ..	152
Stamps ..	127	Technology ..	69
State Co-operation ..	57	Telecommunication ..	186
State Mortgage Bank, Ceylon ..	110-111	Telecommunications overseas ..	187
St. Coombs Estate ..	70	Telegrams to foreign and common-	
		wealth countries ..	187

	PAGE		PAGE
Telegrams in the national languages	186	law college ..	152
Telegrams photo ..	187	university of Ceylon ..	151-152
Telegraph service ..	186	Urban Councils ..	16-17
Temperature ..	5	Urban population ..	26-27
Textile (power loom project, Kandy)	63-64	Utilization, forests..	80
Tobacco ..	49	Vegetative propagation ..	70
Toddy ..	62-63	Venereal diseases ..	162-163
Topographical surveys	198	Veterinary Research ..	57
Tourist Bureau (Government) ..	208-209	Veterinary Hospitals and Dispensaries	57
campaign in west Germany ..	209	Vinegar manufacture ..	63
development measures ..	209	Visit visas ..	37
publicity ..	209	Vital Statistics of Ceylon, 1958 ..	33-34
tour booking arrangements ..	209	births ..	34
tourist development board ..	209	deaths ..	34
tourist statistics ..	209	infant deaths ..	34
tourist traffic trends and income	208-209	marriages ..	33
Town and Country Planning ..	200-201	maternal deaths ..	34
administration of the town and		population ..	33
country planning ordinance ..	200	Voluntary agencies ..	167
building research ..	201	Wages and Cost of Living ..	141-146
development of the new town of		Wages ..	142-145
Anuradhapura ..	201	Wages Boards and other Ordinances	131-132
housing scheme for shanty dwellers	201	employees holiday bill ..	132
other services ..	201	employment of women, young per-	
slum clearance schemes ..	200-201	sons and children act No. 47 of 1956	132
technical assistance for the planned		maternity benefits ordinance ..	132
development, &c. ..	200	shop and office employees act ..	132
Trade Unions and Industrial		wages boards ..	131-132
Relations ..	133-136	Water Service ..	203-205
industrial relations ..	133	Colombo water supply ..	203
legal aid to trade unions ..	133-135	Kalatuwawa pipe line and services	
recognition of trade unions ..	133	reservoir at Dehiwala ..	204
trade unions ..	135-136	Kalatuwawa water supply scheme	203
Training schemes ..	137-138	Kandy water supply ..	204
Train service ..	177	Matara water supply ..	204-205
Tramways and trolley bus service ..	182	Negombo water supply ..	205
Transport and Communications ..	176-187	towns south of Colombo water	
civil aviation ..	184	supply scheme ..	204
postal and telecommunication		Water-ways, rivers and ..	4
services ..	185-187	Wild life protection ..	82-83
railways ..	176-178	game licences ..	83
roads, road transport and canals ..	179-182	national parks ..	82
shipping ..	182-184	national reserves ..	82
Transport and Works, Ministry of	14	protected plants and animals ..	82
Transport, Motor ..	179	sanctuaries ..	82
Triangulation ..	198	special protection for the elephant	83
Tuberculosis ..	161-162	surveys ..	83
Unemployment Relief Schemes ..	137	Workmen's compensation ..	169
Unions, trade ..	135-136	Women's welfare activities ..	170
University of Ceylon ..	151-152	Working of the Food Production	
Education ..	151-152	(estate) act ..	55
bursaries and scholarships ..	152	Young first offenders ..	220
Ceylon technical college department	152	Yields ..	48

