

# පාර්ලිමේන්තු විවාද

(හැන්සාඩ්)

නියෝජන මන්නී මණඩලයේ

නිල වාතීාව

අන්තගීත පුධාන කරුණු

නිවේදනය : සෙනෙව් මන් නී මණ් බලයේ පුරප් පාඩුව [නී. 2] පළමුවන වර කියවන ලද පනත් කෙටුම්පත් : [නී. 5] සත්ව (සංශේඛන) පනත් කෙටුම්පත

විසර්ජන පනත් කෙටුම්පන, 1967-68 [නී. 5] දෙවන වර කියවීම—විවාදය කල් තබන ලදී.

## பாராளுமன்ற விவாதங்கள்

(ஹன்சாட்)

## பிரதிநிதிகள் சபை

அதிகார அறிக்கை

பிரதான உள்ளடக்கம்

அறிவிப்பு : மூதவையில் வெற்றிடம் [u. 2] விலங்குகள் (திருத்த) மசோதா [u. 5] :

முதன்முறை மதிப்பிடப்பெற்றது.

ஒதுக்கீட்டு மசோதா, 1967-68 [u. 5] :

இரண்டாம் மதிப்பு விவாதம் ஒத்திவைக்கப்பட்டது.

Volume 73 No. 1 Tuesday 25th July 1967

## PARLIAMENTARY DEBATES

(HANSARD)

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# පාර්ලිමේන්තු විවාද

(හැන්සාඩ්)

73 වන කාණඩය

# තියෝජිත මන්තී මණඩලයේ තිල වාතීාව

ලඩකාවේ හයවන පාර්ලිමේන්තුවේ තෙවන වාරය නෛකශීන් විරාජමාන දෙවන එලිසබෙත් රාඥියගේ 16 වන රාජා වෂීය

පාර්ලිමේන්තු වාරය 1967-68

1967

ලංකාණඩුවේ මුදුණාලයේ මුදුාපිතයි

## ලංකාණසුව

## අගුණ්ඩුකාරතුමා

විලියම් ගොපල්ලව, එම්.බී.ඊ., උතුමාණන්වහන්සේ

[ශරු ඩඩ්ලි පෙල්ටන් සේනානායක මහතා විසින් 1965 මාර්තු මාසයේදී පිහිටුවන ලද]

## ඇමති මණ්ඩලය

අගුාමාතා, ආරක්ෂක හා විදේශ කටයුතු පිළිබඳ ඇවත. කුම සම්පාදක හා ආර්ථික කටයුතු පිළිබඳ ඇමති සහ පුවෘත්ති හා ගුවත් විදුලි ඇමති	පාර්ලිමේන් තු මන් තුී ගරු ඩඩ්ලි <b>පෙල්</b> ව <b>න්</b> සේ නානායක
රාජා කටයුතු පිළිබඳ ඇමති සහ අගුමාතා තුමා ගේත් ආරක් ෂක හා විදේ ශ කටියුතු පිළිබඳ ඇමති ගේ ත් පාර්ලිමේ ත් තු ලේ කම් සහ ආණඩු පක්ෂයේ පුධා ත සංවිධායක	පාර්ලිමේන්තු මන්තීු ශරු ජූතියස් රිචඩ් ජය <b>වර්ධන</b>
කෘෂිකඵල හා ආහාර ඇමති	පාර්ලිඡේ න් තු මන් තුී ශරු මොහොට්ටා <b>ල් ලශේ</b> බංශිරි ඛණ් ඩා
රජයේ වැඩ, තැපැල් හා විදුලි සත්දේශ ඇමති	පාර්ලිමේන්තු මන්තී ශරා වෝල්ටර් ජනයෝf්පි මොහ්ටේගු ජයවිතුම
සෞඛා අමති	පෘථලි ෙ චිත්තු මත්තී ගරු මහ බාල <b>ෙග් දොන්</b> හෙන් රි ජයවර්ධන
ඉඩම්, වාරිෂාර්ග හා විදුලිබල ඇමති හා සභානායක	පාර්ලිමේන්තු මන්තී ගරු චාර්ල්ස් පර්සිවල් ද සිල් වා
ස් වෙදේ ශ කටයුතු පීළිබඳ ඇමති	පාර්ලිමේන්තු මන්තී ශරු ආචාර්ය විස්යානන්ද දහනායක
කර්මාන්ත හා ධීවර කටයුතු පිළිබඳ ඇමති	පෘර්ලිමේන්තු මන්තී ශරු දොන් පිලිප් රූපසිංහ ගුණවර්ධන
වාණිජ හා වෙළඳ ඇමති	සෙනෙට මන් තුී ශරු වෛදාහචාර්ය මහපිටියශේ වේලින් පිටර් ජරිස්, ඕ.බී.ඊ.
මුදල් ඇමති	පාර්ලිමේන්තු මන්තී <b>ශරු උක්කු බණ්ඩා</b> වන්නිනායක
අධාාපත හා සංස්කෘතික කටයුතු පිළිබඳ ඇමති	පාර්ලිමේන්තු මන්තී ගරු ඉමිය මුදියන් සෙලාශේ රපියල් අභයවන්ස ඊරියගොල්ල
සමාජ සේවා ඇමති	පාර්ලිමේන්තු මන්තී ගරු නුවරපක්ෂ හේ වය <b>ලාශේ</b> අශෝක මහානාම කරුණාරත්න
අධිකරණ ඇමති	සෙනෙට් මන් තී ගරු ඇලෙක් සන් ඩර් fe යාර්ලි මිජේමාන් න
පුවාහන ඇමනි	පාර්ලිමේන්තු මන්තීු ශරු එඞ්වින් ලොකු බණ්ඩාර හුරුල් ලේ
ජනසතු සේවා ඇමති	පාර්ලිමේන්තු මන්තී ශරු විතාන ආරච්චිශේ සුගයා දාස, එම්.බී.ඊ.
පළාත් පාලන ඇමති	සෙනෙට් මන් නී ශරු මුරුශ් සෙන් තිරුචෙල් ව <b>ී</b> , රාජනී හිඥ
කමිකරු, රාකීරක් ෂා හා නිවාස ඇමති Digitized by Noolah noolaham.org   aav	පාර්ලි ලින්තු මන්තී <b>ශරු මොනමඩ් හනිfපා</b> am Fe <b>නාශ්</b> ලිකා anaham.org

## පාර්ලිමේන්තු ලේකම්වරු

රාජා කටයුතු පිළිබද ඇමතිගේ පාර්ලිමේන්තු ලේ කම

කෘෂිකම් හා ආහාර ඇමතිගේ පාර්ලිමේන්තු ලේකම්

රජයෝ වැඩ, තැපැල් හා විදුලි සන් දේශ ඇමති<mark>ගේ</mark> පාර්ලිමේන්තු ලේකම්

සෞඛා ඇමනිගේ පාර්ලිමේන්තු ලේ කම් ...

ඉඩම්, වාරිමාශී හා විදුලිබල ඇමතිගේ පාර්ලිමේන්තු ලේ කම්

කම්කරු, රැකීරක් ෂා හා නිවාස ඇමනිගේ පාර්ලි මේන් තු ලේ කම්

කාර්මාන්ත හා ධීවර කටයුතු පිළිබඳ ඇම**තිගේ** පාර්ලිමේන්තු ලේකම්

වාණිජ හා වෙළඳ ඇමතිගේ පාර්ලිමේන්තු ලේ කම්

මුදල් ඇමතිගේ පාර්ලිමේන්තු ලේ කම්

අධාශපන හා සංස් කෘතික කටයුතු පිළිබඳ ඇමතිගේ පාර්ලිමේන්තු ලේ කම්

සමාජසෝවා ඇමතිගේ පාර්ලිමේන්තු ලේ කම් ..

අධිකරණ ඇමතිගේ පාර්ලිමේන් තු ලේ කම්

පුවාහණ ඇමතිගේ පාර්ලිමේන්තු ලේකම් ..

පළාත් පාලන ඇමතිගේත් පුවෘත්ති හා ශුවන් විදුලි ඇමතිගේත් පාර්ලිමේන්තු ලේකම්

සවදේ ශ කටයුතු පිළිබඳ ඇමතිගේ පාර්ලිමේන් තු ලේ කම්

ජනසතු සේවා ඇමතිගේ පාර්ලිමේන්තු ලේ කම්...

පාර්ලිමේන්තු මන්තී දොන් පිටර් අතපන්තු මයා.

පාර්ලිමේන්තු මන්තී පුේමචන්දු ඉඹුලාන මයා.

පාර්ලිමේන් තු මන් තුී තෝ නහන් දි විජයපාල මෙන් ඩිස් මයා.

පාර්ලිමේන් තු මන් තුීනී අයිරින් විමලා කන්නන්ශර මිය., එම්. බී. ඊ.

පාර්ලිමේන් තු මන් තුී සිරිල් පින් තු ජයනිල**ක** සෙනෙවරන් න මසා.

පාර්ලිමේන්තු මන්තී ස්ටීවන් ද සිල්වා ජයසිංහ මයා., ඕ.බී.ඊ.

පාර්ලිමේන් තු මන් තුී **ඩොනල් ඩි පෙල්ටන්** ජයසිං**හ** මයා.

පාර්ලිමේන්තු මන්තී සයිමන් ඇන්ඩෘ පිරිස් මයා., මා.බී.ඊ.

පාර්ලිමේන්තු මන්තී නන්එදිරි විමලසේන මයා.

පාර්ලිමේන්තු මන්තුී ශාමනී නන්ද ජයසූරිය මයා.

පාර්ලිමේන් තු මන් තුී මීර ලෙබ්බේ පොද්දි මොහම්ඩ් මුස් නාfපා මයා.

පාර්ලිමේන් තු මන් තුී මොහමඩ් හනිf පා මරික් කාරී මොහමඩ් නයිනා මරික් කාර් මයා.

පාර්ලිමේන් තු මන් තී දසනායක මුදියන් සෙලාගේ ලොකු බණි ඩා දසනායක මයා.

පාර්ලිමේන් තු මන් තුී රණසිංහ පුේ මදාස මයා.

පාර්ලිමේන්තු මන්තී රත්තායක මුදියන් සෙලාගේ චන්දුසේන රත්තායක බෙලිගම්මන මයා.

පාර්ලිමේන් තු මන් තුී ඩිංශිරි බණ්ඩා වෙලගෙදර මයා.

## නියෝජිත මන්තුී මණඩලය

කථානායක .

. පාර්ලිමේන්තු මනතුි ශරු සුමත් ඇල්බට එfප්. පිරිස්, කේ.බී.ඊ.

තියෝජා කථානායක හා කාරකසභා සභාපති කාරකසභා නියෝජා සභාපති ...

පාර්ලිමේන්තු මන්තී එස්. සී. ෂර්ලි කොරෙයා මයා.

පාර්ලිමේන්තු මන්තී දීමත් රසික් fපරීඩ, ඕ.බී.ඊ.

## පුධාන නිලධාරි මණඩලය

තියෝජිත මන් තී මණි ඩලයේ ලේ කම්

... එස්. එස්. විජේසිංහ

සහකාර ලේ කම්

එස්. එන්. සෙනවිරත් න

**වේ**නුඛාරි

-

ඒ. ජේ. ආර්. ද සිල්වා

සහකාර වේනුධාරි

··· ආර්. අබේසිංහ

හැන් සාඩ් සංස්කාරක:

ජී. ඊ. පී. ද එස්. විකුමරත් න

...

සහකාර සංස්කාරක:

එම්. එල්. ජේ. පෙරේරා

උප සංස් කාරකවරු:

වෙ. පුේ. නානායක් කාර

එල්. අයි. ජේ. මෙන් ඩිස්

ඩී. ජේ. රණසිංහ

ඊ. ඩී. ගුණසිංහ

එම්. ඒ. එම්. එම්. මොහිදීන්

ටී. එල්. ජුමාට්

ඒ. වේ. ඒ. දෙරේ

#### වාර්තාකරුවෝ:

ඩබ්ලිව්. එම්. පුනාන් දු

එස්. එම්. පී. බී. සකලසූරිය

එච්. පී. සිරිල්

එම්. සී. එම්. සායිරු

පී. ටී. විජයදුස

පී. රාජදෙරේ

එස්. නඩරාජා

බී. ඒ. විජයරත් න

ඩී. එම්. ජයසුරිය

එච්. එල්. ඩබ්ලිව්. දිසානායක

ජේ. ගුණදස

ටී. ඩබ්ලිව්. කරුණාරත් න

ජේ. එස්. ජෝර්ජ්

ඩබ්ලිව්. එස්. එම්. පුතාත් දු

ජී. ඒ. රණසිංහ

ටී. එච්. මහමුඩ්

කේ. පී. අල්විස්

සහකාර පරිපාලක:

එම්. ආර්. එච්. ද පොන් හේ කෘ

පුඛාන ලිපිකරුවෝ :

ආර්. ඊ. එස්. ගුණවර්ඛන

එf ප්. එස්. ලියනගේ

ඊ. බී. වී. පෙරේරා

කේ. ටී. එන්. ද සිල්වා

ජෙනෂඨ ලිපිකරුවෝ :

කේ. සිවනායගම්

ඩබ්ලිව්. සී. පී. ද පොත්සේකා

වී. ආර්. හර්fප්ට්

කේ. ගුණදස

ඩී. පරණවිතාන

පුස් තකාලයාධිපති :

ටී. වී. ගුණනිලක

කථා පරිවර්තකයෝ:

එස්. කුන්ජිතපාදම්

සී. ඩබ්ලිව්. පත් නිල

එන්. පී. සිවසුබමනියම්

පී. ඒ. ඒ. පෙරේරා

පී. එස්. අහංගම

එච්. වෙන් නසිංහ

**ඩබ්ලිව්**. රාජසේ කරම්

එස්. කේ. තම්බිපිල්ලෙයි

එක්. සුබුමනියම්

ඒ. සෙල් ලදුරේ

පී. කණිඩම්බි

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# பாராளு மன்ற விவாதங்கள்

(ஹன்சாட்)

தொகுதி 73

# பிரதிநிதிகள் சபை

அதிகார அறிக்கை

இலங்கையின் ஆறுவது பாராளுமனற மூன்றும் கூட்டத் ஒது டோ மாட்சிமை தங்கிய மகாராணி துரணடாம் எலிஸ்பெத்தன் 16 ஆவது ஆட்சி வருடம்

கூட்டத் தொடா 19:7-68

1000

## இலங்கை அரசாங்கம்

## மகா தேசாதிபதி

மேன்மைதங்கிய திரு. வில்லியம் கொபல்லாவ, எம். பி. ஈ.

#### அமைச்சரவை

[கௌரவ டட்ளி ஷெல்ற்றன் சேணுநாயக்க அவர்கள் 1965, மார்ச் மாதம் அமைத்தது.]

பிரதம அமைச்சரும் பாதுகாப்பு, வெளிவிவகார அமைச் சரும் திட்ட அமைப்பு, பொருளாதார விவகார அமைச் சரும் தகவல், ஒலிபரப்பு அமைச்சரும்	கௌரவ டட்ளி ஷெல்ற்றன் சேஞநாயக்க, பா. அ.
இராஜாங்க அமைச்சரும், பிரதம அமைச்சரதும் பாதுகாப்பு, வெளிவ்வகார அமைச்சரதும் பாராளுமன்றக் காரியதரிசி யும், அரசாங்க பிரதம ஒழுங்கு நடாத்துனரும்	கௌரவ ஜூனியஸ் றிச்சட் ஜயவர்த <b>ன, பா. ஆ</b> .
விவசாய, உணவு அமைச்சர்	கௌரவ மொகொத்தல்லாகே டிங்கிரி பண்டா, பா. அ.
அரசாங்கக் கட்டுவேலே, தபால், தந்திப் போக்குவரத்து அமைச்சர்	கௌரவ வோல்டர் ஜெப்ரி மொண்டேகு ஜயவிக்கிரம, பா. அ.
ககோதார அமைச்சர்	கௌரவ மஹபலகே தொன் ஹென்றி ஜயவர்தன, பா. அ.
காணி, நீர்ப்பாசன, மின்விசை அமைச்சரும் சபை முதல் வரும்	கௌரவ சாள்ஸ் பேஸிவல் டி சில்வா, பா.அ.
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தொழில், தொழில்வசதி, வீடமைப்பு ப்பிர்க்கிச் Noolaham Foundation முகம்மது ஹனிபா முகம்மது, பா. அ.

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.. மூதவையினர் கௌரவ முருகேசன் திருச்செல்வம்,

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காணி, நீர்ப்பாசன, மின்விசை அமைச்சரின் பாராளு சிறில் பிந்து ஜயதிலக்க செ**னெவிரத்ன அவர்கள்,** மன்றக் காரியதரிசி ... பா. அ.

தொழில, தொழில்வசதி, வீடமைப்பு அமைச்சரின் பாராளு ஸ்டீபேன் டி சில்வா ஜயசிங்ஹ அவர்கள், பா. அ. மனறக் காரியதரிசி

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நீதி அமைச்சரின் பாராளுமன்றக் காரியதரிசி .. முகம்மது ஹெனிபா மரிக்கார் முகம்மது நெயி<mark>ன</mark> மரிக்கார் அவர்கள், பா. அ.

போக்குவரத்து அமைச்சரின் பாராளுமன்றக் காரியதரிசி தசுணையக்க முதியன்செலாகே **லொக்கு பண்டார** தசுணுயக்க அவர்கள், பா. அ.

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OFFICIAL REPORT

THIRD SESSION OF THE SIXTH PARLIAMENT OF CEYLON SIXTEENTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

**SESSION 1967-68** 

1967

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හයවන පාර්ලිමේන්තුවේ තෙවන වාරය

නෛකශීන් විරාජමාන දෙවන එලිසබෙත් රාඥියගේ 16 වන රාජා වෂීය

73 වන කාණ්ඩය

1967–68 පාර්ලිමේන්තු වාරයේ 2 වන කාණ්ඩය

## නියෝජිත මත්ති මණඩලය

பிரதிநிதிகள் சபை

House of Representatives

1967 ජූලි 25 වන අගහරුවාදා

செவ்வாய்க்கிழமை, 25 ஜு 2ல 1967 Tuesday, 25th July 1967

අ. භා. 2 ට මන් නි මණ් බලය රැස් විය. නියෝජා කථානායකතුමා [එස්. සි. ෂර්ලි කොරයා මහතා] මූලාසනාරුඪ විය.

சபை, பி. ப. 2 மணிக்குக் கூடியது உப சபாநாயகர் அவர்கள் [கௌரவ எஸ். சி. ஷேளி கொறயா] தூல்மை தாங்கிருர்கள்.

The House met at 2 p.m., Mr. Deputy Speaker [Mr. S. C. Shirley Corea] in the Chair.

## සෙනෙට් මන්නී මණඩලයෙන් ලන් සන්දේශය

மூதவையிலிருந்து வந்த செய்தி
MESSAGE FROM THE SENATE

## නියෝජන කථානායකතුමා

(உப சபாநாயகர் அவர்கள்) (Mr. Deputy Speaker)

I have received a Message from the Senate. The Clerk of the House will read it.

පහන දැක්වෙන සන්දේශය ලේකම් විසින් තියවන ලදි:

செயலதிகாரி பின்வரும் செய்தியை வாசித்தார்: The Clerk read the following Message: "No. D. 1/52-53 (II). Colombo. 25th July 1967.

Dear Sir,

In terms of Section 23 (2) of the Ceylon (Constitution and Independence) Orders in Council, 1946 and 1947, I have the honour to inform you that the seat of elected Senator Muttyah Manickam has this day become vacant, as he has, by a communication written under his hand and addressed to me, resigned his seat in the Senate.

I have the honour to be, Sir, Your obedient Servant, Sgd. B. COSWATTE, Clerk to the Senate.

The Clerk to the House of Representatives, Colombo."

නිවේදනය

அறிவிப்பு

ANNOUNCEMENT

සෙනෙට් මන් නි මණ්ඩලයේ පුරප් පෘඩුව

மூதவையில் வெற்றிடம்

VACANCY IN THE SENATE

නියෝජ්ෳ කථානායකතුමා

(உப சபாநாயகர் அவர்கள்)

(Mr. Deputy Speaker)

සෙතෙව් මන් නී මණ්ඩලයේ ලේ කම්ගේ ලිපිය සම්බන්ධයෙන් කිවයුත්තෝ, මෙම මන් නී මණ්ඩලය සෙනෙට් මන් නීවරයෙකු තෝරා පත් කිරීමෙහි නිරතවීම අවශා බවය.

ඒ සඳහා නාමයෝජනා පතු මෙම මන්ති මණ්ඩලයේ ලේකම්ගෙන් ලබාගත හැකිය. නාමයෝජනා පතුයක් මන්තීන් දෙදෙ නෙකු විසින් යෝජක සහ ස්පීරකරු ලිපි ලේඛනාදිය පිළිගැන් වීම

මන්නි මණ්ඩලයේ රැස්වීම

[නිසේජා කථානායකතුමා]
චශයෙන් අත්සන් කර තිබිය යුතු බවත්, සෝජිත අපේක් ෂකයාගේ කැමැත්ත නාම සෝජනා පතුය මත ලියා තිබිය යුතු බවත්, මන් තීන් විසින් සිත්හි තබාගත යුතුය. නාම සෝජනා පතු සියල්ලක්ම 1967 අගෝස්තු මස 1 වැනි අගහරුවාදා දවල් 12 ව පෙර ලේකම්ට භාර දිය යුතුය. එවිට ඔහු විසින් තමා භාරගත් සෑම නාම සෝජනා පතුයක් සම්බන්ධයෙන්ම එය තමා භාරගත් බවට ලියවිල්ලක් දිය යුතුය. ජන්ද විමසීමක් අවශා බව නාම යෝජනාවෙන් පෙනේ නම්, ජන්ද විමසීමේ දිනය, 1967 අගෝස්තු මස 2 වැනි බදාදා දැනුම් දෙනු ලැබේ.

With regard to the letter from the Clerk of the Senate, it is necessary for this House to proceed to the election of a Senator.

Nomination papers may be obtained from the Clerk of the House. Members will bear in mind that a nomination paper has to be signed by Members as proposer seconder and must bear on its face the written consent of the candidate proposed. All nomination papers must be handed in to the Clerk before 12 noon on Tuesday, August 1967, and he will hand in exchange a written acknowledgment. If the nomination indicates that an election is necessary, the date of election will be announced Wednesday, 2nd August 1967.

# ලීපි ලේඛතාදිය පිළිගැන්වීම

சமர்ப்பிக்கப்பட்ட பத்திரங்கள்

#### PAPERS PRESENTED

Supplementary Estimate No. 25 of 1966-67. — [ඉඩම්, වාරිමාර්ග හා විදුලි බල ඇමති වෙනුවට ගරා ජේ. ආර්. ජයවඨන]

களை இன நின் குறுக்க கிட்டின் விடிப்பட்டது.
Ordered to lie upon the Table.

Supplementary Estimate No. 26 of 1966-67. —[ගර සුගතදාස]

සභාමේසය මත තිබිය යුතුයයි නියෝග කරන ලදි. சபாபீடத்தில் இருக்க கட்டினமிடப்பட்டது. Ordered to lie upon the Table. Accounts of Air Ceylon Ltd. for the six months ended 30th September 1964, together with the Auditor-General's Report thereon.—[అరు బ్రామంలోలో]

களையை இதை விறுக்க கட்டளேயிடப்பட்டது.

Ordered to lie upon the Table.

## මන්තී මණඩලයේ කටයුතු

சபை அலுவல்

BUSINESS OF THE HOUSE

ගරු ජේ. ආර්. ජයවර්ධන (රාජා ඇමති සහ අශාමානාතුමාගේත් ආරක්ෂක හා විදේශ කටයුතු පිළිබඳ ඇමතිගේත් පාර්ලි මේත්තු ලේකම්)

(கௌரவ ஜே. ஆர். ஜயவர்தன—இசர ஜாங்க அமைச்சரும் பிரதம அமைச்சர**தும்** பாதுகாப்பு, வெளிவிவகார அமைச்சரதும் பாராளுமன்றக் காரியதரிசியும்)

(The Hon. J. R. Jayewardene—Minister of State and Parliamentary Secretary to the Prime Minister and Minister of Defence & External Affairs)

I move,

"That Wednesday, 2nd August; Thursday, 3rd August; Monday, 7th August; and Tuesday, 8th August 1967; be Allotted Days for the consideration of the Appropriation Bill, 1967-68."

து இதை இத்தை இதின், கூகைக்கை இது. விஞ விடுக்கப்பட்டு ஏற்றுக்கொள்ளப்பட்டது. Question put, and agreed to.

## මත්තු මණඩලයේ රැස්වීම

சபை அமர்வு

SITTING OF THE HOUSE

கை 6தீ. ஷக். க்கிப்பிகை (கௌரவ ஜே. ஆர். ஜயவர்தன) (The Hon. J. R. Jayewardene) I move,

"That this House at its rising this day do adjourn until 10 A.M. on Wednesday, 2nd August 1967."

පුශ් නය විමසන ලදින්, සභාසම්මන විය.

வினு விடுக்கப்பட்டு ஏற்றுக்கொள்ளப்**பட்டது.** 

Question put, and agreed to.

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කෙටුම්පත් පණත් පිළිගැන්වීම சமர்ப்பிக்கப்பட்ட மசோதாக்கள் Bills Presented

සන්ව (සංශෝධන) පනත් කෙටුම්පත

விலங்குகள் (திருத்த) மசோதா ANIMALS (AMENDMENT) BILL

"to amend the Animals Act, No. 29 of 1958."

පිළිගන් වන ලද් දේ කෘෂිකර්ම හා ආහාර ඇමති වෙනුවට—රාජා ඇමති සහ අශාමානෲතුමාගේ ත් ආරක්ෂක හා විදේ ශ කටයුතු පිළිබඳ ඇමතිගේ ත් පාර්ලිමේන්තු ලේ කම් ගරු සේ. ආර්. ජයවර්ධන විසිනි. 1967 අශෝස්තු 2 වන බදාදා දෙවන වර කියවිය යුතුයයිද, එය මුදුණය කළ යුතුයයිද නියෝග කරන ලදි.

உணவு அமைச்சர் சார்பாக கௌரவ ஜே. ஆர். ஜயவர்தன—இராஜாங்க அமைச்சரும் பிரதம அமைச் சரதும் பாதுகாப்பு, வெளிவிவகார அமைச்சரதும் பாராளுமன்றக் காரியதரிசியும்—சமர்ப்பித்தது.

1967 ஆகஸ்ட் 2 ஆம் தேதி இரண்டாம் முறையாக மதிப்பிடப்பட வேண்டுமெனவும் அச்சிடப்படவேண்டு மெனவும் ஆணேயிடப்பட்டது.

Presented by the Hon. J. R. Jayewardene, Minister of State and Parliamentary Secretary to the Prime Minister and Minister of Defence & External Affairs, on behalf of the Minister of Agriculture and Food; to be read a Second time upon Wednesday, 2nd August 1967, and to be printed.

විසර්ජන පනන් කෙටුම්පත, 1967-68

ஒதுக்கீட்டு மசோதா, 1967-68 Appropriation Bill, 1967-68

දෙවන වර කියවීමේ නියෝගය කියවන ලදී.

இரண்டாம் மதிப்பிற்கான கட்டின் வாசிக்கப்பட்டது.
Order for Second Reading read.

අ. භා. 2.5

ගරු යූ. බී. වන් නිනායක (මුදල් ඇමනි) (கௌரவ யூ. பி. வன்னிநாயக்க—நிதி அமைச்சர்)

(The Hon. U. B. Wanninayake—Minister of Finance)

ගරු නියෝජ්‍ය කථානායකතුමනි, ගරු ඩඩ්ලි සේනානායක මහතාණන්ගේ නාය කත්වයෙන් පවත්වාගෙන යන ජාතික රජයේ තුන් වන අයවැය ලේඛනය ඉදිරි පත් කිරීමත්, මේ ගරු සභාවේ සැලකිල් ලට භාජන කිරීම සඳහා 1967-68 වෂීයා සඳහා වූ විසර්ජන පනත දෙවැනි වර කිය වීම යෝජනා කිරීමත් මට අද දින ලැබී තිබෙන වරපුසාදයයි.

ගරු නියෝජ්න කථානායකතුමනි, වාර් ෂික අයවැය ලේඛනය ඉදිරිපත් කරන අවස්ථාව ගත වූ අවුරුද්දේ ආර්ථික තත්ත්වය පිළිබදව සොයා බැලීමටත්, මේ වමීයේ කර තිබෙන වැඩ විස් තර කිරීමටත් ඊළඟ වම්යේ ආර්ථික තත්ත්වය සංවර් ධනය කිරීමට අප ගන්නා පියවරවල් හා එයින් ඇති වන පුයෝජන පෙන්වා දීම ටත් සුදුසු එකක් බව සාමානායෙන් සල කනු ලබනවා. මගේ කථාවේ පළමුවැනි, දෙවැනි කොටස් වලින් පසුගිය වෂීයේ කරන ලද වැඩ ගැනත්, මේ අවුරුද්දේ කොතෙක් දුරට වැඩ කරගෙන ගොස් තිබේද යන වගත්, ඉදිරි වෂීයට අප කරන් නට බලාපොරොත්තු වන දේවල් ගැනත් විස් තරයක් සාමානා කිරීමට පොරොත්තු වෙනවා.

1965 වම්ය හා සසඳන විට 1966 දී මේ රටේ අපනයනවලින් ලැබුණු ආදායම රුපියල් 23,50,00,000 කින් පිරිහුනා. 1967 වෂීයේ පළමු භාගයේදීත් මේ පිරිහීම එසේ ම නොකඩවා පැවතුනා. මෙසේ වීමට වැඩියෙන්ම හේතු වූයේ අපනයන මිළ ගණන්වල පහත වැටීමයි. අහිතකර කාල ගුණය නිසා තේ සහ පොල් නිපදවීම අඩු වීමත් මෙයට තරමක් දුරට හේතුවුනා. මේ හේතුනුත්, අපනයනවල මිළ වැඩි වීමත් නිසා අපේ ගෙවීම් ශේෂය පිරිහුනා. ගෙවීම් ශේෂයේ පිරිහීම නිසා අපේ විදේ ශීය වත් කම්ද අඩු වුනා. මේ අනුව 1966 හි අපේ ආර්ථික දියුණුව අඩු වුනේ ලෝක වෙළඳ පොලේ මිළ ගණනුත්, අහිතකර කාලගුණය නිසා අපනයනවල ආදායම විශාල ලෙස පහළ වැටීමත් නිසා බව ඔබ තුමාට පෙනී යනවා ඇති. මේ අහිතකර කරුණු එසේ වුවත් දේශීය පරිභෝජනය සඳහා වූ නිෂ්පාදන සියයට 4 කින් වැඩි වුනා. මේ අතරම පාරිභෝගික හා පුාග්ඛන භාණ්ඩ අපනයනය පරිමාව වැඩි වු නිසා සැපයීම් තත්ත්වය 1966 දී දියුණු වුනා. මුදල් පුමාණිය වැඩි වී මුදලේ අගය අඩු වීම පාලනය කිරීමට අපට ගිය වෂීයෙහි හැකි වුනා. 1957 න් පසු පුථම වනාවට වෙ සැලකිල් සියයට 3 කට අඩු මුදල් සැපයීමේ අඩුවක්

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[ගරු වන් නිනායක] මේ වෂීයෙහි ඇතිවුනා. මේ නිසා ආර්ථික කුමයෙහි මුදල් පුසාරණ බලපෑම් ඇති වුනේ නැහැ. එසේම සැපයීම් තත්ත්වය වැඩි වූ නිසා කොළඹ පාරිභෝගිකයන් ගේ මිළ දශීකය මඳක් පහළ වැටුනා. දැනට පවතින අභිතකර ආර්ථික තත්ත්වයට පිළියම් වශයෙන් කළ යුත්තේ පුාශ්ඛන භාණි ඩ ගෙන් වීම අවශා වන විදේ ශීය විනි මය ඉතිරි කර ගැනීමට දැනට ආනයන කරන පාරිභෝගික භාණ්ඩ පුමාණය සීමා කිරීමයි. මේ සදහා දේශීය නිෂ්පාදන දියුණු කිරීම අවශා වෙනවා. රජය මේ කාරණය සෞදිත් වටසාගෙන තිබෙනවා පමණක් නොව කලින් තිබුනාව වඩා වැඩි උදොහ් ගයකින් එම කාර්යය කරගෙන යනු ලබන බව පුීනියෙන් සඳහන් කරනවා. ඒ කාර්යයන් සඳහා මහජනයා දක්වන සහ යෝගයත්, උදෙන්ගයත් රජය ඉතාමත් අගය කොට සලකන බව පැවසීමට කැම තියි. ඒ අතරම මගේ කථාව මීට පසු ඉංගීීසියෙන් කරගෙන යාමට අවසර දෙන මෙන් තමුන් නාන් සේ ගෙන් ඉල් ඌ සිටිතවා.

Mr. Deputy Speaker, it is my privilege to present today the third Budget of the National Government headed by the Hon. Dudley Senanayake and to move the Second Reading of the Appropriation Bill for 1967-68 for the consideration of the House.

Mr. Deputy Speaker, the presentation of the annual Budget is considered the appropriate occasion not only to review the economy in the past year but also to appraise the country's performance of the current year and to indicate the broad economic magnitudes and their behaviour in the forthcoming financial year. In Parts I and II of my speech, I propose to make a review of the past year, an appraisal of the current year and a general forecast of the forthcoming fiscal year. This, with a brief survey of the work being done, and the progress achieved by the various Ministries of the Government, will serve as the background to my Budget proposals for the next financial year.

Mr. Deputy Speaker, in 1966 this country had to face a drastic decline of Rs. 235 million in her export earnings, as compared with 1965; and this decline has continued into the first half of 1967. It has been caused largely by a sharp fall in export prices, and to a lesser degree by a fall in the volume of exports of tea and coconut due to adverse weather conditions. These factors, combined with a sharp increase in the prices of our imports, brought about a deterioration in our balance of payments which, in turn, has led to a fall in our external assets. Thus, you will see, Mr. Deputy Speaker, that the inadequate economic growth in 1966 stemmed mainly from the drastic fall in export earnings, due to world market prices and adverse weather conditions.

Despite these adverse factors, I am glad to state that production for domestic use in real terms increased in 1966 by nearly four per cent. as against two per cent. in 1965, indicating an increased tempo economic activity. The better performance of the domestic sector supported by a 39 per cent. increase in the volume of imports including intermediate and capital improved the supply position considerably in 1966. The monetary situation was kept under control, and there was, in fact, a monetary contraction of over 3 per cent. for the first time since 1957.

The absence of inflationary pressure in the economy and the improved supply position led to a slight decline in the Colombo Consumer Price Index in 1966.

The remedy for the present adverse balance of payments lies in the expansion of production with a view to cutting down consumer imports in order to save sufficient foreign exchange for the import of essential capital goods. The Government realizes this and is addressing itself to the task with even greater energy and enthusiasm than in the past. I

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should like to add that by and large the response of the people to the call has been most encouraging.

### PART I

#### PRODUCTION

In 1966 the Gross Domestic Product in real terms increased by only 1.9 per cent. from Rs. 7,314 million to Rs. 7,452 million, which was nevertheless higher than the increase of 1.5 per cent. in the previous year. The domestic component of output however increased by 3.7 per cent. in 1966 as compared with an increase of 2 per cent. in the previous year. The major factor influencing this favourable output was the increase in paddy production in 1966. The total output failed to grow at this rate only because of a decline in the net output of the export sector by 3.9 per cent. which could in part be attributable to unfavourable weather conditions during the year. The Real Gross National Product in 1966 increased by 1.6 per cent. as against 1.8 per cent. in 1965. Ceylon's population is estimated to have increased by 2.3 per cent. in 1966—an increase slightly lower than that of the previous year. The per capita real domestic product therefore declined by 0.4 per cent. and the per capita real product by 0.7 per cent.

Tea production which had reached a record level of 503 million pounds in 1965, suffered a setback in 1966 when production fell by 13 million pounds or 2.6 per cent., as against an increase of 4.4 per cent. in 1965. Coconut production also declined from an estimated crop of 2,700 million nuts in 1965 to 2,500 million nuts in 1966—a decline of 8 per cent. as against a decline of about 11 per cent. in 1965. This decline in output of both tea and coconut, as I said earlier, is attributable mainly to unfavourable weather conditions in the major tea and coconut growing areas. The production of rubber, on the other hand, continued to expand, and reached a level of 289 million pounds in 1966, representing an increase of nearly 11 perpent bower ahaasriculture and irrigation.

production in 1965. The increase in rubber production is the result of more replanted areas coming into production—the average yield per acre having increased from pounds in 1965 to 609 pounds in 1966.

The total production of paddy of 46 million bushels in both the Maha and Yala seasons of 1966 indicates a substantial recovery last year, and represents an increase of 10 million bushels or 27 per cent. over total production in 1965. The value of the net output of other goods and services for domestic use also continued to increase in 1966. Of some significance is the increase in output of trade and transport, fish and manufacturing industry.

In contrast to 1965, when the terms of trade showed an improvement of 1.2 per cent. in 1966, consequent to both a fall in the level of export prices and a rise in the level of import prices, the terms of trade declined sharply by as much as 13 per cent. Real national income, which is obtained after adjusting for the terms of trade effect, therefore, showed a decline of 1.2 per cent.

What this means is that, as a result of the working of external forces over which the country has no control, our real income suffered in comparison with the previous year. Despite this, a substantial additional gross domestic capital formation occurred during the year. Gross domestic capital formation at current prices showed an increase of 8.4 per cent. in 1966, compared with a fall of 5 per cent. in 1965, and a fall of 2.5 per cent. in 1964. The increase in 1966 was the result mainly of an increase in the fixed capital formation in the private sector and public corporations of 9.4 per cent. consequent on an increase in imports of capital goods mainly in transport equipment and in plant Fixed capital formamachinery. ation of the Government sector also increased by 2.4 per cent., mainly as a result of increased investments in

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[ගරු වන් නිනායක]

As for 1967, production prospects especially in the domestic sector are likely to be more favourable. By far the major part of the increased production is expected to accrue from production for domestic use—the increased production of paddy (16 per cent.) and fish (9 per cent.) contributing substantially to this increase. Paddy production which in 1966 had recovered somewhat from the adverse effects of 1965 is expected to show a substantial increase of about 7 million bushels to a level of 53 million bushels in 1967. The net output of the export sector, on the other hand, is expected to increase only marginally by Rs. 22 million or 2 per cent. Tea produc-tion is likely to increase from 490 million pounds in 1966 to 505 million pounds in 1967; rubber production from 289 million pounds to 302 million pounds; and coconut production from 2,500 million nuts to 2,600 million nuts.

Whereas registrants at the employment exchanges rose by about 40,000 from 199,655 at the end of 1965 to 238,901 at the end of 1966, by April 1967, the figure increased further by 7,000. The biggest increases, unlike in previous years, were in the unskilled and semi-skilled categories. In 1966, 6,856 persons were placed in employment by the labour exchanges as compared with 7,129 in 1965.

During the years 1965 and 1966, the number of strikes and the number of man-days lost as a consequence of strikes have decreased rapidly. provisional figures According to there were 149 strikes in 1966 compared with 230 in 1965 and 304 in 1964; the number of man-days lost being 188,898 in 1966 as against 572,211 in 1965 and 885,683 in 1964. While the total number of man-days lost in 1965 was 35 per cent. less than in 1964, in 1966 the decrease was as much as 67 per cent. over the figure for 1965.

## FOREIGN TRADE AND FINANCE

The performance of the balance of payments in 1966 provided a marked contrast to that of 1965. The year 1965 was characterized by a surplus on current account of Rs. 59 million and an increase in Ceylon's external assets by as much as Rs. 114 million. The year 1966 was a reversal of this. The substantial deficit recorded in the merchandise account of Rs. 349 million, when offset to an extent by a net receipt of Rs. 44 million in invisibles, resulted in a net current account deficit of Rs. 305 million. This current deficit was financed by a net inflow of long and short term capital of Rs. 183 million and by a utilization of Ceylon's external assets of Rs. 122 million.

adverse current account The position in Ceylon's balance of payments in 1966 was principally the result of a severe fall in export income—the biggest in the last decade. Export receipts in 1966 totalled only Rs. 1,674 million which was Rs. 235 million or 12 per cent. less than export receipts in 1965. The principal causes of this fall were a sharp decline in the volume domestic exports of both tea and coconut—the aggregate volume of exports as measured by the Central Bank index falling by 9 per cent. This poor performance in export volume in 1966 was aggravated by a decline in prices of all the export commodities, especially tea and coconut—the average price index declining by 5 per cent. Thus, the sharp decline in the value of exports during 1966 was brought about by a contraction in the aggregate volume of exports as well as a fall in their average price.

Combined with this adverse change in export income, there was an increase in import payments and larger outward transfers of invisible payments in 1966. The total value of merchandise imports in 1966 amounted to Rs. 2,023 million, which is Rs. 101 million more than the previous year's. Of this amount, since

aid-financed imports accounted for Rs. 224 million, imports financed out of Ceylon's own resources amounted to Rs. 1,799 million. With export earnings at Rs. 1,674 million, Ceylon's ability to finance an import programme beyond her earned income in 1966 was, therefore, made possible by an increase in her short-term liabilities abroad, and a reduction in her external assets, which had been built up to moderate levels in 1965.

The increase in the total value of merchandise imports in 1966 was the result of an increase both in their volume and price. The volume of imports in 1966 as measured by the Central Bank Trade Indices showed a rise of 39 per cent. over 1965. The separate indices for the major categories of imports show that this expansion in volume was shared by all the three major categories of imports. The import volume index of consumer goods rose by 55 per cent., of intermediate goods by 10 per cent., and of capital goods by 36 per cent. The price of imports which had been rising steadily since 1962, continued its upward trend in 1966, and recorded a rise of 9 per cent. during the year. The price indices for the major categories of imports show that, while the index of consumer goods rose by only about 1 per cent., the index of intermediate goods rose by 11 per cent, and of investment goods by 40 per cent. The sharp expansion in the value of imports during 1966 is, thus, mainly the result of a rise in the aggregate volume of imports, and partly the result of a rise in their average price.

It will be seen, therefore, that while the price and the volume of Ceylon's exports fell in 1966, the volume and the price of imports increased. The terms of trade which improved by 1.2 per cent. in 1965, declined sharply by as much as 13 per cent. in 1966. Such a sharp reversal of our terms of trade has not occurred since 1952.

The net position on current invisible transactions showed a surplus of Rs. 44 million in 1966, compared with a surplus of Rs. 72 million in the previous year. This reduced surplus was primarily the result of a larger deficit on investment income consequent on a relaxation of the moratorium. Releases of blocked investment income amounted to Rs. 14 million in the first half and Rs. 21 million in the second half of 1966, making a total of Rs. 35 million for the whole year.

Gross receipts of long term capital, in 1966, amounted to Rs. 198 million comprising Rs. 80 million for project loans and Rs. 118 million for commodity loans. These loans were utilized to finance the import programme for 1966, and for continuing work on development projects, initiated in terms of project aid negotiated earlier. Project loans received in 1966 were utilized for the continuation of work on the Grandpass Thermal Project, the Maskeliya Oya Project, the Kandy Water Supply Scheme, Railway modernization and Port development. Project loans were also utilized for purchasing machinery for the Cement, Hardware, Steel, Tyre and Flour Milling Corporations and for the importation of telephone equipment and trawlers.

In regard to short term liabilities, the position at the end of 1966 showed that Ceylon had increased her liabilities by Rs. 75 million mainly by resort to the International Monetary Fund.

rage price.

In sum, therefore, the operations of the external sector indicate that Rs. 2,407 million of resources were made available in 1966—Rs. 1,674 million from exports, Rs. 206 million from invisible services, Rs. 226 million from capital inflows, Rs. 175 million from short term liabilities and Rs. 126 million out of external assets. Of these resources, Rs. 2,023 million was utilized to finance merchandise imports, Rs. 225 million for invisible services, Rs. 114 million for interest and amortization of foreign loans including suppliers' credits and

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[ හරු වන් තිතායක] repairriation of foreign capital and Rs. 45 million for settlement of shortterm liabilities.

It will be seen, therefore, that while Ceylon's earned foreign exchange in 1966 consisting of merchandise exports and services amounted to only Rs. 1,880 million, her use of external resources at Rs. 2,407 million was Rs. 527 million or 28 per cent in excess of earnings from exports and services. Thus, in 1966 Ceylon was able to sustain a higher level of external resource utilization as compared with 1965, principally as a result of the use of the cushion of external assets built up in 1965 on the one hand, and the assistance she obtained from other countries and the International Monetary Fund on the other.

The total external assets of the country, which had increased from Rs. 351 million at the end of 1964 to Rs. 440 million at the end of 1965, declined as a result of the adverse balance of payments to Rs. 318 million at the end of 1966. There has been a slight improvement in the first half of 1967 and the external assets stood at Rs. 366 million at the end of June.

# TRANSACTIONS WITH THE INTERNATIONAL MONETARY FUND

In the face of continuing external payments difficulties that beset the economy in 1966, the assistance Ceylon received from the International Monetary Fund proved to be most useful in alleviating its payments difficulties and in supporting its external reserves. A sum of Rs. 35.7 million was borrowed in January 1966 under the terms of the First Standby Arrangement signed with the International Monetary Fund in 1965. Under the terms of the Second Standby Arrangement signed in June 1966, which permitted Ceylon to draw on a sum of Rs. 119 million, a further sum of Rs. 89.3 million was drawn during the year. In addition, a separate special drawing of Rs. 19 million was made in March 1966 to pay for

fund. Gross borrowings from the International Monetary Fund in 1966, therefore, amounted to Rs. 144 million. During 1966, however, repayments to the fund in terms of earlier drawings amounted to Rs. 53.6 million, so that the net amount borrowed from the fund amounted to Rs. 90.4 million.

In regard to fund transactions in 1967, Ceylon repurchased in February Rs. 17.9 million, being the third and final instalment payable on the drawing of Rs. 53.8 million made in February 1962. In March 1967, Ceylon made a drawing of Rs. 92.8 million under the Compensatory Financing This is repayable in three to five years. Also, in March, Ceylon drew Rs. 29.8 million being the fourth and final instalment of the Second Standby Arrangement concluded in June 1966, and effective for one year. No further repurchases on earlier drawings are due for the rest of the year, so that Ceylon's net borrowings from the fund for 1967 would amount to Rs. 104.7 million.

Mr. Deputy Speaker, I would like now to refer to the balance of payments prospects for 1967. According to the estimates in the Foreign Exchange Budget for 1967, export receipts are expected to be Rs. 1,723 million. This, you will see, is Rs. 49 million more than the actual receipts in 1966, though Rs. 186 million less than export receipts in 1965. licensing programme, on the other hand, anticipates an import level of Rs. 2,231 million, which is Rs. 208 million more than the actual imports in 1966. To finance this programme, Ceylon has available, in addition to estimated export and net invisible earnings, a spillover of Rs. 256 million of Commodity Aid under the first and second Commodity Aid Programmes, net drawings from the I. M. F. of Rs. 105 million, Commodity Aid under the Third Programme, Project Aid and Suppliers' Credits.

during the year. In addition, a separate special drawing of Rs. 19 million port earnings in 1967 are estimated was made in March 1966 to pay for to yield Rs. 1,723 million. This is Ceylon's gold subscription to yield Rs. 1,104 million of

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earnings from tea, Rs. 322 million from rubber, Rs. 152 million from coconut products and Rs. 145 million from minor products. The increased earnings from tea are expected from estimated increase in volume of tea exports, offset in part by a decline in the average export price. The estimated increase in earnings from rubber in 1967 is also expected from an increase in the volume of exports. However, a fall in the export price of rubber is expected this year. Receipts from the export of coconut products estimated to fall to Rs. 152 million in 1967 are based on a forecast of a further decline in production consequent on unfavourable weather conditions last year. The situation is likely to be aggravated by a decline in price for our coconut products abroad.

Of a total import programme of Rs. 2,231 million this year, food imports are expected to amount to Rs. 837 million, private sector imports for industry and fisheries to Rs. 305 million, import requirements of Government departments to Rs. 259 million, petroleum products to Rs. 130 million and fertilizer to Rs. 106 million. The balance Rs. 595 million has been allocated for textiles, drugs and cement, for the requirements of industrial and nonindustrial corporations and for other trade quotas and direct user items. The major changes in the 1967 import programme as compared with that of 1966, are an increased allocation for the Food Commissioner's imports, made necessary by higher prices payable for rice and by increased imports of flour, and an increased allocation to Government departments and corporations for development purposes. The main reductions in 1967, as compared to 1966, are in the allocations for subsidiary foodstuffs, textiles, drugs and other trade quota items.

The strategy followed in formulating the Budget this year has been tively. In addition, there was a decto curtail imports of consumer goods rease in the net liabilities of the where there were possibilities of increased domestic production. In addiproduction of the decrease in the time and savings

tion, some consumer items were excluded on the basis of non-essentiality. The resources that were thereby freed were diverted to imports of intermediate and capital goods to provide the necessary inputs for achieving the targets set in Ceylon's development programme. The details of the allocations are described in the document which is being tabled.

#### MONEY AND BANKING

the operations of the export sector in 1966 have yielded results that are not conducive to the stable growth of the economy, the monetary and banking developments in the past year provided a major contrast. After a continuous expansion over the past seven years, the money supply declined in 1966 by Rs. 57 million, or 3.3 per cent, to Rs. 1,659 million at the end of the year. The sharp decline in external banking assets of Rs. 196 million was the most important factor leading to this contraction. In the years 1958 to 1964, there was a tendency for money supply to expand in spite of a steady decline in external banking assets. By contrast, in 1966, the decline in external banking assets was associated with a contraction in money supply.

This decline in external banking assets, together with increases in private time and savings deposits (of Rs. 68 million), in Government cash balances (of Rs. 63 million) and in other net liabilities of commercial banks (of Rs. 12 million), exerted a total contractionary impact of the order of Rs. 339 million. On the other hand, the expansionary impact of other factors on money supply was Rs. 282 million. An increase of Rs. 118 million in Government borrowing from the banking system constituted the largest expansionary factor. Commercial bank credit to the private sector and to Government corporations also increased by Rs. 68 million and Rs. 20 million, respectively. In addition, there was a decrease in the net liabilities of the Central Bank of Rs. 25 million, and

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deposits of State corporations of Rs. 50 million. However, since the magnitude of the factors exerting a contractionary effect was greater, the money supply declined by Rs. 57 million.

This contraction in the money supply would have tended to improve the stability of the economy. In 1965, while the real Gross National Product increased by 1.8 per cent, the money supply increased by 5.8 per cent, thereby bringing about a certain pressure on the general level of prices. In 1966, on the other hand, while the real Gross National Product increased by 1.6 per cent, there was a 3.3 per cent. fall in the money supply. This, while reducing the pressure on domestic prices, tended to mop up any excess purchasing power latent in the economy.

During 1966, the total number of bank offices increased from 97 to 105. Seven, of the eight offices opened, were by the People's Bank, while the other was by the Bank of Ceylon. Six of the eight new offices were opened in areas where no banking facilities existed before. At the end of 1966, Ceylonese banks held about twothirds of the total deposits in all

commercial banks.

There was an increase of Rs. 94 million in credit granted to the private sector and State corporations in 1966. An analysis of commercial bank credit by purpose indicates that advances granted for industrial purposes increased the most by Rs. 51 million, to take 15 per cent of all loans granted. This, indeed, is an feature of encouraging Another welcome feature of the credit expansion in 1966 was that the increase in advances for consumption purposes was smaller than in the previous year.

total amount of advances granted by savings and long-term credit institutions increased by Rs. 12 million to Rs. 33 million. The loans granted by the National Housing Department alone increased from

million in 1966. There were also small increases in loans granted by the State Mortgage Bank and the Development Finance Corporation.

The total volume of savings certificates, savings deposits with the Post Office Savings Bank, the Ceylon Savings Bank, and time and savings deposits of commercial banks increased by Rs. 15 million to Rs. 1,177 million at the end of 1966. The main increase was in savings certificates of Rs. 15 million, as compared to Rs. 4 million in 1965. Total collections of the Employees' Provident Fund in 1966 amounted to Rs. 68 million, reflecting an increase of Rs. 4 million over the previous year.

Life insurance business completed in 1966 amounted to Rs. 172 million as against Rs. 145 million in 1965. The original estimate for 1967 was about Rs. 185 million. The premium income in respect of the life insurance business in 1966 was Rs. 27 million as compared with Rs. 21 million in 1965. The original estimate for 1967 was over Rs. 30 million. The premium income in respect of general business amounted to Rs. 52 million in 1966, as compared with Rs. 49 million in 1965; the original estimate for 1967 was about Rs. 55 million. Although the Insurance Corporation expected to do more business in 1967, and consequently earn more income, it appears to have received a set-back from the three-month strike of a section of its employees.

During the year 1966, the corporation invested Rs. 47 million in Ceylon Government securities. It invested Rs. 144 million in Government securities from its inception to the end of 1966, and its average annual contribution to Government loans over the last two years has been Rs. 45 million.

Money supply at the end of the first five months of 1967 has shown a net increase of Rs. 64 million or 4 per cent from the level at the end of December 1966. This increase Rs. 64 million in money supply was the result of an expansion of Rs. 227 million in certain factors affecting the Rs. 5.1 million in 1965 to Rs. 16.9 money supply, offset in part by a

contraction of Rs. 163 million in other factors. The most significant of the expansionary factors was a decrease in Government's cash balances, including counterpart funds, of Rs. 121 million and an increase of commercial bank credit to the private sector of Rs. 79 million. The decrease in external banking assets of Rs. 68 million, the decrease in Government borrowing from the banking system of Rs. 50 million and the increase in time and savings deposits of Government corporations of Rs 25 million were main contractionary factors affecting money supply in the first five months of this year.

#### COST OF LIVING

After a period of sharply rising prices, the Colombo Consumers Price Index fell by 0.2 points in 1966 as against a rise of 3.4 points in 1964 and 0.3 points in 1965.

During the year 1966, there were periodic scarcities in common consumer goods such as chillies, onions, coriander and milk powder which caused some increase in their open market prices. This, however, was not always the result of decreased imports. In fact, there was a substantial increase in the imports of items such as fish products, grains and pulses, chillies and other currystuffs. Even in milk products, of which there was an acute shortage at times, the quantity imported in 1966 was slightly more than in the previous year.

During the decade prior to 1965, steadily rising prices of textiles have been a major factor in raising the cost of living index. In 1965 the prices of textiles declined slightly below the prices of the previous year, while in 1966 the index not only declined but the decline was as much as 7.7 per cent. even though the C. W. E. raised its textile prices during the year. This was because the quantity of textiles brought into the market through the C. W. E. shops and the private trade was large enough to bring down the open market prices substantially.

The price index for fuel and light also fell by as much as 6 per cent in 1966. This is mainly due to a fall in the prices of kerosene oil consequent on the abolition of import duty. Even though the duty was abolished in 1965, kerosene oil at reduced prices was available only during the latter part of the year, whereas in 1966 it was available at reduced prices throughout the year. The average price of items in the miscellaneous group also recorded a slight decline durng 1966.

In the first half of 1967, the cost of living index increased from 112.6 to 114.6. The rise in the index is mainly due to the increase in prices of food items. There were also slight increases in the prices of clothing and fuel and light, while the index for miscellaneous items registered a slight decline.

The wage rates of government employees and school teachers have remained unchanged since 1958. Due to the decline in the cost of living index, their real wage rate improved slightly in 1966. Unlike in 1964 and 1965, when the real wage rate fell by 3.6 points and 0.3 points respectively, the real wage rate of Central Government employees in 1966 increased by 0.2 points.

The index of real wage rates of workers in wages boards trades also rose in 1966, though not as much as the real wage rates of government employees and workers. Nevertheless, this is the first increase in real wages of these workers since 1960. Of the two sectors covered by these indices, workers in industry and commerce have gained more than workers in agriculture—the real index of industrial workers increasing by 0.6 points against an increase of 0.1 points for agricultural workers.

#### GOVERNMENT FINANCE

Mr. Deputy Speaker, I wish to conclude this Part with a summary of Government fiscal operations in the financial year 1965-66 and an estimate of the probable outturn in the current financial year 1966-67.

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## (a) The Financial Year 1965-66

Government revenue in 1965-66 amounted to Rs. 1,878 million. This exceeded the revenue receipts of the financial year 1964-65 by Rs. 61 million. This increase in revenue resulted mainly from an increase in import duty collections of Rs. 41 million. On the other hand, revenue from export duties and the tea tax declined appreciably, due mainly to lower prices fetched by export commodities. The actual revenue collections of 1965-66, however, while exceeding that of 1964-65, fell short of the original estimate of that year by Rs. 20 million, due mainly to a shortfall in collections from customs duties.

total expenditure of the The Government in 1965-66 was Rs. 2,506 million, or Rs. 141 million more than actual total expenditure of Rs. 2,365 million in 1964-65, excluding a book adjustment of Rs. 282 million. Of this total, recurrent expenditure was Rs. 1,976 million, or Rs. 83 million higher than in 1964-65, while capital expenditure in 1965-66 amounted to Rs. 529 million or Rs. 58 million higher than that of the previous year.

The original estimate of recurrent expenditure for 1965-66 was Rs. 1,924 million, of capital expenditure Rs. 578 million, and of total expenditure Rs. 2,502 million. During the course of the financial year, however, an additional sum of Rs. 98 million was provided for recurrent expenditure, and a further sum of Rs. 70 million was provided for capital expenditure through supplementary estimates and Treasury 77 authorities under Special Law. This supplementary provision was made mainly in respect of additional expenditure for Stage I of the Maskeliya-oya Hydro-electric Scheme (Rs. 36.4 million), orther account operations of Rs. 37 million,

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increased quota payment to the International Bank for Reconstruction and Development (Rs. 19.1 million), additional expenditure incurred by the Food Commissioner on account of food operations (Rs. 32 million), relief of distress due to crop failure (Rs. 12 million), expenditure on handloom centres (Rs. 9.9 million) and grants to local authorities (Rs. 5.6 million).

The total allocations for expenditure including supplementary provision in 1965-66 were thus Rs. 2,670 million. The actual expenditure, as I have indicated earlier, was Rs. 2,506 million. Thus there was an under-expenditure of Rs. million or 6 per cent of the total allocations in 1965-66. In the case of recurrent expenditure, while allocations including supplementary provision were Rs. 2,022 million, the actual expenditure was Rs. 1,976 million-the under-expenditure thus being Rs. 46 million or 2 per cent. Recurrent under-expenditure in the previous financial year was almost 4 per cent. The total allocations for capital expenditure inclusive supplementary provision was Rs. 648 million. The actual expenditure in respect of capital votes in 1965-66. however, was Rs. 529 million-Rs. 49 million less than the provision in the Budget and Rs. 119 million less than the total provision including suppleestimates. The underexpenditure in respect of capital votes in 1965-66 was, therefore, 8 per cent on the original Budget or 18 per cent on the total provision. In 1963-64 and 1964-65 under-expenditure was 22 per cent and 18 per cent respectively on the original provision in the capital Budget and 24 per cent and 21 per cent respectively on the total provision inclusive of supplementary estimates.

The Budget deficit or the excess of total expenditure over revenue was Rs. 628 million. There were also net payments on account of advance

resulting in a total resource requirement of 665 million. This was financed from the following sources:

R	s.	Million
Rupee loans		325
Treasury Bills		124
ADB)	nd ··	50
Foreign aid consisting of proje loans and commodity loans a	ect nd	
grants		136
Administrative borrowing		112
National development tax		1

These sources enabled the Government to obtain Rs. 83 million in excess of the financing requirements, which was utilized to augment cash balances. The net expansionary impact of Government fiscal operations in 1965-66 was Rs. 122 million, as against Rs. 35 million in the previous financial year and Rs. 163 million in 1963-64.

The net public debt at the end of the financial year 1965-66 was Rs. 4,268 million, as compared with Rs. 3,772 million at the end of the financial year 1964-65. Of this total, Rs. 521 million was net foreign debt and Rs. 3,747 million net domestic debt, which consisted of Rs. 2,027 million of net rupee loans, Rs. 1,425 million of Treasury Bills, Rs. 262 million of outstanding Central Bank advances, and Rs. 32 million of Tax Reserve Certificates.

# (b) The Current Financial Year 1966-67

At the time the Budget for the current financial year was passed, recurrent expenditure, after deducting Rs. 109 million for sinking fund contributions and the usual provision of  $2\frac{1}{2}$  per cent for under-expenditure on recurrent votes, was estimated at Rs. 1,924 million. With revenue, inclusive of new taxes, estimated at Rs. 2,033 million, it was anticipated that there would be a surplus on current account of Rs. 109 million. Expenditure on capital votes after making a 10 per cent provision for under-expenditure, together with sinking fund contributions was expected to amount to Rs. 795 million. The emerging budget deficit, after deducting the surplus on current account from this figure, was therefore expected to be Rs. 686 million. This budget deficit was to be financed in the following manner:

	Rs.	Million
Local loans		325
Foreign aid (project)		125
Counterpart funds (commo-		
dity aid)		150
Administrative borrowing		25

The unfinanced gap of Rs. 61 million was to be covered by borrowing from the banking system, and constituted the expansionary component of the budget deficit.

These estimates have now to be revised in view of certain developments on the revenue side, on the one hand, and on the expenditure side, on the other.

The revised estimate of revenue for the current year is Rs. 1,875 million or Rs. 158 million less than the original estimate. This is mainly due to a fall in the revenue from customs especially in duty collections from imports. The imports in the current financial year are expected to be lower than originally estimated in the Foreign Exchange Budget partly due to a fall in export earnings and partly due to a delay in aid arrivals. Revenue anticipated from the export duties, tea tax and the personal tax is also expected to record a decline. On the other hand, revenue from the tobacco tax, the turnover tax and receipts from the Postal and Telecommunication Department is expected to exceed the original estimates made for this year.

The biggest single decrease in Government recurrent expenditural is consequent upon the action taken by the Government, on the 17th of December 1966, to alter the price and quantity of rice issued under the weekly ration. You are aware, Mr. Deputy Speaker, that as a result of a world-wide scarcity of rice, the

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Government cut the rice ration of two measures by half and as a measure of relief decided to give the reduced ration of one measure free.

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(கௌரவ அங்கத்தவர்கள்) (Hon. Members) Hear! Hear!

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(கௌரவ வன்னிநாயக்க) (The Hon. Wanninayake)

It is anticipated, therefore, that for the current financial year the expenditure incurred on the net food subsidy will decrease by Rs. 150 million to Rs. 157 million. This will be offset to some extent, however, by supplementary provision on recurrent expenditure items during the course of the financial year, estimated at Rs. 93 million. This supplementary provision is mainly in respect of the Tea Export Duty Rebate Scheme (Rs. 55 million), the setting up of the Land Army (Rs. 8 million) and Health Services (Rs. 6.5 million). With the estimated shortfall in revenue offset to some extent by the net decrease in recurrent expenditure, the estimated surplus on current account will be reduced to about Rs. 15 million.

Supplementary provision on capital expenditure items is expected to be Rs. 33 million. The increased provision in respect of capital votes is for public works, capital equipment for the Land Army, water supply schemes for schools and loans to the co-operative producers' unions. You will also recall, Mr. Deputy Speaker, that I had made a 10 per cent. provision for under-expenditure capital votes in 1966-67 in my Budget speech. It would now appear that the expected outturn of capital expenditure will be in the region of Rs. 596 million, which is Rs. 67 million or 11 per cent. more than the actual capital expenditure in the previous financial year. It is, therefore, necessary to allow for a further 11 per cent. of under-spending above the original estimate of under-expenditure.

To this figure of Rs. 596 million of expenditure on capital votes must be added sinking fund contributions of Rs. 109 million, and a payment on advance account to retire outstanding food bills of Rs. 86 million after deducting the surplus on current account of Rs. 15 million. The estimate of the emerging Budget deficit would, therefore, be Rs. 776 million or Rs. 90 million more than that originally estimated.

Resources from local borrowing are now expected to be Rs. 398 million or Rs. 73 million more than the original estimate from this source. This is mainly due to an increased contribution by the Ceylon Savings Bank consequent on its sale of Central securities. Administrative borrowing is expected to remain at the originally estimated figure of Rs. 25 million. Foreign project aid and commodity aid are also expected to remain at the originally estimated figures of Rs. 125 million and Rs. 150 million respectively. The amount requiring bank financing is expected to be about Rs. 146 million. balances, on the other hand, would increase by Rs. 67 million due to a net increase in the Counterpart Fund Account. Taking into account all these variations in revenue, expenditure and local borrowing, the net expansionary impact of Government fiscal operations obtained by adding Rs. 28 million of disbursements from the U.S. Aid Counterpart Funds and deducting the increase in cash balances from the quantum of bank borrowing would, therefore, be about Rs. 110 million for the current financial year.

### PART II

Mr. Deputy Speaker, I propose now to make a brief survey of some of the more important work being done and the progress achieved in various sectors of the Government since the last Budget speech. I do

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not propose, however, to give details of the work done by each Ministry as this would be done by the respective Ministers themselves during the course of the Budget Debate.

#### NATIONAL PLANNING

In pursuance of the functions assigned to the Ministry of Planning for the co-ordination of development plans in the various sectors of the economy, a rough planning framework was elaborated in last year's development programme covering three major sectors of the economy. This year the Ministry is engaged in the construction of a much more detailed inter-sectoral planning framework in which it is hoped to and present output investment targets for each of some sectors into which the economy has been divided. These targets will with the be consistent overall resource limitations that apply to any economy, viz., the limitations affecting available domestic savings and expected foreign assistance. The targets resulting from such a planning model will serve a check upon the consistency of existing sectoral programmes which have, in the nature of the case, to be formulated by departments and Ministries acting in comparative isolation from one another.

As part of the preparatory statistical work necessary for such a task, an attempt is being made to compile an input-output table for the Ceylon economy. This will also have the incidental effect of providing more accurate estimates of national income by each production sector than has been the case in the past. When this work is completed, it should be possible for the first time to arrive at a reasonably accurate picture of the inter-relationships existing in the which must precede economy planning activity, if the resulting projections are to be more than merely national.

Meanwhile, the Ministry of Planning and Economic Affairs, in association with operating Minis-

tries, has been evaluating the development proposals in the different sectors. This is being done with the objective of preparing well-conceived sectoral plans and improving the economic content of development programmes and policies. same time, the planning organization has introduced effective techniques for the proper formulation of projects as well as for a thorough evaluation of their benefits to the national economy. All these measures have been designed to improve the quality of Government investments and to ensure the economic viability of projects before commitments are made. This work has been supported by close attention to the implementation of projects. The Ministry has kept under regular review the progress of major development projects; detailed time-schedules have been prepared for such projects and a quarterly evaluation of progress in relation to targets is being undertaken. A committee of Permanent Secretaries has been formed to function as a co-ordinating body at the highest executive level for the review of progress and for corrective action on shorrtfalls and delays on these projects. A start has been made in providing an framework for systematic progress control of development programmes as well as for the evaluation of performance in the administration.

A Development Advisory Council has been set up to serve as an organized forum to assist the Ministry of Planning and Economic Affairs in matters concerning the participation of the private sector in national development programmes. The council will review targets of private sector output and investment implicit in the current development plans and consider means of realizing them. For this and other related purposes the council has set up four committees on Agriculture, Industry, Finance and Commerce and Tourism for analysis in detail of specific issues. The subcommittee will initially be concerned with identifying specific investment projects in the private sector.

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#### FOREIGN AID

I shall be tabling a document which will set out the external assistance that this country has received and its utilization. I shall, therefore, not weary the House by going into details here.

In my last Budget speech, I referred to the efforts made by the International Bank for Reconstruction and Development to enlist the support of countries which were willing to help Ceylon in its endeavours towards economic rehabilitation. The International Bank for Reconstruction and Development convened three meetings for this purpose.

The first meeting was held in Washington in July 1965, as a result of which aid to the extent of Rs. 201 million was pledged. The second meeting took place in London in May 1966, and the aid pledged as a result of this meeting was Rs. 221 million. Out of a total amount of Rs. 422 million pledged under the first and second commodity aid programmes, approximately Rs. 227 million has been received up to the end of June this year.

The terms of the aid so pledged vary quite considerably but, on the average, they involve a repayment period of twenty years and an interest of  $2\frac{1}{2}$  per cent.

The third meeting was held in Tokyo in April this year. Some of the donor countries have already indicated their contributions and in some cases the agreements have already been signed and orders placed under them. The World Bank too has announced its intention of making available a substantial amount in the form of soft loans for the financing of projects.

The three rounds of aid are in support of an import programme which is heavily weighted towards recovery and growth.

As in the past, we have received considerable assistance from countries, both in the East and the West, in the form of project aid and technical assistance. Further information regarding this can be had from the document I shall be tabling today.

I should like to take this opportunity of expressing our gratitude to all donor countries for their generous assistance and for their continuing support of our efforts towards economic progress and development.

#### FOREIGN INVESTMENT

Applications from foreign investors continue to be received for investment in a wide range of projects. These applications have been considered expeditiously and 29 have been recommended for approval by the Foreign Investment Approvals Committee. They include investments in motor car and assembly, frozen sea foods for export, glass and glass products, aluminium and iron sheets, textiles, agro-chemicals, ceiling fans, pharmaceuticals, etc. These projects will result in a total investment of about Rs. 125 million of which the foreign component will be about Rs. 34 million.

#### AGRICULTURE

The programme of increased food production received special emphasis in the current year. With a view to organizing an effective food drive in the country, one of the first steps taken by the Government was to reorient the provincial administration. Fourteen Additional Government Agents were appointed with an additional minor staff of 192 in the more important kachcheris. Each kachcheri now has a special unit to attend to all problems connected with food production. Ninety eight jeeps were provided to the kachcheris in addition to furniture and equipment ment required for the new units. Altogether about Rs. 4 million has been

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provided this year for strengthening provincial administration in connection with the food drive.

A new scheme of rural credit has been finalized and will be inaugurated with effect from the next Maha season. Under this scheme, commercial banks will take over from the Department of Agrarian Services the function of granting loans to co-operative societies for the purpose of cultivation of approved crops. The crops which have now been approved are paddy, chillies, red onions, Bombay onions, potatoes, pineapples and vegetables. The Central Bank will provide the required re-finance to enable the commercial banks to lend to co-operative societies. In view of the risks involved in lending to small farmers for the cultivation of these crops, the Government has decided to guarantee such loans granted by commercial banks. The Central Bank, on behalf of the Government, will guarantee these loans up to 75 per cent of the amount in default, while the lending banks would have to bear the balance 25 per cent. The amount of credit issued per acre has been increased from Rs. 175 to Rs. 220. It is anticipated that the total amount of credit that will be granted under the new scheme will increase considerably from its present annual level of about Rs. million. This expansion of credit will result in the increased use of fertilizer as well as wider spread of improved cultural practices in paddy cultivation.

During the course of the year steps have been taken to streamline paddy purchasing organizations in order to ensure that the guaranteed price is made available to all producers and also to maximize the local procurement of paddy for the purpose of the rice ration. The more important of these steps are the increasing of the commission payable to co-operative societies for purchasing paddy from 50 to 60 cents per bushel, the provision of liberal marketing loans to cooperative societies, the provision of facilities for producers to sell direct ment Agent, at the rate of Rs. 55 per

to the Government, the suspension of purchases on crop lists and making available vehicles to co-operative societies for the transport of paddy to government stores.

With the object of increasing the yield of paddy and of other crops, liberal quotas have been granted for fertilizers whose imports have increased from Rs. 78 million in 1964 to Rs. 88 million in 1965 and to Rs. 91 million in 1966. From 1966 to date, 24 district level fertilizer stores and 100 village level fertilizer stores have constructed. The fertilizer storage capacity at district level has been increased to 50,000 tons. At the same time, the fertilizer subsidy scheme has been expanded to bring in new fertilizers such as superphosphate, compound fertilizer and bone meal within it. The total amount of fertilizer distributed under the subsidy scheme is expected to increase from about 47,500 tons in 1965-66 to about 71,000 tons in 1966-67.

Government's policy of popularizing the use of the improved variety of H-4 seed paddy has shown marked success as the acreage sown with this variety of paddy in Maha 1966-67 was 650,000 as against 535,000 in Maha 1965-66.

Liberal quotas have been granted for the import of tractors, agricultural machinery and implements and transport equipment. A total quota of nearly Rs. 40 million has been released for imports of tractors, implements and spares in 1966 and 1967 together. This allocation is much higher than the value of imports in the three-year period 1963-65. In order to ensure that these tractors are utilized principally for paddy production, tractor firms have been instructed to sell tractors only on issued by Government Agents. Government Agents make it a condition of the permit that the permit holder will undertake to plough in addition to his own lands a further area of paddy in the district to be nominated by the Govern-

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acre. At the same time, the four major tractor importers of country have been asked to operate tractor pools of at least 20 tractors each in specified districts in order to undertake tractor ploughing for paddy cultivators on hire, at the rate of Rs. 55 per acre. Already three tractor pools have been established in the Polonnaruwa, Anuradhapura and Trincomalee Districts.

Under the scheme of special leases for the development of land under food crops by the private sector, 57,500 acres have been given on lease to 188 private organizations individuals.

In 1966, irrigation facilities were provided for 30,800 acres, of which 19,500 acres were new land. In addition, 5,750 acres benefited by drainage work and 650 acres were provided with lift irrigation. Thus, a total of 37,200 acres were provided with irrigation facilities in 1966. The target for 1967 is 38,000 acres. Considerable progress has been made in the investigation of ground water resources in the Wanathavillu area in the Puttalam District. The availability of substantial ground water resources of good quality for the development of about 8,000 to 10,000 acres has been established in this area. Investigations are also proceeding in the Silavathurai Mannar-Pooneryn limestone wedge to establish the availability and quality of ground water resources in this area. About 80 per cent. of the work on the left and right bank sections of the main dam of the Uda Walawe reservoir is now complete. Work on the river closure commenced this month and is expected to be completed by September. The head works of the reservoir, inclusive of the power plant, sluice and spillway will be completed in 1968. Investigations on the Mahaweli-ganga river basin undertaken by the United Nations Special Fund are nearing completion and the feasibility report

An Agricultural Corps has been established to expedite the construction of minor irrigation works and for land development. The proposal is to establish 45 camps with 350 men each, making a total of 15,750 men. So far, 3 camps have been established, and the total of 45 camps is expected to be established by the end of 1967. Apart from expediting construction of minor irrigation works and the development of new lands in connection with the food production effort, the Agricultural Corps also provides considerable relief to the unemployment problem.

4,922 families were settled colonization schemes in 1966, and 25 youth settlement schemes were established in the same year, settling about 2,600 youths in about 9,289 acres. Of this acreage, 3,900 acres have been cleared for cultivation of various crops. A concentrated effort is also being made to dispose of all encroachments either by regularization or, where it cannot be regularized, by eviction. Divisional Revenue Officers have been appointed Land Officers for this purpose and additional surveyors have been posted to deal with this work. Of 130,360 encroachments covering an extent of 208,650 acres, 42,300 encroachments covering 64,900 acres have regularized so far.

The various steps taken by the Government towards increasing food production have yielded appreciable results. Paddy production in Maha 1966-67 is estimated at 34 million bushels as against 31 million bushels in Maha of 1965-66. The most significant feature is the increase in the average yield of paddy during this period. The average yield per acre in Maha of 1966-67 was a record of 40.5 The highest average yield earlier was in Maha 1963-64, when it was 38.6 bushels per acre. A good indication of the substantial Maha harvest is the fall in the price of rice in the open market. After the reduction in the rice ration at the end of last year, the price of rice in the open market rose to a very high level of will be published shortly. Digitized by Noolahambout Re. 1.50 per measure. With the

gathering of the *Maha* harvest, however, the price has declined, and rice is now freely available at about 85 cents a measure.

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(கௌரவ வன்னிநாயக்க) (The Hon. Wanninayake)

When the rice ration was cut, the Government estimated that it would be able to purchase paddy equivalent to 100,000 tons of rice during 1967. Already, however, over 135,000 tons of rice have been purchased, and there is every prospect of collecting another 45,000 tons or more during the year.

Partly as a result of the facilities provided by the Government and partly as a result of the restriction on the import of certain food items, the production of subsidiary food crops, vegetables and fruits has shown an appreciable increase during this period. With the banning of potato imports in February 1967, potato production is being expanded to 5,000 acres and the total production is expected to be over 20,000 tons in 1967-68. There has been a considerable increase in the production of chillies as a result of the expansion of the area under cultivation. production of onions in Maha 1966-67 was 226,580 cwts. as against the target of 193,000 cwts. in the Five-Year Agricultural Plan; the production of maize was 82,440 cwts. as against the target of 76,600 cwts.; and the production of ground nuts was 31,070 cwts. as against the target of 17,500

There has also been a substantial increase in the production of vegetables, largely as a result of the scheme organized by the Government for the cultivation of vegetables in up-country tea estates. As a result of

the increased production of vegetables, the seasonal annual rise in vegetable prices, which generally takes place during June-July, has not taken place this year, and the prices of practically all varieties of vegetables have remained fairly constant throughout the year. The production of eggs has increased sharply in the last two years, and egg prices have fallen to a level of about 20 cents or less.

Steps taken by the Government to increase milk production are yielding appreciable results. A herd of over 2,000 milch buffaloes have been imported from India and sent to the Tamankaduwa milk project. These buffaloes will supply milk to the condensery which is being established at Polonnaruwa and which will come into production by the end of 1967. The annual production of this condensery will be 25 million cans and it will meet the entire needs of condensed milk in the country, thereby saving about Rs. 19 million a year in foreign exchange. Another 1,000 temperate zone animals have also been imported from Australia and New Zealand for rearing in the up-country regions. Temperate type milch cows as well as some of the buffaloes imported for the low-country areas are being issued to estate owners and other private persons who are engaged in milk production. As a result of these measures and also because of the increase in price of 10 cents a pint which is being paid to milk producers from the beginning of 1967, the supply of milk has increased considerably. The Milk Board's own purchases have gone up by over 15,000 pints a day and at the moment it has a surplus which is to be temporarily distributed free poor school children until it absorbed by the condensed milk plant by the end of this year. Steps have also been taken to establish a second sterilized milk plant with a capacity of 15,000 pints per day at Pallekele and a milk spray drying plant upcountry.

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While special attention was paid to food production during this period, the Government also took a number of measures to assist the plantation industry. As a measure of assistance to tea small-holders, the Govern-ment re-opened the Tea Fertilizer Subsidy Scheme for the calendar year 1967, under which owners of tea lands under 100 acres in extent are issued fertilizer, half the cost of which is to be subsidized by the Government up to a maximum of Rs. 80 an acre per year. In order to increase investment in the Island's tea factory capacity, the Government introduced a scheme in October 1966, as announced in the last Budget speech, whereby the interest on loans issued by banks for the purchase and installation of machinery and the construction of new factories is subsidized to an extent of fifty per cent. by the Government.

Hon. Members are aware that towards the latter half of 1966 there was a slump in tea prices, which seriously affected all producers of tea. As a measure of relief, the Government introduced the Tea Government introduced the Tea Export Duty Rebate Scheme on 25th September last year, under which the whole or part of the export duty of 35 cents is refunded on low priced teas. Under this scheme, teas which fetch under Re. 1.50 per lb. at the Colombo auctions are paid a rebate amounting to the difference between Re. 1.50 and the price fetched, subject to a maximum of 35 cents per lb. To discourage the production of poor quality teas, a price limit is fixed below which no rebate is to be paid. At present, the lower limit has been fixed at 90 cents per lb. The cost of this scheme to the Government in the current year is Rs. 55 million. The Government has also appointed a commission examine the problems facing the tea industry in Ceylon and recommend measures for the industry to maintain its viability.

In order to accelerate the rate of rubber replanting, the Government increased the rates of replanting

subsidies during this period. Steps are also being taken to encourage the replanting of coconut.

#### INDUSTRY

In the field of industry, considerable progress has been achieved during the past year.

The Steel Rolling Factory at Oruwala, the Tyre and Tube Factory at Kelaniya, the Hardware Factory at Yakkala, the Cement Plant at Galle and the Ceramics Factory at Piliyandala were brought into commercial production this year.

Production at the Kankesanturai Cement Factory is expected to increase from 80,000 tons in 1966 to 160,000 tons in 1967 as a result of the installation of a new rotary kiln. Work on the further expansion of this factory to produce 270,000 tons of cement per annum by 1969 is now in progress.

Production was also increased at the Paper Factory at Valaichchenai from 6,000 tons per year to 9,000 tons, while at the Plywood Factory at Gintota the installation of ancillary equipment resulted in increasing the output from 17 per cent. to 26 per cent. of the Island's requirements of plywood tea chests.

At the Textile Factory at Veyangoda, the weaving section was fully commissioned and work on two shifts was introduced.

Work connected with the setting up of an integrated textile mill at Thulhiriya—perhaps one of the largest in the East—was also started during this year.

Local production of salt was stepped up from 58,000 tons in 1965 to 63,000 tons in 1966, and it is hoped to increase production further to at least 70,000 tons in 1967.

In addition to the Standards Bureau which was set up some time back, a management services division manned by three I.L.O.

experts and local counterparts has been set up in the Ministry of Industries and Fisheries to service public sector corporations in the fields of personnel management, management accounting and industrial engineering.

The response to the Government's statement of policy regarding private foreign investment has been encouraging. About 22 projects involving both foreign technical and capital collaboration with local investors have been granted approval.

Since November 1963, it has not been possible to grant approval for new investments or for expansion of industrial undertakings on account of the continuing foreign exchange difficulties. The National Govern-ment, however, has since granted approval for sixty new industrial undertakings by local investors. The measures of rationalization industry carried out during course of this year have made this possible. To help meet the foreign exchange needs of new industrial investment the Development Finance Corporation has successfully negotiated a loan of 4 million dollars with the International Bank for Reconstruction and Development.

Negotiations have been finalized and work will commence shortly on the project for the progressive manufacture of truck and lorry chassis locally. This undertaking will be carried out by Government in collaboration with a leading international firm.

Work will also commence on a paper board mill at Valaichchenai, a cast iron foundry at Enderamulla, an integrated plywood and chipboard factory at Avissawella, a steel foundry, a structural shop and a galvanizing plant at Oruwala, and a third grinding mill Kankesanturai.

In addition, the steel project at Oruwala will be carried a step

preliminary work connected with Stage II for steel-making continuous casting of billets.

Steps have been taken to expand the output of the Ceramics Factory at Negombo and of the Oils and Fats Corporation at Seeduwa. Work on Stage I of the Puttalam Cement Factory to produce 220,000 tons of cement per annum is progressing satisfactorily, and negotiations are being conducted for the supply of machinery for Stage II of the project in order to double the output of this factory by 1971. The flour mill will be completed and brought into production early next year.

It is proposed to introduce new legislation for the encouragement, promotion and development of industries in the private sector. The Industrial Development Board will be reconstituted within the framework of this legislation to undertake further responsibilities in the field of industrial promotion. This organization will set up new agencies such as an investment information centre, an export promotion centre, an industrial supplies agency and a management development and productivity centre. It also proposes to set up industrial estates in the districts of Galle, Kandy and Jaffna. Statutory provision will also be made for the setting up of an industrial advisory council and industrial panels for the various sectors of industry. The proposed legislation also contemplates the establishment of a special industrial development fund to which both the Government and the manufacturing industries will make their contributions.

Steps taken for the expansion of the fishing industry will be continued. The Fisheries Corporation has been reorganized and the strength of its fishing fleet has been increased. The fisheries harbour at Tangalle has been completed while work on the fisheries harbours at Galle and at Beruwela is nearing completion. Work on the fisheries harbour at Mirissa has already commenced and work at the Myliddy further by the commencement of Harbour will commence shortly.

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The scheme to establish 1,000 handloom textile centres started last year will be completed by the end of this year. In addition, work is in progress with foreign aid on 2,400 powerlooms in 50 powerloom textile workshops. It is estimated that by 1969 both the handlooms and the powerlooms will produce about 100 million yards.

Laksalas were opened in Galle and Kandy and steps are being taken to open branches in Matara, Kegalla and Jaffna.

#### POWER

Construction work in connection with the Maskeliya-oya Scheme Stage I, namely Polpitiya Scheme, is proceeding apace as scheduled and will be completed by mid-1969. Tenders have been invited and contracts awarded for the construction of 300 miles of 132,000-volt transmission lines between Polpitiya and the Northern areas of Ceylon, for the associated grid sub-stations and for the 500 miles of 33,000-volt transmission lines in all parts of the country. The Electrical Department has also commenced work on 500 consumer sub-stations. The Government is planning to electrify approximately 100 villages in the next financial year.

#### ECONOMIC OVERHEADS

# (a) Transport and Communications

The Katunayake Airport terminal building is expected to be completed by the end of this year and will be put into operation by March 1968.

The programme of dieselization of the railway will commence shortly with the purchase of diesel locomotives. Work on the extension of the colour-light signalling system between Ja-ela and Negombo and between Veyangoda and Polgahawela is in progress. This scheme will also be extended from Panadura to Alutgama and from Negombo to Chilaw shortly.

The 1,400 ft. quay in the Galle Harbour to provide alongside berthing facilities for two cargo vessels will be completed next year while about 30 per cent of the work of providing 70,000 sq. ft. of warehouse space along this quay has been completed. At Kankesanturai, the work on the two jetties will be completed this year and work on the main harbour will be started as early as possible.

More than half the work on the Beruwala fisheries harbour has been carried out and it is expected to be completed by the end of next year. In the Colombo Harbour, in addition to the 91,500 sq. ft. of warehouse space which has been provided, a further 48,500 sq. ft. of warehouse space for the use of the Food Department will be made available at the Beira early next year. Work is also in progress on the construction of a series of water towers with a total tank capacity of over 400,000 gallons per day with the object of improving the water supply in the port. The Ceylon Petroleum Corporation has signed an agreement with the I. C. P. A. Institute of New York for the establishment of a lubricant blending plant at Kolonnawa. It has also begun, in concert with a French company, a seismic survey for the petroleum deposits in the North and North-Western littoral belt Ceylon. A contract for the construction of the oil refinery has also been signed and the work is in progress. Production is expected to commence in the first half of 1969.

The Ceylon Transport Board has provided additional bus services in the areas where development work been undertaken and expanded the network distance services between provincial capitals and distant outposts. The number of buses operated has increased and it is expected that the total operating fleet will be increased from about 3,700 at present to over 4,000 by the end of 1968. 1966, 2,855 persons have been given

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apprentices have been taken in with a view to training them as skilled mechanics.

There has been an improvement in the postal and telecommunication services during this period. Fortyone post offices have been sanctioned and the staff considerably increased. The construction of the new mail room near the Fort Railway Station has been taken in hand and the construction of a temporary mail room at Wijewardena Mawatha will eliminate the difficulties now experienced as a result of congested mail traffic.

The Colombo Area Telecommunication Development Scheme intended to serve areas within a radius of 15 miles from Colombo is now nearing completion. Of the 22 exchanges which this scheme comprises, have been completed and brought to service and the other, together with the new Central Exchange in Colombo will be completed early next year. Tenders have also been called for work in connection with the expansion of the Outer Colombo Area Development Scheme to cover the Southern, Western and Central Provinces initially.

Among the major construction projects undertaken by the Public Works Department during the year, were the widening of the Galle Road through Kalutara town, the Maskeliya project and the deviation of the Anuradhapura-Padaviya road. Several new projects like the Galle and Weligama by-passes, the Ella-Wellawaya road and the northern approaches to the new Kelaniya Bridge were initiated.

# (b) Housing

The National Housing Department granted Rs. 16.6 million in loans in 1965-66 as against Rs. 4.8 million in 1964-65. It is estimated that the total loans in 1966-67 would be about Rs. 23 million. The maximum limit of a loan has also been raised from Rs. 20,000 to Rs. 25,000 and, as an incentive to house building, tax reliefs

have already been provided by the National Housing (Amendment) Act of November 1966. Work is in progress at several sites in Colombo and the suburbs where 1,832 flats are under construction.

## (c) Local Government

In addition to the towns south of Colombo and Kandy, where water supply schemes were completed and are in commission, water supply schemes for Kegalla, Kuliyapitiya, Kadugannawa and Medawachchiya are under construction while work will commence shortly on the water supply schemes for Nuwara Eliya, Avissawella and Badulla.

Increased financial grants amounting to Rs. 9.3 million—almost double that given in the previous yearthis year provided authorities to carry developmet programmes. In addition, 36 loans amounting to Rs. 3.4 million have been allowed this year for 23 electricity schemes, 5 markets, water supply schemes and 1 housing scheme. With a view to encouraging the food production drive, each Assistant Commissioner of Government was allowed a grant of Rs. 30,000 to open three agricultural roads in his region.

Work has also been initiated on the Maligawatte Redevelopment Scheme to provide housing for about 22,000 people.

# (d) Tourism

In accordance with Government policy of encouraging tourism, steps have been taken to build ten new hotels in the next two or three years. Of these, three will be in Colombo and the rest in holiday resorts. Practically all the hotels are expected to be completed by the end of 1969 or early in 1970. The ten hotels when completed will have about 1,075 rooms with about 2,000 beds. The Ceylon Hotels Corporation has signed a contract with the Inter-Continental Corporation to build a 250-room hotel in Colombo.

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### SOCIAL OVERHEADS

## (a) Education

With a view to reorganizing higher education, the Higher Education Act, No. 20 of 1966, was implemented with effect from 1st October 1966 and a National Council of Higher Education was established. The Vidyodaya and Vidyalankara Universities, which had hitherto been confined to students, were opened to female students also. Arrangements have been made to convert Colombo section of the Ceylon University into an independent university. Steps have also been taken to establish junior university five colleges at Dehiwala, Galle, Kegalla, Kuliyapitiya and Palaly with a view to providing higher education with a vocational bias. The Publications Division of the Official Languages Department and the School Text-books Section of the Education Department were amalgamated and a new Department of Educational Publications was established at the beginning of the financial year. This department has published sixty-one school text books so far. With a view to teaching agriculture in all the schools, arrangements have been made to train teachers in batches of 650 in 14 agricultural schools for periods of six months. As a part of the food drive, 3,858 acres of school garden have been cultivated under food crops, and students in practically all schools in the country have been participating in work experience campaigns in the fields of agriculture, industry and social service.

# (b) Health

A central chest clinic is being constructed at Dean's Road with foreign assistance and is expected to be completed within one year. All provincial hospitals now have qualified pathologists and it is proposed to improve further the pathological services in Colombo. A virus laboratory and an animal home will be completed in the Colombo South Hospital and will be functioning next year. The report of

a quality control laboratory has been received and it is expected that foreign aid will be available very soon to get this laboratory working. An

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operating theatre has been put up at Hendala, and surgeons from Colombo will visit this institution to undertake

reconstructive and palliative surgery.

Legislation will be introduced shortly to amend the Medical Ordinance to make the Colombo Medical Council more representative and to provide for the establishment of separate boards of control for nursing and other para-medical services. Legislation will also be introduced during the course of the year to tighten security measures regarding the sale, possession and use of poisonous and dangerous drugs and also to ensure proper sanitation and maintenance of adequate standards in the manufacture of drugs. The new hospital and post-graduate training centre at the Nawinna Training Institute was recently opened. A Bill for the recognition of Homoeopathy will be introduced early during this session.

## (c) Labour

The Commission of Inquiry on Employee Participation in Profits has submitted its report to His Excellency the Governor-General and its recommendations are receiving the attention of the Government. A commission of inquiry was appointed to examine and recommend amendments to the Industrial Disputes Act and its report is expected in September this year, and the committee appointed to examine the working of Trade Unions Ordinance and recommend necessary amendments is expected to issue its report shortly. The committee appointed to inquire into and report on measures for the and health of industrial workers is continuing its deliberations, and its report is expected before the end of this year.

A wages board for workers in the biscuit and confectionery manufacturing trades has been set up, and action is being taken to fix minimum wages for workers in these trades. Steps are also being taken to establish the W. H. O. on the establishment of an wages to boards for workers in the rice milling, textile manufacturing, production and distribution of films, and rubber and plastic goods manufacturing trades. The Wages Boards Ordinance has been amended in order to regulate the employment of workers engaged by private contractors in establishments. For the first time, prosecutions under the Factories Ordinance have been started against owners of factories for violating the safety and health provisions of the Ordinance. Draft legislation has also been proposed to enable worker participation management and is receiving the consideration of the Government. A series of new regulations to the Wages Boards Ordinance have been presented in Parliament. Provision has been made in these regulations deductions from wages workers for purposes such as provident fund and medical schemes, and employers have been made liable to grant leave to workers' representatives to attend wages board meetings.

Remuneration tribunals, especially for workers employed in hotels and petrol filling stations, will be established shortly. Under the Wages Boards Ordinance and the Shop and Office Employees (Regulation Employment and Remuneration) Act, provision has been made to impose enhanced punishment on defaulting employers and to make employers failing to pay wages in time liable to pay an additional ten per cent of the amount due. Strict enforcement of the provisions of the Employment of Women, Young Persons and Children Act, especially in regard to the employment of children, is being carried out.

The number of centres for the training of youths in skills such as masonry and carpentry has been increased from 9 to 19, while double sessions have been introduced at the Central Vocational Training Centre at Urugodawatte and training in a number of new skills has been started. To assist the food production drive, tractor operators and tractor mechanics are also being trained in these training centres. Digitized by Noolaham Hope to conclude them early.

(d) Social Service

The Government has continued its policy of incurring appreciable expenditure on social services in spite of the difficult financial situation. Approximately Rs. 16 million is spent annually on account of charitable allowances paid to about 150,000 persons. The Tuberculosis Assistance Scheme also costs the Government an additional Rs. 7 million per year. The committee appointed by the Government to draft a scheme of social insurance has submitted an interim report which is being considered by the Government. Action is also being taken to present to Parliament a Children & Young Persons Bill shortly.

නියෝජන කථානායකතුමා (உப சபாநாயகர் அவர்கள்)

(Mr. Deputy Speaker)

The Sitting is suspended for half an hour.

රැස්වීම ඊට අනුකූලව නාවකාලිකව අන් සිටුවන ලදින් අ. සා. 4.30 ට කැවන පවත්වන ලදි.

அதன்படி அமர்வு பி.ப. 4.30 மணிவரை இடை நிறுத்தப்பட்டு, மீண்டும் ஆரம்பமாயிற்று.

Sitting accordingly suspended till 4.30 P.M. and then resumed.

ශරු වන් නිනායක

(கௌரவ வன்னிநாயக்க)

(The Hon. Wanninayake)

REORGANIZATION OF CREDIT AND SAVINGS INSTITUTIONS

In the last two Budget speeches, I drew attention to the need to repeal restrictions imposed on foreign banks by the Finance Act of 1961 and the need to make changes in the institutional framework within which the foreign banks would function as useful elements in our financial system. I regret to state that as a result of the difficulties in arriving at a mutually acceptable settlement, negotiations with the foreign banks have not yet been finalized. The negotiations, however, are still proceeding and we

[ශරු වන් නිනායක]

Amendments to the Development Finance Corporation Act with a view to widening the scope of its activities have already been passed by this House and become law. The Development Finance Corporation, as 1 have mentioned already, has succeeded in obtaining from the World Bank a loan in foreign exchange of \$4 million or Rs. 19.4 million.

In accordance with the recommendations of the People's Bank Commission, the Government has decided to transfer the Debt Redemption Scheme from the People's Bank to the State Mortgage Bank, and legislation to this effect will be presented in Parliament shortly.

Legislation to set up a National Savings Bank, amalgamating the Post Office Savings Bank, the Ceylon Savings Bank and the National Savings Movement will be placed before Parliament early. Amendments to the People's Bank Act, in accordance with the recommendations of the People's Bank Commission, will also be presented to Parliament before long. Amendments to the State Mortgage Bank Act and the Agricultural and Industrial Credit Corporation Act with a view to broadening the scope of their activities are being prepared and will be presented to this House in the near future.

The Government has decided to appoint a commission to inquire into the Bank of Ceylon and make recommendations so as to make it contribute more to the country's economic development than at present. Action is being taken to set up this commission.

I mentioned in my last Budget speech that a committee had been appointed to examine the problem of foreign exchange malpractices in Ceylon. This committee has submitted its report to the Government and its recommendations are being considered.

TAXATION

During the year under review, the significant aspects of the work done by the Inland Revenue Department have been the discovery of new taxpayers, more intensified investigation work and the implementation of the Savings Relief Scheme which was announced in the 1965 Budget speech.

The number of income tax files. which was 137,603 on 31st March 1966, increased to 151,621 on 31st March 1967 and stood at 154,061 on 30th June 1967.

With a view to combating tax evasion, several inspections searches under the Inland Revenue Act were carried out. The number of searches carried out was in respect of The number of taxpayers investigated and assessments settled by the Investigation Branch was 58, while 199 cases were investigated in the Regional Offices and Assessing Branches. During the year ended 30th September 1966, investigation work revealed Rs. 29,358,775 of undisclosed income that brought Rs. 10,915,729 of additional tax. figures for the period 1st October 1966 to 30th June 1967 were Rs. 20,509,563 undisclosed income Rs. 7,846,624 of additional tax.

Although the Savings Relief Scheme was announced in the 1965 Budget speech, the necessary legislation was passed only towards the end of 1965, so that the implementation of this scheme had necessarily to be delayed. The objective of this scheme was, firstly, to reduce personal expenditure by inducing people to save, and, secondly, to make money available for development both in the public sector and in the private sector, but according to the priorities decided by the Govern-

The impact of the Savings Relief Scheme is illustrated by the fact that investments in Ceylon Savings Certificates, Government Securities. Special Account in the Central Bank and Special Accounts in the com-Digitized by Noolahamercial banks increased from Rs. 5.9

million before the Savings Relief Scheme was introduced to Rs. 63.7 million as at the end of June 1967.

#### THE PUBLIC SERVICE

In order to ensure the maximum utilization of the large sums money which have been provided in the next financial year both for capital works as well as for recurrent expenditure, it is necessary that the departments concerned should be provided with the men and material which are essential for the tasks that lie ahead. I have accordingly agreed to provide some 5,400 additional posts in the Public Service next year at a cost of over Rs. 15 million. Most of this staff will be distributed among the Ministries of Education, Agriculture, and Posts & Telecommunications. Significant additions have also been made in the cadres of the Auditor-General's Department, the Government Press, the Department of Inland Revenue, and the Customs Department. The recruitment of the additional staff will be done in stages over the next financial year and there should be no complaints regarding lack of staff in the future.

Steps have been taken at the same time to improve the quality and efficiency of the Public Service by the establishment of regular training programmes both for new recruits as well as for serving officers in supervisory grades. I also intend progressively improving the standard of Government accounting, streamlining financial procedures and placing greater emphasis on management accounting. With this object in view, the Treasury has recently initiated a special diploma course in accounting for officers in the Government Accountants' Service in close collaboration with the Institute of Chartered Accountants. Action has also been taken to afford facilities for promising young officers in the Public Service to be trained as Chartered Accountants. Both these schemes will result in Government having at its disposal a corps of trained and qualified accountants to supervise the vast investments which have already been made and which are being planned for the future in the public sector.

I must also mention, in passing, that the Financial Regulations of the Government, which have often been condemned as an impediment to the speedy transaction of Government business, have been revised and the revised regulations dealing with such matters as Government accounting, supplies, works and services, are already in operation. The new regulations have vested very wide powers in heads of departments and permanent secretaries and should contribute to the expeditious execution of Government works.

In my Budget speech last year, I referred to the appointment of various committees to examine and report on the Ceylon Administrative Service, the establishment of unified engineering and scientific services and the general question of administrative reforms. All these committees have completed their assignments, and the recommendations in respect of the Administrative Service and general administrative reforms have already been implemented, while the question of setting up unified services for engineering and scientific personnel is receiving active consideration.

A Salary Anomalies Committee was appointed in January this year to inquire into and report on all cases of anomalies and hardships in regard to salary and salary scales since the issue of the last Salary Anomalies Commission Report and to make recommendations in regard to the rectification of such anomalies within the existing salary structure of the Public Service. The committee is now proceeding with this task of examining the representations which have been received.

Official committees have also been appointed to examine and report on the question of absenteeism in Government departments and fringe benefits and terms of employment in

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[ගරා වන් නිතායක] . State corporations and statutory boards. The feasibility of establishing a transferable service of minor office grades is also under examination.

### PART III

Mr. Deputy Speaker, before I go into the details of revenue and expenditure estimates for 1967-68, I would like to draw your attention to certain improvements which have been introduced in the Estimates for 1967-68 tabled already before you, with a view to making the budgetary process more development oriented.

The Budget plays an important role in translating the development plans of Government into financial plans. In the process it is necessary not only to determine the costs applicable to a particular function, programme or project of a plan, but also to have an effective and satisfactory follow-up of such plans. The conventional Budget classification of expenditure has not been found to be very useful for the task of integrating the Budget into a plan or for assisting the process of plan implementation. Some governments have, therefore, thought it necessary to adopt a system of programme and performance budgeting of public expenditure. Accordingly, some preliminary steps have been taken in this year's Estimates of expenditure to introduce for the first time a functional classification of Government expenditure. This permits expenditure to be identified or separated by general purposes or functions (e.g. agriculture, education, health, etc.) and makes it possible to aggregate Government's total expenditure in a given field. The more important functions which promote economic development have been broken down into programmes; for instance, eduhas been classified under primary, secondary, technical higher education.

With a view to measuring the achievements against the physical targets, an attempt has been made to classify capital expenditure for 1967-68 on a programme basis. The capital expenditure, particularly under Vote 7, in the next year's Estimates, has been classified on a programme/ project basis. This will help the departments to become more programme conscious—not only of the benefits but also of the costs of the programme they are expected to carry out. It will also help departments to clarify the aims and responsibilities of the internal departmental units in charge of programmes and would lead to an improvement in administrative structures within departments.

Mr. Deputy Speaker, in spite of the numerous difficulties stemming from the sharp decline in our export earnings, which you will agree is largely beyond our control, the National Government is determined to continue its efforts to accelerate the rate of capital formation in the country with a view to providing increasing employment opportunities and improving the standard of living. The emphasis in the next year's Budget, therefore, as in that of the current year, is on economic development.

Government's revenue for the financial year 1967-68 at prevailing tax rates is estimated at Rs. 1,932 million or Rs. 101 million below the original estimate of revenue for 1966-67 which is Rs. 2,033 million. however, Rs. 57 million more than the revised estimate of revenue for 1966-67 which is Rs. 1,875 million. fall in the estimate of revenue in 1967-68 from the original estimate in 1966-67 is principally due to the fall in the collection from customs duties both on imports and exports by Rs. 61 million. The estimated revenue from customs duties in 1967-68 is, however, slightly higher than the revised estimate for the current year. technical and The revenue for next year from Digitized by Noolaham fhend National Lottery, tobacco tax.

telephone services, profits on Advance Account activities, the Electrical Department, and excise is estimated to exceed the revised figures of collections in the current year. The relevant figures are given in the Estimates of Revenue and Expenditure which have already been tabled before the House.

Total Government expenditure for 1967-68 is estimated at Rs. 2,927 million or Rs. 83 million more than the original estimate for the current year of Rs. 2,844 million. Recurrent expenditure next year is estimated at Rs. 2,145 million or Rs. 63 million more than the original estimate for the current year.

When the provision of Rs. 126 million in respect of contribution to Public Debt Sinking Fund and amortization payments is excluded from the recurrent expenditure, and the usual under-expenditure of 2½ per cent. on other recurrent votes—i.e. Rs. 50 million—is allowed for, the net recurrent expenditure for 1967-68 is likely to be Rs. 1,969 million. As this is more than the estimated revenue, there will be, on the basis of these estimates, a gross current account deficit of Rs. 37 million in 1967-68.

An allocation of Rs. 783 million has been made in the next year's estimates for capital expenditure—the highest in any year so far.

The actual capital expenditure in 1965-66, as I pointed out earlier, was Rs. 529 million. For the current year, a provision was made of Rs. 762 million for capital expenditure and supplementary estimates estimated at about Rs. million. This is an unprecedented allocation for capital investment in public sector. The estimate of capital expenditure for the current year, as I pointed out earlier, is about Rs. 596 million. Although it is lower than the total amount allocated including supplementary provision, by Rs. 199 million or about 25 per cent., it is about Rs. 67 million or 11 per cent. more than the actual capital expenditure the next 1965-66. In Government the estimates. providing Rs. 783 million or Rs. 21 million more than the current year's original provision for capital expenditure. It is likely that there will be an under-expenditure of about 15 per cent. in the capital votes next year. Thus, the actual expenditure next year is expected to be about Rs. 666 million, which will be about Rs. 70 million or 12 per cent. more than the estimated actual capital expenditure in the current year. As in the current year, the greater part of this capital investment will be in the more productive sectors, particularly in agriculture and industry. The total allocations made to the different sectors are as follows:

				Rs. Million	
1.	Agricultural Sector	M 18			240
2.	Industrial Sector				185
	(a) Manufacturing Industries		156		
	(b) Fisheries		29		
3.	Economic Overheads				206
4.	Social Overheads				118
5.	Other Overheads				34
			Total		783

[ගරු වන්නිනායක]

These figures do not include capital expenditure which will be financed from certain extrabudgetary sources like the Tea Subsidy Fund and the Reserve,

Extension and Renewals Fund of the Department of Government Electrical Undertakings.

The Estimates of Revenue and Expenditure for 1967-68 may be summarized as follows:

## Budget Estimates of 1967-68

		Rs. Million
Gross Recurrent Expenditure		 2,145
Less Sinking Fund contributions and A	mortization payments	 126
		2,019
Less $2\frac{1}{2}$ per cent Under-expenditure		 50
Net Recurrent Expenditure		 1,969
Revenue		 1,932
Current Account Deficit		 -37
Gross Capital Expenditure		 783
Less 15 per cent Under-expenditure		 117
Net Capital Expenditure		 666
Plus Sinking Fund Contributions and A	amortization Payments	 126
		792
Add Current Account Deficit		 37
	Total Budget Deficit	 829—

# so far.—[Interruption].

Mr. Deputy Speaker, with a view to affording some relief to the lower paid categories of public officers and local government employees, the Government has decided to pay an interim allowance pending an overall review of salaries in the Public Service by a duly constituted commission.

Those employees whose salaries do not exceed Rs. 100 per month will receive an interim allowance of Rs. 20 per month, while those whose basic salaries are more than Rs. 100 per month, but do not exceed Rs. 300 per month, will receive an allowance of Rs. 10 per month. Allowances at half these rates will be paid to government and local government pensioners including widows—that is to say, those c pensions pensioners whose basic

do not exceed Rs. 100 per month will receive an interim allowance of Rs. 10 per month, while those whose basic pensions are more than Rs. 100 per month but do not exceed Rs. 300 per month will receive an allowance of Rs. 5 per month. These allowances will be paid with effect from 1st October of this year and are estimated to cost approximately Rs. 60 million per year.

The payment of this interim allowance to public servants would increase the current account deficit from Rs. 37 million to Rs. 97 million and the total Budget deficit from Rs. 829 million to Rs. 889 million.

As in previous years, local borrowing and foreign aid will meet a substantial part of this deficit. Funds to be obtained from local borrowing sions next year are estimated at Rs. 350

million. Foreign aid receipts in connection with projects, included in the Budget, are expected to be Rs. 125 million. Of this, aid already negotiated and allocated amounts to Rs. 69 million while aid available for allocation for projects and aid to be negotiated amount to Rs. million. A sum of Rs. 150 million will be available from commodity aid counterpart funds to help meet the Budget deficit. This amount is the same as in the current year. Administrative borrowing is expected to yield Rs. 25 million next as in the current year. A sum of Rs. 30 million will be utilized from the reserves and profits of State corporations and undertakings for development expenditure.

Thus, the total amount of funds to be raised by non-bank borrowing, administrative borrowing, foreign aid, use of commodity aid counterpart funds and use of reserves and profits of State corporations and undertakings adds up to Rs. 680 million, leaving an unfinanced gap of Rs. 209 million.

The measures I propose to raise additional revenue to reduce the Budget deficit to manageable proportions are as follows:

(i) At present, all import goods are charged a licence fee of 1 per cent. of the value of the goods to be imported (other than textiles which is charged a licence fee of 10 per cent). This yields a revenue of about Rs. 20 million per annum at present. Government departments, including the Commissioner of Food, exempted from the payment of this licence fee. I propose to raise the import licence fee from 1 per cent to 10 per cent. in respect of all goods other than milk and milk foods. infants' and invalids' foods, cotton yarn, drugs and pharmaceuticals, fertilizer, keromammoties sene, newsprint,

and other small implements agricultural use, which pay the will continue to existing licence fee of 1 per cent. There is no change in the import licence fee on textiles. Imports of Government departments, including those of the Food Commissioner, will continue to be wholly exempt from any licence fee. increase in the licence fee on petrol will be absorbed by the Petroleum Corporation will not be passed on to the consumer. The aditional reveestimated from nue increase in the import licence fee is Rs. 80 million next year.

- (ii) I propose to increase the existing excise duty on tobacco of Rs. 28.50 per lb. by Rs. 4.50 per lb. The additional revenue expected from this measure is Rs. 15 million.
- (iii) I expect to collect an additional Rs. 15 million in the form of income tax arrears through speedier recovery by the strengthening of the collection machinery of the Inland Revenue Department. This is not a revenue measure in a way. The revenue measures are only the first two.

Mr. Deputy Speaker, these three proposals are estimated to yield Rs. 110 million of additional revenue next year. This additional revenue will result in the estimated current account deficit of Rs. 97 million being converted to a surplus of Rs. 13 million. At the same time, it will reduce the unfinanced gap from Rs. 209 million to Rs. 99 million

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—දෙවන වර කියවීම

[ශර වන්නිතායක] which I consider is in keeping with the Government's policy of maintaining financial and monetary stability. The ways and means of financing the Budget deficit of Rs. 889 million, referred to earlier, may be summarized as follows:

		Rs. I	Million
	T -1T-one		350
1.	Local Loans		125
2.	Foreign Aid (Project)	10000	
	Use of Commodity Aid Counterpart Funds		150
3.			25
4.	Administrative Borrowing		
5.	Use of Profits and Reserves of State Corporations and	Under-	30
0.	takings ··	111111111111111111111111111111111111111	1000
	Increase of Import Licence fee from 1 per cent to 10 per	cent	80
6.	Increase of import become for form 1 Page 4:50 per lb		15
7.	Increase of Excise Duty on Tobacco by Rs. 4.50 per lb.		200
8.	Speedier recovery of Tax arrears		15
0.	Spoottor rosovery		=00
			790

Mr. Deputy Speaker, I announced in my last Budget speech that the Government would appoint a Taxation Commission which would make a detailed study of the entire tax structure of the country and make appropriate recommendations. This commission was appointed and its report was submitted a few weeks ago. The commission's recommendations are being carefully studied and necessary action will be taken in due course.

I also do not propose to make any radical changes in the Business Turnover Tax. I have, however, given due consideration to certain cases hardship on which representations have been made. These representations have been made in respect of small industries like tea chests. cigars, ayurvedic drugs, joss sticks, dried fish, bricks, etc. In these industries, production is mainly by manual labour and no machinery of any consequence is being used. In these cases, I propose to reduce the rate of tax from the existing 5 per cent to 1 per cent. The amount of revenue lost is negligible.

A committee was appointed some time back to examine the question of encouraging a diffusion of ownership in share capital in a manner beneficial to the small investor. Their report has been submitted and the proposals therein are being studied by Noolaham Foundation. The world scarcity of rice we are faced with

Deputy Speaker, there is no doubt that the urgent task before this country and before any government in this country is to increase the pace of economic development, so that it may keep ahead of the rate of increase of population. There is unemployed manpower on one hand and unexploited resources on the other, indicating the need and scope for greater development activity. The pace of economic development depends largely on the rate of investment. It is with this idea in mind that the highest financial provision ever has been made in this Budget for capital expenditure. Many facilities and concessions have also been made available earlier to the private sector to increase their tempo of economic activity. I am glad to state that there is more economic activity in this sector now than there was in the recent past. The biggest obstacle in the way of economic expansion at the moment is the drastic decline in external earnings as a result of which our capacity to import our requirements of capital and intermediate goods in adequate volume has been reduced. As I said at the beginning of my speech, rapid expansion of production for domestic use both in the field of agriculture and industry with a view to cutting down on consumer imports appears to be the main solution. The world

makes this task even more urgent. We should, of course, at the same time do all we can to increase our export earnings by diversifying our exports and by making more favourable marketing arrangements. Government has directed its policies and actions towards this end since its assumption of office. The enthusiasm evinced by the people and the results so far achieved, particularly in the field of food production, have been very gratifying. We have yet far to go and, while thanking the people for their co-operation in the past, I would like to make use of this occasion to appeal to them, on behalf of the Government, to address themselves to the task of food production, in particular, with a sense of urgency and assist the Government in its efforts to solve the problem of unemployment and to raise the standard of living.

I should like to make a special appeal to the public servants without whose co-operation and devotion to duty the Government could achieve little. As announced earlier, Government has decided to pay an interim allowance to lower paid categories as a measure of relief to them. Further, an Anomalies Committee has been appointed and they are now examining the representations submitted to them.

While thanking the public servants for their co-operation in the past, I appeal to them to give of their best and co-operate with the Government even more fully in its efforts to improve conditions in this country.

I must also thank all those who helped me in so many ways to prepare this Budget.

In conclusion, Mr. Deputy Speaker, I should like to thank you and hon. Members on both sides of the House for the patient hearing given to me.

தூன்றை கைகூகூதிவி කරන ලදි. விஞ எடுத்தியம்பப் பெற்றது. Question proposed. ගරු සී. පී. ද සිල්වා (ඉඩම්, වාරිමාර්ග හා විදුලි බල ඇමනි හා සභානායක)

(கௌரவ சீ. பீ. டி சில்வா—காணி, நீர்ப் பாசன, பின்விசை அமைச்சரும் சபை முதல் வரும்)

(The Hon. C. P. de Silva—Minister of Land, Irrigation and Power and Leader of the House)

I move,

"That the Debate be now adjourned."

පුශ් නය විමසන ලදින්, සභා සම්මන විය.

வினு விடுக்கப்பட்டு ஏற்றுக்கொள்ளப்பட்டது. Question put, and agreed to.

ඊට අනුකූලව විවාදය කල් තබන ලදි. එතැන් සිට විවාදය 1967 අශෝස්තු 2 වන බදද පවත්වනු ලැබේ.

இதன்படி விவாதம் ஒத்திவைக்கப்பட்டது. விவாதம் 1967 ஒகஸ்ட் 2 ஆம் தே**தி புதன்**சிழமை மீளத் தொடங்கும்.

The Debate stood adjourned accordingly.

Debate to be resumed on Wednesday, 2nd August 1967.

නියෝජන කථානායකතුමා (உப சபாநாயகர் அவர்கள்) (Mr. Deputy Speaker)

1967-68 විසර්ජන කෙටුම්පත් පනතේ 1 සිට 93 දක්වා ශිර්ෂ යටතේ කාරක සභා අවසථාවේදී ඉදිරිපත් කිරීමට බලා පොරොත්තු වන සියලුම සංශෝධන 1967 අශෝස්තු මස 3 වන බුහස් පතින් දා හෝ ඊට පෙර නියෝජිත මන් නී මණ් ඩලයේ ලේ කම් වෙත ලැබෙන් නට සැලැස් විය යුතු බවත් ඉතිරි ශිර්ෂ යටතේ ඉදිරිපත් කරන සංශෝධන 1967 අශෝස්තු මස 7 වන සඳුද, හෝ ඊට පෙර ලැබෙන් නව සැලැස් විය යුතු බවත් දන් වනු කැමැත් තෙමි.

I wish to announce to the House that all amendments for the Committee stage of the Appropriation Bill, 1967-68, in respect of Heads 1 to 93 should be sent to the Clerk of the House of Representatives by Thursday, 3rd August 1967. Amendments in respect of the remaining Heads should be sent to him by Monday, 7th August 1967.

කල් තැබීම

කල් තැබීම

ஒத் திவைப்பு

ADJOURNMENT

යෝජනාව ඉදිරිපත් කරන ලදින් පුශ්නය සභාභිමුඛ කරන ලදි :

"මන්තී මණ්ඩලය දන් කල් තැබිය යුතුය".— [ගරු සී. පී. ද සිල්වා].

"சபை இப்பொழுது ஒத்திவைக்கப் பெறுமாக".— கௌரவ சீ. பி. டி சில்வா] எனும் பிரேரணே **பிரேரிக்கப்பட்டு,** விணு எடுத்தியம்பப்பெற்றது.

Motion made, and Question proposed. "That the House do now adjourn".—
[The Hon. C. P. de Silva].

පුශ්නය විමසන ලදින්, සභා සම්මන විය.

வினு விடுக்கப்பெற்று ஏற்றுக்கொள்ளப்பட்டது. Question put, and agreed to. කල් තැබීම

මන්නී මණ්ඩලය ඊට අනුකූලව අ. භා. 5 ට අද දින සභා සම්මනිය අනුව 1967 අශෝස්තු 2 වන බදාදා පූ. භා. 10 වන නෙක් කල් ශියේය.

அதன்படி பி.ப. 5 மணிக்கு. சபை அதனது இன்றைய தீர்மானத்திற் கிணங்க, 1967 ஓகஸ்ட் 2 ஆம் தேதி புதன்கிழமை மு. ப. 10 மணிவரை ஒத்திவைக்கப்பெற்றது.

Adjourned accordingly at 5 p.m. until 10 A.M. on Wednesday, 2nd August 1967, pursuant to the Resolution of the House this Day.

දයක මුදල්: මුදල් ගෙවන දිනෙන් පසුව ඇරඹෙන මාසයේ සිට මාස 12ක් සඳහා රු. 32.00කි. අශෝධිත පිටපත් සඳහා නම් රු. 35.00කි. මාස 6 කට ශාස්තුවෙන් අඩකි. ජීවපතක් ශත 30කි. තැපෑලෙන් ශත 45කි. මුදල්, කොළඹ හාලු මුවදොර, මහලේ කම් කාර්යාලයේ රජයේ පුකාශත කාර්යාංශයේ අධිකාරී වෙත කලින් එවිය යුතුය.

சந்தா: பணம் கொடுத்த தேதியை யடுத்துவரும் மாதம் தொடக்கம் 12 மாதத்துக்கு ரூபா 32.00 (திருத்தப்படாத பிரதிகள் சூபா 35.00). 6 மாதத்துக்கு அரைக்கட்டணம்; தனிப்பிரதி சதம் 30, தபால்மூலம் 45 சதம், முற்பணமாக அரசாங்க வெளியீட்டு அலுவலக அத்தியட்சரிடம் (த. பெ. 500, அரசாங்க கருமகம், கொழும்பு 1) செலுத்தலாம்.

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