

# SRI LANKA



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## KELANIYA TO BE A SACRED CITY

### C.T.B. SHOWS A PROFIT

THE Minister of Labour and Nationalised Services, Mr. M. P. de Z. Siriwardene, stated in the House of Representatives today that the losses of the Ceylon Transport Board had been gradually brought down and that last year the C. T. B. had been able to show a profit.

The Minister said this had been possible as the C. T. B. had taken a number of steps towards this end. These include the revision of schedules, increasing the utilization of buses improving the productivity of crews and generally rationalising expenditure. Further, he said a scheme of decentralisation introduced by him in 1961 had resulted in considerable economies.

The Minister also said that steps were being taken to implement the very valuable suggestions of a transport study team made available through the Government of India.

The Minister made this statement in reply to a question by a member.

### Preservation scheme to be inaugurated on Monday

THE Kelaniya Raja Maha Vihara and its precincts will be declared a sacred zone, by the Prime Minister, Mrs. Sirimavo Bandaranaike, at a ceremony to be held on Monday, the 11th March, at 10 a.m. Kelaniya, hallowed by the visit of Lord Buddha, will be the second city to be declared a sacred area. The first was Anuradhapura.

The scheme provides for the removal of all secular buildings in the sacred area. Only those buildings where religious activities and related activities of the Raja Maha Vihara and the Devale are conducted will be retained under the new scheme. Space will be provided for pilgrims, along with a processional way and flower

stalls. Outside the sacred area space will be made available for other buildings.

The entire area will be landscaped in such a manner that from the temple area one could get an undisturbed view of the Kelani Ganga. The scheme is estimated to cost Rs. 1,700,000 and is to be implemented in three stages.

## RICE, SUGAR: NEW PRICES 'AIMED AT REMOVING ANOMALIES'

*Cost of transport taken into consideration—Minister*

THE following is the full text of a statement made by the Minister of Commerce, Trade, Food and Shipping, Mr. T. B. Hingaratne, in the House of Representatives.

When rice rationing was started in 1942, the same retail price was fixed for Colombo and Jaffna. At the time a substantial part of our rice imports came from South India and was transported by country-craft to Jaffna and from there by train to Colombo. Shipments from Karachi, however, came straight to Colombo. It was for this reason that the same prices were fixed for Jaffna and Colombo. The prices for other outstations were computed on the basis of an addition to the Colombo price to take care of the transport by rail and lorry. When subsequently the retail price was brought down from time to time in order to implement the scheme of subsidising the consumer, the wholesale and retail prices in the outstations were changed by exactly the amount by which the retail price changed. The railway freight rates and lorry rates, however, continued to rise and today the railway rates are about 117% more than those prevailing in 1942-43. But in the computation of the outstation prices, when the occasion arose to change those prices, the change in the railway rates were not taken into account. Accordingly, a situation has been allowed to continue in which the Government not only subsidised the imported costs of the rice, but also the cost of transport from Colombo to the outstations.

The same position prevailed in regard to the price of flour also except that the price of flour in all outstations represented an addition to the Colombo price made to recoup the transport expenses at the old rates. The revision of the outstation prices, other than the price within Colombo Municipality, of rice and flour brought into effect from March 4, 1963, has been made on the basis of the Government recouping in full the current costs of transport by lorry and rail. Most of the rice is imported into Colombo and, as such, all outstations have to bear a price differential based on these transport expenses as well as the cost of handling them at the different supply stations in the country.

### Price of Sugar

2. With regard to the price of sugar, the position was somewhat different. In the old days the Government Agents were authorised to fix the price of sugar in their areas allowing certain margins of profit to the wholesale dealer and the retail dealer, and taking into account the transport expenses involved in taking the sugar from Colombo to the outstations concerned. It was found that there had been no uniform scale of transport expenses; in some cases rail rates had been taken into account and in others lorry rates on a higher than reasonable level had been taken into account. This system of pricing had given rise to several anomalies. It was also found that there was no uniform scale of profit allowed to the wholesale dealers and

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## PADDY FERTILIZER SUBSIDY SCHEME

UNDER the Paddy Fertilizer Subsidy Scheme—Maha 1962-63 paddy fertilizers are available to all paddy cultivators in Ceylon, at prices subsidised by the Government.

There are two types of subsidy, viz.:

- (i) a subsidy amounting to half the cost of the fertilizer to cultivators who pay the balance 50 per cent at the time of placing the order.
- (ii) A subsidy of one third the cost of fertilizer to cultivators who wish to obtain fertilizer on loan repayable after harvest.

Fertilizers at 50 per cent subsidy may be obtained through Co-operative Societies or Cultivation Committees by individual cultivators or collectively in groups sponsored by Rural Development Societies. Agricultural Instructors, Divisional Officers of the Department of Agrarian Services, Colonization Officers, Supervisors of L. D. O. allotments and Headmen, Fertilizers at 33 1/3 per cent subsidy can be obtained only through Co-operative Societies by cultivators who are members of such Societies.

All applications for fertilizer on the subsidy scheme should be made to the District Assistant Commissioner of Agrarian Services. Application forms are available with Co-operative Societies and Cultivation Committees. Those who wish to apply direct may obtain application forms from the District Assistant Commissioner except in the case of Colombo.

Fertilizers given under the subsidy scheme are:—

Ammonium Sulphate  
Urea  
Muriate of Potash, and  
Saphos Phosphate.

To obtain the best results these fertilizers have to be applied in the correct dosage and at different times during the growth of the crops as recommended by the Department of Agriculture, in Food Crops Bulletin No. 4. This bulletin can be obtained from the Department of Agriculture, Publicity Division, 19, Saunderson's Place, Colombo 12, or from this office.

The paddy fertilizers are stocked at Departmental Stores in all districts in Ceylon, and can be obtained from the local store on application to the Assistant Commissioner of Agrarian Services of the District.

Applications for fertilizer in Colombo District may be made direct to the Department of Agrarian Services, 42, Edinburgh Crescent, Colombo.

## Trade understanding between Ceylon, Maldives

A Trade Understanding was reached between the Government of Ceylon and the Government of Maldives on 6th March, 1963, at the Ministry of Commerce, Trade, Food and Shipping. Letters were exchanged between Mr. K. Alvappillai, Permanent Secretary, Ministry of Commerce, Trade, Food and Shipping, on behalf of the Government of Ceylon and Mr. A. Sattar, Maldivian Government Representative in Ceylon, on behalf of the Government of the Maldives.

By the letters exchanged, the Ceylon Government agreed to make available for purchase by the Maldives rice, sugar, wheat flour, onions, potatoes, milk foods, spices, petroleum products, and certain other specific goods, for which payment will be effected by the Government of the Maldives from the sale of 3,000 tons of maldivian fish to Ceylon. This understanding will be in force till the end of 1964.

The negotiations were conducted throughout in a spirit of friendship and cordiality.

## Agricultural Sales Room for Colombo

THE Government has decided to establish a well-stocked Agricultural Sales Room for Colombo, where the public could buy their requirements of seed material, seedlings, grafted plants, &c., over the counter.

Urging the immediate establishment of such a Sales Room, the Minister of Agriculture, Land, Irrigation and Power, Mr. C. P. de Silva, has pointed out that a well-stocked sales room would be complementary to the Grow More Food Drive, which was inaugurated during the end of 1962.

The Sales Room is to be sited at Edinburgh Crescent, adjoining the Girl Guides' Headquarters, and preliminary work at the site, supervised by the Land Development Department,

has already commenced. It is hoped to have the Sales Room functioning before the end of this month.

The Sales Room will serve customers over the counter and undertake bookings too. Apart from vegetable seedlings and grafted mango, lime plants, &c., it will also take orders for orchid and anthurium plants for which there is a great demand by bona-fide gardeners. However its main aim is to serve vegetable and fruit growers.



# ELECTRIFICATION OF RURAL AREAS

## Panel of experts to draw up scheme

A panel of rural electrification experts from the E. C. A. F. E. led by Mr. M. Hayath, who called on the Minister of Agriculture, Land, Irrigation and Power, Mr. C. P. de Silva, on February 28, 1963, left for India on Monday, on their way to Bangkok. The rest of the panel consisted of Messrs. R. A. Pjorkman and V. R. Raghavan.

### Death of Dr. Prasad

## P.M.'s MESSAGE OF CONDOLENCE

THE following message of condolence on the death of the ex-President of India, Dr. Rajendra Prasad, has been sent to the Prime Minister of India, Pandit Nehru, by the Prime Minister of Ceylon, Mrs. Sirimavo Bandaranaike:

"I was deeply grieved to hear of the death of Mr. Rajendra Prasad, late President of India. His death, I am sure, will be mourned not only in India, which has lost a dedicated and revered leader, but throughout the world where he was respected for his great qualities of leadership and integrity. I knew that his death will be a blow to you personally in that you have lost a comrade and an elder Statesman who has guided the destinies of India for so long. On this sad occasion I, personally, and the people of Ceylon join you and your people in their sorrow."

The Prime Minister has also conveyed her deepest sympathies to the Members of the late Dr. Prasad's family, through the Ceylon High Commission in India.

These experts studied electrical development in Ceylon for nearly two weeks during which period they visited several hydro-electric schemes and thermal plant installations. In addition they conferred with high officials

of the Department of Government Electrical Undertakings.

On their return to Bangkok they will commence work on a report to the Government of Ceylon, which will include their recommendations and suggestions for extensive rural electrification.

Electrification of the rural areas hitherto not supplied with power, has received due consideration of the Government. A large number of villages have been supplied with electricity during the last few years. Construction work on the New Scheme to electrify 50 more villages is now in hand and will be completed by 1964. This Scheme commenced in 1961 and already a large number of villages have benefited under this Scheme.

## 200 TRIAL PLOTS FOR POTATO CULTIVATION

IN pursuance of a directive issued by the Hon. Minister of Agriculture, Land, Irrigation and Power, Mr. C. P. de Silva, the Department of Agriculture established over 200 trial plots in various parts of the country to determine areas suitable for the cultivation of potato.

In the Dry Zone trial plots where planting was carried out after the heavy North-east Monsoon rains, results have been very encouraging and in certain areas yields as high as 11 fold have been recorded.

In all the trial plots seed raised by the Department of Agriculture and certified as disease-free were issued for planting.

Cultivators who maintained the trial plots have been able to dispose of their crop quickly in spite of a near flut of potatoes in the market due to the marked preference consumers have shown for the local potatoes.

The Department of Agriculture is now making preparations to grow potatoes on a wider scale and necessary seed material is being raised for issue to prospective growers. However, as

potato is a delicate crop highly susceptible to bacterial wilt, all measures are being taken to ensure a scientific cultivation.

The Department of Agriculture has emphasised the necessity for using certified disease-free seed material and not market potatoes for planting as there is a likelihood that market potato might infect the soil thus rendering it infected for years as it happened in Udukinda.

The Department of Agriculture is also conducting further trials in areas where results were not encouraging in order to determine what varieties of potato are suitable for these areas.

## PRESS REPORTS 'EXAGGERATED'

A press communique issued by the Ministry of Agriculture, Land, Irrigation and Power, states:

The attention of the Ministry has been drawn to news items and captions to photographs appearing in various newspapers recently, which refer to machinery and equipment lying in desuetude in a block of land adjoining the dam of the Nalanda Reservoir Scheme.

A certain amount of confusion has been caused, both in regard to the ownership of this machinery and extent of "damage" caused thereto, by the press reports which are not only exaggerated but also uninformed as will be borne out by the facts given below:

"Nalanda Oya Reservoir Scheme was executed on contract basis. The contractor in the course of the work defaulted and the contract had to be determined. In terms of the conditions of the contract, the plant and machinery which belonged to the contractor and lying at the site were seized. Arbitration proceedings dragged on and it was after some delay that the machinery was finally taken over. During this period, the machinery had deteriorated. A number of items of machinery were in an unserviceable condition even at the time of their seizure.

The Department of Irrigation made use of all serviceable machinery on this construction. After the work was completed many of them were found to be beyond economic repair. Therefore they have now to be condemned by a duly appointed Board of Survey and then disposed of. The serviceable machinery were removed to the Mechanical Branch, Ratmalana, for repairs and re-use.

On the question of squatters on Crown land facing the Nalanda Reservoir, it is correct that some people have cleared the jungle on the hill slopes and put up sheds. At the very start of this unauthorised occupation the Irrigation Engineer at Nalanda reported the matter to the Government Agent, Matale, for necessary action. These lands form Crown property and it is the Government Agent of the area who has authority over the lands. The Government Agent is taking action to prosecute the offenders and thereafter anti-erosion measures will be adopted to safeguard the reservoir from silting."

## RICE, FLOUR: 'ONLY A SLIGHT INCREASE'

A press communique issued by the Ministry of Commerce, Trade, Food and Shipping, states:

Recent news items in the press have indicated that the price of rice and flour is going up with effect from 4th of March. The present prices have been revised throughout the Island so that the cost of transport and handling of these commodities to outstations from Colombo is recovered. Hitherto these costs have been subsidized by the Government. The opportunity of this revision was taken to eliminate some of the anomalies

that had hitherto existed in regard to price of flour and rice in different Districts.

As would be seen from the table below the revision has resulted in a slight increase only in the price in most areas and a reduction in price in a few areas. The price in some areas remains unchanged. This revision of prices will take effect from 4th March, 1963.

Stations	Rice per measure		Flour per measure	
	Existing price	Revised price	Existing price	Revised price
Colombo ..	25	25	28	28
Kalutara ..	25	26½	28½	29
Kegalla ..	26	27	28½	29½
Kurunegala ..	26	27	29	29½
Ratnapura ..	26	27½	28	29½
Kandy ..	26	27½	28½	29½
Galle ..	25½	27½	28	29½
Puttalam ..	26½	27½	28	29½
Matara ..	26½	27½	28½	29½
Matale ..	27	27½	28½	29½
Nuwara-Eliya ..	27½	28	29½	30
Anuradhapura ..	27	28	29	30
Polonnaruwa ..	28	28	29½	30
Hambantota ..	29	28	30	30
Badulla ..	27	28	29	30
Moneragala ..	29	28	31	30
Trincmaloe ..	29	28	30	30
Vavuniya ..	28	28	29	30
Batticaloa ..	28	28½	29	30
Mannar ..	28	28½	28½	30
Amparai ..	29	29	29½	30½
Jaffna ..	25	29	29½	30½

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# MORE EQUITABLE DISTRIBUTION OF TEACHING STAFF

## Scheme to be implemented

THE Department of Education, has drawn up a scheme to adjust the staffs of schools so as to make an equitable distribution of the available number of teachers among all schools.

Under this scheme "very large schools" will be given 80 per cent. of the eligible quota of teachers and the "large" schools given 90 per cent. of the eligible staff. For this purpose schools with an average attendance of over 256.5 will be regarded as "very large" schools and schools with an average attendance of 121.5 and over but less than 256.5 will be regarded as "large" schools. Schools with an average attendance of less than 121.5 will be regarded as "small" schools. The small schools will be given the full complement of staff.

The following procedure will be adopted by the Department when adjusting staff in schools:—

(a) The teacher who will be selected for transfer will be one who is the least useful to the school on educational grounds. This will be done in consultation with the Headmaster of the school wherever possible.

(b) If a selection for transfer has to be made between two or more teachers of similar qualifications, the teacher who had worked in the school for

the longest period over 5 years will be selected. If the teachers concerned have all worked for less than 5 years then the teacher who has the shortest period of service will be selected for transfer. But a teacher who has been transferred under the point scheme will not be transferred for 2 years without his consent, except under special circumstances.

(c) If the selection for transfer has to be made among trained teachers, the same procedure as set out in (b) above will be followed, having regard to

the requirement that for every 5 teachers in a school, there should normally be 1 trained teacher.

(d) If a school which is overstaffed has, for instance, teachers qualified in Oriental subjects, such as Graduates, Pracheena Pundits, teachers with Diploma in Sinhalese, G. C. E. (Advanced) Level or Intermediate in Arts teachers, the excess teachers will be moved out to Madhya Maha Vidyalayas where their services are necessary.

(e) Unmarried female teachers under 30 years of age and teachers married to other teachers or to other Government officers, will receive due consideration in the selection of schools.

(f) No teacher will be transferred on disciplinary grounds without an inquiry.

(g) When a teacher is transferred, his wife, if she is a teacher will be transferred with him. If he has an unmarried daughter who is under 30

years and if she is a teacher, she too will be given a transfer if the parent so desires.

(h) Teachers over 55 years of age may not be transferred out of their districts against their wishes.

In order to ensure the equitable distribution of available teachers in all areas staff from excess and sufficient areas will be adjusted by the Department to deficit areas. This adjustment will be done in accordance with the points system, i.e., those who score minimum number of points now in excess and sufficient areas will be moved out to vacancies in deficit areas.

Under the points scheme married teachers will get 10 points; children under 16 years (for each child) 3 points. For each year of service in a "C" station a teacher will be entitled to 6 points—"B" station 4 points and "A" station 2 points.

In the case of unmarried female teachers the points scheme is as follows—

Unmarried female teacher up to 30 years of age—10 points.

Between 30-35 years of age—6 points.

Over 35 years of age—2 points.

# THE BIRTH OF ANOTHER INDUSTRY

(By a Publicity Officer, Co-operative Department)

A venerable Buddhist Priest with simple and unassuming ways about him is usually not the person from whom anyone can expect a fiery and active interior, capable of transforming an inactive and slovenly village into a bee-hive of activity and industry.

Boddelgoda and Milleniya are two quiet villages some 28 miles from Colombo, close to Horana in Raigam Korale. The village temple, Shri Devarakkhitaramaya as usual was the meeting place of several young men of Milleniya and Boddelgoda. They had no employment and were a problem to their parents, elders and even to themselves. The story of how these youth were organised and their pent up energies channelled in the right direction to start a new industry is a success story, that anyone can be proud of.

When I met Reverend Akurana Pannaransi Nayake Thero of Shri Devarakkhitaramaya in Boddelgoda, he was busy with a group of young men

of ages varying from 25 to 12. The small-made and middle-aged priest with unassuming ways, he was quite active for his age, and appeared to me more suitable as a leader and guide for youth rather than for the life of an ascetic devoted to meditation and penance.

"The manufacture of joss-sticks", Rev. Pannaransi told me in simple Sinhala, getting on to the subject at once, "had been in my mind for several years. But we were lacking the knowhow and the advice and capital here in this remote village. Then we thought of the manufacture of matches and this idea too was still-born for the same reasons. With all these drawbacks I was determined to start on some venture which will keep our idle young men engaged profitably. In the meantime, I had spoken to a few young men of Boddelgoda and Milleniya and got a group of them to meet at this preaching hall. This organisation then known as the Tharuna Sangamaya consisted of 27 young men who were as keen as myself. Now we have an active co-operative society consisting of well over 40 members and all actively engaged in the manufacture of joss-sticks. Lately we have even organised a section for women and girls. This section housed away from the temple premises consists of 75 women and girls actively engaged in the same industry", concluded Rev. Pannaransi with the air of a happy father when reminded of his pet son.

Rev. Pannaransi is the President of the Boddelgoda Joss-sticks Manufacturing Co-operative Society and has an active committee of young men assisting him in these laudable work of both village re-construction and industrialisation. With the scrappy knowledge gathered from here and there and through experimentation and rugged determination the society has now put over more than four varieties of joss-sticks mainly used in Buddhist and Hindu ritual. The society has also given beautiful trade names to these four varieties of sticks, which have being moderately priced according to quality and smell of each variety. Their prices range from 60 cents to 15 cents per packet of 25 sticks.

According to the President, the raw material is very easily obtained locally except the various scents which have to be imported or bought in the open market. They are however, experimenting on local herbs for getting out suitable scents to avoid the imported stuff. Both boys and girls are employed in rolling the bamboo sticks

on the mixture and the rate at which they turn out the finished product depends on experience and practice and from the work that we saw these joss-sticks compare very favourably or are even better than the import from India.

First started in a very small scale in 1960 with a capital of a mere Rs. 300 the society now manufactures well over 500 bundles of sticks a day. The average monthly earnings of a clever boy or girl is about Rs. 100.

Having seen these active young men and women at Boddelgoda, busy rolling joss-sticks, I thought to myself that given the proper knowhow and good leadership, our village youth have the capacity to take up to new industries and that successfully for building up of a new and prosperous Lanka.

## RICE, SUGAR: NEW . . . .

(Continued from page 1)

the retail dealers. When in 1957, the wholesale dealing in rice, sugar and flour was given to the Co-operative Unions on a monopoly basis, the same system of pricing had been allowed to continue in respect of sugar. It was, therefore, thought necessary to introduce a uniform scale of profits and also to take transport charges from Colombo to outstations on a realistic basis.

The transport charges are now not related to railway freight rates as most of the sugar is taken to the outstations by the Unions in lorries. Reasonable lorry freight rates have been taken into account. The opportunity was also taken to correct the anomalies that existed between the prices at the different outstations. While a revision was being made on the basis of correcting these anomalies, the world sugar supply position changed completely. The world market price of sugar today is nearly double the price last year. Although the Government had secured most of the requirements for this year on forward contracts, there is doubt as to whether all these contracts will be fulfilled according to the schedule of deliveries stipulated in the contract. Any default in the performance of the contracts by any country wholly or partially would necessitate the Government buying limited quantities of sugar at a high price. It was, therefore, thought necessary to increase the consumer price of sugar by an average of about 4 cents per lb., which only represented an increase of £8.16s. per ton on the price agreed upon in the contracts for this year. This increase in the price of sugar will cover only a small portion of the increased landed cost at current would cause the consumer. In the want to increase it any higher in view of the hardship that such an increase would cause the consumer. In the ultimate result if a substantial portion of our forward contracts failed to be implemented, the reduction of the sugar profit anticipated in the budget estimates will be considerable.

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# Foreign exchange saving Rs. 22 million: Ministry re-affirms statement

A press communique issued by the Ministry of Commerce, Trade, Food and Shipping states:

The Ministry re-affirms the statement made in the communique of 26th February that "total foreign exchange saving, if the Ceylon Petroleum Corporation were to import the entire requirements of the country, would be Rs. 22 million in 1963 and even more in subsequent years."

The Esso Company has sought to cast doubts on the validity of the figure of Rs. 22 million. They claim that the foreign exchange saving would be only Rs. 6.05 million. On an examination of their statement it is clear that the Company has under-estimated the rising trend of oil imports into the country. The total import of Petrol, Kerosene and Diesel Oils into Ceylon according to the Company, is expected to be 140 million gallons in 1963. It is pertinent to point out that the import figures since 1960 are as follows:—

1960	1961
138 million gallons	163 million gallons
1962	
163 million gallons	

From 1960 to 1961 the actual increase in imports was 25 million gallons and the estimated increase from 1962 to 1963 according to the Ceylon Petroleum Corporation, is about 22 million gallons. Hence the total amount of these oils likely to be imported into the country during 1963 and the subsequent years is more than what Esso estimates it to be. This is relevant because the total foreign exchange saving has to be calculated on a bigger import figure than Esso assumes. It is significant that the Esso Company estimates an import of only 19 million gallons in 1963 for Fuel Oil in the internal market. This is a gross under-estimation, and obviously takes no account of the fact that the Thermal Power Station at Grandpass will be in full operation this year. At full capacity, the Thermal Power Station alone will use about 30 million gallons per year. This quantity of Fuel Oil will alone be more than the total provided for by Esso as Fuel Oil consumption in 1963.

If the Island's total imports as estimated by the Corporation are brought in at Corporation C.I.F. prices by the Companies as well as the foreign exchange saving would be Rs. 19.5 million.

A part of the country's requirements, however, is already being imported by the Corporation. Hence in order to get the nett additional foreign exchange saving on this account, it is necessary to deduct from the above figure of Rs. 19.5 million, the saving that the Corporation is already making for the country by importing the quantities required for its share of the market. In regard to this aspect too, the Esso Company claims that it is only represent the actual situation. A few days ago, the Shell Company claimed that 80 per cent of Super Petrol was being sold by the Companies. But the Esso Company claims that it is only 75 per cent. It is obvious that the Shell Company has based its figures on data available to it. This same data is available to the Esso Company too. However, the Esso Company has sought to

use the "market participation as announced in the newspapers." It is strange that a Company which is engaged in oil distribution and which has exact data available to it should seek to base its calculations on newspaper reports of the market share of the Ceylon Petroleum Corporation. In respect of other products too, the Company has sought to over-estimate the Corporation's share of the market. The reason for this over-estimation is that Esso seeks to show that the Corporation is already making more foreign exchange savings than it actually does. The real position is that the Corporation is already saving Rs. 7.5 million a year, by importing its share of the market at its C.I.F. prices which are, in fact, below the maximum C.I.F. prices fixed by the Government.

Hence, in order to arrive at the nett additional foreign exchange saving to the country, we have to deduct the Rs. 7.5 million saving of foreign exchange already being made by the Corporation from the total figure of Rs. 19.5 million arrived at earlier. This indicates that the nett additional foreign exchange saving, if all imports into the country were made at Corporation C.I.F. prices would be Rs. 12 million.

The Government has however, subsequently decided that the ceiling C.I.F. limit should be set at a level which is 5 per cent higher than the Corporation C.I.F. prices. The original calculation of a nett saving of Rs. 12 million has therefore, to be adjusted consequent on this decision. The amount by which it has to be reduced as a result, is Rs. 2.5 million. Hence, the nett additional saving, if the Companies import products at the ceiling C.I.F. prices permitted by the Government, would be Rs. 9.5 million and not Rs. 6 million as claimed by Esso. The difference between the Esso figure of Rs. 6 million and the Ministry estimate of Rs. 9.5 million is explained by the under-estimation of import figures and the over-estimation of the Corpora-

tion's share of the market that Esso has resorted to. When the subject was first discussed with the Oil Companies six months ago, the Companies indicated that they were not in a position to import at prices lower than those at which they were importing. The Corporation was then asked to estimate what the additional foreign exchange savings would be if the Ceylon Petroleum Corporation handled the entire import and distribution of petroleum products. The Corporation estimated that if it handled the entire import of petroleum products the country would annually make the following additional foreign exchange gains and savings:—

	Rs.
(1) On the importation of products—	12,000,000
(2) By the non-remittance of profits and dividends	5,000,000
(3) By reducing the import of petroleum equipment and ancillary materials	2,500,000
(4) By earning foreign exchange on account of the supply of oil to all ships	2,500,000
<b>Total</b>	<b>22,000,000</b>

If the Oil Companies re-affirm their view that they cannot import at the lower C.I.F. prices, then they would not be in a position to earn any profits in Ceylon and the entire amount that would be sent out of the country by these Companies as remittance of profit would be a foreign exchange saving.

The Ceylon Petroleum Corporation has a current Investment Budget of over Rs. 6 million. This budget provides for the construction of storage tanks at Kolonnawa for Petrol and Fuel Oil. It also includes the equipping of retail outlets with pumps, tanks and other petroleum equipment. The Oil Companies themselves have similar investment programmes, since the Companies and the Corporation are trying

to competitively expand their share of the market. This is wasteful investment on petroleum equipment. The country is already burdened with an excess of investment on this account. If the Ceylon Petroleum Corporation undertakes the sole distribution, it would be able to reduce unnecessary investment very drastically. The foreign exchange saving of Rs. 2.5 million that has been estimated on this account is, in fact, a very conservative figure of the over investment which would be eliminated.

The supply of oil to ships by the Ceylon Petroleum Corporation at prices directly negotiated with Shipping Companies will bring in an additional foreign exchange earning of Rs. 2.5 million. The favourable geographical location of Colombo on the shipping routes of the world has been of very little benefit to us. The Corporation is now in a position to obtain additional benefits by handling the entirety of oil bunkers at the Port of Colombo. Ceylon does not now receive the entire difference between the selling price of this oil and its cost-price in the form of foreign exchange. At the prices which the Corporation has already negotiated to supply oil to ships the Corporation when it sells one ton of oil earns in foreign exchange an amount equal to what the Companies earn by selling 4 tons. Hence even if the Corporation sell only one-fourth of what is now supplied as bunker oil to ships by the Companies, Ceylon will earn the same amount in foreign exchange as it does now. In its estimate the Corporation has provided for a possible reduction of bunker oil sales from 400,000 tons to 300,000 tons. In spite of this reduction the country will earn an additional foreign exchange amounting to Rs. 2.5 million on this account.

The Ministry has carefully examined this question. With the share of the market the Corporation already has, it now saves Rs. 7.5 million in foreign exchange. If the entire importation and distribution of oil in Ceylon and all the supplies of oil to ships at the Port of Colombo are handled by the Corporation, there will be a total annual foreign exchange saving of Rs. 29.5 million on account of the activities of the Ceylon Petroleum Corporation.

## MOVE TO STEP UP GINGER AND TURMERIC PRODUCTION

**THE Minister of Agriculture, Land, Irrigation and Power, Mr. C. P. de Silva, has directed the Department of Agriculture to carry out an expanded programme of Ginger and Turmeric cultivation during the current season so as to obviate the necessity for importing these products.**

The cultivation of turmeric and ginger is mainly confined to the Kandy, Kegalle, Kurunegala, Matale, Matara and Colombo Districts. In all about 1,500 acres are under turmeric and 1,200 acres under ginger.

Turmeric is an important condiment in the daily food of Ceylonese while ginger is popularly used for spicing food and for ayurvedic medicines.

In 1961 Ceylon imported 23,000 cwt. of turmeric at a cost of Rs. 1,165,938 while in eight months of 1962, 1,621 cwt. of cured ginger has been imported at a cost of Rs. 121,000.

However during the last three years more and more land has been brought under these products, and the Ministry has now decided to initiate action to bring under cultivation an additional 4,000 acres under turmeric and 2,000 acres under ginger in order to step up production and thus meet all our domestic requirements.

The chief factor limiting the extension of turmeric and ginger is the lack of know-how on the part of cultivators to cure the raw product. The need therefore for organised curing of these products on a systematic basis has become an urgent necessity.

Bearing this aspect in mind the Ministry of Agriculture has initiated action with the co-operation of the Department of Rural Development to carry out demonstrations on how turmeric and ginger could be cured. The demonstration will be carried out by officers of the Agriculture Department.

In order that all cultivators may benefit by these demonstrations it has been pointed out that it would be useful to enlist the co-operation of Rural Development Societies, Kantha Samithies and Mahila Samithies in organising these demonstrations.

There is a ready market for cured ginger and turmeric and cultivators could easily supplement their incomes by stepping up production and acquiring the know-how for curing raw ginger and turmeric.