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REPORT FOR 1909.

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Presented to both Houses of Parliament by Command of His Majesty.

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REPORT ON THE CEYLON BLUE BOOK OF 1909.

I.—FINANCIAL.

(A) GENERAL REVENUE AND EXPENDITURE.

Revenue.

THE revenue in 1909 amounted to Rs. 39,332,861, which was Rs. 2,832,861 more than the estimate, Rs. 3,760,012 more than the revenue of 1908, and Rs. 5,449,904 more than the ordinary expenditure, exclusive of the amount charged to surplus balances, or Rs. 3,543,463 more than the total expenditure of the year.

The following table shows the rapid growth of the Ceylon revenue during the last decade :—

Year.	Revenue.		Expenditure.		Excess of Revenue as compared with previous Year.		Surplus of Revenue over Expenditure.	
	Rs.		Rs.		Rs.		Rs.	Rs.
1890 ..	25,913,141	..	24,950,940	..	774,472	..	962,201	
1900 ..	27,325,930	..	25,321,988	..	1,412,789	..	2,003,942	
1901 ..	26,437,102	..	25,896,594	..	—	..	540,508	
1902 ..	28,435,158	..	26,341,878	..	1,998,056	..	2,093,280	
1903 ..	29,423,308	..	26,714,828	..	988,150	..	2,708,480	
1904 ..	30,846,694	..	32,010,393	..	1,423,386	..	—	1,172,699*
1905 ..	34,395,336	..	29,786,899	..	3,548,642	..	4,668,437	
1906 ..	35,030,661	..	32,644,215	..	635,325	..	2,386,446	
1907 ..	36,573,825	..	32,591,522	..	1,543,164	..	3,982,303	
1908 ..	35,572,849	..	35,032,055†	..	—	..	540,794	
1909 ..	39,332,861	..	35,789,398‡	..	3,760,012	..	3,543,463	

* Deficit.

† Includes Rs. 278,597 from surplus balances.

‡ Includes Rs. 1,906,443 from surplus balances.

It will be seen that the revenue has increased 50 per cent. since 1901, and that it has increased by 10 million rupees in six years.

The following is a comparative statement showing the actual revenue collected in 1908 and 1909 :—

	Revenue of 1908.		Revenue of 1909.		Nett Increase.		Nett Decrease.	
	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
1. Customs ..	8,993,111	76	9,417,161	95	424,050	19	—	
2. Port, Harbour, Wharf, Warehouse, and other Dues ..	2,186,626	23	2,428,807	94	242,181	71	—	
3. Licenses, Excise, and Internal Revenue not otherwise classified ..	7,777,187	17	8,463,695	14	686,507	97	—	
4. Fees of Court or Office, Payment for Specific Services, and Reimburse-ments-in-Aid ..	1,526,934	53	1,738,803	54	211,869	1	—	
5. Post and Telegraphs ..	1,416,194	94	1,450,360	4	34,165	10	—	
6. Government Railway ..	10,917,929	57	11,712,704	31	794,774	74	—	
7. Interest ..	749,799	78	840,489	12	90,689	34	—	
8. Miscellaneous Receipts ..	509,163	69	1,672,131	28	1,162,967	59	—	
9. Land Revenue (exclusive of Land Sales) ..	471,770	78	445,341	1	—		26,429	77
10. Land Sales ..	1,024,130	84	1,163,367	28	139,236	44	—	
Total ..	35,572,849	29	39,332,861	61	3,760,012	32	—	

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There is an increase under every head of revenue as compared with 1908, except Land Revenue (exclusive of Land Sales), due to a falling off in the sale of timber by the Forest Department, owing largely to opening up of land by private capitalists and sale of timber on these lands. There was an increase over the estimated revenue under each head except Fees of Court, where there was a difference of Rs. 500,000 under Opium Sales, due to the suspension of the Opium Ordinance. A sum of Rs. 500,000 had been estimated as the total receipts to Government on the working of the Ordinance. This would have been balanced by the expenditure of the same amount, and was really therefore only a paper credit. The largest increases in revenue, compared with 1908, were over a million rupees on Miscellaneous Receipts, due chiefly to an adjustment of the Railway Stores Account; close on eight lakhs under Government Railway—a good indication of the general prosperity of the country—the increases being on receipts from goods and passengers, which are responsible for over seven and a half lakhs out of the eight lakhs; nearly seven lakhs under Licenses, Excise, &c., due to increased amounts derived from the Arrack Rents—the revenue under this head is also nearly five lakhs in excess of the estimated revenue; four lakhs under Customs, due principally to increased imports of grain and general miscellaneous trade; nearly two and a half lakhs in Port and Harbour Dues; two lakhs in Fees of Court, due partly to an increase of Rs. 69,000 under the head of Judicial Stamps, owing to administration being taken out to several very valuable estates during the year; and an increase of one lakh in Land Sales.

The surplus fund of the Colony at the end of the year amounted to Rs. 20,145,362. The greater part of this sum has, however, been temporarily advanced to meet expenditure on certain large public works, which are really chargeable to the loan account of the Colony, *e.g.*, Harbour Works, completion of the 1899 Railway Extension Programme, Colombo Railway Extensions Scheme, Duplication of Colombo Water Main, and Irrigation. The total amount advanced on account of these works up to the end of 1909 is Rs. 16,843,348, of which Rs. 6,904,144 has been recovered from the portion of the loan raised.

The appropriation of a sum of Rs. 17,355,076 out of the total surplus balances of Rs. 20,145,362 has been ear-marked for the purposes of certain important and urgently required public works already sanctioned, so that the actual amount unappropriated at the end of 1909 was Rs. 2,790,286.

Expenditure.

The ordinary expenditure of 1909 amounted to Rs. 35,789,398, or Rs. 3,598,115 less than the estimated expenditure, including amount from surplus balances.

The savings on the estimate were chiefly under Public Works Extraordinary Rs. 554,709, and Public Works Annually Recurrent Rs. 227,794, and Rs. 152,450 under Railway Department, though the expenditure under these three heads was largely in excess of that of 1908, and Rs. 132,977 under Railway Works Extraordinary. The present spending capacity of the Public Works Department is not capable of much further expansion without special and temporary arrangements.

There was also a decrease of Rs. 663,815 under Medical Department, of which Rs. 500,000 was unexpended owing to the Opium Ordinance not being in force. The largest excess over the estimate was Rs. 187,063 under Miscellaneous Services, due principally to a sum of Rs. 119,975 paid to the Crown Agents as interest on advances made by them. Hitherto the interest was paid from the interest earned on Ceylon Government balances in the hands of the Crown Agents. This interest is now included under Revenue, and the interest due to the Crown Agents is paid from a vote under Miscellaneous Services.

The following is a comparative statement of expenditure for 1908 and 1909 :—

Heads of Service.	1908.		1909.		Increase.		Decrease.	
	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
1. Public Debt ..	3,607,166	41	3,679,508	45	12,342	4	—	—
2. Military Expenditure ..	1,978,998	55	1,384,137	18	—	—	594,861	37
3. Pensions ..	1,608,539	22	1,361,236	60	—	—	247,302	62*
4. Ecclesiastical ..	3,409	80	3,239	75	—	—	170	5
5. Exchange ..	85,201	67	348,157	60	262,895	93	—	—
6. H. E. the Governor ..	181,519	32	186,230	2	4,710	70	—	—
7. Civil Service ..	824,537	71	863,613	95	39,076	24	—	—
8. Secretariat ..	347,644	55	314,759	41	—	—	32,885	14
9. Controller of Revenue ..	8,113	94	7,452	33	—	—	661	61
10. Treasury ..	79,978	71	77,734	34	—	—	2,144	37
11. Audit Office ..	101,397	57	124,374	66	22,977	9	—	—
12. Provincial Administration ..	1,046,417	14	981,765	56	—	—	64,651	58
13. Settlement Officer under Waste Lands Ordinance ..	157,032	17	159,424	91	2,392	74	—	—
14. Survey Department ..	997,200	49	1,062,466	67	65,266	18	—	—
15. Government Stores ..	73,611	79	188,179	37	114,567	58	—	—
16. Immigration ..	76,322	44	77,545	87	1,223	43	—	—
17. Quarantine ..	32,634	89	54,419	75	21,784	86	—	—
18. Customs ..	163,210	55	161,612	78	—	—	1,597	77
19. Post Office ..	1,611,033	0	1,653,363	91	42,330	91	—	—
20. Forest Department ..	250,451	95	254,547	40	4,095	42	—	—
21. Railway Department ..	5,694,818	70	5,951,173	75	256,355	5	—	—
22. Port and Marine. Colombo ..	489,063	41	484,713	33	—	—	4,350	8
23. Port and Marine other than Colombo ..	37,101	12	38,425	83	1,324	71	—	—
24. Legal Departments :—								
Supreme Court ..	189,202	76	187,225	60	—	—	1,977	16
Attorney-General ..	83,120	47	91,041	70	7,921	23	—	—
Solicitor-General ..	14,667	50	15,555	25	887	75	—	—
District Courts ..	190,797	27	188,711	34	—	—	2,085	93
Courts of Requests and Police Courts ..	138,131	54	135,549	33	—	—	2,582	21
Registration of Lands ..	118,771	85	122,980	68	4,208	79	—	—
Registration of Marriages, Births, and Deaths ..	129,016	30	126,690	51	—	—	2,325	79
Fiscals ..	303,498	61	294,315	86	—	—	9,182	75
25. Police Department ..	1,118,062	63	1,168,187	71	49,225	8	—	—
26. Prisons Department ..	568,592	89	604,088	32	35,505	43	—	—
27. Medical Department ..	2,178,185	58	2,262,316	9	84,130	51	—	—
28. Education ..	1,342,903	47	1,442,464	24	99,560	77	—	—
29. Botanic Gardens ..	151,957	38	146,818	92	—	—	5,138	46
30. Colombo Museum ..	38,615	42	33,668	35	—	—	4,947	7
31. Archaeological Commissioner ..	66,575	22	93,103	96	26,528	74	—	—
32. Veterinary Department ..	23,287	11	107,367	39	84,080	28	—	—
33. Agricultural Society ..	30,000	0	30,000	0	—	—	—	—
34. Mineralogical Survey ..	22,118	72	14,350	26	—	—	7,768	46
35. Inspector of Mines ..	16,206	21	16,426	76	220	55	—	—
36. Inspector of Factories ..	3,457	75	4,706	33	1,248	58	—	—
37. Registrar of Patents ..	—	—	3,520	49	3,520	49	—	—
38. Miscellaneous Services ..	703,074	92	810,373	13	107,298	21	—	—
39. Irrigation Department ..	322,466	94	303,567	49	—	—	18,899	45
40. Irrigation Annually Recurrent ..	197,268	68	195,758	26	—	—	1,510	42
41. Public Works Department ..	665,545	67	673,223	11	7,677	44	—	—

* See increase under 5, Exchange.

Heads of Service.	1908.		1909.		Increase.	Decrease.
	Rs.	c.	Rs.	c.	Rs.	c.
42. Public Works Annually Recurrent ..	2,420,404	9	2,553,637	86	133,233	77
— Railway Works Annually Recurrent ..	109,695	95	—	—	—	109,695 95
43. Public Works Extraordinary ..	1,947,041	83½	1,719,389	15	—	227,652 68½
44. Irrigation Extraordinary ..	166,452	14	143,418	6	—	23,034 8
45. Railway Works Extraordinary ..	1,978,083	79	976,417	45	—	1,001,666 34
46. Works chargeable to Surplus Balances:—						
Protection of South Coast Railway Line ..	116,148	59	133,124	15	16,975	56
Kalutara Bridge ..	—	—	303,854	16	303,854	16
Negombo Railway ..	—	—	376,761	90	376,761	90
Colombo Defences ..	—	—	110,603	40	110,603	40
Printing Office ..	—	—	24,415	16	24,415	16
Completion of Interlocking Points and Signals ..	—	—	47,732	67	47,732	67
Fitting existing Rolling Stock with Vacuum Brakes ..	—	—	72,375	85	72,375	85
Colombo Customs (Quay Wall and Jetties) ..	—	—	84,304	3	84,304	3
Warehouses, Colombo Customs ..	162,448	94	145,388	98	—	17,064 98
Underground Telephone Cables for Colombo ..	—	—	21	11	21	11
Telephone Exchange, Kandy ..	—	—	7,968	62	7,968	62
Telephone Exchange, Nuwara Eliya ..	—	—	12,755	40	12,755	40
Telephone Trunk Line, Peradeniya Junction to Gampola, Hatton, and Nanu-oya ..	—	—	10,716	92	10,716	92
Hospitals ..	—	—	53,574	16	53,574	16
Precaution against Infectious Diseases ..	—	—	2,380	45	2,380	45
Roads and Bridges ..	—	—	39,647	35	39,647	35
Survey and Settlement ..	—	—	205,611	95	205,611	95
Improvements to Northern Railway Line ..	—	—	240,106	92	240,106	92
Contribution towards relief of sufferers in Messina ..	—	—	30,000	0	30,000	0
Ohilaw Railway Survey ..	—	—	5,103	45	5,103	45
Total Expenditure chargeable to General Revenue ..	35,032,055	39½	35,769,368	63	3,141,499	56
						2,384,156 32½

Rs. 5,954,876 advanced for the Colombo Drainage Works ;
 Rs. 2,294,721 in stores ;
 Rs. 852,606 in loans to Local Bodies ; and
 Rs. 882,974 in miscellaneous advances.

(iii.) The chief liabilities were :—

	Rs.
Widows' and Orphans' Pension Fund ..	5,678,183
General Deposits ..	2,599,925

The assets and liabilities of the Commissioners of Currency are no longer included in the balance sheet of the Colony. The sums hitherto included represented only a portion of the total liabilities and assets of the Commissioners of Currency, and there appeared to be no justification for the inclusion of these amounts in the balance sheet of the Colony. Moreover, this practice is not adopted in other Colonies.

(C) PUBLIC DEBT.

On December 31, 1909, the public debt of Ceylon stood as follows :—

	£
Nett Sterling Debt ..	4,269,769
Nett Silver Debt (Rs. 2,619,185) ..	174,612
Total indebtedness ..	£ 4,444,381

The following table exhibits in sterling the revenue and nett amount of debt during each of the last eleven years :—

Year.	Revenue. £	Nett Amount of Debt. £
1899	1,727,543	3,424,462
1900	1,821,729	3,361,750
1901	1,762,473	3,297,321
1902	1,895,677	4,624,183
1903	1,961,554	4,553,169
1904	2,056,446	4,476,480
1905	2,293,022	4,386,039
1906	2,335,377	4,304,396
1907	2,438,255	4,194,434
1908	2,371,523	4,090,229
1909	2,622,190	4,444,381

Out of the 3½ per cent. loan of £3,436,854 authorized by Ordinance No. 6 of 1909, to meet the cost of the Colombo Harbour and Colombo Drainage Works, the Mannar Railway, and other Railway and Public Works, an instalment of £1,500,000 was raised in December, the price of issue being 98½ per cent. A sum of Rs. 6,904,144·63 was received as part proceeds of this instalment of the authorized loan during the year, and applied in repayment of advances made from surplus balances towards the cost of works chargeable to loan funds.

The expenses of raising the instalment of loan charged to the accounts of the year amounted to Rs. 402,831.

It was at first made a condition of the raising of this loan that a reserve fund of 2 million rupees should be created as the first instalment of a reserve fund of 5 million rupees. The Secretary of State, however, subsequently agreed that, in view of the variety of flourishing industries now in existence in Ceylon, the proposal to create a reserve fund may be abandoned.

The expenditure of the Ceylon Government out of loans has, with the exception of comparatively inconsiderable sums spent on Irrigation Works and on the Colombo Water Supply, been made upon two great services : the Colony's

Railways and the Colombo Harbour. Both of these works being regarded as directly remunerative, either immediately or after a reasonable interval, were proper subjects for which to borrow money. They have answered the expectation on which the capital cost was borrowed; they both return a profit to the Colony after the discharge of liabilities for interest and sinking fund.

(D) CURRENCY AND BANKING.

The currency of Ceylon consists of—

- (1) Copper : Ceylon 5-cent, 1-cent, $\frac{1}{2}$ -cent, and $\frac{1}{4}$ -cent pieces.
- (2) Silver : the India rupee, with subsidiary Ceylon 50-cent, 25-cent, and 10-cent pieces.
- (3) Gold : British sovereigns, which are legal tender at Rs. 15 per £.
- (4) Ceylon Government notes of Rs. 1,000, 100, 50, 10, and 5.

By Proclamation dated December 13, 1909, the Ceylon 5-cent and $\frac{1}{4}$ -cent copper coins will cease to be current or legal tender on July 1, 1910. By another Proclamation dated December 13, 1909, the Ceylon nickel bronze 5-cent coin became current or legal tender on January, 1, 1910.

On December 31, 1909, the value of currency notes in circulation was Rs. 17,249,565, on which date the currency reserve was distributed as follows :—

	Rs.	
Gold (£141,500)	..	2,122,500
Rupees	..	6,257,735
Small silver	..	233,000
Colonial investments	..	4,625,049
Indian investments	..	4,011,281

The Chartered Bank of India, Australia, and China; the Hong Kong and Shanghai Banking Corporation; the Bank of Madras; the Mercantile Bank of India; and the National Bank of India, Limited, do business in the Colony.

(E) MUNICIPALITIES.

The following is a comparative statement of the total revenue and expenditure of the Municipalities for the five years ended December 31, 1909 :—

Colombo.

Year.	Revenue.		Expenditure.	
	Rs.	c.	Rs.	c.
1905	1,591,742	10	1,387,277	98
1906	1,763,106	35	2,528,754	99
1907	2,382,259	12*	2,217,100	86
1908	1,884,133	4	1,846,000	97
1909	1,848,294	12	2,068,958	38

Kandy.

1905	188,553	17	207,938	78
1906	220,691	47	203,242	40
1907	224,196	41	192,736	5
1908	226,646	54	189,138	78
1909	180,602	94	165,850	27

Galle.

1905	104,899	23	101,473	50
1906	113,035	46	108,918	0
1907	129,637	81	116,578	59
1908	141,984	46	132,461	26
1909	156,051	80	192,656	31

* The revenue of the Colombo Municipality for 1907 includes a sum of Rs. 600,000 advanced by Government on account of Drainage Works.

Below will be found a statement of the debts of the Municipalities up to the end of 1909, showing provision for payment :—

Amount of Debt.		On what Account.	Provision for Payment.
Rs.	c.	Colombo.	
		Kandy.	
139,336	68	Waterworks construction	Water-rate of 6 per cent. on properties within certain portions of the Municipality (Ordinances Nos. 18 and 29 of 1884).
105,402	98	Acquisition of lands above reservoir; repairs to main sewer and other various works	Bond assigning portion of water-rate as authorized by Ordinance No. 7 of 1887; also portion of rates and taxes.
18,000	0	To widen Victoria Drive and clear lake silt	Bond assigning portion of rates and taxes under sections 127 (a) and (b), 128, 129, and 130 of Ordinance No. 7 of 1887.
		Galle.	
50,316	6	Construction of waterworks	A water-rate of 5 per cent. is levied within the Fort for repayment of loan.
32,785	71	Sanitary improvements	Mortgage of stamp duties on licenses for carts, boats, and coaches, and also stamp duties under Licensing Ordinances of 1893 and 1897.
345,841	43		

As regards the Municipality of Colombo, a sum of Rs. 4,000,000 has been advanced by the Government towards the cost of the Mansergh Drainage and Sewerage Scheme. The construction of the Colombo Waterworks and the Victoria Bridge was carried out by Government, and the Municipality has undertaken to repay Government an annual sum of Rs. 100,000 until 1924 in respect of the former, and of Rs. 8,000 until 1945 for the latter.

(F) LOCAL BOARDS.

There are twenty-one Local Boards in Ceylon. The Boards are entrusted with the maintenance of public health and the general improvement and conservancy of the towns in which they are established. Their sources of revenue are an assessment tax on real property, taxes on vehicles and animals, road commutation tax, stamp duties for various licenses, and fines for breaches of by-laws, &c.

In 1909 the total revenue of these Boards amounted to Rs. 485,802, as against Rs. 430,626 in 1908; and the total expenditure to Rs. 428,385, as against Rs. 411,853·69 in 1908.

Loans are made to Local Boards, usually at 3½ per cent. interest and 2 per cent. sinking fund, for approved purposes, such as waterworks, drainage, erection of markets, &c., on the security of their revenue. Loans outstanding on December 31, 1909, amounted to Rs. 695,804·33.

II.—TRADE, AGRICULTURE, AND INDUSTRIES.

(A) IMPORTS AND EXPORTS.

The total value of Ceylon trade in the year 1909 exceeded that of any previous year, as will be seen from the following table :—

Aggregate Value of Imports and Exports for the last Ten Years (omitting Specie, but including Coal exported for the use of Steamers).

Year.	Lakhs of Rupees.	Year.	Lakhs of Rupees.	Year.	Lakhs of Rupees.	Year.	Lakhs of Rupees.
1900 ..	2,206	1903 ..	2,144	1906 ..	2,363	1908 ..	2,648
1901 ..	2,042	1904 ..	2,198	1907 ..	2,631	1909 ..	2,853
1902 ..	2,086	1905 ..	2,240				

The Customs revenue showed an increase of Rs. 429,724, as compared with 1908. There has been a marked advance in the collections on imports, especially in grain and other goods. The record revenue hitherto obtained was in 1907, nearly 2½ lakhs less than 1909.

The chief articles contributing to the revenue in 1909 were:—

	Rs.
Grain	3,463,863
Spirits	1,359,223
Sugar	905,860
Kerosine Oil	904,042
Cotton Goods	344,365

The distribution of Imports and Exports was as follows:—

	Rs.
Total Imports	125,441,000
Total Exports	146,899,000

The following table shows the percentage of Imports and Exports—

- (1) From United Kingdom ;
- (2) From British Possessions ;
- (3) From Foreign Countries—

during the last five years:—

Imports.

	1905.	1906.	1907.	1908.	1909.
From United Kingdom ..	23·2	26·2	27·2	26·4	26·0
From British Possessions ..	65·1	62·7	60·6	60·4	61·7
From Foreign Countries ..	11·7	11·1	12·2	13·2	12·3

Exports.

	1905.	1906.	1907.	1908.	1909.
To United Kingdom ..	52·8	48·7	50·9	49·5	49·2
To British Possessions ..	18·6	18·7	17·2	16·9	15·5
To Foreign Countries ..	28·6	32·6	31·9	33·6	35·3

It will be seen that the proportion of the British and Colonial trade taken together was slightly higher than last year, whilst that of Foreign Countries was lower. The latter now occupy the same position as in 1907. It should be pointed out, however, that the decrease in Foreign Countries is practically confined to India (exclusive of British India) and Borneo. Germany, perhaps our most serious competitor, has improved her position during the year.

Imports.

A comparison of the values of imports in 1908 and 1909 shows large increases in 1909 under the following heads:—

(1) *Manures*.—Increase of Rs. 200,000 ; the increase is principally in fish manure, sulphate of ammonia, and sulphate of potash. Increases under this head have been steady, and may be confidently expected in the future owing to the rapid agricultural development of the country. At one time the natives never purchased manures and rarely used them ; they are now among the best customers of the Manure Works in Ceylon.

(2) *Rice*.—Increase of Rs. 2,200,000 ; due to larger imports from the Straits Settlements.

(3) *Haberdashery*.—Increase Rs. 200,000 ; the value of handkerchiefs, scarves, &c., imported rose 50 per cent.

(4) *Paddy*.—Increase Rs. 1,100,000 ; increased imports from British India and Burma.

(5) *Metals and Metalware*.—Increase in value of Rs. 130,000; the largest increase being under Hardware and in the total value of iron and steel. Pig and tin lead showed a fall of 1½ lakh and 1 lakh respectively.

(6) *Spirits*.—The duty recovered was Rs. 89,000 more than in 1908, Rs. 71,000 being accounted for by increased imports of gin. Cheap gin is rapidly becoming a popular competitor with arrack among the lower classes.

There were decreases under the following heads :—

(1) *Coal*.—Rs. 2,700,000; the imports from the United Kingdom, British India, and New South Wales fell off, the largest decrease being in Indian coal, 112,000 tons.

(2) *Kerosine Oil*.—Rs. 300,000, chiefly in bulk oil; more case oil was cleared during the year.

(3) *Tea Chests*.—Nearly Rs. 300,000; due to smaller supplies from the United Kingdom and Japan.

(4) *Bleached Piece Goods*.—Rs. 1,000,000.

(5) *Dyed Piece Goods*.—Rs. 400,000.

In 1908 there were increases amounting to Rs. 1,400,000 under Bleached, Dyed, and Gray Piece Goods, which practically accounted for this decrease in 1909.

The following table shows the changes in the relative positions of the various countries which export goods to Ceylon :—

Ceylon's Chief Sources of Supply (Value of Imports, excluding Specie).

Country.	1907.		1908.		1909.	
	Value of Exports to Ceylon.	Position.	Value of Exports to Ceylon.	Position.	Value of Exports to Ceylon.	Position.
	Rs.		Rs.		Rs.	
1. British India ..	60,468,700	1	54,137,900	1	51,078,100	1
2. United Kingdom ..	32,626,000	2	32,329,000	2	32,576,100	2
3. Straits Settlements ..	2,904,100	5	9,909,500	3	13,073,200	3
4. Burma ..	4,045,800	3	3,049,100	4	5,574,500	4
5. Germany ..	2,921,100	4	2,826,400	5	3,296,500	5
6. Maldiv Islands ..	2,267,000	6	2,033,200	6	2,455,000	6
7. Hong Kong ..	1,152,600	11	1,789,000	8	2,047,000	7
8. Japan ..	1,507,000	8	1,818,700	7	1,713,500	8
9. United States of America ..	1,002,400	12	1,097,500	12	1,077,000	9
10. Austria ..	1,297,500	9	1,120,600	11	1,069,400	10
11. Russia ..	59,700	25	737,900	19	1,016,200	11
12. Java ..	735,200	16	1,164,900	10	974,800	12
13. Natal ..	8,400	27	202,100	26	952,800	13
14. France ..	757,600	13	860,900	16	872,800	14
15. Siam ..	627,200	19	1,005,000	14	847,700	15
16. Holland ..	715,900	17	1,095,500	13	724,900	16
17. Belgium ..	694,700	18	647,600	21	702,700	17
18. Victoria ..	740,100	15	724,200	20	655,700	18
19. South Australia ..	744,900	14	856,000	17	645,900	19
20. India (non-British) ..	1,735,000	7	1,275,000	9	587,100	20
21. Switzerland ..	428,300	21	484,800	22	579,700	21
22. West Australia ..	41,100	26	404,000	24	535,000	22
23. Italy ..	451,200	20	424,100	23	393,200	23
24. China ..	124,800	24	166,800	27	322,500	24
25. Borneo (excluding British) ..	1,267,500	10	893,800	15	296,400	25
26. Cochin China ..	—	—	1,400	29	288,200	26
27. Sweden ..	164,400	23	259,100	25	229,100	27
28. South America ..	3,600	28	119,700	28	215,300	28
29. New South Wales ..	329,700	22	746,600	18	147,600	29

The chief features are the advance of the Straits, Burma, Natal, Germany, and Hong Kong, and the decrease in the value of imports from British India, Borneo, New South Wales, and India (excluding British India). With the exception of Germany, the advances are nearly all due to increased imports of one particular article.

There have been few changes in markets. The only cases in which one country has displaced another as the principal supplier to Ceylon have been in the following articles:—*Kerosine oil*, bulk, in which Russia in Asia has taken the place of Borneo; Hong Kong is now the largest supplier of refined *sugar* to Ceylon, supplanting Java; the United Kingdom has displaced Germany as the largest supplier of *aerated water bottles* and *oil-making machinery*; Japan in the value of *tea chests* imported into Ceylon; and Belgium in the supply of *plate glass*. Germany, on the other hand, has taken the lead from the United Kingdom in the supply of *dynamite*, and does a big trade in all *explosives*.

Trade with Germany has also increased in certain chemical manures, toys, beer, copper sheathing, made-up apparel, lace and net, barbed wire, hoop iron, hardware, and perfumery.

Other cases where there have been largely increased imports from Foreign Countries have been in *coffee*—South America sent an increased value of Rs. 113,000 in coffee to Ceylon in 1909, as against a decrease in value of Rs. 156,000 in imports from British India; China has increased her exports of *beans* to Ceylon by Rs. 85,000 worth.

On the whole, it may fairly be said that the United Kingdom and the Colonies held their own in practically every branch of trade with Ceylon in 1909. The articles in which a higher value was imported from a foreign country are nearly all articles which are special products of the country exporting them, *e.g.*, German beer, Dutch cheeses and gin, French brandy and wines, Swiss milk, Italian potatoes, Siamese teak, Norwegian and Swedish worked timber, Japanese silks and satins and rickshaws, and Russian kerosine oil. The only other articles in which a foreign country has taken the lead are hoop iron (German), window glass (Belgian), copper sheathing (German), playing cards, zincware, and bar iron (Belgian), typewriters and clocks (United States of America), matches (Swedish), and embroidery (Swiss). In every other branch the United Kingdom and her Colonies maintain a supremacy, and in very many cases a practical monopoly.

The English trader must not think that he can retain this supremacy without effort. There is very serious competition to be met, and the fact that English trade is at present so far to the fore is, it must be remembered, very largely due to the start it has had in the race. The native prefers English goods, as they still retain their reputation for solid worth and durability. English hardware, cutlery, and machinery are in special demand; the townsman will not buy a cheap imitation article, though he is quite willing to palm it off on the villager. It is among the latter that cheap foreign goods, as, *e.g.*, biscuits, soaps, leather belts, bead ornaments, coloured scarves, &c., are in demand. This is chiefly due to their being put on the market in a more attractive form, intended to catch the eye of the purchaser: gaudy pictures are painted on the box covers, the soaps are called after native deities and pictures are given away with them, belts have portraits on the buckles, pipes—heads carved on the bowls; all such additions appeal to the villager. It behoves the English manufacturer to retain his present reputation for putting the best article on the market, but at the same time he should study the habits and character of the public he appeals to; he should display his wares as far as possible in a form suited to Eastern tastes and requirements.

The intelligence of the commercial traveller can suggest the means ; personal contact is immeasurably superior to any written word. A larger number of English commercial travellers declared their samples at the Customs in 1909 than in 1908 ; there were 127 travellers in all, of whom 81 appear to have been travelling for English firms, while 46 represented foreign firms. Of the latter, 14 were diamond merchants ; the others travelled in electroplate, haberdashery, fancy leather goods, perfumery, and cheap hardware.

Exports.

A comparison of the value of the exports may be made from the following table, which summarizes the staple exports of the Colony in 1908 and 1909 :—

Products.		To United Kingdom. Rs.	To British Colonies. Rs.	To Foreign Countries. Rs.
Tea	{ 1908 ..	44,811,900 ..	14,178,700 ..	14,562,700
	{ 1909 ..	50,608,400 ..	15,253,900 ..	15,149,900
Products of the Coconut Palm	{ 1908 ..	10,436,600 ..	1,393,200 ..	17,507,500
	{ 1909 ..	10,451,100 ..	1,104,500 ..	20,843,000
Plumbago	{ 1908 ..	2,476,900 ..	62,100 ..	5,464,600
	{ 1909 ..	1,964,600 ..	60,500 ..	7,954,500
Cinnamon	{ 1908 ..	259,000 ..	56,000 ..	2,298,800
	{ 1909 ..	301,000 ..	53,900 ..	2,374,700
Cacao	{ 1908 ..	1,890,200 ..	187,400 ..	585,800
	{ 1909 ..	1,954,300 ..	173,300 ..	640,100
Arecanuts	{ 1908 ..	11,000 ..	2,089,800 ..	81,900
	{ 1909 ..	1,900 ..	2,274,900 ..	101,600
Citronella Oil	{ 1908 ..	443,600 ..	84,500 ..	515,600
	{ 1909 ..	565,900 ..	44,000 ..	523,300
Rubber	{ 1908 ..	2,243,700 ..	173,700 ..	1,189,500
	{ 1909 ..	5,080,298 ..	126,282 ..	3,169,023

Of the total value of Ceylon produce exported, the products of the coconut palm represent 22·5 per cent. and tea 56·2 per cent. There was an increase in the value of the products of the coconut palm.

“ The export of copra has surpassed even the record figure established in the preceding year. Shipments of other products, though somewhat less than during 1908, are well above the average of the last ten years, the figures for desiccated coconut and coconuts being second only to the record of the former year.

“ For the first half of the year business was steady without any great fluctuations in price, copra ranging between Rs. 57 and Rs. 64 per candy, and coconut oil between Rs. 387·50 and Rs. 420 per ton. From July onwards, however, the demand outran the supply, and prices rose rapidly, copra at the end of the year standing at Rs. 84 and coconut oil at Rs. 565. These prices are remarkable in face of the satisfactory export figures, and the fact that the recorded copra supply of the world, though slightly less than in 1908, was far in excess of any former year. The indications are that the demand is increasing more rapidly than the supply, promising a continuance of favourable prices in this section of the Colony's trade.”*

It is noticeable that Foreign Countries spent 80 per cent. more than the United Kingdom and British Possessions on the products of the coconut palm, nearly four times more on plumbago, seven times as much on cinnamon, and a nearly equal amount on citronella oil. In every branch trade with foreign countries increased.

* Report of the Ceylon Chamber of Commerce.

Ceylon's best customers are given below :—

Country.	1907.		1908.		1909.	
	Value of Exports from Ceylon (excluding Specie).	Position.	Value of Exports from Ceylon (excluding Specie).	Position.	Value of Exports from Ceylon (excluding Specie).	Position.
	Rs.		Rs.		Rs.	
1. United Kingdom ..	65,565,800	1	63,566,800	1	71,987,600	1
2. United States of America ..	11,802,100	2	10,450,900	2	16,403,400	2
3. Russia* ..	9,022,000	3	10,069,200	3	10,428,700	3
4. Germany ..	8,177,500	4	8,171,300	4	9,891,800	4
5. British India ..	5,763,900	5	5,643,100	5	5,440,000	5
6. New South Wales ..	4,255,000	6	3,823,200	7	4,155,700	6
7. Belgium ..	3,233,400	8	4,357,100	6	3,743,000	7
8. Canada ..	2,607,900	10	3,394,900	8	3,567,300	8
9. Victoria ..	3,416,900	7	2,863,300	10	3,427,700	9
10. Austria ..	1,548,800	12	2,151,400	11	3,206,900	10
11. China (excluding Hong Kong) ..	3,209,600	9	3,025,700	9	3,090,500	11
12. New Zealand ..	1,894,500	11	1,977,800	12	2,083,900	12
13. France ..	706,200	13	696,100	15	672,800	13
14. South Australia ..	465,900	17	521,500	17	602,700	14
15. Holland ..	620,900	14	702,800	14	593,800	15
16. Straits Settlements ..	599,600	16	566,700	16	526,900	16
17. Denmark ..	610,700	15	1,152,600	13	432,600	17

* Russia in Asia ..	2,079,100	..	2,769,000	..	2,394,300
Russia in Europe ..	6,942,900	..	7,300,200	..	8,034,400

The United Kingdom, United States of America, Germany, Austria, and Russia have largely increased their imports from Ceylon; Denmark, on the other hand, took less than half the value of last year, the decrease being in copra, and has become the last among the important countries. The increase in the value of Ceylon produce in 1909 is chiefly due to larger shipments of tea, plumbago, rubber, and copra.

Tea.

The following table shows the comparative distribution of Ceylon tea in 1908 and 1909 :—

Principal Markets for Ceylon Tea.

	1908. lb.	1909. lb.
I.—UNITED KINGDOM ..	109,297,386	120,496,262
II.—BRITISH POSSESSIONS :—		
British India ..	1,912,357	1,363,095
Canada ..	8,047,730	8,176,403
Cape Colony ..	383,399	357,738
Hong Kong ..	273,099	217,710
Malta ..	257,675	267,900
Natal ..	612,958	601,355
New South Wales ..	8,863,775	9,483,000
New Zealand ..	4,493,202	4,710,156
Queensland ..	821,510	911,939
South Australia ..	1,144,936	1,327,978
Straits Settlements ..	471,976	398,942
Victoria ..	6,140,989	7,378,684
West Australia ..	567,983	665,775
Other British Possessions ..	590,696	458,323
Total British Possessions ..	34,582,285	36,318,998

III.—FOREIGN COUNTRIES:—		1908.	1909.
		lb.	lb.
Austria	..	157,013	189,906
China (excluding Hong Kong)	..	7,344,623	7,296,362
Egypt	..	488,336	293,750
France	..	609,829	772,702
Germany	..	504,448	646,407
Russia	..	19,612,592	16,972,656
Turkey	..	314,583	130,636
United States	..	5,888,238	9,043,313
Other Foreign Countries	..	598,979	725,553
Total Foreign Countries	..	35,518,641	36,071,285
Grand Total	..	179,398,312	192,886,545

Our staple continues to develop ; the total quantity exported to all countries was about thirteen and a half million pounds in excess of the previous year. The United Kingdom took most of this, while larger supplies also went to Australia and the United States of America. Russia has reduced her imports during the year, due probably to the development of her trade in Indian teas, for which Colombo is a point of distribution. In green tea alone there was an increase of nearly half a million pounds, while exports of this kind to the United States of America rose from 794,964 lb. in 1908 to 1,718,436 lb. in 1909. The average price of teas generally rose from 41 cents per lb. in 1908 to 40 to 43 cents per lb. in the year under review, prices being more favourable during the latter half of the year.

Rubber.

In 1909 the United Kingdom took a quantity in excess of the entire exports of 1908. The United States of America is our next best customer, taking double the quantity she did in 1908. After deducting Straits rubber sold in the local market, the total quantity exported was as follows:—

				Cwt.
1908	..	..	..	7,808
1909	..	..	..	13,621

During the year prices for rubber reached unprecedented figures, influenced by a very strong demand and a short supply. The record prices paid for Ceylon plantation rubber were 9s. 3½d. per lb. in London, and Rs. 7·20 in Colombo. The year closed with a quotation of 7s. 7½d. for fine hard Para. The Chamber of Commerce reports:—

“Further points which deserve special mention are the general improvement in, and greater regularity of, quality, which have been noticeable during the year, many estates (more particularly those making use of crepe machines) having turned out rubber of such even quality, size, and colour that it has become customary to deal in the produce of such estates on the mark alone, without samples, which has tended to greatly facilitate business.

“Statistics relating to importing markets show the position at the close of the year to be exceptionally satisfactory from a producer's point of view, and prospects for 1910 would appear to be all that can be desired.”

(B) MINES, MANUFACTURES, AND FISHERIES.

(a) *Pearl Fishery.*

There was no pearl fishery in 1909. The date of the next fishery is quite uncertain. Further investigations and researches were made on the banks during the year by the Company who hold the lease.

The annual rent of Rs. 310,000 was paid to the Government, and a sum of Rs. 73,298 was spent by the Company on the development of the pearl banks by experiment and research.

(b) The Mineral Survey.

The Mineral Survey has been continued throughout the year by Mr. J. A. Daniel, Acting Mineral Surveyor.

The most important observations during the year were made in the Central Province near Gampola, and the upper reaches of the Mahaweli-ganga and its tributaries, with special reference to the occurrence of thorianite, monazite, and other valuable minerals in the river gravels.

There were also explorations in the Bintenna district in Uva.

An expedition was made to the graphite mines in the Kandy and Kurunegala Districts, where molybdenite and apatite were noticed with graphite.

All the specimens collected were despatched to the Imperial Institute for examination and report. During the year 1909, 121 specimens were despatched.

In addition to the survey work, the Mineral Gallery at the Colombo Museum was re-arranged and added to. A special grant of Rs. 3,000 was made by Government for the purchase of gems for this gallery. The Mineral Survey was therefore enabled, in addition to the commoner gems, to add several unique specimens to the Gallery, which now forms an interesting reference collection of the more important minerals of Ceylon.

The export of graphite in 1909 was 643,853 cwt., as against 516,316 cwt. in the year 1908.

Only 2 cwt. of thorianite were exported during the year in question.

There was no export of mica.

(c) Mining.

Plumbago.—There was an increase of Rs. 32,000 in the royalty recovered on plumbago, and of 125,500 cwt. in quantity exported. The year has seen a satisfactory improvement in the plumbago trade, exports being about 25 per cent. more than in the previous year. The quantity taken by the United States of America, Ceylon's chief customer, was about double the amount exported in 1908, and represents 48 per cent. of the total. Germany now holds second place as a buyer of plumbago, taking 2,500 cwt. more than that shipped to the United Kingdom during the year. It is reported that the decrease in exports to the United Kingdom is due to the competition of Korean lead, the bulk of which is sold in London.

The plumbago mines are chiefly in the Ratnapura and Kurunegala Districts and parts of the Western and Southern Provinces. The industry is a somewhat speculative one, success depending largely on the demand for plumbago by buyers in the European and American markets. It is carried on for the most part by native capitalists. A great improvement has been effected in the methods of working the mines or pits since the appointment of a Government Inspector of Mines.

Moonstones are found in the Kandy District, where two large pits were worked during the year. There was a considerable demand for moonstones during the first half of the year. Other precious stones, such as rubies, cat's-eyes, sapphires, &c., are gemmed chiefly in the Ratnapura District.

The quarrying of cabook, or gneiss, and granite has received a stimulus in recent years consequent on the demand for new houses in the principal towns, especially in Colombo and its suburbs.

(d) Salt.

The manufacture and collection of salt is a Government monopoly, and is protected by the imposition of a duty of Rs. 3 per cwt. on imported salt. A sum of Rs. 1,520,647.95 was realized by its sale in 1909, or Rs. 239,903.64 less than in 1908. The year was favourable both for manufacture and collection, but owing to the large stocks already in hand restrictions were imposed on the manufacture, and the quantity secured was only 293,457 cwt., or 432,090 cwt. less than in the preceding year.

The stock of salt in the various stores at the end of the year amounted to 1,067,830 cwt., which at the present rate of consumption is sufficient for the needs of the Island for over two years.

(e) *Manufactures.*

Ceylon is essentially an agricultural country, and its manufactures on any large scale are chiefly confined to the products of agriculture.

In the districts where the coconut palm is cultivated copra is manufactured, and is largely exported to the United Kingdom, Germany, and elsewhere in Europe.* The making of fibre, coir rope and yarn, and coir matting from the husk of the coconut, is also carried out on an extensive scale, the work being done for the most part by women. There are a few desiccating mills, where the kernel of the coconut is dried and specially prepared for export. This industry is being largely developed in the Chilaw District.

In the Northern Province, where tobacco thrives, cigars are manufactured, but there is increasing competition with cigarettes. The Jaffna cigar "merchant" nevertheless is still ubiquitous in the Island, and his cigars, which are small, strong, and extremely cheap, are a favourite smoke with the natives. The future of this industry largely depends on new markets being found, but to effect this an improvement in the method of curing the tobacco is essential.

The manufacture of tiles and bricks is carried on in all parts of the Island where suitable clay is plentiful. Rs. 2,500 worth of Ceylon manufactures under this head were exported in 1909.

The weaving of a coarse kind of cloth in hand looms is carried on in the Eastern, Northern, and Central Provinces. It supplies purely local wants, and the cloth, though strong and of hard wearing quality, is inferior in texture and finish to imported material. It is, however, highly valued by the particular class of natives who use it.

In other districts baskets, tortoise-shell boxes, and combs are manufactured, and common earthenware for water pans and cooking utensils to meet local wants.

Excellent furniture is made in the Western Province, especially at Moratuwa.

Jewellery of very fine workmanship is made in the Northern Province, but on a very small scale. It is a species of filigree work, prized by the Tamil population of the Island.

The indigenous crafts peculiar to the Kandyan country, *i.e.*, silver and brass work, the making of jewellery, earthenware, and painted pottery, lacquer work, and ivory carving, continue to receive encouragement from the Kandyan Art Association. Specimens of these articles are kept in the Kandyan Art Museum, where they can be purchased.

Brass lamps, betel stands, plates, cooking utensils, and water pots are made in the North-Western and Eastern Provinces and at Negombo in the Western Province.

In the Mannar District of the Northern Province the drying and salting of fish gives employment to a large number of people. In 1909 over Rs. 200,000 worth of dried fish was exported from the Mannar District.

(c) AGRICULTURE.

The Agricultural Society.

The Ceylon Agricultural Society, founded in November, 1904, had at the end of 1909 a membership of 983.

Twelve shows were held during the year, one of the most successful being a School Garden Show.

Considerable work was done in the introduction of better varieties of fruits, grain, and vegetables. Several of the Government Agents report increased

* *Vide* remarks under Exports, page 12.

cultivation of vegetables in their districts, which means both an improved food supply and improved health amongst people who live largely on a vegetable diet.

Good progress has been made in transplanting and manuring in paddy (rice) cultivation, and several new varieties of paddy have been introduced.

School gardening is extending rapidly, and there are now 224 gardens attached to schools, an increase of 44 during the year. A series of experiments with modern ploughs have been made, and in some places have met with success. The year has seen a considerable increase in the importation of agricultural machinery. Cultivating tools of modern construction are being used on level areas under rubber and coconut estates. The mechanical means of clearing land, introduced at the experiment station, Maha Illuppallama, are being taken up elsewhere.

Provision has been made for a large experiment in the cultivation of tobacco in the North-Central Province, where 50 acres are being cultivated under the supervision of an expert.

Position of Agricultural Industries.

The year has been one of marked prosperity for estate products in general. The increase in the exports of almost all agricultural commodities has been already referred to. Further experiments have been made in cotton cultivation, but, while the main products of the Island continue to yield increasing profit, little development in this cultivation can be expected. It is generally admitted that much has still to be learnt as to the best seasons in Ceylon for growing cotton. The experiments hitherto made have all shown that the rule in one part of the Island becomes the exception in another, owing to the variations of temperature, rainfall, &c.

The important question of Agricultural Training in Ceylon and the introduction of Co-operative Credit Societies have been fully considered by special Committees during the year. The recommendations of the Committee dealing with the first of these questions are directed towards—

- (1) The establishment of a central school of agriculture at Peradeniya, with a view to the practical training of future agricultural instructors, headmen, and selected teachers, as well as students desiring to study agriculture on their own account.
- (2) The modification of the present system of education in vernacular schools, with a view to the introduction of a training better suited to those whose life will be devoted to agricultural pursuits, and, in order to secure that object, the introduction of a course of study for teachers under training. It is also proposed to offer agricultural scholarships.

The Committee dealing with Co-operative Credit Societies considered fully the reasons of the indebtedness of the villager and the best means of relief.

This question was also discussed at the Durbars of Tamil Chiefs and Low-country Chiefs, while the Kandyan Chiefs at their Durbar considered the allied question of the supply of seed paddy to cultivators. It is probably on these lines, viz., by loan of seed paddy, that most benefit can be secured to the poorer cultivators.

One of the most important branches of all agricultural work, and especially so in tropical climates, is the investigation of pests and blights, which receives the special attention of the Government Entomologist and Mycologist at Peradeniya. The coconut stem bleeding disease, which in the previous year caused some anxiety, has been practically stamped out. There have been no serious outbreaks of plant diseases or pests during the year.

Cattle.

The *rinderpest* outbreak continued from the previous year, but towards the end of the year there was a marked improvement, and the disease appeared to be dying out.

The mortality as in the previous year was very high; out of 78,458 cases, 70,940 cattle died. Stringent measures are taken to guard against the introduction of the disease by examination and detention at Tuticorin, the South Indian port from which the cattle are sent over to Ceylon, and by ten days' quarantine on this side. Anti-rinderpest serum has been largely imported from the Imperial Bacteriological Laboratory in India.

(D) LAND SETTLEMENT.

The Land Settlement Department, which is concerned with the settlement of title (as between the Crown and the subject) to the large area of waste land in the Island, has again succeeded in settling a larger area than in any preceding year.

The total area of waste land settled under the Waste Lands Ordinances at the end of 1909 was 1,413,148 acres. To this must be added large areas sold or leased by this Department.

Almost all claims continue to be settled without recourse to litigation.

Large areas of land suitable for cotton, coconut, and citronella cultivation in the North-Central and Uva Provinces and in the Hambantota and Kurunegala Districts have now been declared to be the property of the Crown under the Waste Lands Ordinances.

The large amount of settlement work that remains to be done has necessitated not only a further strengthening of the Land Settlement and Survey Departments, but also a programme of work calculated to maintain an equilibrium between the outturn of both Departments, and to ensure their closer relationship with each other.

(E) LAND SALES.

The total number of acres sold, granted at half value, and settled on free grants during 1909 was 25,648. An extent of 19,226 acres was sold outright.

The average price paid for land per acre varied from Rs. 100 to Rs. 150 in the Colombo District, Rs. 70 in the Kalutara District of the Western Province, Rs. 70 in the Kurunegala District, chiefly coconut land, Rs. 56 in Kegalla, chiefly rubber land, Rs. 53 in the Galle District, and Rs. 25 in the Eastern Province, to Rs. 18 per acre in the North-Central Province.

The largest extents of land sold in the Provinces were 4,866 acres in the Western Province, in the North-Western Province 3,244 acres, and in the Province of Uva 3,248 acres. The demand for land is steady; prices have ruled very high in the last few years, owing to the boom in rubber. The demand for rubber land still continues, especially in the Western and Sabaragamuwa Provinces. The prosperity of the coconut industry continues, and the demand for suitable land for its cultivation is now as great as that for rubber.

Town sites always command high prices in Colombo especially, but even in the smaller and more distant places there is considerable competition for land for building sites.

(F) SURVEY DEPARTMENT.

The operations of the Survey Department during the year comprised 47,500 acres under the block survey. 515 block survey preliminary plans were issued, containing nearly 21,000 lots, and covering an area of 235,000 acres, besides topographical surveys. 2,479 preliminary plans for 15,354 acres were forwarded to the Government Agents during the year. A large increase is shown in the number of village plans issued. Plane table surveys of 329 square miles of

country have been completed. The total area now covered by block surveys is 2,180,791 acres.

The demands made on the Survey Department have been extremely heavy for years past. It has been shown that the demand for land has been very great. In addition to the ordinary application surveys, various other important surveys have been required. Block surveys to keep pace with land settlements, surveys to delimitate boundaries where they have not been recognizable on the ground owing to sales on old preliminary plans, surveys of the towns of Ceylon, delimitations of road reservations, and improved maps have all been urgently required. To deal with this work the staff is being increased. The passing of the Landmarks Ordinance should prove most useful in all future dealings with land. Permanent stone or concrete pickets will be embedded in the ground on the boundaries of sold lots, lands declared private under the Waste Lands Ordinance, and other lands where necessary. Owners of land purchased subsequently to January 1, 1910, should therefore have no difficulty in the future in knowing their boundaries, and surveyors will be able to locate them easily when surveying adjoining land.

The Colombo Observatory was fully equipped with the necessary transit instruments and clocks during 1909, and an experimental time ball was set up to the west of the buildings. A 12½-inch equatorial reflector was purchased in September from Mr. G. N. Molesworth of Trincomalee, and was temporarily erected in the grounds.

The seismograph was transferred from the Technical College on July 5, and has worked satisfactorily from that date.

(G) SHIPPING.

The following table exhibits the number and tonnage of vessels entering the ports of Ceylon in 1908 and 1909 :—

Nationality.	1908.		1909.	
	Number.	Tonnage.	Number.	Tonnage.
All nations	3,533	6,931,953	3,233	7,007,944
British	1,663	4,658,447	1,553	4,506,996
British, Colonial ..	1,125	91,266	976	129,820
German	203	804,951	206	814,455
French	153	509,647	142	466,649
Japanese	109	374,886	109	423,706
Russian	54	141,538	42	112,489

A decrease in numbers but an increase in tonnage.

Steamship facilities have been considerably improved during the year in various ways. Two Dutch lines have inaugurated weekly services *via* Colombo. The transhipment of tea at Colombo for Russian ports, which was stopped for some time, has been re-started. Both the P. & O. and the Orient Lines have added to their service a number of new and up-to-date vessels. The Orient Line run their outward steamers to call at Colombo on Saturdays from February 26, 1910, instead of on Mondays, heretofore.

Colombo Harbour Dues.

The total collection of harbour dues at Colombo during 1909 amounted to Rs. 1,623,601·16, an increase of Rs. 235,707·30 over 1908. It was decided that from January 1, 1909, no charge shall be made for the use of the harbour tugs; and a special reduced rate has been fixed for vessels calling for coal and water only, which should tend to make the port still more popular.

III.—LEGISLATION.

Among the new Ordinances passed during the year were :—

No. 1 of 1909.—“ An Ordinance to amend and consolidate the Law relating to the Protection of Game, Wild Beasts, Birds, and Fish.” This measure consolidates the different Ordinances on this subject, and introduces certain amendments, most of which were recommended by a Committee which recently reported on the subject of game preservation.

No. 7 of 1909.—“ An Ordinance to provide for the erection and maintenance of permanent Landmarks to define the Boundaries of Land alienated by the Crown.” The general object of this Ordinance is to introduce a system of defining the boundaries alienated by the Crown by means of permanent boundary marks of an approved pattern. The marks are set up in the first instance by the Crown at the time of alienation. It then becomes the duty of the owner or occupier to keep them in proper repair or position.

No. 9 of 1909.—“ An Ordinance to amend Ordinance No. 13 of 1889, intituled ‘ An Ordinance amending the Law relating to Indian Coolies employed on Ceylon Estates.’ ” This law gives effect to the recommendations contained in the Report of the Commission appointed in 1908 to inquire into and report upon certain questions connected with labour in this Island, and providing for the monthly payment of estate labour and the registration of all coolies working on estates.

No. 10 of 1909.—“ An Ordinance to amend ‘ The Ceylon Penal Code, 1883.’ ” This Ordinance remedies certain defects in the Penal Code, *e.g.*, it extends the scope of the offence of “ abetment ” so as to include the abetment in Ceylon of the commission of offences outside Ceylon. It also provides for the punishment of persons who utter words, &c., with the deliberate intention of wounding the religious feelings of others.

No. 22 of 1909.—“ An Ordinance to amend and consolidate the Law relating to Stamps.” This Ordinance has been designed to revise and consolidate the law relating to stamps and to bring it into line with modern legislation. It also gives effect to certain amendments proposed by the Chamber of Commerce.

No. 25 of 1909.—“ An Ordinance to make better provision with respect to Contagious and Infectious Diseases of Cattle and other Animals.” This Ordinance introduces improved measures for preventing the introduction and spread of cattle disease and of diseases affecting certain other domestic animals, such as horses, sheep, goats, and swine. Ordinance No. 9 of 1891, which applied only to cattle, is repealed, and re-enacted with considerable additions and modifications.

No. 26 of 1909.—“ An Ordinance to amend the Law relating to Land Surveyors, Auctioneers, and Brokers.” The principal object of this Ordinance is to provide more efficient machinery for dealing with dishonest or incompetent licensed surveyors. This is effected by a system of annual licenses, which the Surveyor-General is empowered to refuse to renew on the ground of serious misconduct, incompetence, or carelessness.

IV.—EDUCATION.

(A) PRELIMINARY.

It is not possible to draw the same clear line between elementary and secondary education in Ceylon as can be drawn in other countries. The matter is complicated by the fact that English is a foreign language to all but a small fraction of the population. The Europeans, Burghers, and Eurasians together form a little less than 1 per cent. of the population ; the Sinhalese form 65 per cent. of the total ; the Tamils and Tamil-speaking Moors, 33 per

cent. The result is that most of the schools in which English is taught are teaching a language which is foreign to the great majority of their pupils, and the distinction between elementary and secondary education is replaced by the distinction between vernacular and English schools. The vernacular schools really constitute the elementary education of the country.

(B) VERNACULAR EDUCATION.

The following table shows the numerical progress for the last six years in the case of vernacular schools :—

Year.	Number of Government Schools.		Attendance.		Number of Aided Schools.		Attendance.	
			Boys.	Girls.			Boys.	Girls.
1904 ..	507 ..		46,785 ..	11,678 ..	1,316 ..		77,700 ..	39,103
1905 ..	529 ..		52,375 ..	12,829 ..	1,386 ..		85,436 ..	44,144
1906 ..	566 ..		54,249 ..	13,827 ..	1,429 ..		90,389 ..	44,599
1907 ..	592 ..		55,624 ..	14,372 ..	1,456 ..		88,707 ..	48,518
1908 ..	624 ..		59,756 ..	15,634 ..	1,574 ..		95,467 ..	53,646
1909 ..	656 ..		63,862 ..	17,180 ..	1,652 ..		102,598 ..	53,884

From this it appears that there were in 1909 altogether 2,308 Government and grant-in-aid vernacular schools attended by 166,460 boys and 71,073 girls. These figures show an increase of 110 schools and 13,030 children over the corresponding figures for 1908.

Besides the children attending Government and aided schools, 28,691 children were reported to be receiving instruction in 1,528 unaided schools, almost all of them vernacular; the figures furnished by such schools cannot, however, be relied upon, and the education is often of very little value.

The total spent by Government on vernacular education was Rs. 782,263·06, of which Rs. 326,664·63 was expended on Government schools and Rs. 455,598·43 on aided schools. This gives the cost to Government of education of a child in a Government vernacular school as Rs. 4·03 or 5s. 4½d. per annum, and in an aided vernacular school as Rs. 2·91 or 3s. 11d. per annum.

Rural Schools Ordinance.—On the whole, satisfactory progress has been made in carrying out the Ordinance in the sixteen districts which were brought under it by Proclamation in 1908. In fourteen districts by-laws have been approved by Government and published; in seven of these the system of enforcing attendance at grant-in-aid schools is being carried out either wholly or in part. There has been no difficulty so far, and there seems to be every reason to hope that none of the difficulties which were anticipated by some of the managers of aided schools will arise. It is hoped that in the course of the present year it will be brought into working order in all the districts. The scheme adopted by the Committee provides for the establishment of over 200 new Government schools; 32 of these were opened in 1909. Inevitable delays occur in procuring sites and in the preliminaries to the erection of buildings. In some districts it has been found necessary to make altogether new arrangements for carrying out village works. The result of this has been that some of the Committees have carried forward a great part of their funds as balances for the following year.

Town Schools Ordinance.—The Local Board of Kegalla is the only place in which this Ordinance is actually at work. A part of the Municipality of Kandy has been proclaimed under the Ordinance, and a school has been built but not yet opened. No progress can be expected under this Ordinance till it is made compulsory in its operation.

(C) ENGLISH SCHOOLS.

In 1909 there were 236 English and Anglo-Vernacular schools attended by 36,414 pupils, of whom 29,443 were boys and 6,971 girls. As compared with 1908, these figures show an increase of 8 schools and 707 pupils. In

the majority of these schools the work is confined to the schedules of the Educational Code, but there are many in which the upper classes are prepared for the Cambridge Examinations, Senior and Junior, and a few in which the work of the most advanced students reaches a higher level.

The following were the results of the Cambridge Local Examinations, for which 1,143 candidates presented themselves in 1909, viz., 456 for the Senior and 687 for the Junior :—

	Candidates.		Honours.		Passes.	
	Boys.	Girls.	Boys.	Girls.	Boys.	Girls.
Senior ..	412	44	22	6	178	31
Junior ..	567	120	33	3	314	58

The following were the results of the London Examinations held in 1909 :—

	Candidates.	Passes.
Matriculation ..	24	11
Intermediate in Arts ..	20	7
Intermediate in Science ..	2	2
Intermediate in Laws ..	1	1
Bachelor of Arts ..	1	1

The only Government school in which higher education is given is the Royal College, at which in 1909 there were 276 pupils, with an average attendance of 266. The pupils in the upper part of the College are prepared for the Cambridge Local Examinations and the Examinations of the London University as far as the Intermediate in Arts and Science. The staff consists of eighteen masters, of whom five hold English University degrees. The gross cost to Government in 1909 was Rs. 47,173·65, of which a sum of Rs. 19,672·50 was recovered in school fees.

The question of new buildings for the Royal College was under consideration during the year; the original proposals have been considerably modified, and desirable improvements rendered possible by the provision for this work being increased from Rs. 150,000 to Rs. 250,000.

The policy of gradually abandoning the lower school was started by dropping the First Form at the beginning of 1909. At the same time fees have been raised in the upper school from Rs. 10 to Rs. 15, and in the lower school from Rs. 5 to Rs. 7·50. The result of these two changes has been a decrease in numbers, confined, however, to the lower school.

The other institutions in which anything that can fairly be described as higher education is given are registered as aided schools under the Code, with one exception, viz., the Church Missionary Society's Ladies' College in Colombo.

The encouragement offered by Government takes two forms: (a) grants; (b) scholarships :—

(a) In most of the aided English schools grants are paid on the results of examinations in the ordinary schedules of the Code, supplemented by specific subjects. But in some of the better schools the system has been replaced by one under which the greater part of the grant is paid on the average attendance. Liberal grants are also paid for every pupil who obtains honours in the Cambridge Local Examinations, or who passes the London University Matriculation Examination or Intermediate Examination in Arts. The total sum expended in grants to English schools was Rs. 145,365·38 in 1909.

(b) Two University Scholarships of £200 per annum for three years are now awarded on the results of the Intermediate Examinations of the University of London: one on the Examination in Arts, the other on the Examination in Science. One scholarship of Rs. 240 per annum for three years is awarded annually to girls on the results of the Cambridge Senior Local Examination. On the results of the Cambridge Junior Local Examination one scholarship of

Rs. 240 per annum for three years and two of Rs. 120 per annum for three years are awarded annually to boys, and two scholarships of Rs. 120 per annum for three years are awarded annually to girls. The total sum expended in scholarships in 1909 was Rs. 21,720·61.

(D) TRAINING OF TEACHERS.

The Government Training College consists of three departments : English, Anglo-Vernacular, and Vernacular. The English department is intended specially to meet the wants of aided English schools ; two studentships of the annual value of Rs. 480 and twenty studentships of the annual value of Rs. 300 are provided by Government. In the Anglo-Vernacular and Vernacular departments students have hitherto been prepared only for work in Government schools ; in 1908 there were 6 students in the Anglo-Vernacular, and 21 in the department for Sinhalese males, 15 in the department for Sinhalese females, 12 in the department for Tamil males. Four schools are carried on in connection with the Training College and on the same premises, viz., three boys' schools, English, Anglo-Vernacular Sinhalese, and Anglo-Vernacular Tamil, and one girls' school, Vernacular Sinhalese. An important regulation has been added to the Code for Aided Schools, by which the second class certificate for English teachers will henceforth be confined to teachers who have gone through a period of training.

(E) TECHNICAL AND INDUSTRIAL EDUCATION ; SCHOOL GARDENS.

Higher technical education has been provided for by the Technical College, a Government institution established in 1893 ; in 1897 it was re-organized, and its work largely extended. It has been the regular channel of admission of Ceylonese for the following departments of Government : Public Works, Survey, Railway, Post and Telegraph ; it contained departments of civil engineering, telegraphy, surveying and levelling, drawing and art. In 1909 the number of students (including drawing students) was 228, and the gross cost to Government was Rs. 58,440·25, of which Rs. 4,681·37 was recovered in fees and by the sale of stationery, instruments, &c.

The Technical College was reported upon by a Special Commission appointed in 1908, owing to criticisms with regard to the courses prescribed for the student. As a result of the Commission's report it has been decided to abolish the civil engineering department, and to confine the work of the College to the preparation of candidates for subordinate posts in the Survey, Railway, and Postal Departments, and to the classes in drawing and art. Scholarships for engineering students will in future be offered, which will enable their holders to go through the engineering course at the Madras Engineering College. Separate provision will be made at the Medical College for the instruction of the numerous medical students who have been taught in the Technical College laboratories.

There are no Government industrial schools ; but carpentry schools have been attached to 5 Government schools in the Kandyan Provinces. In 1909 the aided industrial schools, which are 34 in number, received grants amounting to Rs. 15,170. The number of pupils was 4,930, and the trades taught were dressmaking, carpentry, printing, bookbinding, shoemaking, tailoring, blacksmith's work, lace-making, embroidery, gardening, and masonry.

The most important of these schools is the Maggona Certified Industrial School, which is utilized by Government as a reformatory, and carried on by the Roman Catholic Mission. This institution has an estate of about 300 acres and excellent buildings, to the cost of which Government has contributed. At the end of 1909 the number of juvenile offenders receiving instruction in it was 238 ; the trades taught were carpentry, ironwork, masonry, gardening

and estate work, bookbinding, and tailoring. An allowance is paid by Government for the maintenance of each juvenile offender. The total cost of the institution to Government in 1909 was Rs. 25,439·44.

In Ceylon, where 88 per cent. of the population is rural, the technical and industrial education required for the main part of the population is one which will fit them for rural and agricultural life. An attempt is being made to supply this by the scheme for school gardens, which is being carried on in connection with Government schools. There are now 224 Government schools in which gardens are being carried on under the scheme; in all there are 180 schools with school gardens. The seeds and implements are supplied by the Department, and the gardens are visited as often as possible by the Superintendent of School Gardens and his Assistants. The work is encouraged by money prizes for the most successful school in each district.

Needlework in girls' schools has received much attention since the appointment of the Inspectress of Needlework in 1904. The Inspectress visits personally as many schools as she can, and marks the work done at all girls' and mixed schools throughout the Island. This has led to a marked improvement both in plain needlework and in the lace and embroidery done in industrial schools.

(F) ESTATE SCHOOLS.

As regards aided estate schools, the figures show progress. At the end of 1909 there were 185 aided estate schools, as against 162 at the end of 1908 and 103 at the end of 1907. The number of estate schools actually examined for grant was 164, as compared with 126 in 1908.

As in the previous year, a form was circulated to collect information from planters. Returns were received from 569 estates, and showed a total number of 8,545 children receiving instruction in schools on the estates, of whom 7,296 were boys and 1,249 girls.

V.—GOVERNMENT INSTITUTIONS.

(A) HOSPITALS.

There are 73 Government hospitals fully equipped with the most modern hospital furniture and surgical appliances. The number of beds in the hospitals ranges from 30 to 425. The outpatients' department of the General Hospital, Colombo, has been commenced, and will be completed next year. In addition to the hospitals, there are 588 outdoor Government dispensaries, and 220 estate dispensaries supported by the planters, who get their drugs free, up to value of 50 cents a cooly.

(B) MEDICAL INSTITUTIONS.

The Medical College is a flourishing institution, with 147 medical and 34 apothecary students. The full course of training for medical students is five years; a diploma in medicine, surgery, and midwifery (which can be registered in the United Kingdom) is granted to the successful students. There is a Bacteriological Institute, with a small clinic for tropical medicine attached; a laboratory for the Government Analyst, containing the most modern chemical apparatus; an ophthalmic hospital; a lying-in home; a women's hospital; a children's hospital; and special hospitals for the police and convicts.

(C) ASYLUMS.

The Lunatic Asylum is situated in Colombo, and is the only one in the Island. There are 586 inmates.

The Leper Asylum is situated about 6 miles from Colombo, and has 345 patients. A small establishment for lepers exists in the Eastern Province; a large leper settlement is to be founded there, and will shortly be commenced.

In association with Government, a Home for Incurables (containing 80 beds) is worked by a Committee of Government officials and representatives of the public.

(D) POOR HOUSES.

There are no poor houses in Ceylon. In Colombo and some other towns there are Friend-in-Need Societies for the relief of distress, and these are subsidized by Government, the Colombo subsidy being Rs. 12,000 per annum. In addition to this every Government Agent and Assistant Government Agent has an annual vote for "Allowances to Paupers"; the votes vary from Rs. 10,000 in the Colombo District to Rs. 340 in the Nuwara Eliya District; the maximum allowance is Rs. 5 a month.

(E) REFORMATORIES.

There are no Government reformatories in Ceylon, but by an arrangement with the Roman Catholic Mission the Maggona Industrial School is used as a reformatory for youthful offenders (*vide* (E) Technical and Industrial Education).

(F) SAVINGS BANKS.

There are two Government institutions, and the business of both showed a satisfactory working in 1909.

(1) *Ceylon Savings Bank*.—The Ceylon Savings Bank had a sum of Rs. 4,620,801 to credit of 34,884 depositors on December 31, 1909, as against Rs. 4,556,778 to the credit of 34,309 depositors on the corresponding date of 1908. The amount of the bank's invested funds was Rs. 5,060,293. Interest is allowed on deposits at the rate of 3 per cent. on sums of Rs. 1,000 and over, and 4 per cent. on sums under Rs. 1,000.

(2) *Post Office Savings Banks*.—Depositors' accounts increased by 4,740, and amount to credit of depositors by Rs. 245,342, the figures at the end of the year being Rs. 2,447,582 to the credit of 79,704 depositors. In 1908 the increase of accounts was 3,946, and of deposits 83,896. Business is done at 166 offices, at the rate of interest of 2·40 per cent.

VI.—JUDICIAL.

(A) POLICE.

The authorized strength of the Police on December 31, 1909, was 1 Inspector-General, 6 Superintendents of Police, 14 Assistant Superintendents of Police, 10 Probationary Assistant Superintendents, 21 Inspectors, 38 Sub-Inspectors, 16 European Police Sergeants, 18 European Police Constables, 57 Station House Officers, 239 Native Police Sergeants, and 1,893 Native Police Constables. 475 recruits were enlisted during the year.

The cost of the Force was Rs. 1,198,934, as against Rs. 1,120,414 in 1908. No new punitive forces were imposed during the year.

(B) CRIME STATISTICS.

I.—From Returns furnished by the Inspector-General of Police.

The following figures show the number of offences dealt with:—

Year.		True Cases.		Convictions and Committals.		Percentage of Convictions obtained.
1905 .	..	16,831	..	11,036	..	65·5
1906	..	17,621	..	11,224	..	63·6
1907	..	15,555	..	10,195	..	65·5
1908	..	17,831	..	12,523	..	70·2
1909	..	16,296	..	12,120	..	74·3

Of the above total, 7,945 were statutory offences, breaches of Municipal by-laws, and other minor offences. The real crime is represented by 8,351 offences, as against 6,808 in 1908.

The following table shows the fluctuation of the more important forms of serious crime :—

	1905.	1906.	1907.	1908.	1909.
Murder and homicide..	170 ..	186 ..	188 ..	201 ..	177
Rape ..	23 ..	30 ..	110 ..	129 ..	130
Robbery ..	330 ..	382 ..	926 ..	1,000 ..	937
Burglary ..	1,869 ..	2,107 ..	2,370 ..	2,570 ..	2,456
Grievous hurt ..	448 ..	481 ..	479 ..	329 ..	551
Theft of cattle and prædial products ..	1,623 ..	1,915 ..	1,161 ..	2,079 ..	1,656
Arson ..	230 ..	229 ..	384 ..	499 ..	391
Riot ..	4 ..	8 ..	2 ..	1 ..	1

Offences against property have decreased, while offences against the person have slightly increased.

II.—From Returns furnished by the Attorney-General.

The number of cases instituted in the Police Courts and Municipal Magistrates' Courts in 1909 was 86,130, as against 81,281 in 1908.

The proportion of persons tried by Police Courts per 100,000 inhabitants was 2,631, as against 2,042 in 1908.

2,593 persons were committed for trial before the Superior Courts. Of these, 64 persons were awaiting trial at the end of the year. Of the remaining 2,539 persons, 1,477 were convicted of various offences and 1,023 persons acquitted, while 22 persons were discharged, the charges against them having been withdrawn, and 7 persons sent to the Lunatic Asylum, having been found to be insane.

Crime.—The Inspector-General of Police reports that—

- (1) For the first time for many years there has been a very substantial reduction in the number of murders and homicides.
- (2) There is a steady increase in the detection of burglary, perhaps the best test by which to judge police work. This increase has been continuous since 1905.
- (3) The fall in cattle theft and the recovery to the detection percentage of 1907 is very satisfactory. The percentages for the last three years are 1907 32·1, 1908 25·4, 1909 33·9.

Comparisons with previous years by crime statistics are always liable to be fallacious. An increase in any particular district may often mean that a zealous police officer has succeeded in getting more crime reported, and that offences are no longer suppressed but investigated by the police. There is no doubt, however, that Ceylon is much better policed than ever before, and that the criminal has fewer chances of escape. Complaints are more readily investigated and crime more easily detected, owing to the large increase in the number of police stations throughout the Island, and the improved efficiency in the system of crime reports. Where special attention has been paid to the improved system of policing a Province, the best results have been obtained. The Southern Province had for long the pre-eminence in crime—reference was made in last year's report to the improvement effected in this Province. The Government Agent in his Administration Report for 1909 states: "There has been a vast diminution of crime of the more serious kind, and as regards the whole volume of crime reported to the police, there is a reduction from 798 cases reported in 1908 to 627 cases reported in 1909. The 'true cases' of the district have been reduced from 928 in 1905 to 385 in 1909—a reduction of 58·5 per cent."

As regards crime against the person, no amount of police protection or police investigation is likely to affect this class of crime, which is really governed by the character and impulses of the people. Murders are caused by the most trivial circumstances, and are regrettably frequent. The question of the alternative punishment of transportation for the death sentence as likely to be more deterrent was under further consideration during the year.

(c) PRISONS.

There was an increase of 219 prisoners in the total number of admissions of convicted prisoners to the prisons in Ceylon during the year, excluding Road Ordinance defaulters, of whom there were 408 in 1909, as against 379 in 1908. The figures are as follows :—

1908	..	..	..	..	8,621
1909	..	..	..	..	8,840

The convictions for murder and manslaughter were 110, as against 101 in 1908. There was an increase in the number of capital sentences carried out :—

				Sentenced to Death.		Hanged.
1908	..	..	..	45	..	23
1909	..	..	..	48	..	30

Of the 48 sentenced to be hanged, 42 were Sinhalese and 6 Tamils ; 27 out of the 48 sentences were confirmed, 13 commuted, in 8 cases pardons were granted.

There were 2 escapes during the year. Both of them are still at large. But there were 4 recaptures of prisoners who escaped prior to 1909.

The total number of deaths in jail was 381, as against 227 in 1908. There was no serious epidemic of any kind. The increase in deaths was due to the prevalence of diarrhoea and dysentery. The average daily sick rate for the year was 167, as against 121 in 1908, an increase of 46. The increase in sickness in the jail has seriously engaged the attention of Government, and changes are being made in the diets of prisoners.

The number of punishments for prison offences inflicted on prisoners decreased from 2,475 in 1908 to 1,801 in 1909. Corporal punishment also decreased from 131 in 1908 to 45 in 1909.

Industrial labour has continued to be carried out and extended. The weaving of cloth for prisoners' clothing was started in Welikada towards the latter end of 1908, and has proved a success, and reduces expenses in clothing the prisoners. At Anuradhapura a quarry was opened in 1908, and continues to supply by prison labour ballast to the Railway Department. At Negombo there is a remunerative basket industry. The estimated value of remunerative labour performed by the prisoners was Rs. 302,142.

In May, 1909, a steam laundry was erected at Welikada Jail at a cost of Rs. 10,000. The whole of the washing of linen from the Medical Health Department and Lunatic Asylum was undertaken by prison labour, and has proved most satisfactory. From January 1, 1910, linen from the Railway Department and the paying wards of the Colombo General Hospital has been taken.

The new Government Printing Office is now in course of erection, and will probably be completed next year, when prison labour will be utilized.

The printing of the railway tickets in Welikada Jail has been continued, over 6,000,000 tickets having been turned out during the year. All embossing work for Government Departments is done by prison labour.

VII.—VITAL STATISTICS.

(A) POPULATION.

The population enumerated at the Census (March 1, 1901) was 3,565,954. exclusive of the military, the shipping, and the South African prisoners of war. The natural increase by excess of births over deaths from that date to the end of the year 1909 amounted to 302,710, while the number of Indian immigrants exceeded the number of emigrants by 214,271. The population estimated to the end of 1909 was accordingly 4,082,935, an increase of 44,479 persons or 1.1 per cent. on the population of 1908.

Birth and Death Rates.

The births registered during the year numbered 148,891, and were in the proportion of 36.7 per 1,000 persons living. The registered deaths numbered 122,970, and were equal to a rate of 30.3 per 1,000 of the population. Compared with 1908, the birth-rate shows a decrease of 3.4 per mille, and the death-rate an increase of .9 per mille. Compared with the average rates for the eleven years 1898–1908, the birth-rate shows also a decrease of 1.3 per mille, and the death-rate an increase of 1.8 per mille.

Public Health.

The year under review cannot be regarded as a healthy one, though there were no serious outbreaks of cholera, smallpox, or enteric fever.

The following table shows the admissions to hospital for and deaths from the most prevalent diseases during 1909 as compared with 1908 :—

Diseases.	1908.		1909.	
	Cases.	Deaths.	Cases.	Deaths.
Anchylostomiasis ..	4,434	1,034	4,896	1,184
Chickenpox ..	3,471	1	2,936	3
Cholera ..	51	40	12	7
Dysentery ..	3,099	825	3,273	123
Enteric Fever ..	1,029	248	657	178
Leprosy ..	562	68	607	54
Malarial Fever ..	11,492	718	11,117	612
Parangi ..	3,246	23	3,485	13
Smallpox ..	1,446	321	280	62

There was an increase in the number of persons attacked with dysentery, but the number of deaths was very much less than in 1908. Malarial fever was not as prevalent as usual. Quinine crusades were conducted throughout the Island; it may perhaps now be said that quinine is in wide demand by the native as a fever medicine.

The number of cases of deaths from anchylostomiasis increased; this disease, which is found among the estate coolies from India, is now receiving special attention, and steps are being taken in conjunction with the Planters' Association to prevent its spread in Ceylon.

The number of cases of phthisis in Ceylon also received considerable attention during the year, and a Commission has been appointed to consider measures to be taken to relieve the sufferers from this complaint. It is believed that the climate of the northern part of Ceylon is eminently suited for the establishment of a Home for Consumptives.

There were eleven deaths during the year from appendicitis.

(B) VACCINATION, &c.

During the year 184,534 subjects were vaccinated. The percentage of successful primary vaccination cases to total inspected was 92.55, while the percentage of successful re-vaccination cases was 74.96.

A Pasteur Institute has been established at Coonoor, where all persons who have been bitten by rabid animals undergo free prophylactic treatment for hydrophobia. The Ceylon Government gives the institute an annual grant, and poor persons bitten by rabid animals, and unable to meet the expenses of the journey, are sent there at the cost of the Government. There were 20 cases of hydrophobia in 1909. Strict measures are being taken to destroy stray dogs and to put the provisions of the Rabies Ordinance in force.

Plague.—The Island continues free from the ravages of plague. There was no case during the year. The principal causes of Ceylon's immunity are probably that it is not a terminal port, ships do not come alongside a quay, and cargo lighters are regularly disinfected and kept free from rats.

(c) SANITATION.

The water-carriage system in Colombo has made considerable progress during the year. The whole of the section is finished which is to drain the sewage that now finds its way into the harbour; it only requires to be linked up with the dwelling-houses.

The large towns are controlled by Municipalities, other towns have Local Boards, or come under the Small Towns Ordinance.

The general expense of scavenging is met from rates recovered locally, and loans are made occasionally to the local bodies for larger works of permanence, such as water supply, construction of drains, &c., the cost of which they are unable to meet in a lump sum.

See also under head Public Works, (F) Colombo Drainage Works.

(D) METEOROLOGY.

The climate of Ceylon varies considerably in different parts of the Island, both as regards temperature and rainfall. In the low-country and coast districts the climate is tropical, but in the mountainous districts in the interior of the Island it resembles that experienced in many parts of Europe, being temperate and equable.

The year 1909 was much below the average as regards rainfall. The highest recorded rainfall was at Ratnapura, 166·46 inches. This district also held the highest record for 1908, with 118·06 inches. The lowest record was at Jaffna, 36·68 inches, as against 25·11 inches at Hambantota in 1908, which was the lowest of that year. The rainfall in Colombo was 66·13 inches, and in Kandy 81·34 inches. At Ratnapura it rained on 244 days in the year, while at Puttalam there was rain on only 67 days.

The hottest stations, taking the mean temperature of night and day all the year round into account, were Mannar and Trincomalee, both with 82·4°. After these comes Batticaloa with 82·2°. The coolest was Nuwara Eliya, 59·1°. Colombo and Kandy were 79·4° and 75·6° respectively.

The highest temperature reached in Colombo was on February 11 and April 20 and 21, 92·8°: the highest on record in Colombo is 95·8°, registered on February 22, 1885.

The highest temperature for the whole Island reached during the year was at Kurunegala, 98·2° on March 28: the highest on record for the Island was at Trincomalee, 103·7° on May 12, 1890.

VIII.—POST AND TELEGRAPH DEPARTMENT.

Six new Post Offices and ten new Receiving Offices were opened in 1909. The total number of offices now is 418, of which 253 are Receiving Offices for sale of postage stamps and posting and delivery of letters; 165 are Money Order and Savings Banks, and of these 108 are also Telegraph Offices.

A comparison of the revenue and expenditure for the years 1908 and 1909 shows :—

		1908. Rs.		1909. Rs.
Revenue ..		1,417,072	..	1,457,069
Estimated value of work done for Government ..		242,361	..	279,555
	Total ..	1,659,433		1,736,624
Expenditure ..		1,614,602	..	1,694,682
	Balance ..	44,831		41,942

The total estimated number of articles, exclusive of parcels, which passed through the post during the year exceeded $35\frac{1}{2}$ millions, against $31\frac{1}{2}$ millions in 1908 and $30\frac{1}{2}$ millions in 1907.

The business done in parcels is shown as follows :—

		1908.		1909.
Total number of parcels ..		480,775	..	484,703
Number of inland value-payable parcels ..		99,882	..	110,923
Value on inland value-payable parcels ..		Rs. 648,351	..	Rs. 723,778
Number of Indian value-payable parcels ..		73,243	..	80,270
Value on Indian value-payable parcels ..		Rs. 508,850	..	Rs. 613,073

The following are the figures for money orders :—

	No.	Rs.	No.	Rs.
Inland ..	310,154	8,489,757	367,089	9,666,463
Indian ..	181,197	5,233,151	210,568	5,694,935
United Kingdom ..	10,390	400,646	11,007	435,982
Colonial and Foreign ..	11,586	756,523	11,812	774,895
Total ..	513,327	14,880,077	600,476	16,571,775

The business done in postal orders is shown below :—

	No.	Amount.	No.	Amount.
Ceylon ..	61,474	Rs. 203,571	72,543	Rs. 243,553
British ..	22,267	£14,870	27,950	£19,163

The total number of telegrams dealt with was 744,175 in 1909, against 823,905 in 1908—a decrease of 79,730. Foreign telegrams (other than those sent to India) amounted to 110,630. Telegrams received from India and other countries numbered 89,573.

On February 1 the rate for inland telegrams was altered. The free address was abolished, and the former rate of 25 cents for the first 8 words, with 5 cents for each additional word, address and sender's name free, was altered into a rate of 25 cents for the first 10 words, with 5 cents for each additional 2 words, address and sender's name to be counted and charged for. This caused an immediate fall in the number of telegrams, which was not recovered until the end of the year.

The "urgent" class of telegrams was abolished at the same time, and a system of late fees for telegrams despatched out of business hours was introduced.

On the same date arrangements by which telegraph offices at 46 railway stations at places not provided with Postal Telegraph Offices were thrown open to the use of the public, came into operation.

A system of Inland Telegraph Money Orders was inaugurated on February 1, and has proved most successful.

Advantage was taken of the presence in India of Mr. J. Newlands, Deputy Controller of Post Office Telegraphs in London, to obtain his advice on the re-organization of the telegraph traffic arrangements in Ceylon. On his recommendation the whole system has been simplified and the service accelerated. New telegraph forms were introduced, the methods of signalling were revised, and several checks and records were abolished, with the result that there has been considerable improvement in the service.

The through connection to Bombay of one of the Colombo-Madras wires, arranged with the Indian Government through the assistance of Mr. Newlands, has accelerated the transmission of telegrams to Europe by cutting out the re-signalling of them at Madras.

The Department opened town telephone exchanges in Kandy and Nuwara Eliya, and made considerable progress with the construction of a trunk line to connect these exchanges with Colombo. Several licenses were granted for the establishment of small exchanges in the planting districts, this branch of telephone development being left for the present entirely to private enterprise.

There has been an enormous increase in the amount of telephone business done during the last few years.

In 1898 there were 175 telephones in use; there are now 939. The average daily calls at the Colombo Telephone Exchange in 1898 were 211; they now number 4,432.

IX.—PUBLIC WORKS.

(A) PUBLIC WORKS DEPARTMENT.

The expenditure of the Public Works Department during the last two years may be compared as follows :—

	1908. Rs.	1909. Rs.
Personal Emoluments	578,068 ..	584,199
Other Charges	87,470 ..	88,946
Public Works Annually Recurrent	2,684,811 ..	2,794,994
Public Works Extraordinary	1,781,144 ..	1,631,316
Works chargeable to Surplus Balances, Loans, &c.	415,167 ..	504,495
Total ..	<u>5,546,660</u>	<u>5,603,951</u>

The total annual expenditure of the Public Works Department has increased from Rs. 3,437,862 in 1896 to Rs. 5,603,951 in 1909.

The average annual expenditure during the past fourteen years was Rs. 4,888,645.

The total length of roads maintained by the Public Works Department during the year was 3,782 miles, of which 3,444 miles are cart roads and 338 miles are bridle roads.

(B) COLOMBO HARBOUR WORKS.

The total expenditure upon the works during 1909 amounted to Rs. 1,717,602·32, and the total expenditure since the commencement of the South-west Breakwater in 1873, including maintenance charges, &c., has amounted to Rs. 41,196,253.

New Arm, South-west Breakwater.

Work on block setting continued from the end of last year to April 2, and re-commenced after the south-west monsoon as soon as weather permitted in November; up to the end of the year 160 slices were set, or 1,072 feet of breakwater completed.

Graving Dock.

The Dock was occupied on seventeen occasions during the year. The revenue amounted to Rs. 41,509·60, and the expenditure to Rs. 53,244·30.

Patent Slip.

The Slip was used on twenty-one occasions, producing a revenue of Rs. 50,328. The working expenses amounted to Rs. 11,669·16

(c) RAILWAY DEPARTMENT.

Open Lines.

The Ceylon Government Railway is frequently referred to—more especially in the columns of the local Press—as “the best paying railway in the world.” Such is not the case. The capital expenditure on the Ceylon Government Railways to the end of 1908 was Rs. 86,795,000. The profits that year, viz., the revenue less expenditure—not reckoning interest and sinking fund—amounted to Rs. 5,187,880, or 5·96 on the capital expenditure. From this last sum the Ceylon Government has to pay the interest and sinking fund for loan purposes. The balance of profit is therefore small. It must further be remembered that Railway capital is not debited with the value of the Crown land handed over free of charge for Railway construction. The Railway pays no rates or taxes, and the goods imported for its use are exempt from Customs duty. Pensions to retired Railway officers are not included under Railway Expenditure. There is also a very considerable amount of work done for the Railway Department by other Government Departments which would represent secretarial charges and audit fees, &c., if the duties were performed for a private company.

The total length of the railway lines open for traffic at the end of 1909 was 576½ miles, or an increase during the year of nearly 10½ miles, by the opening on December 1 of the remaining section of the Negombo line, viz., between Ja-ela and Negombo.

The receipts for the year amounted to Rs. 11,746,603, being Rs. 840,172 in excess of the preceding year. To this increase goods traffic contributed more than half, viz., Rs. 539,124, while coaching and miscellaneous traffic increased by Rs. 244,443 and Rs. 56,605 respectively.

The principal increases in goods traffic are as follows:—Rice 15,962 tons; tea 5,063 tons; cacao 1,052 tons; rubber 313 tons; plumbago 4,664 tons; timber (including staves) 2,722 tons; manure 14,912 tons, or, deducting the quantity handled twice in transport from Wharf and Colombo to Kelaniya and Hunupitiya, a nett increase of 3,796 tons; bulk petroleum 1,118 tons; liquid fuel 2,271 tons; and tobacco 612 tons.

Under the head of Coaching, passenger traffic shows increases in the receipts from all classes, including season tickets, the number of ordinary passenger and season ticket holders carried in excess of last year being 354,064 and 4,538 (monthly tickets) respectively. Other coaching traffic also shows an increase of Rs. 21,507.

The working expenses for 1909, excluding expenditure on new works chargeable to capital, amounts to Rs. 5,990,419, as against Rs. 5,850,743 in 1908. The general result of the year's working was as follows:—

				Rs.
Receipts	..	..	..	11,746,603
Working expenses	..	..	..	5,990,419
			Balance ..	5,756,184

Of this balance, a sum of Rs. 936,866 was expended in improvements, new rolling stock, &c. A further sum of Rs. 664,070 from the surplus balances of the Colony was also spent on new works.

The capital outstanding on loans on January 1, 1909, was Rs. 38,753,626, and the total capital cost of the Railway, including additional accommodation, rolling stock, and improvements provided up to December 31, 1909, amounted to Rs. 91,184,208.

Considerable additions were made to the rolling stock in bogie passenger carriages, four-wheeled covered goods, passenger carriages, and goods brakes. Several improvements to stations and buildings, and the extension of the tablet system, interlocking, &c., were carried out during the year.

RAILWAY EXTENSIONS.

Negombo Extension.

The Railway showed a small loss on its working in 1909.*

The remaining portion of this line was completed and opened for traffic on December 1, 1909. The expenditure during the year was Rs. 377,068, or a total up to December 31, 1909, of Rs. 1,595,383 out of the total estimate of Rs. 1,683,436.

Chilaw Extension.

The survey and detail estimate of the proposed extension from Negombo to Chilaw have been sanctioned. The work was taken in hand in November, 1909. The line passes through a thickly populated district, the greater part of which is devoted to the cultivation of coconuts. A large goods traffic is expected on this extension. The expenditure in 1909 was Rs. 5,103.

Ratnapura Extension.

The total length of this extension is approximately 27 miles, starting from Avisawella on the Colombo-Yatiantota narrow gauge (2 ft. 6 in.) line. The total estimated cost is Rs. 2,953,408, and the expenditure up to December 31, 1909, was Rs. 1,310,381, most of which was expended during 1909.

Colombo Stations Extension.

This work is being pushed forward rapidly; Maradana station has been opened for traffic, and the old Terminus demolished. A large building is being erected at an estimated cost of Rs. 150,000 to form a new railway store. A large inward goods shed is being built on the reclamation of the lake. It has been constructed on concrete piles, and is about three-quarters completed. The works on the new engine shed and engine yard are approaching completion. The new Fort station has been founded on concrete piles, and the work is well in hand. Several other small buildings have been erected on the lake reclamation and elsewhere.

The filling required for the new engine yard and the reclamation of the lake is being brought from Ragama by a special service of trains. Approximately 11,000 tons of filling have been brought to Colombo each month. The bridges at the entrance of the new railway lake basin and over the arm connecting the main and western portions of the lake have been completed; about 11,000 lineal yards of sidings and main lines under this extension scheme have been laid. Practically all the ironwork required for the work has arrived in the Colony. Of the total estimate of Rs. 4,447,145, a sum of Rs. 3,066,768 had been spent up to the end of 1909.

* The statement of traffic for the first six months of 1910 shows that the Railway pays about 4 per cent.—Government borrow at $3\frac{1}{2}$ per cent., and there is therefore a small profit of $\frac{1}{2}$ per cent.—excluding the 1 per cent. which has to be found for the sinking fund. When the Chilaw Extension is undertaken the Railway should pay better.

The Mannar Railway.

Every effort is being made to push on this important link with India, in order to keep pace with the work done by the South Indian Railway on the other side of Adam's bridge.

The Chief Resident Engineer with five Assistants has arrived from England.

The work is one which presents considerable difficulties owing to the shoal foreshore at Talaimannar; the absence of landing places on a surf-beaten beach and the inaccessibility from the land side, due to the fact that the gravel road from Madawachchi would be soon broken up were the heavy ironwork and bridges sent by that route; also owing to the entire absence of roads along the line of route in the sandy island of Mannar. The materials required for the two piers at Talaimannar weigh nearly 3,000 tons, the bridges at Mannar nearly 700 tons, and 20 miles of permanent way materials, including sleepers, about 6,000 tons, or nearly 10,000 tons in all. Temporary piers both on the north and the south sides of Adam's bridge will have to be constructed in the first place, and arrangements made for the conveyance and landing of these materials from the steamers which bring them out.

Instructions have been given to the Chief Resident Engineer that the health of the working parties must be carefully conserved, and that, if necessary, they must be housed in portable mosquito-proof lines of special design, plans of which have already been prepared.

Sea Coast Duplication and Maradana-Ragama Widening.

This work was commenced in 1909. On the Main line between Maradana and Ragama all the smaller bridges have been widened, and the filling necessary for the duplication of the line is nearly complete. Extensive alterations have been carried out at Hunupitiya and Ragama.

On the Sea Coast line a new bridge for a double line is being erected in place of the present one 15 chains south of Slave Island station. The new bridge carrying the Kollupitiya road over the railway has been constructed.

The total estimate for the two works is Rs. 2,700,000, out of which Rs. 986,681 had been spent up to the end of 1909.

Protection of Sea Coast Line.

The heavy protection works start about 40 chains south of Bambalapitiya station, between which place and the Kollupitiya curve the encroachment of the sea is most marked. The total estimate is Rs. 437,510, out of which Rs. 249,563 had been spent up to the end of 1909.

Further protection works are to be carried out south of Wellawatta, the estimate for which amounts to Rs. 76,000.

(D) IRRIGATION.

The present policy in irrigation matters is to develop the irrigable areas opened up by the large irrigation works which have been carried out in the past, and to complete these works by carrying out connected schemes of channels, &c., which will bring the full schemes into general usefulness. Without such surveys it is not possible accurately to define the irrigable area, to say what lands are or are not irrigable, or to devise the most suitable means for supplying them with water. Nor is it possible efficiently to control the distribution of water and ensure its proper and economical use.

In 1908 and 1909 the Indian Government lent the Colony the services of Mr. W. L. Strange, who has reported on the best means of deriving the full benefit from these works. The report is now under consideration.

The expenditure on construction in 1909 was Rs. 389,412, against Rs. 450,299 in the previous year, while the cost of maintenance in 1909 was Rs. 100,069. The total expenditure on irrigation for the year was Rs. 785,756, which includes the cost of staff and all management charges. The recoveries in irrigation rates are small, owing to the very low water rates the cultivators are charged.

The rates in Ceylon are extremely low when compared with India, where rates averaging from Rs. 16 to Rs. 4·50 an acre are charged. In Ceylon the rate levied has never exceeded Rs. 2. When the grain tax was abolished, no steps were taken at the time to increase the irrigation rates proportionately. One of the results of the unchecked supply of water at low rates, which are no standard of its value, has been great wastage. While the irrigation works in Ceylon have proved of enormous indirect advantage, it is now necessary to put them on a business-like footing before any further steps can be taken to extend them—substantial contribution by the cultivators themselves in developing their own resources must be forthcoming.

The area irrigated by the larger works restored by Government is 143,000 acres, or 224 square miles; and 163,000 acres, or 254 square miles, are irrigated by the village works which have been restored by the people under the guidance and supervision of Government officers.

Consideration has been given to numerous minor works for existing tanks in the Wanni—a stretch of land in the north of Ceylon, within easy distance of the Railway, and served by numerous irrigation schemes. This district is at present almost uninhabited, and every effort is being made to attract settlers to land, which irrigation should make one of the most fertile portions of Ceylon.

(E) FORESTS.

The future *personnel* of the Forest Department will consist of trained Foresters only, as in the case of the Imperial Forest Service in India. The first two officers trained at Oxford arrived early in January, 1910.

Forest exploitation has been directed towards the elimination of over-mature timber which retarded future regeneration of crops, and to the utilization of timber on areas to be alienated for sale, lease, or irrigation purposes.

The supply to Public Departments at actual cost of output reached a value of about Rs. 713,000 in 1909, as against Rs. 125,000 in 1906, Rs. 401,500 in 1907, and Rs. 548,700 in 1908. During the last five years the Forest Department has delivered 238,496 broad gauge and 87,928 narrow gauge sleepers to the Railway, and holds a large supply in reserve.

The average cost of delivery to date has been Rs. 3·61 per broad gauge and Re. 1·79 per narrow gauge sleeper. The Railway previously paid over Rs. 5 per sleeper for its best supply of broad gauge Jarrah, so that a considerable saving has been effected by the supply being obtained from the local forests, and the sleepers are admittedly more durable. For silvicultural reasons it will be necessary in future to limit the supply of sleepers to 50,000 broad gauge per annum.

(F) COLOMBO DRAINAGE WORKS.

Messrs. Mansergh & Son's scheme for the drainage of Colombo will replace the present bucket and dry-earth system, and will provide for the complete sewerage and drainage of the Municipality and the disposal of the sewage by bacterial treatment upon modern lines, at an estimated cost of 20½ million rupees.

The scheme divides the Municipality into eight main drainage areas with a pumping station in each. These areas are subdivided into 22 districts, which can be taken in hand separately as urgency may demand.

The first instalment of the scheme was commenced in 1904, and consists of the harbour drainage area with its pumping station, the main sewer to Madampitiya, the northern pumping station, treatment works, and outfall into the river Kelani, at an estimated cost of approximately 5 million rupees.

In 1908 the extension of the main sewer, from Layard's Broadway to its extremity at Polwatta, was sanctioned at an estimated cost of Rs. 988,000.

The above works are now practically complete, and will be brought into operation as soon as the house connections can be made.

In 1909 a further extension of the scheme was taken in hand, to deal with the drainage areas falling towards the lake and bordering the main sewer. Altogether a total expenditure of Rs. 10,800,000 has been sanctioned up to date.

Sewers are being laid in all the principal streets, capable of taking six times the volume of dry weather sewage. Separate drains are being provided for dealing with heavy rainfall. The pumping stations are fitted with centrifugal pumps worked by gas engines and suction gas plant capable of dealing with the full discharge of the sewers. The system of sewage treatment adopted consists of septic tanks and sprinkling filters capable of dealing with twice the volume of dry weather sewage, and storm water filters for dealing with additional rainfall up to four times the volume of dry weather sewage.

The total expenditure to December 31, 1909, amounted to Rs. 5,803,000, of which Rs. 1,506,000 was expended during the year. 36½ miles of sewers and drains have been completed, 14 miles of which were constructed during the year. The labour force averaged 2,914 men during the year, and reached 3,154 in September.

X.—GENERAL OBSERVATIONS.

(A) IMPORTANT EVENTS.

Three Durbars of Native Chiefs were held during the year, for the Tamil Headmen, the Kandyan Chiefs, and the Chief Headmen of the Low-country and Maritime Districts.

The various grades of native ranks and the dresses proper to each rank have been settled, after full and searching historical research. Various old native ranks which had fallen into abeyance have been revived. The numbers of each grade have been fixed, and honours will not in future be granted except as vacancies occur.

The vexed question of the control and administration of the eight sacred places at Anuradhapura was settled. The Atamasthana Committee met, and accepted the terms suggested to them. The limits of the sacred places were marked out and published for general information.

Commissions were appointed during the year to inquire into the following important questions :—

- (a) Development of the Colombo Lake.
- (b) Registration of Vedaralas in connection with the new Opium System.

Committees were also appointed to deal with the following subjects :—

- (a) Agricultural Training.
- (b) Village Co-operative Banks.
- (c) Horse Insurance Fund for Ceylon Volunteer Force.
- (d) Security required from Public Officers.
- (e) Requirements of the Ceylon Court at the Imperial Institute.

Preliminary to the introduction of a system of excise in Ceylon, the services of Mr. Thurley, an expert on the subject, were obtained from the Indian Government. Mr. Horsburgh of the Ceylon Civil Service has been associated with him in inquiries now being made throughout the Island.

Empire Day was celebrated throughout Ceylon with considerable enthusiasm; it has become recognized as a popular holiday, especially amongst the schools.

On September 13 Viscount Kitchener of Khartoum visited Ceylon for a few days on his way to the Far East.

On December 16 General Sir John French paid a visit of inspection to Ceylon, as Inspector-General of Forces, and inspected the Ceylon Volunteers at Colombo and Kandy.

(B) PUBLIC SERVICE.

Sir Hugh Clifford, the Colonial Secretary, received the dignity of a Knight Commandership, and Mr. F. C. Loos, the Burgher Member of Council, a Companionship of the Order of Saint Michael and Saint George.

The following deaths during the year among retired members of the Public Service are recorded with regret :—Sir Bruce Burnside, who held the office of Chief Justice of the Colony; Messrs. W. E. T. Sharpe and R. W. D. Moir, who both retired from the office of Government Agent of the Central Province; Dr. W. G. Rockwood, M.D., an eminent surgeon who had retired from the post of Surgeon of the General Hospital at Colombo.

(C) IMMIGRATION.

The most important event affecting the labour supply on the estates in Ceylon was the introduction of Ordinance No. 9 of 1909 from October 1. The Ordinance has already been referred to under Legislation (*vide* page 20). The number of immigrant labourers who arrived in Ceylon in 1909 was 80,718, which is above the average for the past five years, which was roughly 76,000. The number for each year depends largely on the state of the crops in South India. The demand for Tamil labour is yearly increasing, and recruiting agencies are to be found all over South India.

The necessity for the construction of a dépôt and segregation camp near Paumben, to provide the necessary facilities for the detention in quarantine of immigrant coolies proceeding by the Mannar route, whenever that line becomes the established line of labour communication between India and Ceylon, has long been recognized. Nearly 37 acres of land have been acquired at Kondegall, $1\frac{1}{2}$ mile from Paumben. On this land will be erected 20 sheds, each capable of accommodating 40 coolies, an infectious diseases hospital, a dispensary, various outhouses, &c. The water supply has been duly tested.

The Secretary of State has approved the establishment of the dépôt, and a sum of Rs. 70,000 (on account) has been provided for this service in the Estimates for 1910–1911. The Kondegall Camp will also provide facilities for passenger accommodation from Southern India to the Jaffna peninsula, instead of by the Tuticorin-Colombo circuitous route.

(D) OPENINGS FOR INVESTMENT OF CAPITAL.

Rubber, coconut, tea, and plumbago are the chief openings for investment of capital. In the Western and Central Provinces the area of Crown land is comparatively very small; the country is covered with estates and native holdings. It is hoped to attract settlers by offering specially favourable terms to the tracts of valuable irrigated land in the Northern, North-Central, and North-Western Provinces, along the Northern Railway. There are also large tracts under the big irrigation schemes, *e.g.*, Giant's tank, where there will be 10,000 acres available, and Vakaneri, which open great possibilities for the paddy cultivator. There are large areas suitable for the cultivation of cotton, which may also prove in time to be one of the paying crops of Ceylon. At present the main products of the Island are so successful that capital can scarcely be attracted to any other cultivation.

(E) GENERAL CONDITION OF THE COLONY ; SOCIAL AND MORAL
CONDITION OF THE PEOPLE.

Ceylon is passing through a period of prosperity which has affected all classes. The problem of social and moral progress now depends on the use or abuse of wealth. In the disposal of the surplus—which means for the native of this country the difference between his known wants and his acquired tastes—lies the future development of the people of this country.

There is a general demand for the externals of what is regarded as European civilization—the dress, house furniture, food, and drink of the West are now popularized in the East.

Such is the position in a period of prosperity for all—the problem is one for education to face—the preservation of what is good in the old civilization with the benefits to be derived from the new.

June, 1910.

E. B. DENHAM,
Assistant Colonial Secretary.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
620	Barbados	1908-1909
621	Trinidad and Tobago	"
622	Straits Settlements	1908
623	Somaliland	1908-1909
624	Mauritius	1908
625	St. Vincent	1908-1909
626	Jamaica	"
627	Swaziland	"
628	Grenada	1908
629	Leeward Islands	1908-1909
630	Southern Nigeria	1908
631	British Honduras	"
632	British Guiana	1908-1909
633	Northern Nigeria	"
634	Basutoland	"
635	East Africa Protectorate	"
636	Uganda	"
637	Weihaiwei	1909
638	St. Helena	"
639	Northern Territories of the Gold Coast	"
640	Ashanti	"
641	Gambia	"
642	Malta	1909-1910
643	Seychelles	1909
644	Colonial Survey Committee	1909-1910
645	Falkland Islands	1909
646	Turks and Caicos Islands	"
647	Gibraltar	"
648	Sierra Leone	"
649	Somaliland	1909-1910
650	Bahamas	"
651	Tongan Islands Protectorate	1909
652	Bechuanaland Protectorate	1909-1910

MISCELLANEOUS.

No.	Colony, &c.	Subject.
65	Uganda	Sleeping Sickness.
66	Gold Coast	Forests.
67	Southern Nigeria	Mineral Survey, 1905-1906.
68	Do. Do.	Do. 1906-1907.
69	St. Helena	Fisheries.
70	Colonies	List of Laws relating to Patents, Trade Marks, &c.
71	Imperial Institute	Foodstuffs.
72	Fiji	Hurricane.
73	Jamaica	Cayman Islands.

