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No. 716.

CEYLON.

REPORT FOR 1910-11.

(For Report for 1909, *see* No. 653.)

Presented to both Houses of Parliament by Command of His Majesty.
July, 1912.



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REPORT ON THE CEYLON BLUE BOOK OF 1910-1911.

NOTE.—Since the issue of the Report for 1909 the financial year of the Colony has been altered to run from July to June. The present Report therefore covers the period from January 1, 1910, to June 30, 1911.

I.—FINANCIAL.

(A) GENERAL REVENUE AND EXPENDITURE.

Revenue.

THE revenue in 1910–11 amounted to Rs. 65,612,638, which was Rs. 8,425,438 more than the estimate, and Rs. 6,658,404 more than the total expenditure of the eighteen months.

Taking two-thirds of the total for the eighteen months, the proportionate revenue for twelve months during the period under review was Rs. 43,741,758, or Rs. 4,408,897 more than the revenue of 1909.

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.
1900 ..	27,325,930	..	28,948,927 <i>b</i>	..	1,412,789	..	—	1,622,997 <i>a</i>
1901 ..	26,437,102	..	29,216,747 <i>c</i>	..	—	..	—	2,779,645 <i>a</i>
1902 ..	28,435,158	..	28,042,105 <i>d</i>	..	1,998,056	..	393,053	
1903 ..	29,423,308	..	27,078,759 <i>e</i>	..	988,150	..	2,344,549	
1904 ..	30,472,325	..	32,019,393	..	1,049,017	..	—	1,547,068 <i>a</i>
1905 ..	34,395,336	..	29,736,899	..	3,923,011	..	4,658,437	
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 <i>f</i>	..	—	..	540,794	
1909 ..	39,332,861	..	35,789,398 <i>g</i>	..	3,760,012	..	3,543,463	
1910–11*	43,741,758	..	39,302,822 <i>h</i>	..	4,408,897	..	4,438,936	

* Proportionately for twelve months.

^a Deficit.

^b Includes Rs. 3,626,939 from surplus balances.

^c Includes Rs. 3,320,152 from surplus balances.

^d Includes Rs. 1,700,227 from surplus balances.

^e Includes Rs. 363,931 from surplus balances.

^f Includes Rs. 278,598 from surplus balances.

^g Includes Rs. 1,906,442 from surplus balances.

^h Includes Rs. 2,835,115 from surplus balances.

On the proportionate figures for twelve months of 1910–11, it will be seen that the revenue has increased by 60 per cent. during the decade, and that the excess of revenue for 1910–11, as compared with the previous year, is the largest recorded during the period.

The following is a comparative statement showing the actual revenue collected in 1909 and in 1910-11:—

	Revenue for 1909.	Revenue for Eighteen Months 1910-11.	Proportionate Revenue for Twelve Months 1910-11.	Nett Increase.	Nett Decrease.
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Customs	9,417,162	16,885,970	11,257,313	1,840,151	—
2. Port, Harbour, Wharf, Warehouse, and other Dues	2,428,808	4,097,681	2,731,787	302,979	—
3. Licenses, Excise, and Internal Revenue not otherwise classified ..	8,463,695	13,802,335	9,201,556	737,861	—
4. Fees of Court or Office, Payment for Specific Services, and Reimburse- ments in Aid	1,738,804	2,457,736	1,638,491	—	100,313
5. Post and Telegraphs ..	1,450,360	2,700,903	1,800,602	350,242	—
6. Government Railway ..	11,712,704	20,160,125	13,440,083	1,727,379	—
7. Interest	840,489	1,824,724	1,216,483	375,994	—
8. Miscellaneous Receipts ..	1,672,131	1,119,598	746,399	—	925,732
9. Land Revenue (exclusive of Land Sales)	445,341	775,831	517,221	71,880	—
10. Land Sales	1,163,367	1,787,735	1,191,823	28,456	—
Total	39,332,862	65,612,638	43,741,758	5,434,942	1,026,045
Deduct Decrease				1,026,045	
Nett Increase for 12 Months				4,408,897	

There is an increase under every head of revenue as compared with 1909, with the exception of Fees of Court, &c., and Miscellaneous Receipts. The decrease under the latter head is reduced to Rs. 25,732, if allowance be made for an abnormal credit of Rs. 900,000 under this head in 1909, due to an adjustment of the Railway Stores Account. The decrease under Fees of Court, &c., is mainly due to the abolition of judicial stamps as from July 1, 1910, and the substitution of revenue stamps, the value of which went to swell the increase under Licenses, &c. The increases of eighteen lakhs under Customs, seventeen under Government Railway, and three and a half under Post and Telegraph are indicative of the growth of trade and increasing general prosperity.

The principal heads of Customs revenue under which an increase is shown are Grain, Spirits and Cordials, Sugar, Kerosine Oil, and "Other Goods." Licenses, Excise, &c., show an increase of over seven lakhs, chiefly due to increased receipts on account of Salt and Stamps; Interest of three and a quarter lakhs, the Crown Agents having held large balances to the credit of the Colony; and Port and Harbour Dues of three lakhs. Land Sales, which in 1909 were responsible for an increase of Rs. 139,000 as compared with 1908, show for 1910-11 a further increase of only Rs. 28,000.

Surplus Fund.—The surplus fund of the Colony on June 30, 1911, stood at Rs. 26,800,436, or Rs. 6,655,074 more than at the end of 1909. The fund is composed of balances accruing by excess of revenue over expenditure in successive years, and is utilized to finance the execution of certain important public works, in accordance with a programme approved by the Secretary of State. Advances are also made from the fund to meet expenditure on works

properly chargeable to loan funds, such as the Colombo Harbour Works and the Mannar Railway, such advances being repaid as further loan funds are raised. The sum of Rs. 16,843,348 shown in the Report for 1909 to have been thus advanced was fully refunded during 1909 and 1910, when the first portion of the loan authorized by Ordinance No. 6 of 1909 was raised. During the first half of 1911 a further sum of Rs. 2,736,933 was advanced to meet expenditure on loan works.

Of the total fund of Rs. 26,800,436, a sum of Rs. 6,793,672 only—including the advance to loan works—had not been definitely appropriated up to June 30, 1911. The original appropriations against the fund, since partially expended, include seventeen and a half lakhs to be expended on roads and bridges, thirty-eight lakhs for survey and settlement of land, thirty-nine for the Chilaw Railway, thirteen for rolling stock, twenty-six for the Badulla Railway, fifteen towards the cost of deepening the Colombo Harbour, besides a number of smaller appropriations for other important public works.

Expenditure.

The ordinary expenditure of 1910-11, including the amount expended from surplus balances, totalled Rs. 58,954,234, or Rs. 3,884,498·56 less than the estimated expenditure.

The following is a comparative statement showing the actual expenditure in 1909 and in 1910-11.

Heads of Service.	Expenditure for 1909.		Expenditure for 18 Months 1910-11.		Proportionate Expenditure for 12 Months 1910-11.		Nett Increase.		Nett Decrease.	
	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
1. Public Debt..	3,679,508	45	..	..	4,488,371	22	808,862	77	—	..
2. Military Expenditure	1,384,137	18	..	..	1,972,226	21	588,089	3	—	..
3. Pensions ..	1,361,236	60	..	..	1,380,614	48	19,377	88	—	..
4. Ecclesiastical ..	3,239	75	..	..	4,909	70	33	38	—	..
5. Exchange ..	348,167	60	..	..	471,903	20	—	..	33,555	47
6. His Excellency the Governor	186,230	2	..	..	273,837	34	—	..	3,671	79
7. Civil Service	863,613	95	..	..	1,480,918	19	123,664	84	—	..
8. Clerical Service	—	..	..	..	1,623,001	78	1,082,001	19	—	..
9. Secretariat ..	314,759	41	..	..	394,818	90	263,212	60	—	..
10. Controller of Revenue	7,452	33	..	..	2,874	7	—	..	51,546	81
11. Treasury ..	77,734	34	..	..	61,074	8	—	..	5,536	28
12. Audit Office..	124,374	66	..	..	59,269	57	—	..	36,618	29
13. Provincial Administration	981,765	56	..	..	1,250,432	60	—	..	84,861	61
14. Settlement Officer under Waste Lands Ordinance ..	159,424	91	..	..	833,621	73	—	..	148,143	83
15. Survey Department	1,082,466	67	..	..	141,240	4	—	..	65,204	88
16. Government Stores	188,179	37	..	..	1,801,930	83	138,820	55	—	..
17. Immigration and Quarantine	131,965	62	..	..	233,757	42	—	..	32,341	9
18. Customs ..	161,612	78	..	..	302,718	28	69,846	57	—	..
19. Post Office ..	1,653,363	91	..	..	258,554	18	10,756	67	—	..
20. Forest Department	254,547	40	..	..	1,727,876	28	74,512	37	—	..
21. Railway Department	5,951,173	75	..	..	244,889	12	—	..	9,658	28
22. Port and Marine, Colombo ..	484,713	33	..	..	8,838,955	93	5,892,637	29	58,536	46
23. Port and Marine other than Colombo	38,425	83	..	..	740,645	99	9,050	66	—	..
24. Legal Departments:—	..	..	..	..	56,215	22	—	..	1,615	68
Supreme Court	187,925	60	..	..	36,810	15	—	..	—	..
Attorney-General	91,941	70	..	..	157,513	97	—	..	29,711	63
Solicitor-General	15,555	25	..	..	76,724	44	—	..	16,317	26
District Courts	188,711	34	..	..	20,438	15	—	..	1,929	82
Courts of Requests and Police Courts	136,549	33	..	..	81,261	71	—	..	107,449	63
Registration of Lands	122,980	68	..	..	44,808	46	—	..	90,740	87
Registration of Marriages, Births, and Deaths ..	126,690	51	..	..	37,991	3	—	..	84,989	65
Fiscals ..	294,315	86	..	..	100,124	55	—	..	26,565	96
	..	..	..	..	206,540	19	—	..	87,775	67

25. Police ..	1,168,187 71	1,693,763.13	1,129,175 42	—	39,012 29
26. Prisons Department ..	604,088 32	826,668 21	551,112 14	—	52,976 18
27. Medical Department ..	2,262,316 9	3,903,000 96	2,602,000 64	339,684 55	—
28. Education ..	1,442,464 24	2,214,922 44	1,476,614 96	34,150 72	—
29. Botanic Gardens ..	146,818 92	227,928 1	151,952 1	5,133 9	—
30. Colombo Museum ..	33,668 36	50,448 58	33,632 39	—	35 96
31. Archaeological Commissioner ..	93,103 96	147,466 2	98,310 68	5,206 72	—
32. Veterinary Department ..	107,367 39	127,987 12	85,324 75	—	22,042 64
33. Agricultural Society ..	30,000 0	45,000 0	30,000 0	—	—
34. Mineralogical Survey ..	14,350 26	30,131 97	20,087 98	5,737 72	—
35. Inspector of Mines ..	16,426 76	25,802 33	17,201 55	774 79	—
36. Inspector of Factories ..	4,706 33	6,240 48	4,160 32	—	546 1
37. Registrar of Patents ..	3,520 49	6,278 53	4,185 69	665 20	—
38. Miscellaneous Services ..	810,373 13	1,472,101 88	981,401 25	171,028 12	—
39. Irrigation Department ..	303,567 49	570,221 40	380,147 60	76,680 11	—
40. Irrigation Annually Recurrent ..	195,758 26	187,891 33	125,260 89	—	70,497 37
41. Public Works Department ..	673,223 11	922,453 20	614,968 80	—	58,254 31
42. Public Works Annually Recurrent ..	2,553,637 86	4,151,934 97	2,767,956 65	214,318 79	—
43. Public Works Extraordinary ..	1,719,389 15	2,424,587 62	1,616,391 75	—	102,997 40
44. Irrigation Extraordinary ..	143,418 6	292,407 52	194,938 35	51,520 29	—
45. Railway Works Extraordinary ..	976,417 45	1,680,318 63	1,053,545 75	77,128 30	—
Total Expenditure from General Revenue, Heads 1 to 45 ..	33,882,957 2	54,701,562 28	36,467,708 21	3,906,944 31	1,322,193 12

46. Works chargeable to Surplus Balances :—

Protection of Sea Coast Railway Line ..	133,124 15	96,291 1	64,194 1	—	68,930 14
Kalutara Bridge ..	303,854 16	46,680 41	31,120 27	—	272,733 89
Negombo Railway ..	376,761 90	18,268 11	12,178 74	—	364,583 16
Colombo Defences ..	110,603 40	211,567 27	141,044 85	30,441 45	—
Printing Office ..	24,415 16	198,445 62	132,297 8	107,861 92	—
Completion of Interlocking Points and Signals ..	47,732 67	163,758 82	109,172 55	61,439 88	—
Fitting existing Rolling Stock with Vacuum Brakes ..	72,375 85	102,471 62	68,314 41	—	4,061 44
Colombo Customs (Quay Wall and Jetties) ..	84,304 3	162,901 14	108,600 76	24,296 73	—
Warehouses, Colombo Customs ..	145,383 96	11,290 82	7,527 21	—	137,856 75

Heads of Service.	Expenditure for 1909.		Expenditure for 18 Months 1910-11.		Proportionate Expenditure for 12 Months 1910-11.		Nett Increase.		Nett Decrease.	
	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
Police Stations ..	—	..	108,912	34	..	72,608	23	..	72,608	23
Nuwara Eliya Lighting ..	—	..	145,160	34	..	96,773	56	..	96,773	56
Underground Telephone Cables for Colombo ..	21	11	127,700	72	..	85,133	81	..	85,112	70
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	..	..	..	..	..	..	..	..
Hospitals ..	53,574	16	..	..	..	76,084	24	..	65,367	32
Precautions against Infectious Diseases ..	2,380	45	..	..	..	116,302	28	..	62,728	12
Roads and Bridges ..	39,647	35	..	..	..	49,78	11	..	47,399	56
Royal College ..	—	..	..	..	..	267,762	5	..	228,114	70
Survey and Settlement ..	205,611	95	..	..	..	59,421	54	..	39,614	54
Improvements to Northern Railway Line ..	240,106	92	..	..	..	407,654	25	..	202,042	30
Contributions towards Relief of Sufferers in Messina ..	30,000	0	..	..	..	173,257	34	..	..	..
Water Supply to Minor Towns—	..	..	..	..	..	..	..	..	30,000	0
Galle ..	—	..	..	..	..	53,291	92	..	..	..
Mannar ..	—	..	79,937	88	..	2,460	88	..	53,291	92
Diyatalawa ..	—	..	..	..	..	2,631	39	..	2,460	88
Railway to Chillaw ..	5,103	45	..	..	..	86,121	66	..	2,631	39
Rolling Stock for Railway ..	—	..	127,682	49	..	629,207	19	..	80,018	21
Wireless Telegraphy ..	—	..	943,810	78	..	629,207	19	..	629,207	19
Extension to General Treasury ..	—	..	860	81	..	573	87	..	573	87
Biological Laboratory, Medical College ..	—	..	2,281	51	..	1,521	1	..	1,521	1
..	—	..	1,330	0	..	886	66	..	886	66
Total Expenditure on Works chargeable to Surplus Balances, Head 46 ..	1,906,441	61	4,252,672	16	2,835,114	77	1,894,412	14	965,738	98

Summary of ordinary Expenditure.

From	1909.		1910-11 (18 Months).		1910-11 (12 Months).		Nett Increase.
	Rs.	c.	Rs.	c.	Rs.	c.	
General Revenue	36,467,708	21	2,584,751
Surplus Balances	2,835,114	77	928,673
Grand Total	39,302,822	98	3,513,424

Taking a two-thirds proportion of the figures for the eighteen months for comparison with those of 1909, it will be seen that under ordinary expenditure, exclusive of expenditure from surplus balances, there has been an increase of Rs. 2,584,751.

There is an increase under Public Debt of eight lakhs, mainly due to the payment for the first time of interest on the newly raised loan of £1,500,000; of nearly six lakhs under Military Expenditure, due to re-adjustment of the military contribution for 1909 and 1910-11; of over a lakh under Civil Service, due to supernumerary appointments and to new appointments being made on the increased initial sterling salary. The head Clerical Service appears for the first time, the salaries of the clerical establishments, which up to 1909 were voted to their respective departments, being now combined under this head. The apparent increase of ten lakhs is therefore accounted for by corresponding decreases under the departmental votes. The increase of one lakh under Survey Department includes a new item, provision for the erection of landmarks defining the boundaries of Crown lands sold; while that of three lakhs under Medical Department is accounted for by the expenditure in connection with the working of the new Opium Ordinance. Miscellaneous Services include expenditure in connection with the Excise Commission, the Census, the Coronation celebrations, and the Rubber Exhibition in London. The increase of two lakhs under Public Works Annually Recurrent is in part set off by a decrease of one lakh under Public Works Extraordinary. The principal decreases under other heads call for no special comment, being for the most part due to the transfer of clerical establishments to Clerical Service.

Works chargeable to Surplus Balances show an expenditure for the eighteen months of forty-two and a half lakhs out of sixty lakhs provided in the Estimates; but the proportionate expenditure for twelve months was nine lakhs in excess of that for 1909. The chief items of expenditure during the eighteen months were nine lakhs for Rolling Stock for the Railway, six for Survey and Settlement, two and a half for Improvements to Northern Railway Line, and four for Roads and Bridges.

As apart from ordinary expenditure, the following statement shows the expenditure during the eighteen months on Public Works Extraordinary chargeable to Loan Funds, which was met up to December, 1910, from a portion of the loan raised, and after that date by an advance from surplus balances:—

	Expenditure, January to December, 1910, met from portion of Loan raised in 1909 and 1910.		Expenditure, December, 1910, to June, 1911, met from Surplus Balances pending raising of Balance Loan.		Total.	
	Rs.	c.	Rs.	c.	Rs.	c.
Colombo Harbour Works ..	767,989	81	362,492	23	1,130,482	4
Colombo Stations Extensions ..	409,409	81	85,357	32	494,767	13
Ratnapura Railway Extensions..	557,728	33	639,507	43	1,197,235	76
Duplication of Line, Ragama to Moratuwa ..	605,727	18	363,223	50	968,950	68
Colombo Lake Development ..	26,687	60	16,546	8	43,233	68
Karaiur Reclamation, Jaffna ..	10,897	22	8,522	68	19,419	90
Irrigation Works ..	—		176,743	57	176,743	57
Mannar Railway ..	2,282,632	12	1,084,540	75	3,367,172	87
Expenses of raising Loan ..	163,307	44	—		163,307	44
Colombo Drainage Works ..	499,515	93	—		499,515	93
Total ..	5,323,895	44	2,736,933	56	8,060,829	0

The following comparative statement shows the expenditure on works chargeable to loan funds as compared with 1909 :—

	1909.		1910-11 (18 Months).		1910-11 (12 Months proportionately).	
	Rs.	c.	Rs.	c.	Rs.	c.
Colombo Harbour Works ..	1,539,175	91	1,130,482	4	753,654	69
Colombo Stations Extensions ..	721,558	21	494,767	13	329,844	75
Ratnapura Railway ..	1,116,536	49	1,197,235	76	798,157	17
Duplication of Line, Ragama to Moratuwa ..	978,706	64	968,950	68	645,967	12
Colombo Lake Development ..	20,781	58	43,233	68	28,822	45
Karaiur Reclamation, Jaffna ..	6,384	80	19,419	90	12,946	60
Irrigation Works ..	142,582	47	176,743	57	117,829	4
Mannar Railway ..	94,959	39	3,367,172	87	2,244,781	91
Expenses of raising Loan (Ordinance No. 6 of 1909) ..	402,831	0	163,307	44	108,871	62
Colombo Drainage Works ..	—		499,515	93	333,010	62
Total ..	5,023,516	49	8,060,829	0	5,373,885	97

It will be seen that on a two-thirds proportion of the figures for the eighteen months the total expenditure for twelve months during 1910-11 was over Rs. 350,000 in excess of that for 1909. By far the largest item of expenditure was that on account of the Mannar Railway. The Government contribution towards the cost of the Colombo Drainage Works appears for the first time.

(B) CHANGES IN TAXATION.

The antiquated system of road tolls was abolished as from January 1, 1911, and to cover the consequent loss to the revenue the following increases in Customs duties were brought into force in December, 1910 :—

Article.	Old Duty.	New Duty.
Spirits ..	Rs. 6 a gallon (proof)	Rs. 7 a gallon (proof)
Tobacco (manufactured) ..	40 cents a lb.	Re. 1.40 a lb.
Tobacco (unmanufactured) ..	25 cents a lb.	75 cents a lb.
Kerosine oil ..	25 cents a gallon	30 cents a gallon
Matches ..	5½ per cent. <i>ad valorem</i>	60 cents a gross
Coffee ..	Nil	3 cents a lb.

(C) ASSETS AND LIABILITIES.

The assets of the Colony on June 30, 1911, were Rs. 35,479,125, and the liabilities Rs. 11,415,622, the assets thus exceeding the liabilities by Rs. 24,063,503. Further, as already stated, a sum of Rs. 2,736,933 had been advanced from surplus balances for Harbour, Railway, and Irrigation expenditure, which will ultimately be charged to loan.

Of the assets, a sum of—

Rs. 8,401,475 was in cash in the hands of the Treasurer, the Government Agents, the local banks, and the Crown Agents in London ;
 Rs. 15,373,869 in investments ;
 Rs. 7,530,909 advanced for the Colombo Drainage Works ;
 Rs. 1,995,522 in stores ;
 Rs. 1,025,209 in loans to Local Bodies ; and
 Rs. 846,004 in miscellaneous advances.

The chief liabilities were—

	Rs.
Widows' and Orphans' Pension Fund ..	6,246,032
General Deposits.. ..	3,653,532

(D) PUBLIC DEBT.

On June 30, 1911, the public debt of Ceylon stood as follows :—

	£
Nett Sterling Debt	5,145,603
Nett Silver Debt (Rs. 2,502,243)	166,816
Total indebtedness	<u>£5,312,419</u>

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

Year.	Revenue. £	Nett Amount of Debt. £
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
1910-11 (proportionate for 12 months) ..	2,916,117	5,312,419

It will be noticed that the total indebtedness is less than twice the annual revenue.

With the exception of the loan of Rs. 300,000 (£20,000) borrowed from the Ceylon Savings Bank, which is repayable by an annuity of Rs. 20,000 (£1,333. 6s. 8d.), provision is made for the repayment of all loans by a sinking fund of 1 per cent. The loan of £250,000 borrowed between 1876 and 1884 from the Public Works Loan Commissioners in England for the improvement of the Colombo Harbour was extinguished in February, 1911.

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 Drainage Works, the Mannar Railway, and other railway and public works, a sum of £1,500,000 has already been raised, the price of issue being 98½ per cent. The total amount realized was Rs. 22,163,756, of which Rs. 566,138 represented expenses of flotation. The nett amount realized was applied in repayment of sums advanced from surplus balances to meet the cost of works chargeable to loan funds, and towards further expenditure on loan works. The allocations against this moiety of the loan, which was fully exhausted by December, 1910, have been as follows :—

	£
Northern Railway	50,438
Uda Pussellawa Railway	32,458
Kelani Valley Railway	19,582
Stations Extensions	240,867
Ratnapura Railway	128,711
Duplication of Open Lines	109,994
Mannar Railway	168,656
Duplication of Water Main	58,185
Irrigation	64,334
Colombo Lake Development	3,297
Karaiur Reclamation	1,200
Colombo Drainage Works	34,694
Colombo Harbour Works	587,584
Total	<u>1,500,000</u>

(E) CURRENCY AND BANKING.

The currency of Ceylon consists of—

Copper : Ceylon 1-cent and $\frac{1}{2}$ -cent pieces, $6\frac{1}{2}$ cents being equivalent to 1*d.* English.

Nickel : Ceylon 5-cent piece.

Silver : Indian rupee (= 100 cents), equivalent to 1*s.* 4*d.* English ; and Ceylon 50-cent, 25-cent, and 10-cent pieces.

Gold : British sovereigns, which are legal tender at Rs. 15 to the sovereign.

Ceylon Government currency notes of Rs. 1,000, 100, 50, 10, and 5.

The nickel 5-cent piece became legal tender on January 1, 1910, while the copper 5-cent and $\frac{1}{2}$ -cent coins were demonetized from July 1, 1910.

On June 30, 1911, the value of currency notes in circulation was Rs. 19,737,240. the currency reserve on that date being distributed as follows :—

				Rs.	c.
Gold (£59,000)	..	..	..	885,000	0
Rupees ..	..	..	..	7,831,216	65
Small silver	..	..	..	158,000	0
Colonial investments	..	..	..	5,620,048	77
Indian investments	..	..	..	5,242,974	58

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

(F) MUNICIPALITIES.

The following is a comparative statement of the total revenue and expenditure of the Municipalities for the five years ended December 31, 1910 :—

Colombo.

Year.	Revenue.			Expenditure.	
	Rs.	c.		Rs.	c.
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
1910	2,260,049 41	..	2,191,141 42

Kandy.

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
1910	..	..	224,346 80	..	225,323 32

Galle.

1906	..	..	113,035 46	..	108,918 0
1907	..	..	129,637 81	..	116,578 59
1908	..	..	141,984 46	..	132,461 36
1909	..	..	156,051 80	..	192,656 31
1910	..	..	135,329 75	..	156,856 28

* 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 June 30, 1911, showing provision for payment :—

Amount of Debt outstanding.	On what Account.	Provision for Payment.
Rs. c. (See below) ..	<i>Colombo.</i> — ..	—
132,340 87 ..	<i>Kandy.</i> 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.
201,167 98 ..	<i>Galle.</i> Construction of waterworks ..	A water-rate of 5 per cent. is levied within the Fort for repayment of loan.
37,840 82 ..	Sanitary improvements ..	Mortgage of stamp duties on licenses for carts, boats, and coaches, and also stamp duties under Licensing Ordinances of 1893 and 1897.
494,752 65		

As regards the Municipality of Colombo, a sum of Rs. 7,530,909 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 the 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.

(c) 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 1910 the total revenue of these Boards amounted to Rs. 448,420, as against Rs. 485,802 in 1909; and the total expenditure to Rs. 436,933, as against Rs. 428,385 in 1909.

Loans are made to Local Boards, usually at $3\frac{1}{2}$ to $4\frac{1}{2}$ 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 June 30, 1911, amounted to Rs. 445,389.

II.—TRADE, AGRICULTURE, AND INDUSTRIES.

(A) IMPORTS AND EXPORTS.

(The attention of those interested in the trade of the Island may be directed to the annual Administration Report of the Principal Collector of Customs for 1910-11,* from which the following particulars are extracted.)

* Obtainable at the Government Record Office, Colombo, price 75 cents, or 1s.

Trade in General.

The total value of Ceylon trade in the year 1910-11 once again 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.
1901 ..	2,042	1904 ..	2,198	1907 ..	2,631	1909-10 ..	3,088
1902 ..	2,086	1905 ..	2,240	1908 ..	2,648	1910-11 ..	3,432
1903 ..	2,144	1906 ..	2,363				

The year (July to June) 1910-11 was remarkable for an extraordinary increase in Customs revenue, showing an advance of Rs. 1,917,750, as compared with 1909-10. As against a total revenue of Rs. 7,279,985 in 1900, the total for 1910-11 was Rs. 11,881,238, or an increase of 63 per cent. in the decade.

The chief source of this revenue in 1909-10 and 1910-11 was the import duty on—

	1909-10. Rs.	1910-11. Rs.
Grain ..	3,584,487	4,041,166
Spirits ..	1,425,826	1,815,591
Kerosine Oil ..	848,905	1,282,301
Sugar ..	974,485	1,110,869
Cotton Goods ..	367,902	460,508

The total trade of the Colony, excluding specie and coal exported for use of steamers, amounted to Rs. 328,857,769, an increase of Rs. 34,700,000, or 11·8 per cent. over 1909-10, compared with an increase of Rs. 42,700,000 (nearly 17 per cent.) during the previous period. Except 1907 there is no year which can approach either of the last two in expansion of trade.

The following table gives details for the last ten years of the annual value of the trade of the Colony, omitting specie and the value of coal for the use of steamers :—

Year.	Imports.	Exports.			Total.	Total of Imports and Exports, omitting Specie and the Value of Coal for use of Steamers.
		Produce and Manufacture of the Colony.	British, Foreign, and other Colonial Produce and Manufacture.			
	Rs.	Rs.	Rs.	Rs.	Rs.	
1901 ..	104,050,036	85,977,410	1,273,700	87,251,110	191,301,146	
1902 ..	97,883,263	96,771,467	1,462,923	98,234,390	196,117,653	
1903 ..	100,889,372	100,871,556	1,356,167	102,227,723	203,117,095	
1904 ..	105,324,719	99,894,461	1,214,415	101,108,876	206,433,595	
1905 ..	108,324,328	100,898,551	1,291,158	102,189,709	210,514,037	
1906 ..	112,789,269	108,248,232	1,463,412	109,711,644	222,500,913	
1907 ..	120,061,934	127,095,587	2,272,664	129,368,251	249,430,185	
1908 ..	122,420,393	127,015,846	1,946,310	128,962,156	251,382,549	
1909-10 ..	136,256,342	153,899,326	3,941,002	157,840,328	294,096,670	
1910-11 ..	156,662,547	166,194,490	6,000,732	172,195,222	328,857,769	

It will be noticed from the above table that for the last four years the value of the exports has materially exceeded that of the imports. This is due practically entirely to the weighty influence of the valuable new export, rubber. In 1906, the last year when imports exceeded exports, the value of the rubber exports was only Rs. 1,527,539; last year (1910-11) it was Rs. 24,512,180, exclusive of 3½ millions of rupees worth of Straits and Indian rubber transhipped here. The great increase in imports last year, however, reduced the balance in favour of exports from Rs. 21,600,000 to Rs. 15,500,000.

An analysis of the distribution of the trade of Ceylon as between the United Kingdom, British Colonies, and foreign countries during the past three years gives the following figures (omitting imports of rubber, specie, and coal exported for the use of steamers):—

		1908.	1909-10.	1910-11.
Percentage of total trade of Ceylon taken by—				
United Kingdom	..	38·42	38·60	38·09
British Colonies	..	37·86	35·33	34·52
Foreign Countries	..	23·72	26·07	27·39
Percentage of import trade of Ceylon taken by—				
United Kingdom	..	26·62	26·90	28·45
British Colonies	..	60·11	60·56	58·04
Foreign Countries	..	13·27	12·54	13·51
Percentage of export trade of Ceylon taken by—				
United Kingdom	..	49·54	48·44	46·5
British Colonies	..	16·9	14·9	14·02
Foreign Countries	..	33·56	37·47	39·48

There is a steady advance by foreign countries both in import and export trade. The United Kingdom takes a trifle less of our products, but is securing a larger share of our import trade. The advance of foreign countries, in fact, seems to have been mainly at the expense of other British Colonies, whose share in Ceylon trade has decreased under both heads. The salient fact which emerges is that while foreign countries have made comparatively little headway in the competition for the supply of our imports (their share even now being only 13½ per cent.), they are increasingly good customers for our exports.

A comparison between the increase in population, as shown by the recent Census, and the increase in value of trade during the ten years is of interest, as indicating the marked prosperity which the Island has recently enjoyed :—

	Per Cent.
Increase in population since 1901..	14·98
Increase in imports	50·00
Increase in exports	100·00
Increase in total trade	72·00

Imports.

There were advances under practically all heads, especially noteworthy being those under Cotton, Metals, Manures, Sugar, and Kerosine Oil.

Biscuits and Confectionery.—The imports of *biscuits* rose 45 per cent., i.e., from 1,000,697 lb. (in 1909-10) to 1,449,429 lb., an increase in one year greater than the total increase in the preceding ten years. The consumption of *confectionery* was 969,441 lb., or 13 per cent. more than in the preceding twelve months.

Cement.—The activity in the building trade is strikingly illustrated by the increase in the demand for cement, the number of hundredweights imported in 1910-11 (345,422) being nearly 50 per cent. more than in the preceding twelve months.

Coal imports rose from the depressed figure of 1909 (552,745 tons) to 676,398 tons. The average for the last ten years is about 620,000 tons.

Cotton, Manufactured and Raw.—The setback to the cotton trade which occurred in 1909—when imports dwindled from Rs. 10,168,933 to Rs. 8,645,079—was amply atoned for in 1910-11, the value of such imports rising Rs. 1,350,000 over the previous highwater mark of 1908 and reaching 11½ millions of rupees. The recovery is well distributed over bleached, gray, and printed piece goods from the United Kingdom; dyed piece goods from the United Kingdom, Germany, Belgium, and Holland; and “other” piece goods from the United Kingdom and Germany.

Grain.—The quantity of rice cleared for home consumption during the year was $14\frac{1}{2}$ per cent. more than in the previous period, the figures being : 1909-10, 6,354,558 cwt. ; 1910-11, 7,272,839 cwt.

Horses and Motor Cars.—The number of motor cars imported during the “ rubber boom ” year was 151, as against 75 in 1909 and 89 in 1908. Out of the 151 imported in 1910, 111 came from Great Britain, 30 from Germany, and 6 from France, but it is doubtful whether these figures accurately represent the real proportions of imports from the actual “ Countries of production.”

The ever-increasing popularity of motoring is reflected in the imports of *petrol*. The following are the figures since 1909 :—1909, 66,208 gallons ; 1910, 136,646 gallons ; 1911 (6 months only), 93,816 gallons.

Despite the number of motor cars imported, *horses* also shared in the prevalent prosperity, the number imported, 796, being more than double the average of the previous nine years (373).

From May 1, 1911, no horse can be imported into Ceylon without production of a certificate of inspection by a qualified veterinary surgeon at the port of shipment. They have also to be inspected before landing by the Municipal Veterinary Inspector.

Kerosine oil had a record year in spite of the increase in duty from 25 to 30 cents in the middle of the period. Of 4,798,255 gallons imported in 1910-11, 3,830,127 consisted of bulk oil and the balance case oil. Both kinds shared in the activity of the market.

Lamps.—The general rise in the standard of living is strikingly exemplified by the extraordinary increase in the use of imported lamps. While ten years ago the total number imported was only 75,156, last year the number was 219,108, the imports in 1910-11 being 25 per cent. more than in 1909-10. The average value entered at the Customs ranged from about Re. 1.50 for English lamps to 6 cents for small glass kitchen lamps from Japan.

Metals and Metalware.—The year's total far exceeds all previous records, and the increase during the year is twice as large as the previous largest increase in the decade, i.e., in 1907.

The most noticeable advances were made by *hardware* ($8\frac{1}{2}$ lakhs), *galvanized iron* (nearly 3 lakhs), *barbed wire* (2 lakhs), and *cast steel* ($2\frac{1}{2}$ lakhs), but there were also some very remarkable increases among the minor imports, such as *aluminium* (the imports of which were three times as great as the previous maximum in 1901), *copperware* (over 100 per cent.), *bar iron*, *silver plate* and *electro plate*, and *tin plates*. On the other hand, there was a curious decline in *iron drums and tanks* and in *pig lead*, but the latter is balanced by an almost exactly corresponding increase in *tea lead*.

Manure imports continue to expand rapidly, increasing 26 per cent. during the year. The total quantity imported in 1910-11, viz., 75,000 tons, is more than five times the quantity imported ten years ago. Fish manure alone now accounts for nearly 20,000 tons, or far more than the total of all manures in 1901. The other manures which contribute mainly to this year's total are castor seed poonac (11,500 tons), ground nut cake (8,750 tons), and rape seed poonac (6,000 tons). Compared with 1909-10 castor seed poonac showed a marked decline, but imports of rape seed poonac were more than quadrupled.

Opium.—The importation of *opium*, except by Government, was prohibited from October 1, 1910.

Silk manufactures of all kinds show a marked advance of 30 per cent., the value of lace imported being over three times as much as in 1909-10.

Spirits.—Despite an increase of Re. 1 a gallon in the duty on spirits, imposed in the middle of the period under review, the imports rose by 18 per cent., from 276,409 gallons in 1909-10 to 326,937 gallons in 1910-11.

The increases in the three spirits that contribute chiefly to the revenue were—

Gin	..	..	..	29 per cent.
Brandy	..	..	..	23 per cent.
Whisky	..	..	..	1½ per cent.

Sugar.—The imports of candy and refined sugar showed a substantial increase of 44,816 cwt. (or about 14 per cent.) on the imports of the previous twelve months. Palm and jaggery increased less markedly, while unrefined sugar showed a slight decline.

Tobacco, Cigars, and Cigarettes.—The increase of the duty on manufactured tobacco from 40 cents a pound to Re. 1·40 a pound (i.e., an increase of 250 per cent.) sent the imports down with a run. Cigars and cigarettes show an abnormal increase. The figures as compared with last year are :—

		Cigars and Cigarettes. lb.		Manufactured Tobacco. lb.		Total. lb.
1909	..	192,381	..	123,395	..	315,776
1910-11	..	250,786	..	85,947	..	336,773

Wines.—The chief feature under this head is the increased consumption of champagne and other sparkling wines—under the influence of a “boom” year. In still wines the chief feature is a decline in claret, balanced by an advance in sherry and port (in wood).

Woollen Manufactures.—The increase under this head was even greater than the increases under Silk and Cotton, the nett advance being 62 per cent.

The sub-head “Other,” which is chiefly responsible for this remarkable increase, comprises mainly cloths and stuffs, i.e., trouserings, dress materials, &c.

The following table shows the relative positions of the various countries which export goods to Ceylon (the percentages being percentages of value) :—

Countries.	1908. Per Cent.	1909-10. Per Cent.	1910-11. Per Cent.
British India ..	44·22	42·9	45·78
United Kingdom ..	26·4	26·23	27·23
Straits Settlements ..	8·09	8·62	6·3
Burma ..	2·49	4·67	3·73
Germany ..	2·31	2·8	3·06
Java ..	·95	1·06	1·3
Maldiv Islands ..	1·66	1·67	1·25
Japan ..	1·48	1·24	1·21
Hong Kong ..	1·46	1·47	1·09
United States of America ..	·9	·92	1·05
Holland ..	·89	·55	·74
France ..	·7	·68	·72
Belgium ..	·53	·55	·71
Borneo (excluding British) ..	·73	·7	·71
Austria ..	·91	·64	·64
Siam ..	·82	·56	·63
South Australia ..	·69	·63	·57
Victoria ..	·59	·55	·5
India (excluding British) ..	1·04	·54	·47
Russia in Asia ..	·58	·25	·45
Switzerland ..	·39	·42	·39
Italy ..	·34	·31	·29
Sweden ..	·21	·18	·2
New South Wales ..	·61	·13	·17
Western Australia ..	·33	·34	·11
China (excluding Hong Kong) ..	·13	·17	·09
South America..	·09	·2	·06

If we exclude India, whose pride of place is of course due to the enormous supplies of rice and other food stuffs for the native population, the most striking

feature of the table is the easily maintained pre-eminence of the United Kingdom, in spite of all foreign competition. Her latest position is even better than last year, and she still possesses nine times the trade of the nearest foreign rival. That rival, however (Germany), is steadily advancing, and her place in the table should really be fourth, as 3·72 of the figure for imports from the Straits represents rubber, which is of course an "import" only in name, being soon transhipped again. The only other points in the table that call for comment are the advance of Java from ninth to sixth place in the table (due to her capture of almost all the sugar trade), the steady increase in American imports, the improved position of Belgium, and the decline of Austria. For the most part, however, the various countries maintain their relative positions with little change.

The mother country and Colonies still easily retain their advantage in respect of all the articles, but they have lost some ground in their supplies of *coffee, lace and net, copper nails and wire, galvanized iron, and printing paper*.

Coffee in 1906 came practically entirely from India; now South American coffee can be landed in Ceylon at a lower price, and last year represented Rs. 100,000 out of the total value of Rs. 600,000 of the imports of this article.

In *lace and net* Germany is competing fiercely, her supplies representing now 33 per cent. (as against 8 per cent. in 1906) of the total value of our imports. This advance may be attributed to the energy with which this trade is pushed by the numerous German commercial travellers; not only do their prices rule considerably lower than that of the Nottingham article, but German firms will accept orders for small quantities, which the Nottingham manufacturers will not do. English travellers in lace are few, attention being confined for the most part to Manchester goods.

Germany is also responsible for the increased foreign trade in *copper nails and wire and galvanized iron*, but the United Kingdom still sends more than four times as much as all foreign countries, and there being little difference in price, the superior quality of the English article is bound to tell.

The most striking proportional advance by foreign countries is in *printing paper*, the supplies of which from such sources have increased over 100 per cent., while the imports from the United Kingdom have remained stationary. Here it is simply a question of price. The lowest possible class of paper sufficiently meets the general demand, and the foreign market can supply at very cheap rates an article which the English manufacturers either cannot or will not sell.

The United Kingdom and Colonies have in some directions, *e.g.*, in dynamite, tea chests, and iron drums, captured much of the foreign trade. In addition to the vast imports of grain and coal—in which India and the United Kingdom respectively hold the practical monopoly—the United Kingdom or the Colonies supply almost the whole of such important imports as *workshop and tea machinery, tea lead, tin plates and slabs, pig lead, wheat flour, brassware, boots and shoes, bar soap*, and many of the *manures* (blood meal, castor seed poonac, ground nut cake, rape seed poonac, refuse of saltpetre, sulphate of ammonia, and fish manure).

The summary given above discloses what a comparatively small part of our total import trade is taken by foreign countries, and it is a specially satisfactory fact, from the point of view of insular security, that the dominating position of India and the United Kingdom is chiefly based on supplies of food and raw material. It has been noted also that there is no one to touch the United Kingdom in the important sphere of *machinery*.

When, however, we turn to the general run of manufactured articles, the competition of foreign countries is appreciable, their share of the total imports of this class being more than one-sixth. It is interesting to see in what directions the chief foreign countries compete for our custom in manufactured articles.

Germany.—While most foreign countries compete in a comparatively limited range of articles, there is hardly a manufactured article which Germany does not send us. It will suffice here to enumerate the following articles, which she supplies in quantities appreciably comparable with those of the largest supplier (generally the United Kingdom):—Lace and net, dyed piece goods, piece goods of mixed materials, silks, woollens, carpets, hardware, barbed wire, *hoop iron*,* *nails and rivets*, *beads*, *bleaching materials*, motor cars, cement, chinaware, dynamite, *fuse*, gunpowder, fancy articles, glass ("other"), haberdashery, jewellery, lamps, *sewing machines*, oil-making machinery, manures, perfumery, and printing paper.

America competes effectively in gray piece goods, hardware, barbed wire, *clocks*, chemists' sundries, *kerosine oil* (case), lubricating oil, sewing machines, and *typewriters*; but one is struck by the limited range of the competition, and the comparative triviality of several of even the few articles supplied.

Belgium limits her serious competition to a still smaller range, but the goods are all important:—Dyed piece goods, barbed wire, *drums and tanks*, hoop iron, nails, and *window glass*.

Holland's trade with us lies more in the direction of gin and cheese than manufactured articles, but she sends large quantities of dyed cotton piece goods, and also piece goods of mixed material.

France is another country which concerns herself more with supplies under the heading "Food and Drink," but her manufacturers compete in apparel made up, mixed material piece goods, silks, and *shot* (in the supply of which she has a practical monopoly).

Austria, by her large supplies of bentwood furniture, runs the United Kingdom very close for first place under furniture, and her competition is also felt in hardware, fancy articles, glass ("other"), and writing paper.

Switzerland is an easy first in embroidery, and sends us large supplies of dyed yarn and twist and silk broadstuff.

Sweden monopolizes the supply of *matches* (with the exception of a small quantity from Austria), and is also an easy first in worked timber, but these are practically the sole articles which she sends us.

Russia and *Dutch Borneo* supply us with all our bulk oil, but do not otherwise compete for our trade.

Japan holds the first place in three articles, viz., *silk broadstuffs*, *tea chests*, and *carriages and carts* (rickshaws), and she also competes effectively in apparel made up, handkerchiefs, fancy articles, and cotton goods ("other").

Exports.

Ceylon's chief export products in order of value are as follows:—

				Lakhs of Rupees.	
				1909-10.	1910-11.
Tea	..	..	..	800	841
Rubber	..	..	..	129	245
Coconut oil	..	..	..	168	137
Copra	..	..	..	118	105
Plumbago	..	..	..	95	74
Desiccated coconuts	..	..	..	47	63
Arecanuts	..	..	..	23	28
Cocoa	..	..	..	29	27
Coir fibre	..	..	..	14	18
Coconuts	..	..	..	11	14
Coir yarn	..	..	..	11	12
Citronella oil	..	..	..	12	11
Poonac	..	..	..	12	10
Tobacco	..	..	..	7	8
Cardamoms	..	..	..	8	7

* Articles in which the country is actually the largest supplier are printed in italics.

Taking the various products of the coconut palm separately, as above, it will be seen that rubber now easily takes second place, and bids fair soon to reach the head of the table. Coconut oil, cocoa, citronella oil, poonac, and cardamoms have each fallen a place; while arecanuts, coconuts, coir yarn, and tobacco have correspondingly improved their position. If, on the other hand, its products be taken together, the coconut palm still retains the second place, with a total of 349 lakhs in 1910-11, as against 369 in 1909-10, the decrease being accounted for by the drop in coconut oil and copra.

The advance under exports is much less marked than under imports, and whereas practically every important import showed a large increase, several of the exports showed a decrease both in quantity and value, while others show a decrease in quantity, though an increase in value. Still, though there was a decrease in the quantity of most of the staple exports, there was an increase in the value of the majority, and except in the case of coir yarn, rope, rubber, citronella oil, poonac, and plumbago, prices ruled better than in 1909-10.

Compared with 1909-10 better prices were obtained for cocoa, coir fibre, coconut oil, copra, and tea; while plumbago and rubber were the only products showing any appreciable decline.

Tea exports just failed to reach the high quantity level of 1909 and 1909-10, but a substantial rise in average price more than neutralized the insignificant drop in quantity. The quantity figures for the last few years exhibit a noteworthy stability:—

				Million of lb. exported.
1907	..	..	..	182
1908	..	..	..	180
1909	..	..	..	192
1909-10	..	..	..	185
1910-11	..	..	..	184

The actual decrease in tea exports amounts to 1,032,575 lb. The following table shows the comparative distribution, 1909-10 and 1910-11:—

Principal Markets for Ceylon Tea.

	1909-10.	1910-11.	Increase.	Decrease.
	lb.	lb.	lb.	lb.
I.—United Kingdom	113,274,909	108,356,360	—	4,918,549
II.—British Possessions—				
British India	1,454,711	1,443,561	—	11,150
Canada	7,423,133	7,031,333	—	391,800
Cape Colony	436,101	486,284	50,183	—
Hong Kong	144,962	368,817	223,855	—
Natal	692,685	930,705	238,020	—
Newfoundland	96,922	264,683	167,761	—
New South Wales	9,084,846	8,715,512	—	369,334
New Zealand	4,891,712	4,540,822	—	350,890
Queensland	970,665	993,019	22,354	—
South Australia	1,431,850	1,057,401	—	374,449
Straits Settlements	437,165	518,563	81,398	—
Victoria	6,664,805	6,895,520	230,715	—
West Australia	746,524	701,415	—	45,109
Other British Possessions	593,126	567,411	106,242	131,957
Total British Possessions	35,069,207	34,515,046	1,120,528	1,674,689
			Deduct Increase	1,120,528
			Nett Decrease	554,161

	1909-10.	1910-11.	Increase.	Decrease.
	lb.	lb.	lb.	lb.
III.—Foreign Countries—				
Austria ..	176,096 ..	133,818 ..	— ..	42,278
China (excluding Hong Kong) ..	6,474,130 ..	7,138,735 ..	664,605 ..	—
Egypt ..	287,036 ..	317,820 ..	30,784 ..	—
France ..	819,597 ..	810,036 ..	— ..	9,561
Germany ..	489,118 ..	612,583 ..	123,465 ..	—
Russia in Asia ..	5,435,110 ..	8,428,161 ..	2,993,051 ..	—
Russia in Europe ..	14,373,211 ..	14,921,123 ..	547,912 ..	—
Turkey ..	95,155 ..	150,136 ..	54,981 ..	—
United States ..	7,727,839 ..	7,860,942 ..	133,103 ..	—
Other Foreign Countries ..	716,320 ..	660,393 ..	60,331 ..	116,258
Total Foreign Countries ..	36,593,612	41,033,747	4,608,232	168,097
	Deduct Decrease ..		168,097	
	Nett Increase ..		4,440,135	
Grand Totals ..	184,937,728	183,905,153	5,728,760	6,761,335
			Deduct Increase ..	5,728,760
			Nett Decrease ..	1,032,575

The outstanding feature is the increase in exports to Russia, due to an unprecedented demand for green tea. There was a marked and rapid decline in this market between 1907 and 1909, but the recovery has been even more rapid and complete.

The total exports of *green tea* in 1910-11 were 7,377,909 lb., as against 6,043,093 lb. in 1909.

Products of the Coconut Palm.—The total value of the exports under this head was Rs. 36,157,060, as against Rs. 38,445,699 in 1909-10. The three principal products are coconut oil, copra, and desiccated coconuts. The two most important of these show a decline from the figures of recent years, but the third shows a satisfactory advance :—

	Desiccated Coconuts. Cwt.	Copra. Cwt.	Coconut Oil. Cwt.
1907 ..	208,067 ..	385,156 ..	477,996
1908 ..	244,734 ..	768,795 ..	670,121
1909-10 ..	224,665 ..	817,689 ..	647,863
1910-11 ..	264,198 ..	623,934 ..	527,004

In the report for 1909 the prices of Rs. 84 per candy for copra and Rs. 565 per ton for coconut oil were commented on as remarkable. Although both articles show a decline in quantity and in total value during the twelve months from July, 1910, to June, 1911, it may be noted that during the year 1910 copra touched Rs. 93·50 per candy, while coconut oil reached as much as Rs. 605 per ton f.o.b. Though these prices have given place to more normal figures, a great impetus to the coconut planting industry has been given. The minor products, viz., coconuts (actual nuts), coir fibre, coir yarn, and coir rope, had a good year, all showing an increase except coir rope, which showed a small decline. On the whole, the prospects of the industry are bright.

Rubber.—Ceylon exported more than twice as much rubber in 1910-11 as in 1909-10, the actual figures being—

	Cwt.
July, 1909, to June, 1910 ..	22,382
July, 1910, to June, 1911 ..	48,465

These figures may be contrasted with an export of only 676 cwt. seven years ago, and about 10,000 cwt. in 1908. The area now under rubber, alone or with other products, is said to be over 200,000 acres. Only ten years ago it was no more than 1,750 acres.

The distribution of the rubber is as follows for the two most recent periods :—

			1909-10. Per Cent.		1910-11. Per Cent.
United Kingdom	..	..	62·97	..	53·2
United States of America	..	..	32·87	..	38·92
Belgium	..	..	2·77	..	5·79
Germany	..	..	·91	..	·58
Japan	..	..	—	..	·55

The other countries to purchase Ceylon rubber in 1910-11 were Victoria, Canada, Italy, New South Wales, France, Austria, and British India. Japan, New South Wales, France, and British India appeared as new buyers.

The average value entered in 1910-11 was Rs. 4·51 per lb., as against Rs. 5·15 per lb. in 1909-10. In April, 1910, however, the price reached the extraordinary figure of Rs. 9·65 per lb., with results in the share market which have become historic.

The new Medical Aid Ordinance enacted in 1910 provides for an export levy on rubber, similar to that derived from tea. Up to date, however, no duty has been actually imposed.

Commenting on the increasing popularity of plantation rubber at the end of 1911, the Committee of the Planters' Association of Ceylon observe that "Uniformity throughout is looked for as much as anything on the market, and it is of the utmost importance to the future of the industry that badly cured or dried rubber should not be exported. With due attention paid to these essentials, plantation rubber may be expected to increase in popularity with the manufacturer, and thereby, it is anticipated, the increasing output for some years will be fully absorbed by one or other of the various markets. In comparison with fine hard Para, the best sorts of plantation rubber have well held their own on the London market during 1911. It is satisfactory to note that offerings on the local market are increasing rapidly, and that Colombo should soon become as important a distributing centre for rubber as it is for tea."

The following table gives the proportions of Ceylon produce and manufactures taken by the principal countries during the last three years :—

Country.		1908. Per Cent.		1909-10. Per Cent.		1910-11. Per Cent.
United Kingdom	..	50·04	..	49·24	..	47·32
United States of America	..	8·22	..	12·62	..	13·69
Germany	..	6·43	..	8·01	..	9·01
Russia in Europe	..	5·74	..	6·01	..	5·92
British India	..	4·44	..	3·19	..	3·03
Belgium	..	3·43	..	2·48	..	2·63
New South Wales	..	3·01	..	2·67	..	2·56
Russia in Asia	..	2·18	..	1·52	..	2·32
Victoria	..	2·25	..	2·08	..	2·18
Canada	..	2·67	..	2·13	..	2·03
China (excluding Hong Kong)	..	2·38	..	1·83	..	1·98
New Zealand	..	1·55	..	1·44	..	1·32
Austria	..	1·69	..	2·02	..	·69
France	..	·54	..	·48	..	·63
Straits Settlements	..	·44	..	·35	..	·36
Holland	..	·55	..	·39	..	·35
Natal	..	·23	..	·25	..	·34
Queensland	..	·29	..	·3	..	·33
South Australia	..	·41	..	·43	..	·32

There is no very striking change in the position of any country in this table, but exports to Austria have fallen off considerably, and the United Kingdom takes a steadily diminishing percentage, though her gross imports from Ceylon are larger than ever. America and Germany and Asiatic Russia materially improved their percentages during the year.

Alterations in Customs Duties.

All imports not specially rated or exempted by the Tariff are liable to a Customs duty of $5\frac{1}{2}$ per cent. *ad valorem*.

The following alterations have been made in the Tariff during the eighteen months :—

The duties have been increased on—

Spirits, from Rs. 6 per gallon (proof) to Rs. 7 per gallon.

Tobacco (manufactured), from 40 cents per lb. to Re. 1·40 per lb.

Tobacco (unmanufactured), from 25 cents per lb. to 75 cents per lb.

Kerosine oil, from 25 cents per gallon to 30 cents per gallon.

Matches, from $5\frac{1}{2}$ per cent. *ad valorem* to 60 cents per gross boxes.

The duty on *non-safety matches* has been increased to Re. 1 per gross boxes.

A new duty of 3 cents per lb. has been imposed on *coffee*, hitherto imported free.

The duties have been abolished on *scrap iron* and on *wax plates for making gramophone records*.

Tea, cocoa, and coffee are liable to an export duty of 10 cents per cwt., and cinchona to an export duty of 5 cents per cwt. under the Medical Wants Ordinance; and by a recent amendment of that Ordinance such products as rubber, cardamoms, coca, camphor, and pepper may also be similarly taxed. These additional products have not, however, at the time of writing been subjected to any tax.

(B) MINES, MANUFACTURES, AND FISHERIES.

(a) *Pearl Fishery.*

No pearl fishery was held during the period covered by this report, and it is uncertain when the next fishery may be held. The periodical inspections of the pearl banks made by the Company who held the lease showed an absence of oysters or spat. Investigations and research were continued by the Company. The annual rent of Rs. 310,000 was paid to the Government.

(b) *The Mineralogical Survey.*

In the spring of 1910 Professor W. R. Dunstan, Director of the Imperial Institute, paid a visit to the Island and personally examined the more important localities indicated by the work of the survey up to date as those in which valuable minerals might be found.

In accordance with the advice of Professor Dunstan it was decided to continue the survey on more practical lines, with a view to the possible commercial exploitation of the minerals found; and Mr. J. S. Coates, a mineralogical surveyor of scientific attainments and practical experience, was appointed Principal Mineralogical Surveyor in the place of the late Mr. J. A. Parsons, with Mr. F. D. Paisley as his Assistant. The survey proceeded under the immediate direction of Professor Dunstan, the duties of the surveyors being mainly to undertake further investigation of the thorium minerals, and to see what results could be obtained by the adoption of more up-to-date methods of working than those hitherto employed.

The work of the survey was principally carried on in the Ratnapura District of the Province of Sabaragamuwa, the results being reported direct to Professor

Dunstan. Unfortunately it has for the moment been brought to a standstill by the death of Mr. Paisley through enteric fever and the departure of Mr. Coates on sick leave after a serious illness of the same disease.

(c) *Mining.*

Plumbago.—Plumbago provides the only form of mining proper in Ceylon. Approximately 1,000 plumbago mines in all were worked during the eighteen months, giving employment to some 16,000 men. Of these, two only are in European hands. Generally speaking, the methods employed are primitive, though some of the larger mines are adopting more up-to-date appliances. The mining centres are situated in the Southern, Western, Sabaragamuwa, Central, and North-Western Provinces.

There was a decrease of Rs. 13,786 in the royalty recovered on plumbago during 1910-11, and of 55,005 cwt. in the quantity exported. The United States of America, Ceylon's chief customer, took 42 per cent. of the total shipments, as against 49 per cent. in 1909-10. Germany, the next largest buyer, absorbed 27 per cent. of the total, showing an increase of 24 per cent. over her figures for the previous year. The exports to the United Kingdom decreased by 18 per cent., her total representing 17 per cent. of the whole trade for the year. Belgium, the only other country to buy an appreciable quantity, took some 5,000 cwt. more than in the previous year.

The market was dull throughout the year, prices being unfavourable to sellers, owing to the large stocks in the hands of foreign buyers. The decrease in shipments to the United States is believed to have been in part due to the unsettled state of the affairs of the Steel Trust, while on the London market the competition of Korean plumbago has been felt. There was a larger proportionate export of the inferior grades from Ceylon than in 1909, and it is chiefly in this direction that the Colony has to compete with foreign countries. In regard to the superior grades, it is believed that the Korean article cannot compare with the Ceylon mineral; while the competition of India, Bavaria, California, and Canada is confined to the inferior grades.

Gemming.—With the exception of moonstones and garnets, gems are not obtained *in situ* in Ceylon, but from gravels deposited by streams and rivers. There are two large moonstone pits in the Kandy District. Other precious stones, such as rubies, cat's-eyes, sapphires, &c., are gemmed chiefly in the Ratnapura District.

(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. 2,351,733·50 was realized by its sale during the eighteen months ended June 30, 1911, the amount credited in 1910 being Rs. 1,530,570·26. The corresponding revenue for the year 1909 was Rs. 1,520,647·95. The period under review was a favourable one for manufacture and collection, excepting at Trincomalee, where manufacture failed entirely. The total yield was 926,803 cwt., of which 759,396 cwt. was gathered in 1910, being the highest total yet recorded for any one year. The quantity secured in 1909 was 293,457 cwt., and in 1908 725,547 cwt.

(e) *Manufactures.*

Ceylon is essentially an agricultural country, and its manufactures on any large scale are chiefly confined to the products of agriculture. Out of 1,046 factories in the Island, 863 or 82 per cent. are tea factories, 60 coconut fibre and desiccating, 23 cocoa, and 11 rubber. Particulars of their output are given under "Exports." The preparation of coconut oil, copra, and arrack gives employment to a large number of the inhabitants, and, to a less extent, that of citronella oil and cinnamon.

In the Northern Province cigars are manufactured, but there is increasing competition with cigarettes. The Jaffna cigar, which is small, strong, and extremely cheap, is a favourite with the natives.

Cigars from Dumbara in the Central Province have been manufactured on a small scale to suit the requirements of European taste. But no expansion of the tobacco industry can be expected without improved methods of growing and curing. Experiments in this direction are now being pursued.

The manufacture of tiles and bricks is carried on in all parts of the Island where suitable clay is plentiful. Rs. 2,263 worth of Ceylon manufactures under this head were exported in 1910-11.

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. Lace-making is carried on in the Western Province.

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 1910-11 nearly Rs. 500,000 worth of dried fish was exported from the Mannar District.

(C) AGRICULTURE.

The Agricultural Society.

The Ceylon Agricultural Society has now a membership of 983.

Through the agency of the "Tropical Agriculturist and Magazine of the Ceylon Agricultural Society," its smaller Sinhalese and Tamil monthly publications, and the dissemination of leaflets, the Society helps to keep the local agriculturist in touch with the progress of agriculture in all parts of the world, particularly in the tropical regions.

A number of small village shows were held during the eighteen months in various parts of the Island.

Demonstrations in the use of improved implements were continued, with the result that there is now a considerable demand for better class ploughs, &c. The dearth of buffaloes for mudding and ploughing owing to the ravages of rinderpest in some parts of the Island has tended to quicken the interest of the paddy cultivator in more modern methods.

The Society has interested itself in the introduction of improved varieties of fruits and vegetables, has conducted experiments in the improvement of tobacco cultivation and curing, and has co-operated with the local agents of the British Cotton Growing Association to encourage the cultivation of cotton.

Good work is being done by a village Co-operative Credit Society and Agricultural Bank in the Central Province, and an Ordinance has recently been enacted to promote the formation of such societies.

Position of Agricultural Industries.

The continued prosperity of the tea, coconut, and rubber industries is sufficiently indicated by the figures already given under the head of "Exports."

The position of cocoa, cardamoms, citronella oil, and cinnamon has continued satisfactory.

The cultivation of cotton and tobacco for export purposes remains still in the experimental stage. That with reasonable capital expenditure and scientific methods of treatment both crops can be made to pay there is little doubt. But so long as the older established products continue to yield such handsome returns the inducement to pioneer in new ventures is not great.

Hitherto the native tobacco plantations of the Northern and Eastern Provinces and the Chilaw and Kandy Districts have contented themselves with supplying the local market, with the exception of a not inconsiderable export of Jaffna tobacco to Travancore. The Travancore authorities having recently imposed a limit on the import of this tobacco there is no room for expansion in this direction, and unless the native cultivator can be induced to set himself seriously to the improvement of the quality of tobacco produced, the prospects of the industry are not bright.

Paddy cultivation remains the principal occupation of the villager, but shows little sign of extension, while the quantity of rice imported for local consumption continues steadily to increase.

During the latter months of 1910 and the first half of 1911 a prolonged drought was experienced in most parts of the Island. In many localities the tanks did not fill, and paddy cultivation was seriously affected. The same cause has in many cases interfered with the realization of the estimated yields of the staple export products.

The Botanic Gardens at Peradeniya have continued to render valuable assistance to the cultivator in all branches of agriculture, both directly and through the instrumentality of the Agricultural Society. From 1912 the staff of the Gardens will be merged in a regular Agricultural Department, the organization of which has received the sanction of the Secretary of State. The establishment of a School of Agriculture and the modification of the present system of education in vernacular schools with a view to the introduction of a training in agricultural pursuits await the inauguration of the new Department. Meanwhile arrangements have been made for selected students from Ceylon to undergo a course of agricultural training at the Agricultural College at Poona, and the Government is offering scholarships for students who take up the course.

Diseases of Animals.

Cattle.—The principal diseases affecting cattle are rinderpest and foot-and-mouth disease. The former was prevalent all over the Island. Compared with 1908-9, when the disease was very severe, there has been a steady decline in the number of cases and the mortality. During the period January 1, 1910, to June 30, 1911, there were 20,188 cases and 11,902 deaths, as against 78,458 cases and 70,940 deaths during the twelve months of 1909.

Foot-and-mouth disease is of a mild type. During the eighteen months there were 6,975 cases and 227 deaths. Other infectious diseases of cattle are uncommon.

Horses.—Horses are remarkably free from infectious disease. The only disease causing serious loss is osteoporosis.

Stringent measures are taken to guard against the introduction of disease by importation. Cattle, which are principally imported from India, are detained and examined at Tuticorin, the South Indian port of shipment, and are quarantined for ten days on arrival at Colombo. Horses, principally imported from Australia, must have a certificate of good health at the time of shipment, and on arrival are inspected before they can be landed.

Dogs.—During the eighteen months there were 110 cases of rabies, of which 97 were positive. Stringent measures with reference to muzzling and destruction are in force, and the landing of dogs from India, China, Japan, Java, the Straits Settlements, or the Federated Malay States is prohibited.

(D) LAND GRANTS AND GENERAL VALUE OF LAND.

Land Settlement.

The Land Settlement Department, which is concerned with the settlement of title to land as between the Crown and the subject, has, within the eighteen months under review, maintained the same steady progress as was recorded during the preceding year.

An area of a little over 200,000 acres has been settled, the larger portion of this outside the Waste Lands Ordinance. The striking features of the work have been the peaceful nature of the settlements and the rapid development of the country which has followed upon the establishment of secure titles. The confidence of the large majority of the people in the fairness of the settlements offered has now been secured, and advantage is eagerly taken of the increased facilities for acquiring land from the Crown.

The constantly increasing work of the Department necessitated a further strengthening of the staff and the entire reorganization of the office, both of which have been successfully accomplished.

The total area settled under the Waste Lands Ordinance has now reached about a million and a half acres.

Survey.

The operations of the Survey Department for the period under review comprised 68,365 acres of block survey, the majority of the staff being engaged on settlement surveys in the block survey area.

The number of block survey preliminary plans issued was 397, containing over 14,000 lots and covering an area of 152,003 acres. Final village plans to the number of 476 were issued to Government Agents. The total area now covered by block surveys is 2,252,408 acres.

1,858 preliminary plans for 28,097 acres in 8,486 lots were forwarded to the Government Agents during the eighteen months. The total area covered by final village plans in the hands of the Government Agents now stands at 358,342 acres contained in 10,394 lots, or 828 final village plans.

There have been 99 applications to purchase Crown land for rubber cultivation dealt with during the eighteen months, totalling 5,840 acres, most of which lie in the Western and Sabaragamuwa Provinces. This is an increase of 63 applications, or 4,600 acres, over the previous eighteen months.

Surveys have been carried out in connection with the Mannar and Chilaw Railways, the Bambalapitiya road, the Welimada-Bandarawela road, and the Kukulu Korale-Ratnapura road.

Town surveys, water-rate surveys, and irrigation surveys have also been carried out.

The Landmarks Ordinance has been in force during the period under review, and all lands sold are now permanently demarcated.

Land Sales.

Except in special cases, the alienation of Crown land in Ceylon is effected by the sale of the freehold at public auction. There is no general system of leaseholds. Where occupiers can prove prescriptive possession against the Crown, certificates of quiet possession are issued; and where the occupation has been for less than the prescriptive period, settlements may be effected on special terms.

The total extent of Crown land alienated during the eighteen months of 1910-11 was 46,042 acres, and the amount realized, including fees, Rs. 1,937,950. Taking a two-thirds proportion, the extent alienated during twelve months of the period was, roughly, 30,694 acres, and the amount realized Rs. 1,291,966.

The figures for the last six years are :—

			Extent alienated. Acres.		Amount realized. Rs.
1905	..	..	34,383	..	1,062,346
1906	..	..	58,958	..	2,613,122
1907	..	..	41,904	..	1,734,138
1908	..	..	25,080	..	907,630
1909	..	..	28,828	..	991,866
1910-11 (12 months)	..	..	30,694	..	1,291,966

The average price paid per acre in 1910-11 ranged from Rs. 17·50 in the Mannar District of the Northern Province to Rs. 153 in the Western Province. In the principal coconut, rubber, and tea districts of the Low-country, other than the Western Province, the average prices were : Batticaloa Rs. 24, Jaffna Rs. 42, Chilaw Rs. 44, Matara Rs. 57, Galle Rs. 75, and Kurunegala Rs. 98. In the tea and rubber districts of the Kandyan provinces average prices ranged from Rs. 27 in Uva to Rs. 42 in Ratnapura and Kegalla, and from Rs. 43 to Rs. 46 in the Central Province.

Omitting sales and settlements effected by the Land Settlement Department, the area alienated by the Government Agents during the eighteen months included an extent of over 4,700 acres in the Western Province, 3,200 in the Galle District, and a similar extent in the Province of Uva, 2,800 acres in the North-Western Province, and 2,500 in the Kegalla District.

A price of Rs. 8,589 per acre was realized for some building sites in Colombo, and Rs. 6,400 per acre for land in Jaffna town. One land in the Galle District was sold with gemming rights at the rate of Rs. 12,698 per acre.

(E) SHIPPING.

The total number of all vessels (including warships) which entered the ports of the Island in 1910-11 was 4,401, with a tonnage of 9,314,052 tons, showing an increase of 550 vessels and 661,467 tons as compared with 1909.

The following table gives the total number and nett tonnage of shipping entered and cleared at all ports in Ceylon during the years 1909 and 1910-11 :—

		1909.			
		Entered.		Cleared.	
		No.	Tons.	No.	Tons.
Merchant vessels (with cargo and in ballast)	..	2,257	6,878,124	2,240	6,870,364
Merchant vessels (called to coal)	..	563	1,500,098	562	1,497,832
Native sailing vessels	..	976	129,820	1,038	135,199
Warships	..	55	144,543	55	144,543
Total		3,851	8,652,585	3,895	8,647,938

		1910-11.			
Merchant vessels (with cargo and in ballast)	..	2,524	7,421,291	2,509	7,423,749
Merchant vessels (called to coal)	..	597	1,613,350	597	1,613,350
Native sailing vessels	..	1,226	102,142	1,185	91,263
Warships	..	54	177,269	54	177,269
Total		4,401	9,314,052	4,345	9,305,631

Omitting warships and vessels calling to coal, the following tables give the distribution according to nationality, inwards and outwards, during 1910-11 :—

Nationality.	Entered.		Entered.		Entered.	
	With Cargo.		In Ballast.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
British ..	1,325 ..	3,568,838 ..	407 ..	1,221,244 ..	1,732 ..	4,790,082
Colonial ..	889 ..	77,869 ..	199 ..	9,820 ..	1,088 ..	87,689
Maldivian ..	122 ..	12,930 ..	16 ..	1,523 ..	138 ..	14,453
Austrian ..	58 ..	189,682 ..	7 ..	21,667 ..	65 ..	211,349
French ..	76 ..	236,669 ..	60 ..	201,731 ..	136 ..	438,400
German ..	183 ..	713,771 ..	55 ..	211,225 ..	238 ..	924,996
Japanese ..	87 ..	366,484 ..	15 ..	54,689 ..	102 ..	421,173
Russian ..	— ..	— ..	67 ..	164,710 ..	67 ..	164,710
Danish ..	6 ..	12,898 ..	1 ..	3,613 ..	7 ..	16,511
Spanish ..	13 ..	29,986 ..	13 ..	30,204 ..	26 ..	60,190
Norwegian ..	25 ..	34,522 ..	— ..	— ..	25 ..	34,522
Italian ..	40 ..	106,861 ..	— ..	— ..	40 ..	106,861
Dutch ..	4 ..	8,982 ..	78 ..	234,590 ..	82 ..	243,572
Siamese ..	4 ..	8,925 ..	— ..	— ..	4 ..	8,925
Total ..	2,832	5,368,417	918	2,155,016	3,750	7,523,433

Nationality.	Cleared.		Cleared.		Cleared.	
	With Cargo.		In Ballast.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
British ..	974 ..	2,912,608 ..	746 ..	1,889,455 ..	1,720 ..	4,802,063
Colonial ..	430 ..	31,187 ..	611 ..	44,584 ..	1,041 ..	75,771
Maldivian ..	61 ..	6,980 ..	83 ..	8,503 ..	144 ..	15,492
Austrian ..	31 ..	111,508 ..	34 ..	99,841 ..	65 ..	211,349
French ..	81 ..	253,306 ..	55 ..	185,094 ..	136 ..	438,400
German ..	184 ..	724,029 ..	53 ..	196,120 ..	237 ..	920,149
Japanese ..	81 ..	336,619 ..	21 ..	84,549 ..	102 ..	421,168
Russian ..	58 ..	141,379 ..	9 ..	23,331 ..	67 ..	164,710
Danish ..	5 ..	11,717 ..	1 ..	2,397 ..	6 ..	14,114
Spanish ..	23 ..	52,866 ..	3 ..	7,324 ..	26 ..	60,190
Norwegian ..	1 ..	1,672 ..	23 ..	30,576 ..	24 ..	32,248
Italian ..	25 ..	65,314 ..	15 ..	41,547 ..	40 ..	106,861
Dutch ..	8 ..	24,705 ..	74 ..	218,867 ..	82 ..	243,572
Siamese ..	3 ..	6,691 ..	1 ..	2,234 ..	4 ..	8,925
Total ..	1,965	4,680,590	1,729	2,834,422	3,694	7,515,012

Taking the figures inwards, we get the following comparative distribution according to nationality for 1909 and 1910-11 :—

	1909.		1910-11.	
	No.	Tons.	No.	Tons.
British ..	1,553 ..	4,506,996 ..	1,732 ..	4,790,082
British Colonial ..	867 ..	118,071 ..	1,088 ..	87,689
Total British Ships ..	2,420	4,625,067	2,820	4,877,771
German ..	206 ..	814,455 ..	238 ..	924,996
Maldivian ..	109 ..	11,749 ..	138 ..	14,453
French ..	142 ..	466,301 ..	136 ..	438,400
Japanese ..	109 ..	423,706 ..	102 ..	421,173
Dutch ..	43 ..	127,412 ..	82 ..	243,572
Russian ..	42 ..	112,489 ..	67 ..	164,710
Austrian ..	57 ..	192,335 ..	65 ..	211,349
Italian ..	35 ..	95,902 ..	40 ..	106,861
Spanish ..	25 ..	60,323 ..	26 ..	60,190
Norwegian ..	23 ..	21,801 ..	25 ..	34,522
Danish ..	12 ..	33,759 ..	7 ..	16,511
Siamese ..	5 ..	11,157 ..	4 ..	8,925
Swedish ..	5 ..	11,488 ..	— ..	—
Total Foreign Ships ..	813	2,382,877	930	2,645,662

The only points calling for comment are the enhanced predominance of British shipping and the striking increase in the number of Dutch vessels calling, the fine new steamers of the Royal Dutch Mail forming a feature of the year.

So far as concerns Colombo, the year 1910-11 surpassed all records. The figures below give the number and nett tonnage of British and foreign vessels entering the port during each of the past five years :—

			No.		Tons.
1906	..	..	3,092	..	7,204,027
1907	..	..	3,065	..	7,278,719
1908	..	..	3,005	..	7,525,824
1909	..	..	2,983	..	8,091,423
1910-11..	..	..	3,253	..	8,701,097

À propos of these figures, the Principal Collector of Customs makes the following comment :—

“ Questions are often raised as to the relative position of the world's great ports. The following figures are taken from the authoritative ‘ Statistical Abstracts ’ published by the British Government. The figures for the Empire ports (printed in italics) are for 1909 ; those for foreign ports are for 1908, these being the latest years for which statistics are available at the time of writing. It will perhaps surprise many people to find that in point of tonnage of vessels calling, Colombo is third in the British Empire and seventh in the whole world. This latter place, it may be remarked, would not be affected if the figure for even 1908 were taken (7,525,824 tons). Her figure for 1910-11, as we have seen above, is 8,701,097 tons :—

Port.				Total Tonnage of Steam and Sailing Vessels entered (1909).
1	New York	..	..	12,154,780*
2	<i>London</i>	..	..	11,605,698
3	Antwerp	..	..	11,005,761*
4	Hamburg	..	..	10,944,909*
5	<i>Hong Kong</i>	..	..	10,085,595
6	Rotterdam	..	..	8,600,496*
7	Colombo	..	..	8,091,423
8	<i>Liverpool</i>	..	..	7,747,994
9	Marseilles	..	..	7,187,638*
10	<i>Singapore</i>	..	..	7,045,193
11	Monte Video	..	..	6,936,983*
12	<i>Cardiff</i>	..	..	5,771,476*

* For 1908.

III.—LEGISLATION.

Among the new Ordinances passed during the period of eighteen months from January 1, 1910, to June 30, 1911, were :—

No. 1 of 1910.—“ An Ordinance to amend ‘ The Criminal Procedure Code, 1898.’ ” The principal object of the Ordinance was to provide for the more equal incidence of jury service—the system of drawing jurors was re-modelled, and provision made for the exemption whenever possible of such jurors as had served within the previous twelve months.

No. 3 of 1910.—“ An Ordinance to amend ‘ The Destitute Immigrants Regulation Ordinance, 1907.’ ” The Ordinance was designed further to discourage stowaways from coming to Ceylon by increasing the penalty to which they are liable from one month to six months. Provision was also made

to enable the master or agent of a vessel by which a stowaway is imported to free himself from liability for the stowaway's maintenance by providing him with a passage to some place where he can be lawfully landed.

No. 5 of 1910.—“The Opium Ordinance, 1910.” This Ordinance placed the importation, sale, and distribution of opium under the direct control of Government with a view to restricting the consumption of the drug.

No. 6 of 1910.—“The Municipal Councils Ordinance.” This Ordinance consolidates the Ordinances relating to Municipalities. It also introduces certain amendments relating to elections. The list of voters is made the only evidence of the right to vote; the system of voting by ballot is introduced; and the franchise is enlarged by the addition of boarders in hotels, clubs, or boarding houses, and of joint stock companies, subject to certain qualifications.

No. 9 of 1910.—“The Customs (Amendment) Ordinance, 1910.” This Ordinance was designed to legalize the practice of charging double rent when goods are not removed from the warehouse within three days of the date of landing, for every day or part of a day after the expiration of this period.

No. 10 of 1910.—“The Penal Code (Amendment) Ordinance, 1910.” The section of the Penal Code which provides that the sentence of death shall not be passed on a person under the age of sixteen was amended, so as to give the court discretionary power in determining the age in the absence of undeniable evidence.

No. 13 of 1910.—“The Legislative Council Ordinance, 1910.” This Ordinance gives effect to Royal Instructions for the admission of certain elected members to seats in the Legislative Council.

No. 1 of 1911.—“The Jaffna Matrimonial Rights and Inheritance Ordinance, 1911.” This Ordinance revised and codified and in certain respects precised the law relating to the matrimonial right and inheritance of those Tamils who are governed by the Tesawalamai.

No. 7 of 1911.—“The Co-operative Credit Societies Ordinance, 1911.” The object of the Ordinance is to facilitate the organization and registration of co-operative credit societies among agriculturists, artisans, and persons of limited means.

No. 8 of 1911.—“The Ceylon Incorporated Law Societies Ordinance, 1911.” The Ordinance establishes an Incorporated Law Society for the purpose of protecting the interests of that branch of the legal profession which is composed of proctors, and for the enforcement of discipline among them and the observance by them of the rules of professional etiquette.

No. 11 of 1911.—“The Life Insurance Companies Ordinance, 1911.” The object of the Ordinance is to compel life insurance companies doing business in Ceylon to give security for the due fulfilment of their obligations with policy holders, and to provide for the better regulation of the business of such companies.

IV.—EDUCATION.

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 less than 1 per cent. of the population; the Sinhalese form 66 per cent. of the total; the Tamils and Tamil-speaking Moors 32 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.

(A) VERNACULAR EDUCATION.

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

Year.	Number of Government		Attendance.		Number of Aided		Attendance.	
	Schools.		Boys.	Girls.	Schools.		Boys.	Girls.
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 ..	17,189 ..	1,652 ..		102,598 ..	53,884
1910 ..	734 ..		71,148 ..	19,761 ..	1,699 ..		111,191 ..	59,356

From this it appears that there were in 1910 altogether 2,433 Government and grant-in-aid vernacular schools, attended by 182,339 boys and 79,117 girls. These figures show an increase of 125 schools and 23,923 children over the corresponding figures for 1909.

Progress of the Decade.—It is of interest to note the progress in education, from a numerical standpoint, made since the Census of 1901 was taken. The number of vernacular schools in 1901 was 1,719, as against 2,433 at the end of 1910, with an attendance of 157,232 pupils, as against 261,456. As shown below there were at the end of 1910 236 English and Anglo-Vernacular schools, with an attendance of 38,164 pupils. The figures for 1901 were 191 English and Anglo-Vernacular schools, with 26,029 pupils.

It will thus be seen that the total number of those under instruction at Government and aided schools of all descriptions has risen from 183,261 in 1901 to 299,620 in 1911, or an increase of about 63 per cent. The total population of the country has during the same period increased by only about 15 per cent. It may be noted that in the previous decade, 1891 to 1901, the figures increased from 124,827 to 183,261, an increase of approximately 47 per cent.

Unaided Schools.—Besides the children attending Government and aided schools, 36,754 children were reported to be receiving instruction in 1,546 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.

Cost of Vernacular Education.—The total sum spent by Government on vernacular education during the eighteen months, January, 1910, to June, 1911, was Rs. 1,274,613·98, of which Rs. 520,912·09 was expended on Government schools and Rs. 753,701·89 on aided schools. For twelve months the cost to Government of the education of each pupil in a Government vernacular school was Rs. 3·82 or 5s. 1d., and the average grant per head of each pupil in grant-in-aid schools was Rs. 3·16 or 4s. 2½d.

Rural Schools Ordinance.—This Ordinance is now in force in all districts, except Jaffna and Mullaitivu in the Northern Province. Since it was brought into force in 1908 110 new Government schools have been started.

Town Schools Ordinance.—The Local Boards of Kegalla and Hambantota and a portion of the Municipality of Kandy are the only places in which this Ordinance is at work. No progress can be expected under this Ordinance till it is made compulsory in its operation.

Estate Schools.—As regards aided schools on the tea and other estates, the figures show progress. At the end of 1910 there were 227 aided estate schools, as against 185 at the end of 1909 and 162 at the end of 1908. The number of estate schools actually examined for grant was 199, as compared with 164 in 1909.

As in recent years, a form was circulated to collect information from superintendents of estates. Returns were received from 853 estates, on which the number of resident children between the ages of 6 and 10 was 24,796, of whom 14,964 were boys and 9,832 were girls. The number who attended school was 11,635, of whom 9,551 were boys and 2,084 were girls.

(B) ENGLISH SCHOOLS.

In 1910 there were 236 English and Anglo-Vernacular schools attended by 38,164 pupils, of whom 31,131 were boys and 7,033 girls. As compared with 1909 the number of schools is unchanged, and there has been an increase of 1,750 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 1,201 candidates presented themselves in 1910, viz., 514 for the Senior and 687 for the Junior :—

	Candidates.		Honours.		Passes.	
	Boys.	Girls.	Boys.	Girls.	Boys.	Girls.
Senior ..	470	44	27	4	225	23
Junior ..	568	119	26	4	323	62

The following were the results of the London Examinations held in 1910 :—

	Candidates.	Passes.
Matriculation ..	47	14
Intermediate in Arts ..	25	4
Intermediate in Science ..	6	2
Intermediate in Science (Economic) ..	1	0
Bachelor of Arts ..	2	0

The Royal College.—The only Government school in which higher education is given is the Royal College, at which in 1910 there were 234 pupils, with an average attendance of 211. 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 seventeen masters, of whom four hold English University degrees. The gross cost to Government for eighteen months, January, 1910, to June, 1911, was Rs. 79,204, of which a sum of Rs. 34,900 was recovered in school fees.

New buildings for the College at a cost of about Rs. 250,000 are in course of construction.

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.

Non-Government Institutions.—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 following schools have presented candidates either for the University Scholarship or for the London Intermediate Examination :—

St. Thomas's College ..	Colombo ..	Church of England
St. Joseph's College ..	do. ..	Roman Catholic
St. Benedict's Institute ..	do. ..	do.
Wesley College ..	do. ..	Wesleyan
Ananda College ..	do. ..	Buddhist
Trinity College ..	Kandy ..	Church of England
Richmond College ..	Galle ..	Wesleyan
Prince of Wales's College ..	Moratuwa ..	Private
St. John's College ..	Panadure ..	Private

Government assistance.—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. 235,628 for eighteen months, January, 1910, to June, 1911.

(b) On the results of the Intermediate Examinations of the University of London two Government scholarships are given annually, one on the Examination in Arts, the other on the Examination in Science. They are tenable for three years, and are of the value of £200 each per annum, with free passage to England and £50 outfit allowance. The holders of these scholarships are at liberty to join any British University, or to enter upon a course of studies at any recognized engineering institution in the United Kingdom. Students studying medicine are allowed a scholarship for four years. 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 1910 was Rs. 39,000.

(c) TRAINING OF TEACHERS.

The Government Training College consists of five departments: English, Anglo-Vernacular, Sinhalese Men, Sinhalese Women, and Tamil Men. The English department is intended specially to meet the wants of aided English schools; in the Anglo-Vernacular and Vernacular departments students are trained for work in Government schools. The number of students in training at the beginning of 1911 was as follows:—English 23, Anglo-Vernacular 5, Sinhalese Men 48, Sinhalese Women 20, Tamil Men 12.

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.

The total expenditure on the Government Training College for the eighteen months, January, 1910, to June, 1911, was Rs. 67,896, of which sum Rs. 11,941 was recovered in school fees.

Besides the Government Training College, there are twenty Vernacular Training Schools, which received yearly grants amounting to Rs. 17,275.

(d) TECHNICAL, INDUSTRIAL, AND AGRICULTURAL EDUCATION.

The Government Technical Schools.—There is now no general provision for higher technical education in Ceylon. The civil engineering classes at the Technical College were finally brought to an end in the early part of 1910. A little later the classes in surveying were taken over by the Survey Department, which now trains its own recruits. The title of the institution was changed to "Technical Schools," and the work was confined to the preparation of candidates for the lower branches of the Railway and Postal Departments, and to the classes in chemistry and physics, which are held in the science laboratories for medical and other students.

At the same time the training of candidates for the Public Works Department in civil engineering was abandoned, and in its place Government offers three scholarships to enable students to take the course of the Engineer Class at the Madras Engineering College, with a view to their ultimate appointment to posts in that department. These scholarships entitle their holders to a subsistence

allowance of Rs. 50 per mensem and an outfit and travelling allowance at the rate of Rs. 300 per annum for three years. The fees also are paid by Government. Those students who pass the College final examination at the end of the three years' course will receive the same subsistence allowance for an additional year, during which they will be employed on works in India. They will further receive the same travelling allowances as are drawn by Indian students under the same circumstances.

For students desirous of entering the Irrigation Department three scholarships are offered, to be held in the Upper Subordinate Class in Engineering at the same institution. These scholarships carry with them a subsistence allowance of Rs. 30 per mensem and an outfit and travelling allowance at the rate of Rs. 200 per annum for three years, with a further year's employment on works in India to those students who pass the College final examination at the end of the three years' course.

In the year 1910 there were 137 students at the Technical Schools. The cost of the institution for the eighteen months, January, 1910, to June, 1911, was Rs. 74,231, of which Rs. 6,061 were recovered in fees and by the sale of stationery, instruments, &c.

Industrial Schools.—There are no Government industrial schools, but carpentry schools have been attached to five Government schools in the Kandyan Provinces. In 1910 the aided industrial schools, which are 36 in number, received grants amounting to Rs. 21,790. The number of pupils was 5,497, 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 1910 the number of juvenile offenders receiving instruction in it was 233. The trades taught were carpentry, ironwork, masonry, gardening and estate work, bookbinding, and tailoring. An allowance is paid by the Government for the maintenance of each juvenile offender. The total cost of the institution to Government in 1910 was Rs. 32,417.

Agricultural Instruction.—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 already being made to supply this by the scheme for school gardens, which is conducted in connection with the Government schools. There are now 229 Government schools in which gardens are being carried on under the scheme. The seeds and implements are supplied by the Royal Botanic Gardens, 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.

It is hoped at no distant date to establish a central school of agriculture, and at the same time to modify the training in the vernacular schools in the direction of imparting elementary instruction in agricultural subjects. The working out of these proposals awaits the institution of the new Agricultural Department. Meanwhile arrangements have been made for the training of selected students from Ceylon at the Agricultural College at Poona, and scholarships will be given by Government to assist such students in the pursuit of their studies.

Needlework in Girls' Schools.—This subject 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.

(E) PROPOSED EDUCATIONAL REFORMS.

The question of a revision of the methods of secondary and higher education now in force has recently come prominently before Government and the public, and in June, 1911, an extra-departmental committee was appointed to inquire into the subject generally. Its report is expected to cover, amongst other questions, those of instruction in the vernacular languages, in the classical and modern languages of Europe, in science, commercial education, and manual training. The Committee will consider also the question of University education.

V.—GOVERNMENT INSTITUTIONS.

(A) HOSPITALS.

There are 74 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 new outpatients' department of the General Hospital, Colombo, will be completed shortly. In addition to the hospitals, there are 413 outdoor Government dispensaries, and 256 estate dispensaries supported by the planters, who get their drugs free up to a value of 50 cents a cooly.

(B) MEDICAL INSTITUTIONS.

The Medical College is a flourishing institution, with 161 medical and 82 apothecary students; these numbers showing an increase of 14 and 48 as compared with 1909. 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 successful students. There are 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 649 inmates.

The Leper Asylum is situated about 6 miles from Colombo, and contains 376 patients. A small establishment for lepers exists in the Eastern Province; a large leper settlement is to be founded there shortly.

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* IV. (D) Technical, Industrial, and Agricultural Education).

(F) SAVINGS BANKS.

There are two Government institutions, and the business of both showed a satisfactory working in 1910-11.

Ceylon Savings Bank.—The Ceylon Savings Bank had a sum of Rs. 4,852,262 to the credit of 36,462 depositors on June 30, 1911, as against Rs. 4,620,801 to the credit of 34,884 depositors on December 31, 1909.

Ten years ago, viz., on December 31, 1901, there were 27,694 depositors, with a sum of Rs. 3,976,660 to their credit. The figures thus show an increase in the number of depositors of 8,768 or 31 per cent., and of Rs. 875,602 or 22 per cent. in the amount to their credit, as against an increase of 15 per cent. in the total population of the Island during the decade.

The number of depositors at date represents approximately one in every 112 of the population.

The amount of the bank's invested funds on June 30, 1911, was Rs. 5,322,185. 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.

Post Office Savings Bank.—At the end of 1910 there was a sum of Rs. 2,873,432 to the credit of 85,954 depositors, an increase of Rs. 425,849 and 6,250 depositors over 1909.

The number of branch offices is now 168, as against 149 in 1901, in which year there was a sum of Rs. 1,315,469 to the credit of 54,426 depositors. There has thus been an increase during the decade of Rs. 1,557,963 or 118 per cent. in the amount deposited, while the number of depositors has increased by 31,528 or 58 per cent., there being now one depositor in the Post Office Savings Bank in every 47 of the population.

VI.—JUDICIAL STATISTICS.

(A) POLICE.

The authorized strength of the Police on June 30, 1911, was 1 Inspector-General, 6 Superintendents of Police, 15 Assistant Superintendents of Police, 22 Inspectors, 40 Sub-Inspectors, 56 Station House Officers, 2 European Sergeants, 244 Native Police Sergeants, and 1,914 Native Police Constables.

595 recruits were enlisted during the eighteen months.

European Police.—In August, 1910, the old European Police Force, consisting of twelve sergeants and constables, was disbanded, and was succeeded in September by a force of two Sub-Inspectors and twenty-five sergeants, recruited from the county police of the United Kingdom. The duties of this force consist mainly in the regulation of traffic and maintenance of order in Colombo, where the growing importance of the port and the cosmopolitan character of the population passing through it render their presence desirable.

The strength of the force at the end of 1911 was: 1 Inspector, 2 Sub-Inspectors, 4 Second Class Sergeants, and 24 Third Class Sergeants.

Training School.—On enlistment all recruits enter the Police Training School for a course of drill and instruction, extending ordinarily over a period of four months. During the eighteen months 475 recruits passed through the school. All Station House Officers on enlistment enter the school for a six months' course of instruction. Classes for constables desiring to qualify as sergeants are held twice a year.

Rewards.—Two native constables were awarded the "King's Police Medal" for conspicuous bravery in arresting an armed burglar.

Policing of the Provinces.—Of the nine Provinces of the Island, only the Western, the Southern, and the Kurunegala District of the North-Western are systematically policed throughout. Provision has recently been made to extend the system to the Puttalam and Chilaw Districts of the last-named Province.

Punitive Police.—In consequence of the lawlessness of the locality and the repeated occurrence of robbery and other crimes, a small force of punitive police was in March, 1911, established at Eravur in the Eastern Province.

(B) PRISONS.

There was a decrease of 691 prisoners in the total number of admissions of convicted prisoners to the prisons of Ceylon during the year July, 1910, to June, 1911, excluding Road Ordinance defaulters, of whom there were 215 in 1910-11, as against 408 in 1909. The figures are as follows :—

1909	..	..	..	8,840
1910-11	..	..	..	8,149

The convictions for murder and manslaughter were 117, as against 110 in 1909. There was a decrease of one in the number of capital sentences carried out :—

			Sentenced to Death.	Hanged.
1909	..	..	48	30
1910-11	..	..	41	29

Of the 41 sentenced to death, 38 were Sinhalese and 3 Tamils; 28 out of the 41 sentences were confirmed, 12 were commuted, and in one case a pardon was granted. There were six escapes during the period under review and three recaptures.

The total number of deaths in jail was 249, as against 381 in 1909 and 227 in 1908. The death-rate per thousand of the prisons population was 16·77, as against a rate of 28 per thousand of the general population. It may be noted that this figure compares favourably with the rate reported for India.

The daily average sick rate was 162, as against 167 for 1909. On the recommendation of the Principal Civil Medical Officer rice was substituted for bread in the penal No. 1 diet, with beneficial results.

The number of punishments for prison offences inflicted during the period under review was 1,220, as against 1,801 in 1909. The total number of individuals punished was 1,144, which would seem to indicate that it is seldom necessary to punish an individual a second time. Corporal punishments decreased from 45 in 1909 to 28 in 1910-11.

The jail at Nuwara Eliya was closed from January 1, 1911. It is proposed to close the jail at Ratnapura as soon as the railway is opened to that station.

As regards the employment of prisoners in works of public utility and remunerative industrial labour, Ceylon has the distinction of having more work to be done than prisoners available to do it.

All the cloth required for the clothing of prisoners is now woven by the prisoners themselves. Clothing and bedding are made by the prison tailors for the Prisons and Medical Departments. Baskets are manufactured by convalescent prisoners for the use of the Public Works Department. The steam laundry at the Welikada Prison in Colombo undertakes washing for the Medical and Railway Departments. Some 200 prisoners are daily employed in the new Government Printing Office. Quarters for the prison staff at the Convict Establishment in Colombo are being erected by prison labour.

Out of doors prisoners are employed chiefly in the quarrying of stone and breaking of metal. At Mahara, near Colombo, some 550 prisoners are daily employed in quarrying stone for the Harbour Works. At Kandy, Galle, and

Anuradhapura stone and metal are supplied to the Public Works Department, the Municipal Councils, and the Railway. The Karaiur Reclamation Scheme at Jaffna is expected shortly to give employment to some 300 prisoners daily, while another 160 will be employed at Mankulam, in the Northern Province, quarrying stone in connection with the Karachchi irrigation scheme.

For the accommodation of prisoners at Mankulam and other places where there is no established jail the use of portable prisons has been introduced. This will make it possible to transfer working parties to the site of those public works on which their services are most required throughout the Island. It is anticipated further that the prospect of being set to hard labour in lonely jungle districts will prove a deterrent to the habitual criminal.

So great has the demand become for the employment of prison labour on such works as the foregoing that it has been found advisable to reduce the period passed in the "penal" stage from three months to two. This action has not proved detrimental to discipline in the prisons, while it has rendered available the services of a larger number of prisoners for works of public utility, prisoners who have passed the "penal" stage being employed in outdoor manual labour instead of in "husk-beating" or other forms of comparatively unremunerative work within the walls of the jail.

(C) CRIMINAL STATISTICS.

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

The following figures show the number of "true" cases of cognizable crime dealt with for the past five years :—

Year.	True Cases.	Convictions and Committals.	Percentage of Convictions obtained.
1906 ..	17,621 ..	11,224 ..	63·6
1907 ..	15,555 ..	11,550 ..	65·5
1908 ..	17,831 ..	12,523 ..	70·2
1909 ..	16,296 ..	12,120 ..	74·3
1910 ..	14,104 ..	10,505 ..	74·4
1911 (six months) ..	6,589 ..	4,903 ..	74·4

Of the total of 14,104 cases for 1910, 7,679 were for offences under the Penal Code, against 8,475 for 1909, a very considerable decrease in real crime. Municipal and statutory offences also show a decrease, from 7,821 to 6,425.

The following table shows the fluctuations of true cases of the more serious forms of crime :—

	1907.	1908.	1909.	1910-11 (12 Months).
Murder and homicide ..	171 ..	180 ..	157 ..	186
Grievous hurt ..	478 ..	472 ..	468 ..	608
Hurt with dangerous weapons ..	855 ..	767 ..	798 ..	970
Burglary ..	2,022 ..	2,010 ..	1,620 ..	1,131
Theft of cattle and prædial products ..	1,370 ..	1,196 ..	836 ..	676

The Inspector-General comments as follows on the above figures :—

"It will be seen that there has been a slight increase in the number of murders and homicides as compared with the average of the three preceding years, and a large increase in the number of cases of grievous hurt and hurt with dangerous weapons. A marked decrease has occurred in cases of burglary, and a considerable decrease in the number of cases of thefts of cattle and prædial products.

"The increase in the number of cases of grievous hurt and hurt with dangerous weapons is serious. The increase has not been confined to any particular Province, but is general to all localities. This makes the problem of dealing

with it more difficult. I can only repeat what my predecessors have so often stated before, that cases of murder and stabbing are crimes over which the police can exercise little control, and to prevent which is almost impossible. The causes are hard to detect. The extraordinary wave of prosperity has probably had a marked effect. To suggest a remedy is still harder. Stabbing is the national way of fighting in Ceylon. Not until a radical change in the nature of this national custom is effected can much improvement be expected. To effect such a change it is essential to begin with the children. At present if two small boys have a dispute, it is usual for one to threaten to stab the other, even though he may have no knife. Such is the common national threat, and children become imbued with the idea that the use of the knife is proper and manly. It has been suggested that boxing should be encouraged as a national pastime in all schools. It could do no harm, and in years to come might well tend to a more general use of the fists to the exclusion of the knife."

Out of 278 murders committed during the eighteen months, 72 are reported to have been due to long-standing enmity between the parties, 69 to sudden quarrels, 48 to jealousy over women, 17 to land disputes, 10 for the purpose of plunder, and 62 due to various other causes.

II.—*From Returns furnished by the Solicitor-General.*

The number of cases instituted in the Police Courts and Municipal Magistrates' Courts during the period January, 1910, to June, 1911, was 119,431. The proportion for twelve months of the period was 79,620, as against 86,130 in 1909.

The number of persons dealt with in the above cases was 129,121. The proportion per 100,000 inhabitants was 3,144, as against 2,631 in 1909.

2,884 persons were committed for trial before the Superior Courts. Of these, 14 were found to be insane and incapable of defending themselves, 45 were discharged on the withdrawal by the Attorney-General of the indictments against them, 1,690 were convicted of various crimes, and the remaining 1,135 were acquitted.

Taking into account offences of a serious nature which, in certain circumstances, are summarily triable by Police Magistrates, altogether 3,240 persons would appear to have been convicted of serious crimes during the eighteen months. The proportion for twelve months is 2,160, as against 1,882 for 1909, or an increase of 278 persons convicted.

The question of the substitution in certain cases of the alternative punishment of transportation for the death sentence had for some time been under consideration, and recently Ordinance No. 13 of 1911 was enacted, providing for the removal from Ceylon under "The Colonial Prisoners Removal Act, 1884," of persons condemned to death, whose sentence is commuted by the Governor to one of imprisonment. It is believed that this form of punishment in the cases referred to will have a more deterrent effect.

VII.—VITAL STATISTICS.

(A) POPULATION.

The population enumerated at the last Census (March 10, 1911) was 4,105,535, and consisted of 7,625 Europeans, 26,857 Burghers and Eurasians, 2,714,616 Sinhalese, 1,059,354 Tamils, 266,454 Moors, 13,089 Malays, and 17,540 Others, exclusive of the Military and the Shipping. Compared with the population at the Census of 1901, there was an increase of 15·1 per cent. in the decade. The natural increase by excess of births over deaths from the date of the last Census to June 30, 1911, amounted to 10,636, while the number of Indian immigrants

exceeded the number of emigrants by 8,169. The population estimated as on July 1, 1911, was accordingly 4,124,340, an increase of 127,676 persons or 3·19 per cent. on the population at the end of 1909 estimated on the basis of the last Census.

Birth- and Death-rates.—The births registered during the eighteen months numbered 241,488, and were in the proportion of 39·6 per 1,000 of the population per annum estimated to the middle of the period. The deaths registered during the eighteen months numbered 171,194, and were equal to a rate of 28·0 per 1,000 of the population per annum. Compared with 1909, the birth-rate for the eighteen months 1910-11 shows an increase of 2·9 per mille, and the death-rate a decrease of 2·3 per mille. Compared with the average rates for the twelve years 1898-1909, the birth-rate for the eighteen months shows an increase of 1·8, and the death-rate a decrease of ·5 per mille.

(B) PUBLIC HEALTH.

The public health during the year 1910 was slightly better than in the previous year, the death-rate being 27·3 per 1,000 of the population living in 1910, against 31·0 in 1909.

Causes of Death.—Deaths registered from enteric fever, diarrhœa, and dysentery showed a large decrease, whilst anchylostomiasis showed an increase. Cholera and smallpox, usually imported into the Island with the Indian cooly, accounted for 22 and 29 deaths respectively in 1910; but in the first half of 1911 there was a sharp outbreak of cholera, which was responsible for as many as 227 deaths.

In the eighteen months, January, 1910, to June, 1911, there were in all 171,194 deaths, the principal causes of death being diarrhœa, which accounted for 20,728 deaths, tuberculosis 6,070, dysentery 5,487, enteric fever 4,887, malarial fever 1,392, other kinds of fever 28,900, and anchylostomiasis 2,374.

Preventive Measures.—Measures have been taken for the prevention of *malaria*, from which at certain seasons of the year the native population suffers severely, by the circulation of leaflets and the free distribution of quinine to the villagers through the officers of the Medical Department and the headmen.

A systematic *anti-malaria campaign* is now in progress at Kurunegala in the North-Western Province.

Systematic measures for the prevention of *anchylostomiasis*, prevalent amongst the immigrant estate population, are in hand.

In connection with the King Edward VII. Memorial Fund, the erection of sanatoria, &c., in Colombo and elsewhere for the treatment of *tuberculosis* is under consideration.

Vaccination is systematically carried out throughout the Island by a special staff. During the eighteen months 251,500 subjects were vaccinated. The percentage of successful primary vaccination cases to total inspected was 95·45, while the percentage of successful re-vaccination cases was 70·34.

Stringent precautions are taken under the auspices of the Plague Committee to prevent the introduction of *plague* into Ceylon. The Island has hitherto been immune from the ravages of the disease. No cases occurred during the eighteen months under review.

There were 56 deaths from *hydrophobia* during 1910-11. The Ceylon Government gives an annual grant to the Pasteur Institute at Coonoor, 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.

Concerted action is being taken by the local authorities to stamp out rabies, by enforcing the registration of dogs and by the destruction of homeless "pariahs." (See under II. (c) Diseases of Animals.)

(C) SANITATION.

In the matter of sanitation the large towns are controlled by Municipalities, while others 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 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.

Colombo Drainage Works.—The drainage of Colombo has been undertaken by Government at the request of the Municipal Council, the necessary funds being advanced by Government on loan, while further assistance is being given by the contribution of a part of the expenditure as a free grant.

The scheme provides for a complete system of sewers and rain water drains throughout the city, and for the disposal of the sewage by bacterial treatment upon modern lines.

The first instalment of the scheme, for the harbour watershed, was commenced in June, 1904. These works, dealing with about one-fourth of the population of the city, were completed and handed over to the Municipal Council in September, 1910.

Satisfactory progress is being made in the establishment of the water carriage system in the area in question and its connection with the sewers.

Water Supply Schemes.—With the assistance of the Government, partly by way of grant, partly of loan, the Municipality of Galle has completed a water supply for that town. Similar assistance is being given to the Local Board of Kurunegala in the North-Western Province and to that of Batticaloa in the Eastern; while in the Northern Province special consideration has been shown to Mannar, a small township which is likely to rise to some importance with the opening of through railway connection with South India in the near future.

(D) CLIMATE.

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, and a noticeable feature is the small diurnal variation of both the barometer and thermometer. In the mountainous districts in the interior of the Island it resembles that experienced in many parts of Europe, being temperate and equable.

The rainfall over the Island as a whole was below the average in 1910. Ratnapura again heads the list with 128·04 inches on 232 days, as against 166·46 inches on 244 days in 1909. At the other extreme, Mannar had 33·34 inches on 54 days, as against 36·68 inches at Jaffna in 1909.

The rainfall in Colombo was 45·69 inches on 135 days, and at Kandy 81·09 inches on 175 days.

The mean temperature for the whole year was highest at Trincomalee, 82·7° F.; and lowest at Hakgala, near Nuwara Eliya, 59·2° F.

At Colombo and Kandy the mean temperature was 80·7° and 75·8° respectively.

The highest temperature reached in the Island during 1910 was 101·2° on March 22 at Anuradhapura.

The highest on record for the Island is 103·7° at Trincomalee on May 12, 1890.

The highest temperature reached in Colombo in 1910 was 94·2° on January 30.

The mean daily range of temperature, i.e., the mean of the daily differences between the maximum and minimum temperatures, was highest at Badulla, where it was 19·1°; and lowest at Galle, 8·1°.

VIII.—POSTAL, TELEGRAPH, AND TELEPHONE SERVICES.

Two new post offices and thirty-one new receiving offices were opened during the eighteen months, January, 1910, to June, 1911. The total number of offices now is 444, of which 276 are receiving offices for the sale of postage stamps and posting and delivery of letters, while 168 are money order and savings banks offices, and of these 110 are also telegraph offices.

A comparison of the revenue and expenditure for the year 1909 and the period under review shows—

	1909.	January, 1910, to June, 1911.	Proportionately for Twelve Months, 1910-11.
	Rs.	Rs.	Rs.
Revenue ..	1,457,069	2,483,774	1,655,849
Estimated value of work done for Government..	279,555	483,387	322,258
Total ..	1,736,624	2,967,161	1,978,107
Expenditure ..	1,694,682	2,846,261	1,897,507
Balance ..	41,924	120,900	80,600

The total estimated number of articles, exclusive of parcels, which passed through the post during eighteen months, January, 1910, to June, 1911, exceeded 56½ millions or, say, 37½ millions for twelve months, against 35½ millions in 1909 and 31½ millions in 1908.

The business done in parcels is shown as follows :—

	1909.	January, 1910, to June, 1911.	Proportionately for Twelve Months, 1910-11.
Total number of parcels..	484,703	833,936	555,958
Number of inland value- payable parcels ..	110,923	179,591	119,728
Value on inland value- payable parcels ..	Rs. 723,778	Rs. 1,237,438	Rs. 824,959
Number of Indian value- payable parcels ..	80,270	145,630	97,087
Value on Indian value- payable parcels ..	Rs. 613,073	Rs. 1,193,313	Rs. 795,542

The following are the figures for money orders :—

	1909.	January, 1910, to June, 1911.	Proportionately for Twelve Months, 1910-11.
	No. Amount. Rs.	No. Amount. Rs.	No. Amount. Rs.
Inland ..	367,089 .. 9,666,463	582,074 .. 16,542,271	388,050 .. 10,928,181
Indian ..	210,568 .. 5,694,935	356,593 .. 10,667,714	237,729 .. 7,111,810
United Kingdom ..	11,007 .. 435,982	17,506 .. 717,061	11,671 .. 478,041
Colonial and Foreign ..	11,812 .. 774,395	19,400 .. 1,355,243	12,934 .. 903,496
Total ..	600,476 16,571,775	975,573 29,282,289	650,384 19,221,528

The business done in postal orders is shown below :—

	1909.		January, 1910, to June, 1911.		Proportionately for Twelve Months, 1910-11.	
	No.	Amount.	No.	Amount.	No.	Amount.
Ceylon ..	72,543 ..	Rs. 243,553 ..	120,521 ..	Rs. 407,690 ..	80,348 ..	Rs. 271,794
British ..	27,950 ..	£19,163 ..	55,151 ..	£37,915 ..	36,768 ..	£25,277

The total number of telegrams dealt with during the eighteen months under review was 1,408,952, or 939,301 for twelve months, against 744,175 in the year 1909. Foreign telegrams (other than those sent to India) amounted to 139,062. Telegrams received from India and other countries numbered 166,464.

It will be seen that the increase throughout reflects the general increase in trade, while the activity of the rubber share market during the "boom" of 1910 was not without its effect on the telegraph receipts.

The telephone trunk line from Kandy to Galaha was opened on April 1, 1910 ; from Colombo to Kandy on March 10, 1911 ; and from Kandy to Nuwara Eliya on April 13, 1911.

In 1896, the year that Government took over the Telephone Exchange from the Oriental Telephone Company, there were 130 telephones in use ; there are now 1,114, as against 939 in 1909. The average daily calls at the Colombo Telephone Exchange in 1896 were 85 ; they now number 7,837, as against 4,432 in 1909.

Wireless Telegraph Station.—The establishment of a wireless telegraph station in the Colony has been started. The work has been entrusted to the Marconi Wireless Telegraph Company, and is estimated to cost Rs. 75,000. The station will be situated at Colombo. Its anticipated range is 450 to 500 miles by day and 800 miles by night.

IX.—PUBLIC WORKS.

(A) PUBLIC WORKS DEPARTMENT.

The total expenditure of the Public Works Department has increased from Rs. 3,437,862 in 1896 (twelve months) to Rs. 6,582,319 in 1910-11 (twelve months), the latter figure showing an increase of Rs. 945,006 over 1909. The average annual expenditure during the past fifteen years is Rs. 5,054,701.

The total length of roads maintained by the Public Works Department during the year was 3,839 miles, of which 3,493 miles are cart roads and 346 miles are bridle roads.

The special expenditure on roads and bridges for the eighteen months, under the programme of Works chargeable to Surplus Balances, amounted to more than Rs. 401,000, or proportionately for twelve months some Rs. 267,000, an increase over 1909 of Rs. 228,000.

Amongst the more important public works in progress or in contemplation during the period under review the following may be noted :—

The *Central Telegraph Office* in Colombo was completed in March, 1911.

New premises for the *Government Printing Office* have been completed at Welikada, permitting its removal from its somewhat cramped situation in the Fort of Colombo.

A commencement has been made with the building of the new *Royal College* at Colombo, estimated to cost Rs. 250,000.

Plans and estimates have been approved for the rebuilding of the *Ceylon Medical College*, the accommodation in the present premises being inadequate to meet the growing requirements of the local Medical Service.

A scheme for the development of the *Colombo Lake* with a view to its use as an accessory to the Colombo Harbour has been taken in hand. The project provides for the improvement of the lake for water transport between it and the harbour, and includes among other works the construction of a canal to connect the harbour with the lake and the reclamation of certain portions of the lake, which will provide valuable sites for the purposes of stores and mercantile warehouses.

Owing to the heavy cost of the work, only the most important section of the lake, which lies immediately to the southward of the Fort of Colombo, is to be taken in hand immediately. The works now in progress are estimated to cost Rs. 3,000,000.

(B) COLOMBO HARBOUR WORKS.

The expenditure upon the harbour works proper during the eighteen months amounted Rs. 1,534,543, the total expenditure since the commencement of the South-west Breakwater in 1873 being Rs. 42,730,796.

New Arm, South-west Breakwater.—This structure is now complete, with the exception of the landing jetty, masswork, lighthouse, and bagwork, which it is expected will be finished during the present block setting season. A saving of Rs. 1,605,000 is expected on the estimated cost of the work, consequent on economies in construction and on the reduction of the length of the arm from the 2,000 feet originally contemplated to 1,800 feet.

Graving Dock.—Workshops for the repair of ships in connection with the Graving Dock are being erected by a private firm in terms of an agreement with the Government.

In conjunction with Government the Municipal Council has undertaken to effect an important improvement in the widening of the approach road to the Dock.

Coaling Grounds.—The new coaling grounds on the east side of the harbour have been allotted to the different coaling firms. The site of the old coaling grounds on the south side will probably be utilized for a much-needed extension of the Customs premises.

Deepening of the Harbour.—In view of the decision of the Suez Canal Company to increase the depth of the canal to 11 metres or 36 feet, steps are being taken to dredge the northern portion of the harbour to a similar depth, two further areas, at the root of the South-west Breakwater and opposite the coaling jetties, being dredged to a depth of 33 feet.

Extension of the Passenger Jetty.—Funds have been provided for the extension of the passenger jetty from its present length of 250 feet to 370 feet.

(C) RAILWAY.

Open Lines.

The total length of line open for traffic at the end of June, 1911, was 576½ miles. No addition was made during the eighteen months.

The receipts from all sources during the year 1910-11 amount to Rs. 13,583,160, or Rs. 1,836,557 in excess of 1909. Of this increase, Rs. 998,045 is due to coaching traffic, Rs. 731,090 to goods traffic, and the balance to other miscellaneous traffic.

With regard to goods traffic, the most noticeable increases are as follows :—Sundry goods 40,404 tons, manure 15,182 tons, rice 14,213 tons, rubber 1,433 tons, liquid fuel 1,395 tons, tobacco 679 tons.

The working expenses, including new works maintenance charges, for the year 1910-11 amounted to Rs. 6,337,583, as against Rs. 5,990,419 in 1909, or an increase of Rs. 347,164 :—

	Rs.
Receipts	13,583,160
Working expenses	6,337,583
Profit	<u>7,245,577</u>

Of this balance, a sum of Rs. 1,219,367 was expended during the year on additional rolling stock and improvements. A further sum of Rs. 1,168,335 from the surplus balances of the Colony was spent on new works.

The capital outstanding on railway construction loans on June 30, 1911, was Rs. 49,354,216, and the total capital cost to June 30, 1911, including additional accommodation and improvements, amounted to Rs. 95,657,026.

A number of improvements to stations and buildings and the extension of the Tyer's tablet and interlocking systems have been carried out during the year, and nearly 200 bogie and four-wheeled vehicles for both goods and passenger traffic have been added to the rolling stock.

Extensions.

To Chilaw.—This line will form a continuation of that opened in December, 1909, between Colombo and Negombo, extending it for another 27 miles up the west coast through a thickly populated district, the greater portion of which is devoted to the cultivation of coconuts. It is anticipated that it will attract a large goods traffic. The survey of the line was completed during the period under review, and the work of construction is now in hand. The estimated cost of the extension is Rs. 3,932,053.

To Ratnapura.—The Kelani Valley narrow gauge (2 ft. 6 in.) line runs at present from Colombo to Avisawella. The extension to Ratnapura will carry it another 27 miles through a wide tract of country already opened or now being opened in rubber and tea, and will tap the important rubber centre of Pelmadulla and the tea districts of Rakwana and Balangoda. The line was opened for goods traffic to Ratnapura and passenger traffic to Kuruwita in January, 1912, and will probably be completely opened in April. The total estimated cost is Rs. 2,953,408, and the expenditure up to June 30, 1911, Rs. 2,502,353.

To Pelmadulla.—A preliminary survey has been made for a distance of some 17 miles beyond Ratnapura, with a view to the possible further extension of the Kelani Valley narrow gauge line to Pelmadulla. The trace proposed follows the We-ganga Valley, along which very large areas of rubber have been opened during the last few years.

To Badulla.—Sanction has been given for the commencement of preliminary work with a view to the extension of the main line from Bandarawela, the present up-country terminus, to Badulla, the chief town of the Province of Uva, and an important centre of the tea and rubber plantation industries. The new line will be some 21 miles in length, traversing hilly and broken country throughout. The survey of the trace is now in hand.

To Mannar.—Steady progress has been made during the eighteen months on this section of the "Indo-Ceylon Railway," and ballast trains are now running over 36 miles of line. A new port has been created at Talaimannar, and over 10,000 tons of rail materials were landed during 1910, including all the steelwork required for the piers and bridges over the Mannar channels.

The north pier at Talaimannar now extends 300 feet seaward, and it has been found possible to carry on the work practically without interruption during both monsoons.

Station buildings and staff quarters are in course of erection, and owing to the total absence of stone or clay suitable for brick making in the island of Mannar, cement blocks are used for building purposes. These have been found most satisfactory, as coarse sand can be obtained in abundance. The blocks are made in portable machines at the building site.

The health of the working parties has been satisfactory, considering the unhealthy and malarious district in which the work lies. Quinine is issued free to all the labour force, and every endeavour made to induce the coolies to observe simple sanitary regulations.

Colombo Stations Extension.—This scheme comprises the construction of new stations at Maradana and the Fort, new railway store, engine sheds and yards, re-arrangement of the old goods yard, deviation and duplication of main lines across the lake, formation of lake basins to take traffic from the railway by water to the godowns and eventually to the harbour, the reclamation of a large area of the lake, and the construction of a quay wall, on which electric cranes will work. The new station at Maradana, engine sheds and yards, railway store and office, and inward goods shed have already been completed. The quay wall is three-quarters completed, and good progress is being made with the rest of the works. The total estimated cost of the work as it at present stands is Rs. 4,822,145, and the expenditure to June 30, 1911, Rs. 3,554,955.

Sea Coast Duplication and Maradana-Ragama Widening.—This work was commenced in 1909, and provides for the duplication of the track between Moratuwa on the Coast line south of Colombo and Ragama on the line to Kandy. The actual duplication between Colombo and Ragama has been completed, and signalling, interlocking, &c., are now in hand. South of Colombo four new stations have been opened, and three others are approaching completion, while the duplication has been effected as far as Mount Lavinia. It is hoped to open certain sections of this line for double traffic by March, 1912. The total estimate for the work is Rs. 2,697,356, the expenditure to June 30, 1911, being Rs. 1,965,831.

Protection of Sea Coast Line.—To counteract the encroachment of the sea heavy protection works of rubble and blocks of stone have been taken in hand along the line running through Kollupitiya and Bambalapitiya, and in weak spots between Wellawatta and Mount Lavinia. About half of the former work has been completed, and from observations made during the last monsoon it is believed that further erosion has been permanently checked. The estimate for the whole of these works is Rs. 463,510, and the expenditure to June 30, 1911, Rs. 326,690.

(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.

The expenditure on construction for the period of eighteen months from January 1, 1910, to June 30, 1911, was Rs. 484,228, against Rs. 389,412 in the previous year, while the cost of maintenance during the period under review was Rs. 161,572. The total expenditure on irrigation for the year was Rs. 1,256,752, which includes the cost of staff and all management charges.

A revised computation of the area irrigated by the larger works restored by Government shows the extent to be about 132,612 acres, or 207 square miles.

The extent irrigated by village works restored under Government supervision is reported to have been for the period under review 103,245 acres, or 161 square miles. The decrease of 93 square miles as compared with 1909 is attributed to the fact that 1910 was a dry year, and that the area cultivated had in consequence to be restricted.

In accordance with the recommendations of the Special Committee appointed to consider the report of Mr. W. L. Strange, whose services were lent to the Colony by the Government of India, steps have been taken to strengthen the staff of the Irrigation Department and to rearrange the areas under the supervision of the district officers, with a view to decentralizing the work and giving the Divisional Engineers a freer hand in dealing direct with the local revenue officers. Other recommendations made by the Committee are receiving attention.

(E) FORESTS.

In accordance with the decision that for the future the posts of Deputy Conservators and Assistant Conservators of Forests should be filled by trained Foresters only, four new officers trained at Oxford were appointed during 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. 972,000 for the period from January 1, 1910, to June 30, 1911, or, say, Rs. 648,000 for twelve months, as against Rs. 713,000 in 1909. Since 1906 the Forest Department has delivered 427,910 broad gauge and 119,343 narrow gauge sleepers to the Railway, and it now holds a large supply in reserve.

The average cost of delivery to date has been Rs. 3·62 per broad gauge and Re. 1·85 per narrow gauge sleeper. The Railway previously paid over Rs. 5 per sleeper for supplies of broad gauge Jarrah, so that a considerable saving has been effected by the supply being obtained from the local forests, while the local sleepers are admittedly more durable.

X.—GENERAL OBSERVATIONS.

(A) IMPORTANT EVENTS.

The remarkable manifestations of sorrow evoked amongst all sections of the community by the news of the death of His Majesty King Edward in May, 1910, and the no less universal rejoicings that marked the local celebrations of the Coronation of His Majesty King George in June last, gave proof, if proof were wanting, that to His Majesty's subjects of all races in Ceylon the words "The King is dead. Long live the King!" came home with hardly less significance than to the people of the mother-country. In Colombo, on the occasion of the King's death, a memorial service held in the open on the Galle Face esplanade drew together a gathering of several thousands of every race and creed; while at the time of the Coronation, not only did the official programme surpass in elaboration any previous function of the kind, but private munificence vied with public display that all might bear a share in the festivities, and even the houses of the poorest bore some token of rejoicing.

In February, 1910, an elephant kraal was held in the Kurunegala District.

Durbars were held of the Kandyan Chiefs at Kandy in July, and of the Chief Headmen of the Maritime Sinhalese Provinces in Colombo in August. In the latter month the Durbar of the Tamil Chief Headmen was held for the first time at Jaffna.

In September His Excellency Sir Henry McCallum paid a visit to the Maldive Islands, sailing in the flagship of the East Indies Squadron, which was placed at his disposal through the courtesy of His Excellency the Naval Commander-in-Chief of the East Indies Station.

In the same month a children's hospital was opened in Colombo as a memorial to the late Lady Ridgeway, wife of a former Governor of Ceylon.

Their Imperial Highnesses the German Crown Prince and Princess paid a visit to the Island from November 20 to December 11, 1910. The visit was an unofficial one, and Their Imperial Highnesses spent the greater part of their stay in motoring about the country, and enjoyed some hunting and shooting. They were made the guests of the Colony during their stay in Colombo, where a garden party was given in their honour by His Excellency the Governor.

The fifth Decennial Census of Ceylon was taken on the night of March 10, 1911, the total population, exclusive of the military and the shipping, being returned at 4,105,535, or an increase of 15·13 over the figure for 1901.

In March, 1911, two hospitals, erected by private munificence, were opened by His Excellency the Governor at Veyangoda and Negombo respectively.

In May His Excellency laid the foundation stone of the new Royal College building in Colombo.

The eighteen months have witnessed a striking development in the growth of Colombo as a city. There has been great activity in building in the Fort, two firms in particular having erected new premises of five and six storeys high. Both the leading hotels have undertaken large programmes of reconstruction and extension.

Commissions were appointed by the Governor during the year to inquire into two important questions, viz. :—

Tuberculosis—its prevalence, and the preventive and remedial measures called for.

Goods and passenger traffic on the Railway—how far the existing means of dealing with the traffic were adequate, and what further facilities were needed to meet immediate and future requirements.

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

The registration of "vedaralas," or native medical practitioners, in connection with the sale of opium as a Government monopoly.

The prevention of the spread of anchylostomiasis.

The prevention of malaria.

The pay and prospects of the nursing staff of the Civil Medical Department.

The suggested extension of the railway from Ratnapura to Pelmadulla.

The question of compensation to Government officers stationed in Colombo for the high cost of house rents.

The general question of higher and secondary education in the Colony.

The Excise Commissioners, appointed in 1909 to advise the Government with regard to the proposed abolition of the existing system of production and distribution of arrack and toddy and the introduction of a system of excise on the lines of that in force in the Madras Presidency, presented their preliminary report in July, 1910. Their recommendations having received the general approval of the Secretary of State, steps are being taken to work out the details of the new system and to train a number of officers, who will eventually form

the nucleus of an Excise Department. The changes involved are, however, so comprehensive and far-reaching that some little time must still elapse before they can be brought into full operation.

(B) PUBLIC SERVICE.

Mr. H. W. Brodhurst, Government Agent of the Western Province, received the honour of a Companionship of the Most Distinguished Order of Saint Michael and Saint George, and the Hon. Mr. S. C. Obeyesekere, the representative of the Low-country Sinhalese in the Legislative Council, that of Knight Bachelor. Lieut.-Col. E. C. Davies was appointed a Companion of the Imperial Service Order.

The following deaths among members of the Public Service are recorded with regret :—Sir F. R. Saunders, K.C.M.G., who retired from the office of Treasurer of the Colony ; Mr. G. E. Worthington, who retired in 1891 from the office of District Judge, Jaffna ; Mr. J. H. Bostock, Resident Engineer of the Colombo Harbour Works ; Mr. A. Murray, formerly of the Ceylon Public Works Department ; Dr. James Craib, Provincial Surgeon ; Mr. J. H. Leak, late of the Ceylon Civil Service ; Mr. H. W. Nelson, Registrar of the Supreme Court ; Mr. John Kyle, Resident Engineer of the Colombo Harbour Works.

Sir Joseph Hutchinson, Chief Justice of the Colony, retired in May, 1911, and was succeeded by Mr. A. G. Lascelles, K.C., formerly Attorney-General.

(C) CHANGES IN THE CONSTITUTION OF THE LEGISLATIVE COUNCIL.

By Royal Instructions dated November 24, 1910, the constitution of the Legislative Council of the Island was remodelled, so as to make provision for the election of a proportion of the unofficial members. Hitherto there had been nine official and eight unofficial members of Council, the latter all being nominated by the Governor. In the new Council there are eleven official and ten unofficial members. Of the latter, four are elected, representing respectively the European urban, the European rural, the Ceylonese, and the Burgher electorates. The remaining six unofficial members are still nominated by the Governor, and include one Kandyan Sinhalese, one Muhammadan, two Low-country Sinhalese, and two Tamil members.

For the European electorates the qualifications of voters are based on considerations of residence and property. For the Ceylonese, which includes the Sinhalese, Tamils, and other persons who are not eligible for the European or Burgher electorates, the qualification is educational. For the Burgher electorate the qualification is based on descent from Europeans who were in the service of the old Dutch East India Company in Ceylon.

The newly constituted Council met for the first time in January, 1912.

(D) IMMIGRATION AND EMIGRATION.

The term "immigration" in Ceylon is commonly used with reference to the immigration of native labour from the South of India for the tea and rubber plantations. There is no opening in Ceylon, as in the self-governing Colonies, for the immigration of white labour.

The number of immigrant labourers who arrived in Ceylon in 1910-11 was 158,744, or taking the figures for the twelve months of 1910 and the six months of 1911 separately the numbers were 118,613 and 40,131 respectively. These figures are above the average for the past six years, which was, in round figures, 78,000. The number that arrived in 1909 was 80,718, so that comparing the arrivals of the year 1909 with those of 1910 there was an increase of nearly 50 per

cent. in the latter year. While such an increase is in itself satisfactory, it must be borne in mind that the arrivals are largely counterbalanced by the departures, which in the official returns are given at 64,660 for 1910 and 36,601 for six months of 1911, the arrivals thus showing an excess over the departures for the eighteen months of 57,483. But the returns quoted do not include the departures of coolies by the vessels of the Ceylon Steamship Company, so that the actual excess was less than the figure given.

Although in some parts of the Island the Sinhalese villagers are taking more and more to work on estates, the demand for immigrant Tamil labour is still steadily on the increase, and with the competition in the labour market of South India both of the Straits Settlements and of India itself, the position from the point of view of the Ceylon employer is one that calls for, and is receiving, the earnest consideration of the planting community.

To provide for the detention in quarantine of immigrant coolies entering Ceylon by the Mannar route as soon as through communication with India is established, it was proposed to construct a depôt and segregation camp at Kondegall, near Paumben, on Rameswaram island. Owing, however, to the scarcity of the water supply, it has been found that that site affords inadequate facilities for enlargement of the depôt should the route become a favourite one with the coolies. Negotiations are now in progress for the acquisition of a more suitable site at Tangachchimadam, the next station to Paumben on the railway line between that place and Daneshkodi.

Apart from coolies returning to their homes, the main stream of emigration from Ceylon is rather to the Straits Settlements and the Malay States than to India, and the number of Ceylonese, especially from the north of the Island, who of late years have sought a living in the countries named is not inconsiderable.

(E) OPENINGS FOR INVESTMENT OF CAPITAL.

The cultivation of tea, rubber, and coconuts continues to offer the chief openings for the investment of capital. Coconuts in particular are now attracting European capital, and should it once be established that they can be successfully grown under irrigation, there is the prospect of considerable extension of this industry in the North-Western Province, and even in the drier districts of the North-Central Province as well as elsewhere.

The plumbago mining and gemming industries, as well as the cultivation of tobacco, are almost exclusively in native hands. The market for the tobacco now produced being limited, there is little, if any, room for the extension of its cultivation on present lines. But it is believed that with more up-to-date methods of cultivation and curing this crop can be grown with profit for the European market. Similarly, in the drier districts the cultivation of cotton offers possibilities as yet undeveloped.

[See under II. (b) Mining, II. (c) Position of Agricultural Industries, and II. (d) Land Sales.]

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

Of the material prosperity of the Colony and its inhabitants there is no question. Except perhaps in the remotest districts, there is evidence on every hand of increasing wealth and a higher standard of living. Education is spreading, and although in some parts of the country its effects are so gradual as to be hardly noticeable, in others the demand of the people themselves for the establishment of new schools testifies to the fact that its advantages are appreciated. But while in the towns and among the more cultivated of the

community wealth and education may be productive of little but good, in the villages it too often happens that the acquisition of a little learning and the increase of riches afford a stimulant to that love of litigation which is already the curse of the country. The spirit of the vendetta is strong, the system of inheritance of landed property in infinitesimal shares is not conducive to harmony, and in the intervals between the sowing and the reaping of the paddy crops work is at a discount, while legitimate forms of amusement are generally few, and the law court becomes an irresistible centre of attraction. The question of the system of inheritance is one that has already engaged the serious attention of the Government. The more strict control of the liquor trade, which the introduction of an excise system will secure, may be expected to have beneficial results. The policing of the rural districts should tend to effect not only the more prompt punishment of real offenders, but a reduction in the number of false charges. For the rest it is for the leaders of the people themselves, as well as for all those who are concerned with the education of the young, to inculcate a spirit of self-respect and of that mutual help and co-operation which are so largely the basis of modern civilization.

February, 1912.

A. N. GALBRAITH,
Second 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.
686	Malta	1910-1911
687	Imperial Institute	1910
688	Gold Coast	"
689	Fiji	"
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691	Hong Kong... ..	"
692	Nyasaland	1910-1911
693	Seychelles	1910
694	Sierra Leone	"
695	Southern Nigeria	"
696	Bechuanaland Protectorate	1910-1911
697	Swaziland	"
698	Barbados	"
699	Trinidad and Tobago	"
700	Mauritius	1910
701	Grenada	"
702	British Guiana	1910-1911
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707	Tonga Islands Protectorate	"
708	Uganda	1910-1911
709	Straits Settlements... ..	1910
710	Basutoland	1910-1911
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712	St. Vincent	"
713	St. Lucia	1910
714	St. Helena	1911
715	Weihaiwei	"

MISCELLANEOUS.

No.	Colony, &c.	Subject.
71	Imperial Institute	Foodstuffs.
72	Fiji	Hurricane, 1910.
73	Jamaica	Cayman Islands.
74	Ceylon	Mineral Survey, 1906-7 and 1907-8.
75	West Indies... ..	Imperial Department of Agriculture.
76	Southern Nigeria	Mineral Survey, 1907-8.
77	St. Vincent	Roads and Land Settlement Fund.
78	Weihaiwei	Census, 1911.
79	Northern Nigeria	Mineral Survey, 1907-8 and 1908-9.
80	Nyasaland	Mineral Survey, 1908-9.
81	Southern Nigeria	Mineral Survey, 1908-9.
82	Imperial Institute	Rubber and Gutta-percha.

