

THE CEYLON JOURNAL OF HISTORICAL AND SOCIAL STUDIES

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RALPH PIERIS

Managing Editor

K. M. DE SILVA

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CONTRIBUTORS

- S. Arasaratnam, B.A. (Ceylon), Ph.D. (London), Senior Lecturer in Indian Studies, University of Malaya, Kuala Lumpur.
- C. R. de Silva, B.A. (Ceylon), Ph.D. (London), Lecturer in History, University of Ceylon, Peradeniya.
- H. N. C. Fonseka, M.A. (Ceylon), Ph.D. (London), Lecturer in Geography, University of Ceylon, Colombo.
- D. M. Kannangara, B.Com., Ph.D. (Melbourne), Senior Lecturer in Economics, Melbourne University.
- G. H. Pieris, B.A. (Ceylon), Ph.D. (Cantab.), Lecturer in Geography, University of Ceylon, Peradeniya.
- S. Selvanayagam, B.A. (Ceylon), M.A. (London), Lecturer in Geography, University of Ceylon, Peradeniya.
- S. Sornarajah, LL.B. (Ceylon), Assistant Lecturer in Law, University of Ceylon, Colombo.

THE VANNIAR OF NORTH CEYLON:

A study of feudal power and central authority, 1660-1760

S. ARASARATNAM

The extensive territory known as the Vanni, embracing the northern and north-central parts of the island of Ceylon, is divisible into two sections, one occupied by the Tamil-speaking people and the other the Sinhalese. The former have owed their allegiance to the kings of Jaffna, since the foundation of that kingdom in the 13th century, and the latter were subject to the Sinhalese kingdoms of Kotte and later of Kandy. When the Portuguese annexed the kingdom of Jaffna in 1619, they extended their jurisdiction to the Tamil Vanni provinces. Sovereignty over these areas was transferred to the Dutch by right of conquest when they displaced the Portuguese in 1658. This article examines the relationship between the central authority vested in the hands of the Dutch East India Company and the traditional sources of feudal power rooted in the Vanni provinces.

The origin of the system by which the Vanni territory was ruled by a polity different from the rest of the Tamil lands is obscure. In the early years of the formation of the kingdom of Jaffna, the Vanniyar appear as a powerful group of chieftains influencing the politics of this Tamil kingdom.¹ They belong to the same caste as the majority of inhabitants of the Jaffna Peninsula. Like them they are of the *Vellala* caste—the agricultural caste of freeholders who predominate in Jaffna and from whom were drawn the hierarchy of administrators of the Jaffna Kingdom. Vanniyar married frequently into the peninsular official families and had considerable ties with that part of the country. Yet by the last years of the Jaffna kingdom they had grown into sources of autonomous feudal power and maintained enclaves of authority where the writ of central control could not easily be admitted.

When Jaffna lost its independence to the Portuguese, these Vanniar appear to have been further strengthened in the exercise of their privileges. The first half of the 17th century was for the Portuguese a time of political and military troubles. It may be assumed that during these years the administrative heads of the Vanni districts would have entrenched their position. The Portuguese seem to have had some success in proselytising among these people.

1. *Yalpana Vaipava Malai* (The History of the Kingdom of Jaffna) translated by C. Brito (Colombo 1879) pp. 20-21, 38-40, 43.

From their powerful establishments in Mannar, Franciscan friars went inland towards the Vanni and succeeded in converting the chief Vanniyar families. Doubtless the desire to continue in their lucrative offices would have persuaded the Vanniyar as it was an axiom of Portuguese policy to give administrative offices only to native converts. From much the same motives, the Vanniyar accepted Protestant Christianity when the Dutch became sovereigns. These conversions only served to strengthen the hereditary offices of the Vanniyar and their feudal privileges.

Some evidence is forthcoming from the Dutch records of Ceylon on the nature of the Vanniyar administrative system, the terms of their tenure and their obligations to the central authority. It did not take long for the Dutch officials to realise that the system of land tenure in the Vanni was quite different from that prevalent in peninsular Jaffna and indeed that there existed here a type of feudal relationship. In fact the term 'feudal' is constantly used in the contemporary records to describe Vanniyar tenure. Dutch officials were very much alarmed that a class of people from the same caste as those from whom the salaried and very subordinate officials of Jaffna were drawn should have acquired for themselves such extraordinary rights and privileges.² Such was the reputation of Vanniyar power in this period that many spoke of it with awe and respect. Superficial observers even vest Vanniyar with royal authority. Thus Schweitzer, a soldier in Dutch service who went on an expedition to the Vanni, calls them princes,³ as also does Robert Knox who refers to Kaila Vanni, one of the most powerful of them, as a prince.⁴

At the beginning of the period of Dutch control, the Vanniyar held six provinces of the Vanni as fiefdoms. These provinces were Panankamam, Karunavalpattu, Karaicattumulai, Thennamaravady, Muliavallai and Melpattu. They comprised in all over 300 villages. Though the territorial area of each province was large, the land was now sparsely populated. There were some very good paddy fields, but with the breakdown of the irrigation system here many of these paddy lands had gone waste. Jungle had extended fast and it became the home of wild elephants which now becomes a lucrative article of trade. These elephants when captured, tamed and taken to the markets of Jaffna were bought by Indian merchants at high prices. The elephant trade brought the Dutch an average of over 100,000 Florins an year.⁵ Besides elephants, these provinces yielded a number of other articles both for export as well as for consumption in Jaffna: elephant tusks, ebony, timber, firewood and choir yarn.

2. See for example *Memoir of Hendrick Zwaardekroon, Commandeur of Jaffnapatam*, 1697 (Colombo 1911) p. 7.
3. *A Relation of two several Voyages made into the East Indies by Christopher Fryke and Cristopher Schweitzer, Done out of the Dutch by S. L.* (London, 1700) p. 310.
4. Knox, *An Historical Relation of the Island Ceylon*, London, 1681, p. 175.
5. For a description of the Dutch elephant trade in Ceylon, see Arasaratnam, *Dutch Power in Ceylon, 1658-1687*, (Amsterdam, 1958), pp. 150-2.

The economic basis of Vanniyar power was that they were the recipients of the land revenue payable by the cultivators of the Vanni provinces. The basic land tax of the entire northern country at this period was a tithe, a tenth share of the produce of the land payable in cash or kind. While in the other Tamil districts this tax was collected directly by the officials of the state, in the Vanni it was granted to the Vanniyar. In the pre-colonial periods it is presumed that the Vanniyar rendered a share of the proceeds of this tax to the sovereign in Jaffna. But under the Portuguese and more definitely under the Dutch the sovereign's share was commuted for an annual tribute of elephants. The revenue of each province of the Vanni was equated in terms of a number of elephants which the Vanniyar who enjoyed these revenues was liable to supply. The ratio was reckoned at a value of 300 Rix Dollars per male elephant and 250 Rix Dollars per female. In this way the dues of the six provinces were calculated as follows:—

Panankamam	— 16 elephants	Thennamaravady	— 1 elephant
Karaikattumulai	— 7 elephants	Melpattu	— 1 elephant
Karunavalpattu	— 4 elephants	Muliavallai	— 1 elephant

The Vanniyar seem to have had a large measure of administrative responsibility in their provinces. Over a long period of weakening central control, the Vanniyar seems to have acquired a great deal of practical autonomy. Even under the Dutch, a power that was most keen on asserting central control, there are very few instances of direct exercise of authority on local matters. The Dissava of Jaffna, a high Dutch official who was responsible for civilian administration of the whole *commandment* embracing the old Kingdom of Jaffna, had no direct involvement in local affairs of the Vanni provinces. The Adigar of Poonery, who worked under the Dissave of Jaffna, had under his jurisdiction the lands on the borders of the Vanni and had nothing to do with the provinces of the Vanni proper. Some contracts entered into between the Dutch and these Vanniyar throw a little light on the limits of their obligations. The policing of the Vanni and some limited judicial functions seem to have been an important aspect of Vanniyar duties. They had to apprehend criminals who perform acts of murder, robbery or other violence within their territories as well as to seize all fugitives from other Dutch-held districts as well as from the Kandyan kingdom and hand them over to the Dutch. They could settle lesser offences and civil disputes but capital offenders were to be sent to Jaffna for trial.⁶ Besides these duties, it seems evident that the collection of tithe from the cultivators, the extraction of obligatory services from the various castes and the organisation of hunts for the capture of elephants would have been the major functions of the Vanniyar.

6. Points of promise done to H.E. Rijkloff van Goens the younger, Extraordinary Councillor of India and Governor-designate of Ceylon by Don Gaspar Sidampara Pulle on his behalf and in the name of the four most important Vanniar . . . , 15 October, 1671. Ceylon Government Archives—Dutch Records, 2507; Contract between the V.O.C. and Sandrasegara Mudaliyar of Kattukulam-pattu . . . 24 May, 1763 Articles 6 and 7 Ceylon Govt. Arch.—Dutch Records 2508,

The Vanniyar were appointed by the central authority and in theory held office at its pleasure. Legally this was an effective weapon in the hands of whoever wielded central power. In practice, however, this was not so. There were a few families from which Vanniyar could be chosen and there are many instances of hereditary succession. Vanniyar of almost all province at any time were blood relations. The central Government had little freedom of choice in its appointments. Quite often at one time the father, the son, the son-in-law and a cousin would be Vanniyar of four neighbouring provinces, thus working together and effectively protecting each other's interests. The Dutch did go to the extent of dismissing some Vanniyar and appointing others in their place. But this was after a long period of sufferance and had to be reinforced by a costly punitive expedition.

One means of keeping the Vanniyar within the shadow of central authority was to oblige them to appear in the Jaffna Fort once every year. This was a recognised method of central control over feudal chiefs in medieval India. They were then called to account for any arrears in the payment of annual tribute as well as for any misconduct in and around their provinces. But Vanniyar independence had grown to such proportions that this obligation was not scrupulously followed. One of the most powerful Vanniyars, Kaila Vanni of Panankamam, had not been to Jaffna for the last 14 years of Portuguese rule. He continued this elusiveness under the Dutch.⁷ When pressed by them he sent his relatives but never appeared himself. The Dutch tried to regularise the custom of annual presence and succeeded to a fair extent. The Vanniyar too imposed their own conditions of formality. When they arrived in Jaffna, the Dutch Commander would have to send them a party of drummers and musicians to escort them to the Fort.⁸ This was a traditional means of honouring persons of importance. On one occasion the Vanniyar Chiefs were summoned to Jaffna to meet the Governor who was visiting the north. At the appointed time of the audience, they failed to show up. On later inquiry, it was learnt that they were waiting for the usual escort of musicians and, when this did not arrive, they decided not to leave their residence.⁹ It was explained to them that they could not expect from the Governor an honour which was customarily paid to them by a commander of a province who was a subordinate officer. The Dutch tried to adopt the policy that some one of the Vanniyar by turns would remain in the Fort, as a kind of hostage for the good conduct of his colleagues. But very seldom were they able to get the powerful and influential Vanniyar to keep their turn. These usually excused themselves on grounds of ill health and sent a relative in their place.

7. *Instructions of Governor General and Council to Governor and Council of Ceylon 1656 to 1665*. (Colombo, 1908), p. 89.

8. *Diary of . . . the tour of Gerrit de Heere, Governor of Ceylon, from Colombo to Jaffna, 1697*, (Colombo, 1914), p. 19.

9. *Ibid.*

It is when we look closely at the way in which the Vanniyar fulfilled their annual tribute that we realise how tenuous was central control. From the very first years of Dutch rule right to the end, the Vanniyar were in arrears for the annual quota of delivery of elephants. In 1665, after only seven years of Dutch occupation they were $74\frac{1}{2}$ elephants in arrears and in 1680 this had increased to 313.¹⁰ It was then realised that it was impossible to hold them down to the clearance of these arrears and the total debt was remitted with serious exhortations to henceforth fulfill each year's quota in time. But in 1694 the arrears had again accumulated to $18\frac{1}{2}$ and in 1697 to 86 elephants.¹¹ In 1716 the Vanniyar owed 193 elephants.¹² This story goes on year after year. Though there was something radically wrong with the economic foundations of this system, the Dutch permitted it to continue on the ground that the few elephants that were delivered were preferable to the uncertainty involved in the measures they would have to take to change the whole nature of tenure in which the Vanni lands were held.

The growing nature of Vanniyar power may be gaged, to some extent, from the manner in which they had expanded their influence and interests outside the Vanni provinces. Their influence was quite strong in Pachchilai-palai, a province of Jaffna bordering on the Vanni. The agrarian unrest of 1675-7 in this and other provinces of the Jaffna peninsula directed against the new registration of land and incomes initiated by the Dutch Government was to some measure incited and augmented by the Vanniyar.¹³ The districts bordering on the Vanni, to the north and to the west of it, consisted of some good paddy lands with facilities for irrigation. Some of the better known lands were in Karachechi, Perungaly, Pallavarayankattu and Musalipattu. The richer Vanniyar negotiated with the Dutch to collect and retain the land revenue in these districts in return for a fixed annual supply of elephants. In their cupidity for elephants and in order to be rid of the difficulty of collecting land taxes here, the Dutch entered into agreements with these Vanniyar conceding to them the right to collect the tithe.¹⁴ This became more or less hereditary and the influence of the Vanniyar was thus extended outside the Vanni. Here too they soon began to default on payments and the net effect of the arrangement was that the Vanniyar enjoyed the land revenues of the bordering lands at no cost whatsoever.

10. *Memoir of Hendrick Zwaardekroon*, (1697), p.4. This phenomenon of fraction of an elephant here and later in this article would appear to the reader as strange. It is caused by the conversion of the cash value of the tax into elephants on the ratio mentioned earlier in the text. It is also caused by the reckoning of a tusker at a fraction over one elephant and thus set off against the total number due from the person delivering it. Similarly under-nourished elephants are valued as less than an elephant.
11. *Ibid.*, p. 97.
12. *Memoir of Hendrick Becker, Governor of Ceylon*, 1716, (Colombo, 1914), p. 15.
13. Governor General and Council of India to Directors, 26 November 1676, *Koloniale Archief* (The Hague), 1204 ff, 163-4.
14. *Memoir of Hendrick Zwaardekroon*, (1679), p. 99.

The political situation in the island and the balance of power between the Dutch as the sovereign of the maritime lands and the King of Kandy as master of the interior was another factor that promoted the autonomy of the Vanniar. Each power was wary of doing anything that would unnecessarily upset the other. The lands controlled by the Vanniyar lay on the borders of the Kandyan Kingdom. They were a good buffer zone which divided the fertile Jaffna peninsula from the Kandyans. The Dutch were for a long time afraid of a threat to their northern possessions developing by land through the Vanni.¹⁵ The Vanniyar had old connections with Kandy and had some influence in the court. Knox observes that Kaila Vanni and the King of Kandy maintained a close friendship and correspondence and the same is attested to by many Dutch officials.¹⁶ Naturally the Dutch did not want to take any action that would throw the Vanniyar into the arms of the Kandyan King. At the same time they desired to use the Vanni as a sounding-board for news of Kandy and to use Vanniyar contacts in Kandy to get information on Kandyan politics. The Vanniyar made full use of this delicate situation, played on Dutch fears and secured their autonomy. They had no desire to be reduced to dependence either on the Dutch or on the Kandyan King.

The law and order problem in the Vanni also gave the Vanniyar a good deal of power and increased Dutch dependence on them. The Veddas, a wild tribe of hunters, lived on the outskirts of the Vanni provinces and their pacification was a great problem. The Vanniyar generally had good relations with them and were useful in keeping them at bay. Similarly, criminals from the Dutch-administered areas habitually absconded to the Vanni where they were safe from the arm of the law except if the Vanniyar cooperated with the Dutch in apprehending and handing them over. This was one of the clauses of every treaty entered into between the Dutch and the Vanniyar. Likewise, tenants owing obligatory service to the Dutch as well as slaves of Jaffna and Mannar sought freedom by escaping into the Vanni. Soon they put up check posts at the passes into the Vanni to prevent this. But many got through and the Vanniyar were enjoined to sieze them and hand them over. In the case of slaves, for this service the owner would pay the Vanniyar 2 Rix Dollars for each slave thus recaptured. But if the slave succeeded in escaping into Kandyan domains through the Vanniyar's negligence, he had to pay 50 Rix Dollars to the owner for each slave thus lost.¹⁷ If any Dutch officers or other authorised persons go through their provinces, they had to show them the way and provide for their security while they were within their limits.¹⁸ These factors show that the Vanniyar were totally responsible for law and order in their lands and that without their support the central government could not extend its fiat there.

15. This is well expressed in *Memoir of Thomas Van Rhee, Governor of Ceylon, 1697*, (Colombo, 1915), p. 7.

16. Knox, *op. cit.* p. 175.

17. Contract between the V.O.C. and Sandrasegara Mudaliyar of Kattukulampattu 24 May 1763, Article 12, Ceylon Govt. Arch.—Dutch Records 2508,

18. *Ibid*, Article, 17,

It would be illuminating to take a closer look at some of the important Vanniyar personalities of the 17th and 18th centuries and observe their relations with the central power. It would be equally rewarding to trace some of the attempts by the Dutch power to exercise close control over them and see the outcome of these contests. At the time the Dutch conquered Jaffna in 1658, Kaila Vanni was the most powerful Vanniyan. He was in charge of Panankamam, the largest and wealthiest of the Vanni provinces. It has been seen how some contemporary European observers referred to him as a prince, and indeed his whole attitude and activities in relation to the central authority seem to indicate that he did not think of himself as anything far less than a prince. Both under the Portuguese and under the Dutch he disdained to obey summons to appear in the Jaffna Fort. The Dutch were more systematic and concerned with the assertion of their legal powers than were the Portuguese and so it was their declared aim from the outset to reduce Kaila Vanni to dependence. They were particularly concerned with the regular and prompt payment of Vanniyar dues. These early attempts to extend control brought them into head-on conflict with Kaila Vanni. He led the Vanniyar in their opposition to central control. Even when other Vanniyar obeyed Dutch summons and proceeded to Jaffna, Kaila Vanni would be the only absentee and if pressed hard he would send his uncle on his behalf.¹⁹ The Dutch would have very much desired to get hold of him but they realised that they could not launch an expedition into the Vanni at that time. So for some time they tried diplomatic and friendly means to keep Kaila Vanni favourably disposed to them.

The Dutch realised that if respect for central authority and prompt payment of dues were to be enforced, a certain amount of military presence was necessary in the Vanni territory. So in the instructions issued to the Dissave of Jaffna in 1661 he was recommended to go to the Vanni with a small force and remain there from April to November of each year. Panankamam Kulam was recommended as the place most suitable for his establishment. A Lieutenant with a small force and an Adigar were to be with him and would continue to reside there after he left.²⁰ This advice was not immediately acted upon as the officials of Jaffna had too many commitments on their hands. Instead a Dissava was stationed at Poonery, a place to the north-west of the Vanni which had the advantage of being approachable by sea. This Dissava was responsible for the affairs of the Vanni as well as of the districts bordering on the Vanni. The position now was not much better as Poonery was far away from the seats of Vanniyar power and the limited military force there was not sufficient to compel obedience.

19. *Instructions of Governor General and Council to Governor and Council of Ceylon 1656 to 1665*, p. 67.

20. *Ibid.*, p. 68.

Kaila Vanni continued to be difficult to handle and the problem worsened when Dutch relations with the Kandyan Kingdom became hostile after 1665. Evidence was forthcoming of Vanniyar collusion with the Kandyans and hostile acts in Dutch-held lands. In order to fulfill the policy of encirclement of the Kandyan Kingdom it was necessary to extend power into the Vanni as well. The opportunity for this came when Rijckloff van Goens the younger, son of the then Governor and a member of the Political Council of Ceylon, made an expedition circumnavigating the island in 1671, extending Dutch power into the Eastern sea-board of Panama, Batticaloa and Trincomalee. Coming ashore at the small fishing harbour of Mullaitivu, Van Goens the younger and his army marched inland and encamped in the village of Aiyenperumal, situated near Katkulam, the residence of Kaila Vanni. Here all the Vanniyar hastily appeared before him to pledge their obedience and to request pardon for their recent activities. He ordered them to proceed to Jaffna and himself set sail to that place.²¹ All the four Vanniyar who held the six Vanni provinces between them were there. Kaila Vanni had sent his adopted son and heir as he was too ill to make the journey. Here a deed was drawn up between the Dutch and the Vanniyar. In this agreement the Vanniyar reiterated their recognition of the overlordship of the Dutch East India Company and promised to fulfill the customary obligations, including the annual tribute and the presence at Jaffna. Their obligations towards law and order in the Vanni were again underlined. In return they were confirmed in their positions with the privileges they had enjoyed. The signatories to this agreement were Don Gaspar Sidampara Pulle, Don Phillip Nallamapanar the heir of Kaila Vanni, Punniampillai Udayar and Thirukaila Udayar.²²

Within five years of this punitive expedition and agreement, Dutch officials of Ceylon were again complaining about the two Vanniyar, Kaila Vanni and Punniampillai. However, in 1678 the death of Kaila Vanni removed an obstinate and powerful feudal lord and the person who had rallied Vanniyar forces together. At this time there was general unrest in many parts of the island and the Kandyan King was stirring up Dutch subjects against their rule. The Vanniyar also seem to have made contact with the Kandyans again and were using this opportunity to foster their interests. The death of Kaila Vanni, therefore, came at an opportune moment to the Dutch power. The Commander of Jaffna promptly despatched a force into the Vanni and disobedient chiefs were reduced. New and separate agreements were entered into with each of them. Military check-posts were set up at passes leading into the Vanni. Future rebellion, it was threatened, was punishable with death and confiscation of lands.²³

21. Governor General and Council of India to the Directors, 5 February 1672, Kol. Arch. (The Hague), 1169 ff, 349-50.
22. Points of Promise done to H.E. Rijckloff van Goens the younger by Don Gaspar Sidampara Pulle . . . , 15 October 1671, Ceylon Govt. Arch.—Dutch Records 2507.
23. Governor and Council of Ceylon to Governor General and Council, 17 October 1678, Kol. Arch. (The Hague), 1222f, 39.

From this time onwards the Vanniyar seem to have decided to foster their interests by more subtle and diplomatic means. It was now that they gradually secured control over paddy lands outside their provinces. In the 1690s the most influential among them were Don Philip Nallamapanar who had succeeded to the Vanniyarship of Panankamam, his son Don Gaspar Nitcheanadarajan who had secured the position of Master of the (Elephant) Hunt and his brother-in-law Don Gaspar Illenganarayana Vanni. In 1696, in response to summons to appear in Jaffna, these three Vanniyar took the unprecedented step of proceeding to Colombo to appear before the Governor. Here they were received in audience by the Governor, much to the exasperation of the provincial authorities in Jaffna.²⁴ It seems to have increased their prestige and pretensions in relation to the Jaffna officials. One of the results of this was their demand for the honour of being escorted with music to see the Governor on his visit to Jaffna in 1697, a demand curtly rejected by the Governor. It also gave them more courage to act independently in matters of justice as well as to make further economic demands.

Another serious attempt at the extension of central authority was made during the time of Governor Hendrick Becker (1707-1716). He led an expedition into the Vanni against Don Gaspar Nitcheanadarajan and Don Diogo Puvinallamapanar, the two most troublesome and rebellious Vanniyar. It appears that when they were thus pressed by the Dutch they sent envoys to the Kandyan Court offering to become vassals of the Kandyan King in return for armed support. The King was then on good terms with the Dutch who had helped him to bring royal princesses from India and to establish contact with Siamese Buddhist priests. He had refused to grant an audience to these messengers, put them in chains and sent them to the Dutch together with their written documents. The two Vanniyar were deposed from their positions and others appointed in their place.²⁵ During this expedition it was also discovered that the Vanniyar had indulged in a smuggling trade in arecanuts, cloth and other products with the South Indian coast. They had used three small ports on a little-frequented part of the eastern coast of the island whose hinterland was the Vanni provinces. This was a very serious offence from the point of view of the Dutch, as all trade of Ceylon was strictly controlled through regulation of passes and customs and had to go through certain specified ports. The Governor ordered the cruising of this coast and built a redoubt at Mullaitivu where a small force of Europeans and lascarines was to be stationed under an ensign.²⁶

The next Governor to be seriously concerned with the Vanniyar was Baron Van Imhoff (1736-40). He made a tour of the north in 1738 and observed carefully the status of the Vanniyar. By this time the former rebel Don Diogo

24. *Memoir of Hendrick Zwaarddekroon*, (1697), pp. 7-8.

25. *Memoir of Hendrick Becker*, 1716, p. 15.

26. *Ibid.*, p. 16.

Puvinallamapanar and his accomplice Don Philip Nallamapanar had staged a come-back and were reinstalled in their former provinces. Perhaps their family influence and traditional authority were too great for these lands to be administered without them. Governor Imhoff was particularly concerned at the manner in which in past years the Vanniyar had become lessees of paddy-growing villages outside their provinces and thus deprived the Government of much revenue. Don Philip Nallamapanar was the greatest beneficiary. Besides his Vanniyarship of Panankamam, he enjoyed the revenues of the following districts: Karachchi, Attimoddai, Thiagam, Mulliyan and Pokaruppu. He acquired so much paddy from these possessions that he had become a virtual monopolist in this invaluable grain and had the community under his control.²⁷ Imhoff set about to withdraw these ceded lands. He first executed a deed with Don Phillip withdrawing these lands with the exception of the last two villages and bringing them again directly under the Dutch. The two villages were to be held by him till his death after which they too would revert to the Dutch.²⁸ In a similar manner Don Diogo Puvinallamapanar had secured the paddy fields of Pandisuddan. These were to revert to the Dutch after his death. After the resumption of these lands, the Dutch carried out a policy of land sales to cultivators, thus helping to multiply the number of peasant proprietors in the area. By 1746, Governor Van Gollenesse was able to report that he had sold all the remaining good paddy lands in Karachchi and realised 27,934 Florins. Gollenesse observed that his attempts to encourage people to buy lands in other districts on the borders of the Vanni were obstructed by the Vanniyar.²⁹

The memoirs of subsequent Governors and officials show that the problem of Vanniyar obedience was by no means solved. Every officer recorded the impossibility of securing payment of tribute regularly and arrears continued to mount. Occasional punitive expeditions, dismissals and transfers of Vanniyar were no solution to the fundamental weakness of central control.

It might have been expected that the conversion to Christianity of the ruling class of the Vanni initiated under the Portuguese would have led to the growing extension of European influence among them. Under the Portuguese some important ruling families had been baptised and had followed the practice of the time in taking Christian names together with their own Tamil names.

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27. Dag Register Governor Van Imhoffs' tour of Ceylon, 3 July 1738, Ceylon Govt. Arch.—Dutch Records 2729.
 28. Agreement between Don Phillip Nallamapanar and the Dutch, 22 July 1738, Ceylon Govt. Arch.—Dutch Records 2507.
 29. Memoir of Stein van Gollenesse, Governor of Ceylon, 28 February 1751, Kol. Arch. (The Hague), Overgekomen Papieren van Ceylon, 1752, Eerste Deel f. 474.

At the time of the annexation of Jaffna, two Vanniyar and an Adigar of Panankamam had been converted at which place a Franciscan Church was erected. Later Fr. Pedro de Betancor carried on missionary work among the people in Mantota and expanded into the Vanni borders. Churches were erected in Arippu, Nanaddan, Perungaly, Chitaveli and Poonery.³⁰ Similarly to the north in the Province of Pachchilaipalai there were churches in some villages bordering on the Vanni. It appears that many of the ruling families embraced Christianity. The Dutch continued to maintain the Churches and schools as centres of Protestantism. Native Roman Catholic families now submitted themselves to baptism, marriage and other formalities of the new denomination. The Dutch padre the Rev. Philip Baldaeus reported that there were 4,533 adult Christians in the Vanni districts in 1665.³¹ This includes those on the border areas where a majority of this number would have been found. The Dutch also maintained the schools where Christian Tamil schoolmasters taught.

All this activity seems to have left little impact on Vanni society and polity. Besides the names they bore, the Vanniyars showed little trace of Christian influence. They developed no loyalty to the Christian power to which they owed allegiance. Their religious affiliations seem to have been a matter of convenience. An interesting incident recorded by Zwaardekroon when he was Commander of Jaffna confirms these above observations. In 1699 a Christian seminary was started for the education of Tamil youths in Nallur, near the Jaffna Fort. Don Phillip Nallamapanar, the influential Vanniyar of Panankamam, applied to admit one of his sons as a student. The boy was admitted and given instruction there. On one of his holidays the boy happened to go to Nagapatnam with a Dutch officer. While at Nagapatnam the boy disguised himself and went to worship stealthily in a large Hindu temple there. He was caught by the Dutch officer while making an offering at the temple in this disguise. Zwaardekroon observes that this boy of about 12 years must have been influenced by his father in these matters.³² It seems probable that his father specifically sent him to Nagapatnam to offer worship in this temple. It also seems likely that in the seclusion of the Vanni the nominally baptised Christian Vanniyar continued their traditional forms of worship. The Dutch did not have an extensive religious establishment to effectively integrate them into the Christian community as they had done with some success in other parts of Jaffna.

30. P. E. Pieris, *Ceylon: The Portuguese Era Vol. II*, (Colombo, 1914), pp. 149-150.

31. Phillipus Baldaeus, *Naawkeurige beschryvinge van Malabar en Choromandel en het Eyland Ceylon*, (Amsterdam, 1672), p. 173.

32. *Memoir of Hendrick Zwaardekroon*, p. 52.

The administrative system and economic organisation of the Vanni territories shows some elements of a feudal structure. In matters of day-to-day administration and revenue collection the Vanniyar seem to have had a great measure of autonomy; in judicial matters their autonomy was less than in these other two aspects. Their position was strongest in relation to the land tenure system. In spite of attempts at centralisation in other administrative aspects, there never was any question of challenging their position as the recipients of the land revenues of their traditional provinces. This was the fundamental basis of their autonomy in other respects. In the absence of further evidence, it is difficult to say in what relation the Vanni cultivators stood to their Vanniyar lords. It may reasonably be assumed that under such conditions of Vanniyar autonomy they must have gained a pretty effective control over the social and economic life of the Vanni. In any case, even on the basis of the Dutch records of the period, we are able to see this group of administrative heads as constituting, virtually, an *imperium in imperio*.

PORTUGUESE POLICY TOWARDS THE MUSLIMS IN CEYLON

1505-1626

C. R. DE SILVA

The study of Portuguese policy towards the Muslims in Ceylon has generally received little attention from historians of the past two decades.¹ The present study attempts to investigate, as far as evidence permits, the relations between the Portuguese and the Muslims in Ceylon during the period 1505-1626.

For about two decades after the initial visit of the Portuguese, the two rivals competed for trade in Kotte on almost equal terms. When the Portuguese arrived at Colombo in 1505, the Muslims might have tried to influence the king of Kotte to refuse trading rights to the new comers.² However as the king decided otherwise, they had no option but to content themselves with attempting to deprive the Portuguese of their cinnamon supplies by rousing the Sinhalese against them. In these efforts they occasionally succeeded. Thus in 1508 Nuno Vaz Pereira's ship specially sent to Ceylon to collect cinnamon had to return empty.³

For the Portuguese, this situation was much less than satisfactory and their attempt to establish a fort at Colombo in 1518 was probably motivated by their desire to obtain a regular supply of cinnamon. However they soon learnt

1. The only study of this problem is the article by Professor K. W. Goonewardane entitled 'Some Notes on the History of the Muslims in Ceylon before the British occupation' in the *Journal of The Muslim Majlis* (University of Ceylon) Vol. IX (1059-60) pp. 82-92. The present study attempts to supplement, as far as evidence permits, the information given by Professor Goonewardane in his article. See also, Fr. Fernao de Queyroz, *The Temporal and Spiritual Conquest of Ceylon* (translated by Fr. S. G. Perera) (Colombo, 1930) pp. 210, 745.
2. The Muslims however were apparently not as hostile as they might have been considering the anti-Muslim activities of the Portuguese in India. They supplied Dom Lourenco de Almeida with accurate information as to the political organization and commercial products of the island. The evidence of Barros (*Journal of the Ceylon Branch of the Royal Asiatic Society* XX, 22-23) and Queyroz (177) lends little support to the assertion of Fr. Perera that the Muslims '... were not disposed to let their rivals know how fruitful and fair this island was...' though such an attitude would have been understandable. Fr. S. G. Perera—*History of Ceylon for schools, Portuguese and Dutch periods*. 6th edition, page 13.
3. JCBRAS XX, 26-27.

that the presence of a fort only served to substantiate the Muslim charge that the Portuguese were looking for territorial gains and thus made the procuring of cinnamon even more difficult. The resultant abandonment of the fort, though also partly influenced by factors outside Ceylon, left the Portuguese in a position little better than what they had held in 1505.

By the middle of the 1520's however the situation had changed radically. The partition of Kotte in 1521 among three brothers led to growing hostility between the eldest, Bhuvanaka Bahu king of Kotte (1521-1551) and youngest Mayadunne, king of Sitawaka (1521-1581). To resist the growing pressure from Sitawaka, Bhuvanaka Bahu began to rely increasingly on Portuguese assistance and the Portuguese factor in Colombo Nuno Frei de Andrade became a trusted adviser of the Kotte king. The result of the pro-Portuguese policy favoured by the king of Kotte was the alienation of the sympathy of the principal Muslim merchants.⁴

It was in this context that Bhuvanaka Bahu's order of expulsion of the Muslims occurred. Soon after the first clashes between the forces of Sitawaka and Kotte, in the words of Queyroz 'The king of Cota ordered the Moors of Colombo to quit the country within three days as traitors.....'⁵ It is not known whether this order applied only to the chief traders in Colombo but apparently it did not imply a general expulsion of all Muslims from Kotte, for there is evidence of continuous residence of Muslims in many of the coastal villages of Kotte in the sixteenth century.⁶ Nevertheless, though the numbers affected by the order may have been few, it decisively altered the balance of control over Kotte's external trade in favour of the Portuguese. Thenceforth the Portuguese obtained complete control over the cinnamon trade in Colombo and came to be the dominant commercial power in the island.⁷

A noteworthy feature of the Portuguese-Muslim relations during the rest of the century was the degree of co-operation that existed between the two rival trading factions. Even during the period when the Muslim Kunjali admirals of Calicut gave active aid to the ruler of Sitawaka in the struggle against Kotte, it is probable that Kotte continued to be supplied with many of its essentials by Muslim traders. The service rendered by these 'country' traders became even more valuable after 1565 when Mayadunne confined the power of Bhuvanaka Bahu's grandson and successor to a few square miles around Colombo fort. The Portuguese were not slow to recognise this and the viceroy Dom

4. S. G. Perera *op. cit.*, 16-20. T. Abeyasinghe—*Portuguese rule in Ceylon 1594-1612*. (Colombo, 1966). pages 9-11.

5. Queyroz 210.

6. Queyroz 426, 743.

7. S. G. Perera *op. cit.*, 21-22.

Antaõ de Noronha (1564-1568) sought to protect these Muslim traders by specifically decreeing that they be given free entry to the Portuguese forts in the island.⁸

It was only after the Portuguese obtained control over Kotte in their own right in 1597 that their policy towards the Muslims in Ceylon came under review once more. Dom Francisco da Gama Conde de Vidiguera who was serving his first term as viceroy of India apparent felt that the policy of tolerance towards the Muslims, though it could be countenanced in time of need and while Kotte remained under a Sinhalese sovereign could no longer be justified when the Portuguese had *de facto* and *de jure* control over Kotte. He therefore sent word to the captain-general of Ceylon, Dom Jeronimo de Azevedo, that all Muslims should be expelled from Ceylon.⁹

De Azevedo, though probably under pressure from Franciscan missionaries within the island, acted with caution. He realized that the Muslims in Kotte were playing an important role in the economy of the region for they served as sailors in Portuguese coasting vessels and as traders in the area. He also feared that expulsion would only lead to the strengthening of Wimaladharmasuriya, king of Kandy whose power he had determined to break, for it was clear that the Muslims on expulsion would migrate *en masse* to the neighbouring highland kingdom. On the other hand like most Portuguese of the time, de Azevedo looked upon the Muslims with a jaundiced eye. He was convinced that the Muslims could prove a threat to Portuguese power if their numbers were allowed to increase substantially. Thus while he convinced the viceroy that expulsion was not politic, he took measures to bring the Muslims under surveillance. All Muslims already resident in Kotte were ordered to settle in certain specified ports and to carry on their trading and sea-faring activities from there. No more Muslim migrants were allowed to settle in Kotte.

De Azevedo's decrees were never strictly enforced. Apart from performing valued services as traders the Muslims had proved their use as bailiffs for the Portuguese village-holders.¹⁰ No doubt de Azevedo himself realized that his measures had little effect. This may explain why, soon after he was promoted viceroy of India he turned his attention to the delineation of Portuguese policy towards the Muslims.

In his *alvara* dated 22 April 1613, de Azevedo made an important distinction between Muslims who had been long resident in the country and those who had come recently from abroad merely for the purpose of trade with the inhabitants of Kotte. Those Muslims who had lived in Colombo since the days of

8. *Arquivo Portuguez-Oriental*. Vol. VI ed. by J. H. Cunha Rivera. Nova Goa, 1877 pg. 1079.

Documentos Remettidos da India. Vol. III. Lisbon, 1883. pg. 258.

9. *Filmoteca Ultramarina Portuguesa, Lisbon. Livros das Monocoas*, Livro 12 62/4-5.

10. *Filmoteca LM* 12 62/4-5.

Rajasinghe of Sitawaka were allowed to live there as they had always done but newcomers were permitted to reside in the city only till the change of the monsoon allowed them to set sail.¹¹ The reasoning behind this distinction was impeccable from the Portuguese point of view. Those who had lived in Colombo of their own volition and suffered during the two great sieges of the city by Rajasinghe could not have been hostile to the Portuguese. Of the others the Portuguese could not be sure. Therefore those newcomers who had already overstayed the limit imposed by the new regulations were ordered to leave within one month on pain of being sent to the galleys. Foreign Muslim traders were presumably still allowed to remain for longer periods at ports other than Colombo though forbidden to take up permanent residence in the island.¹²

Meanwhile this question had begun to receive the attention of the Portuguese authorities in Lisbon. In February 1615 two letters were despatched by the *conselho da fazenda*¹³ to the viceroy in the name of the king. The contents of the letters illustrate the factors which had influenced the Lisbon authorities (henceforth referred to as 'the king' for purposes of convenience) in the formulation of their policy. Firstly it had been impressed upon the king that the religious tolerance hitherto extended to the Muslims was an impediment to the conversion of others to Christianity. Secondly it was also held that their presence encouraged rebellion in Portuguese territory. Finally it was argued that they in part contributed to the depopulation of lands by buying or receiving as payment for debts, youths of the land and taking them to India.¹⁴ The Muslims could have with justice pleaded 'not guilty' to the second and third charges but their views were not heard in Lisbon and the king had therefore decided that extreme measures were justified. Not only was there to be a total ban on the entry of Muslims to Ceylon but even those resident were to be expelled from the island. Severe penalties were threatened against those who violated these orders as well as those who aided and abetted such violations.¹⁵

11. '... nenhun mouro seja morador na cidade de Colombo, nem possa estar nella mais que de moncao excepto os mouros naturaes e moradores na mesma cidade do tempo do Raju que poderao nella viver...' APO VI 950.

12. APO VI 950-957.

13. The *conselho da fazenda* was the supreme policy making body in Portugal from 1614 till 1644 when it was supersided by the *conselho ultramarino*. Its membership included the viceroy of Portugal and it considered reports from various officials in the Portuguese *Estado da India* before framing instructions for the viceroy. The decisions of the *conselho da fazenda* could be countermanded only by the *conselho de Portugal* which kept in touch with the king of Spain (and Portugal) by moving with the court as an itinerant body.

14. In the seventeenth century Ceylon Sinhalese could sell themselves or their children as 'slaves' for a fixed period in repayment of debts. This 'slavery' differed from the Western version in that a man retained all his rights (including that of holding property) during his period of slavery and did not lose his status which was determined by caste.

15. APO VI 1079-1080; DR III 258; *Arquivo Historico Ultramarino*, Lisbon. Livro 33, f. 19v.

However, neither the viceroy de Azevedo nor the captain-general of Ceylon Dom Nuno Alvares Pereira was willing to risk the disruption of the Kotte economy by expelling the Muslims especially as the war with Kandy had not yet reached a successful conclusion. The king therefore received letters explaining the disadvantages of the policy of wholesale expulsion and the obstacles that lay in the path of its execution.¹⁶ On receipt of this letter the king seems to have acquiesced in postponing the policy of expulsion but he insisted in a letter dated 21 March 1617 that the entry of Muslims to Ceylon be checked forthwith.¹⁷

The ban on the immigration of Muslims to Ceylon however, seems to have remained a dead letter. Queyroz estimated that on the average five hundred to six hundred of them settled in Ceylon annually. The reasons for this are not far to seek. Muslims in Ceylon were able to make considerable amounts of money even in such unobtrusive occupations as dressmaking and retail trade. Some of them obtained even official positions of trust and won the respect of the Portuguese who associated with them. Though freedom of worship was rather restricted in Portuguese Ceylon, the Muslims not being allowed to worship in public at mosques, Queyroz mentions the instance of a village which had its own *quazi* or judge qualified in Muslim law.¹⁸

The contravention of royal and vice-regal orders regarding the entry of Muslims to Ceylon may have been ignored partly due to motives of personal gain for it is clear that many Portuguese derived individual benefits by their dealings with Muslims.¹⁹ It is also possible that the disturbed political conditions between 1617 and 1620 distracted the attention of Portuguese officials. This dereliction of duty on their part was noted by two visitors to Ceylon in 1619—the well-known cartographer Manoel Godinho de Eredia²⁰ and the bishop of Cochim, Don Sebastião de S. Pedro.²¹

However, a re-examination of the whole problem was precipitated by new proposals sent to the king by Fernão de Albuquerque (1619-1622) the Portuguese governor of India. In response to a repeated request by the king dated 29 February 1619 directing that Muslims be forbidden to enter and settle in Ceylon, de Albuquerque wrote back in February 1620 that the best Portuguese policy would rather be to encourage them to settle in the island and to treat them well. Fernao de Albuquerque's views had to be treated with respect as he had had first hand experience of the island having served as captain of Colombo at the

16. *Filмотeca* LM 12 85-86/5-1.

17. DR IV 139.

18. Queyroz 744-745.

19. The authorities in Lisbon strongly suspected as much. APO VI 1080; DR III 258.

20. For further information on de Eredia see A. Cortesao and A. Teixeira de Mota—*Portugallae monumenta cartographia*. Vol. VI. Lisbon, 1960. page 258.

21. *Archivo Nacional de Torre de Tombo*, Lisbon. *Livros dos Moncoes*, 16. f. 239v, AHU Caixa 6, 1.2.1619,

turn of the century. De Albuquerque emphasised the services performed by the Muslims as sailors and merchants and pointed out that they were a peaceful community who had not moved against the Portuguese in times of war.²²

On receipt of this letter in Lisbon Portuguese policy regarding the Muslims in Ceylon was once more debated and finally decided on. These decisions were embodied in a letter dated 10 December 1622 addressed to the viceroy of India.

For purposes of Portuguese policy four categories of Muslims were distinguished—the old residents of Colombo, non-resident merchants, sailors and all other Muslims. In respect of the first two categories, de Azevedo's policy as embodied in the vice-regal decree of 22 April 1613 was to be repromulgated. The old settlers who have proven their loyalty in the wars against Rajasinghe were allowed to remain undisturbed. The merchants were permitted to remain in Kotte until the change of monsoon enabled them to return to their homes abroad. All other Muslims of Kotte were to be expelled on pain of death. However in view of the representations made by governor Fernão de Albuquerque it was decided to make an exception in the case of Muslim sailors for a temporary period. It was left to the discretion of the viceroy whether or not to include the sailors in the general order for expulsion. If however, the sailors were allowed to remain it was understood that this was only to be for a limited period of time for it was merely a measure designed to cushion the economic impact of the expulsion of the key trading community in the island. Even if allowed to stay for this short time the Muslim sailors were to be closely watched. They had to live in one of the four sea-ports designated for them by the captain-general and the Portuguese officials in Ceylon were to maintain a register of Muslims so that their numbers and whereabouts be known.²³

These instructions reached India when Dom Francisco da Gama, conde de Vidiguerra was serving as viceroy for the second time. Reminders were sent from Lisbon in the years 1623 and 1624.²⁴ The captain-general of Ceylon at the time was Constantino de Sa de Noronha (1623-1630). De Sa had successfully fortified the port of Trincomalee and established Portuguese power securely in Kotte and Jaffna. He too was in favour of a harsh policy towards the Muslims. On receipt of vice-regal instructions de Sa decided to expel them from Kotte in 1626.²⁵ It may be assumed that the old residents of Colombo were excluded from this decree. Moreover no restriction seems to have been placed on the activities of Muslim merchants from abroad. On the other hand the option given by the king to retain Muslim sailors if necessary does not seem to have been exercised.

22. ANTTLM 12 ff. 241-242.

23. ANTTLN 16. f. 548.

24. ANTTLM 18. f. 221; ANTTLM 23. f. 45.

25. JCBRAS XI 543; Queyroz 745; S. G. Perera op. cit., 89; *The expedition to Uva made in 1630.* (trans. by S. G. Perera) (Colombo, 1930.) pg. 10.

Neither the effectiveness of the decree nor its impact on the economy of Kotte can be calculated with any degree of certainty due to the lack of evidence. One can only speculate as to what proportion of Muslims accepted conversion as a means of remaining within Kotte. Considerable numbers of Muslims were found in Matara, Weligama, Beruwala, Alutgama and Kalutara when the Dutch arrived in these areas, and there is evidence of continuity of residence of Muslims in certain areas throughout the first half of the seventeenth century.²⁶ It is known however that at least four thousand of them fled to Kandy where they were well received by Senerat and accommodated in the fertile lands around Batticaloa where their descendants still form a significant proportion of the population.²⁷ A manuscript in the British Museum entitled *Rabel-Varnanava* seems to indicate that the Sinhalese may have to some extent replaced the Muslims in inter-village trade in Kotte at least temporarily.²⁸ It is possible that foreign Muslim traders continued to handle the bulk of the country trade even after 1626 for de Sa's decrees imposed no disabilities on them²⁹ but it is evident that during this latter period they had to face the competition of the Chetti community.³⁰

The study of Portuguese policy towards the Muslims reveals an interesting divergence in view between the 'Home authorities' in Lisbon and the Portuguese residents in Ceylon. While the Lisbon authorities at no time viewed Muslims as other than 'enemies of the king and of God' the Portuguese residents of Ceylon were more accommodating. It is known that the Portuguese inhabitants of Galle, Alutgama and Negombo protested to de Sa against the expulsion of the Muslims on the grounds that the Muslims enriched the area.³¹ However, the struggle between religious bigotry and economic good-sense, ended as it often did in Portuguese Ceylon, in a victory for the former.

26. Queyroz 864; S. Arasaratnam—*Dutch power in Ceylon 1658-1688*, (Amsterdam, 1958) 204-205.

27. Queyroz 745; JCBRAS XI 543; ANTTLM 24.f.4v.

28. British Museum, London. Oriental manuscripts 6611(52).

29. In fact in the 1630's captain-general Diogo de Mello de Castro wished to trade with the Muslim Nawab of Bengal in preference to the Hindu Nayak of Madura for economic reasons.

30. The Portuguese documents for the years 1616-1628 refer to two Chetti merchants—Acidappa Chetim and Chetti Nagar but no Muslims are mentioned by name.

31. Queyroz 745.

UNNICHCHAI COLONY:

The Agricultural Geography of a Peasant Colonisation Scheme in the Dry Zone

H. N. C. FONSEKA

The Unnichchai colony is situated in the Batticaloa district of the Eastern Province. It lies below the Unnichchai tank. It was established in 1946 and there were 270 allottees in 1959.¹ The standard size of an allotment is five acres of low-land (land provided with irrigation water) and three acres of high-land (land not provided with irrigation water). A total extent of 2,160 acres comprising 1,350 acres-low land and 810 acres high-land was alienated.

The Physical Background

This area forms a part of the Eastern Coastal Low Lands. The entire extent is a level plain less than 100 feet in elevation (Fig. 1). This area is drained by the Mawalai *aru*, Magalvatavan *aru* and the Chippimadu *aru*. The two latter streams carry the excess water of the Unnichchai tank. All the streams dry up during the dry season.

The meteorological stations in this area do not record temperature. The closest temperature recording station is Batticaloa, at 20 feet above mean sea-level and about 25 miles away. The temperature statistics of Batticaloa are used to illustrate the temperature conditions of this area. The coastal situation of Batticaloa, which acts as a limiting factor in this connection, should be noted. Inland the daily range of temperature would be slightly greater.

Mean Monthly Temperatures at Batticaloa (°F)

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
77·6	78·2	80·2	82·3	84·1	85·0	84·4	83·5	83·0	81·2	79·2	77·8

Source: *Report on the Colombo Observatory, 1957.*

1. *Administration Report of the Land Commissioner for 1959 (1960)*, Government Press, Colombo.

The mean annual temperature for Batticaloa is 81.4° F. The mean monthly temperatures are high and there is little variation from month to month. The season of the north-east monsoon, November–January, however shows slightly lower temperatures.

The rainfall statistics for Unnichchai are used to illustrate the conditions in this area. The station records quite a high mean annual total of 81.68 inches.

Mean Monthly Rainfall at Unnichchai (inches)

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
15.06	4.60	3.80	3.16	3.32	1.63	1.72	3.58	3.78	8.87	13.28	18.98

Source: *Report on the Colombo Observatory*, 1957.

The table shows that the wet season extends from October to January. The 'little monsoon' (which occurs just before the South-West Monsoon) brings a fair amount of rainfall, during the period February to May. The dry season is confined to the two months of June and July. A *fohn* type of wind, the *Kachchan* prevails over this area as a distinct weather phenomenon during June, July and August.² When the *Kachchan* blows, temperatures in the shade reach or exceed 100°F, the atmosphere is very dry, relative humidity values suddenly show marked decreases and drought conditions prevail for days.³

The original natural vegetation of this area was dry mixed evergreen forests.⁴

The Growth and Decay of Early Settlements

The settlement of the Eastern Coastal low lands of Ceylon, of which this area forms a part commenced in the period 500-250 B.C. and was completed between the fourth and ninth centuries A.D. A settled agricultural population thrived in this area, at the time of the invasion of Magha in the early 13th century. Since then the area was subjected to decay and depopulation together with the rest of the Dry Zone. An impression of this area, at the time of the establishment of this settlement scheme could be obtained from the Ceylon one-inch map, Batticaloa, 1923. Figure 2 showing settlements, tanks in use and derelict and communications is based on this map.

2. George Thambyapillay: The *Kachchan*, A *Fohn* wind in Ceylon, *Weather*, Vol. XII, No. 4, April 1958, page 108.

3. George Thambyapillay, op. cit., page 114.

4. C.H. Holmes: The Climate and Vegetation of the Dry Zone of Ceylon, *Bulletin of the Ceylon (Geographical Society, Vol. VI)*, June 1951, pages 145-53.

PRESENT SETTLEMENT

Selection and Source Regions of Allottees

The allottees of this colony belong to the three categories: Immigrant, Local and Labourers.⁵ Their distribution in 1953 is shown below:—

Immigrant	..	..	..	237
Local	..	..	..	67
Labourers	..	..	..	20
				<hr/>
Total	..			<u>324</u>

At the time of this inquiry, September 1960, there were only 261 allottees. The writer was informed that 63 allottees had left the colony.

Social and Economic Background of the Colonists

Some data on the background of 45 allottees interviewed by the writer are shown in Table 1.

Occupation. 14 allottees had practised cultivation as a primary occupation, three allottees had practised it as a secondary occupation. The majority of the 23 agricultural Labourers had been employed for work in paddy fields. The remaining number of allottees had no agricultural background. Of the agriculturists, 13 had cultivated paddy, 19 vegetables, 12 *chenas* and seven tobacco. 31 allottees had not cultivated paddy.

Land Ownership and Tenure. Of the colonists interviewed, four had owned land previously, one had owned land jointly, while the remainder were landless. Thus about 90 per cent of the allottees had been landless. The size of the paddy and garden—land holdings had varied between a quarter and six acres. Three allottees had practised share-cropping or *ande*, while ten allottees had leased paddy holdings varying in extent from three to ten acres. Twelve allottees had encroached on Crown forests for *chena* cultivation.

Agricultural traditions. Out of the 13 allottees who had cultivated paddy, six allottees had cultivated two seasons of the year: *Maha* and *Yala*, while the others had cultivated only during *Maha*. A *Yala* crop had not been possible, for these allottees, on account of shortages of water. Paddy cultivation had been based on north-east monsoon rains and on village-irrigation systems. Tradi-

5. These categories have been differentiated on the methods of selection of allottees, for details of which see B. H. Farmer: *Pioneer Peasant Colonization in Ceylon* 1957, Oxford University Press, pages 204-207.

Table 1
DATA ON 45 COLONISTS INTERVIEWED

CATEGORY	NO.	COMMUNITY	NO.	RELIGION	NO.	CASTE	NO.	ORIGINAL SIZE OF FAMILY			SIZE OF FAMILY IN 1960		
								No. of Members in Family	No. of Families	No. of Members in Family	No. of Members in Family	No. of Families	No. of Families
Local	40	Batticaloa Tamils		Hinduism	27	Goigama	8	1	1	3	6		
Immigrant	4	Kandyan	26	Buddhism	11	Muslims	5	2	4	4	3		
		Sinhalese	7					3	15	5	3		
Labourers	1	Veddahs		Islam	5			4	3	6	10		
		Batticaloa Muslims	3	Roman		No information	32	5	7	7	8		
			5	Catholicism	2			6	5	8	6		
		Jaffna Tamils	2					7	6	9	3		
		Indian Tamils	1					8	3	10	4		
		Low-Country						9	1	11	1		
		Sinhalese	1							12	1		

tional, unselected varieties of seed paddy had been used by everyone while preliminary tillage had been with the simple wooden plough. Transplanting had been practised by six allottees, weeding by eight, organic manure had been used by ten allottees and artificial fertiliser by one.

Production and Income. The yields of paddy were highly variable, ranging from five bushels per bushel sown to about 40 bushels. It was not possible to obtain information with regard to the yields of other crops. Annual income from the sale of paddy had varied from rupees 50 to 2,000 while that from the sale of subsidiary crops had been in the range, rupees 100 – 2,000. Some of the agricultural labourers had been daily paid at rates, Rs. 2.50 – 3.50 and others had been paid the money equivalent in paddy, the amount varying with the current market price of paddy.

Land Use and Agriculture

The type of agriculture practised on the low-land and high-lands differed.

Low-Land Cultivation

The construction of the Unnichchai tank was completed in 1919. It was formed by an embankment thrown across the Magalaratavan *aru*. The tank has a bund 5,500 feet long, with a surface area of 2,260 acres and a capacity of 25,760 acre feet (Fig. 3). It is capable of irrigating 7,419 acres. Irrigation water supplied during *Maha* is sufficient to cultivate the full extent of low land, but during *Yala* the supply of water is restricted. The tank has two sluices, from which two distributary channels lead out the water. The sub-distributary channel system had not been properly laid out, with the result, there was a mal-distribution of water.

Irrigated paddy cultivation was the most important form of land use in the low-land allotments. *Maha* cultivation was possible throughout the colony, but *Yala* cultivation was of restricted extent, depending on the amount of water available for distribution, in the tank. There had been some seasons where there was no cultivation at all. During *Yala* 1960, a compact block of low-land below the tank was cultivated by a limited number of allottees, chosen from applicants by the colony officials. The extent cultivated by each of these allottees was much less than the full extent of his low-land allotment: five acres. There was no cultivation of rotational crops on low-land, not devoted to paddy during *Yala*. The people here said, it is difficult to grow even other crops without sufficient water.

High-land Cultivation

Few allottees here had developed their high-lands to any appreciable extent. During *Maha* 1959, nine allottees had cultivated paddy, 22 had cultivated dry grains and 21 had cultivated vegetables. Many complained their

high-land allotments were stony and rocky and unfit for growing any crop. The cultivation of tree crops was sporadic. Coconut was the most important. The maximum number of trees, the writer came across in a single allotment was 55. Most of the allotments had less than 25 plants each. The trees in the majority of the allotments were not in bearing, either young or just planted. The allottees said several sets of trees planted had died during the drought. Since the level of the Unnichchai tank runs down considerably during the dry season, and the streams too run dry, the ground water conditions here do not favour the growth of the coconut palm. The *Kachchan* withers up and destroys the young plants. These two factors were against the growth of other tree crops, of which there was little cultivation in most allotments.

Techniques of Paddy Cultivation

The extent to which the improved techniques of paddy cultivation were practised by these allottees on their low land allotments is shown below:—

<i>Techniques</i>				<i>Number of allottees</i>
Light iron plough	..	..	..	4
Tractors	..	..	..	11
Pure-line seed paddy	..	..	..	13
Transplanting	..	..	..	12
Organic manure	..	..	..	26
Artificial fertiliser	..	..	..	10
Weeding	..	..	..	28

The simple wooden plough was more popular than the light iron plough in preliminary tillage. Practice of transplanting was confined to *Maha* and to small extents of the allotments. The writer found, some people here were ignorant of the method of transplanting. While high labour costs limited the practice of this method here, an additional problem in this area was the sandy nature of the soils of many allotments: transplanting cannot be practised on sandy soils, on account of their lack of the water-retaining property. Many allottees were confronted with an excessive growth of the weed, *nidikumba* in their low-land allotments. They found eradication of this almost impossible. Though the fields were cleared before sowing, the weed came up again when the paddy plant was growing. Some people here thought it was more profitable to do some other job and earn extra money rather than devote their time to weeding. Many allottees said co-operative credit facilities were not sufficiently available here for the purchase of fertiliser. The allottees lacked ready cash. Most people were in favour of the use of fertiliser. Many people here liked to use tractors but their bad financial situation did not permit this. The use of tractors here was chiefly for ploughing. The allottees preferred to use buffaloes for threshing.

Agricultural Production

Statistics of low-land paddy yields for *Maha* 1959, collected by the writer, show that about 75 percent of the allottees had obtained yields in one or other of the three groups: 5-10, 11-15 and 16-20 bushels per acre. It was possible to obtain information with regard to yields for the last *Yala* crop only from four allottees and their yields were in the range of six to 16 bushels per acre. Many allottees said they had not cultivated a single *Yala* crop.

Paddy yields in this colony were very poor. The allottees attributed this poor state of their yields to the following factors. (1) the rocky, hummocky and even steep nature of many allotments, (2) the effects of the 1957 floods in removing the fertile top soil and the occurrence of severe gullying, (3) sandy nature of the soils of most allotments, (4) insufficiency of water, (5) excessive growth of the weed *nidikumba* and (6) the increasing salinity of some allotments. While the above factors undoubtedly contributed to the unproductivity of the lands, the limited practice of the improved methods of cultivation was no less an important factor tending to depress the yields.

Income

The sale of paddy constituted the principal source of the allottees' income. Estimates of the gross income from paddy for *Maha* 1959, arranged according to groups are shown in Table 2.

Table 2
Gross Income from Paddy, *Maha* 1959

Income groups, rupees				Number of allottees
less than 250	..	..	..	18
250-500	..	..	..	4
501-750	..	..	..	6
751-1,000	..	..	..	1
1,001-1,500	..	..	..	3
No income	..	..	..	10
No information	..	..	..	3
Total	..	..	..	45

The four allottees, who gave information on their *Yala* paddy yields, said they had obtained only very small incomes from paddy sales. It was not possible to obtain estimates of their incomes. Table 2 shows that many allottees had obtained very poor incomes. These clearly reflect the paddy yields. Most

allottees said, after meeting the expenditure in connection with paddy cultivation, there was very little of the income left and this was insufficient to settle their debts. Four allottees had obtained incomes from the sale of subsidiary crops and they were in the range of Rs. 100-300 per annum. Most of the people here worked as agricultural labourers in the lands of the *podiyars*: the rich middle-class farmers, or as casual labourers in connection with cutting firewood, sawing timber or in quarries. This work was not of a regular nature. The rate of pay was about Rs. 3 a day. Information on these incomes could not be obtained.

Transport and Communications

A minor road which runs through the colony links this area with the main Badulla-Eravur road (Fig. 5). Regular bus services operate from Eravur to Unnichchai. Three other minor roads connect this area with Tumpalancholai, Kalkudah and Batticaloa. There was no public-transport service operating on these roads in 1960. Besides these minor roads, this colony is poorly served with communication facilities. A few cart tracks lead out from the minor roads for short distances. Besides these, foot paths constitute the only means of access to the different parts of the colony. During the rainy season Magal-ratavan *aru* and Chippimadu *aru* have to be waded to reach some allotments.

Marketing, Credit and Indebtedness

These allottees sold their paddy to the co-operatives at the Government guaranteed price of Rs. 12 a bushel and at lower rates than this, to the *podiyars*, traders in Eravur-Chengaladi bazaar, itinerant traders and those within the area. The *podiyars* and the traders sold this paddy to the co-operatives at the guaranteed price by irregular means. The allottees' small surplus of vegetables and dry grains was sold either to the local traders or in the Eravur-Chengaladi bazaar.

The chief sources of credit of these allottees were: 1. *Podiyars*, 2. *Chettiyars*: money lenders, and 3. Traders in Eravur and Chengaladi. The co-operatives were not sufficiently well organised to meet all the credit needs of the allottees, some co-operatives were defunct at the time of this inquiry. 44 allottees were in debt. 26 allottees were indebted to *podiyars*, *chettiyars*, and traders. The majority of these debts fell into the two groups rupees 500-1,000 and less than 500. These debts had been incurred in connection with expenditure for cultivation and subsistence. An interest of 50 per cent was charged. The allottees who borrowed from the chettiyars, had to pawn the jewellery of their women folk. 14 people were indebted to the co-operatives in connection with the purchase of seed paddy and fencing material. These debts were in the range of Rs. 100-200. It had not been possible for the allottees here to obtain cultivation loans from the co-operatives.

Problems and Outlook of the Allottees

The majority of the allottees had large families. The size of most families had increased in the colony over that at the time of their selection as allottees (Table 1). The writer's personal observations and conversations with the allottees revealed that most of these people were extremely poverty stricken. Their very low incomes and large families testify to this.

During the communal riots in the island in 1958, violence flared up between the Sinhalese and Tamil allottees in the colony. Many of the Sinhalese people, who were in a minority in this area left the colony.

Many allottees complained that their low-land allotments were uneven and had not been levelled before alienation, with the result that parts were left out of cultivation due to difficulties of obtaining irrigation water. They said they were without the means to hire an earth mover for this work. The 1957 floods resulting in the breach of the tank bund, had washed out the fertile top soil of many allotments and sands had been deposited. These allottees underwent considerable hardship on account of the deficiencies of irrigation water, particularly in *Yala*. The lack of a proper channel system resulted in a maldistribution of irrigation water.

The extents of jungle in close proximity to the colony, compensated for lack of forest reservations for use of allottees, in the area. The absence of pasture reservations was not of much consequence since many allottees had no animals.

Conclusion

The most serious problem that the allottees of this colony face is the shortage of irrigation water resulting in allottees being able to secure only one crop of paddy a year.

The people in Unnichchai should grow only one paddy crop a year. The possibility of cultivating other crops with less exacting water requirements during the rest of the year should be investigated.

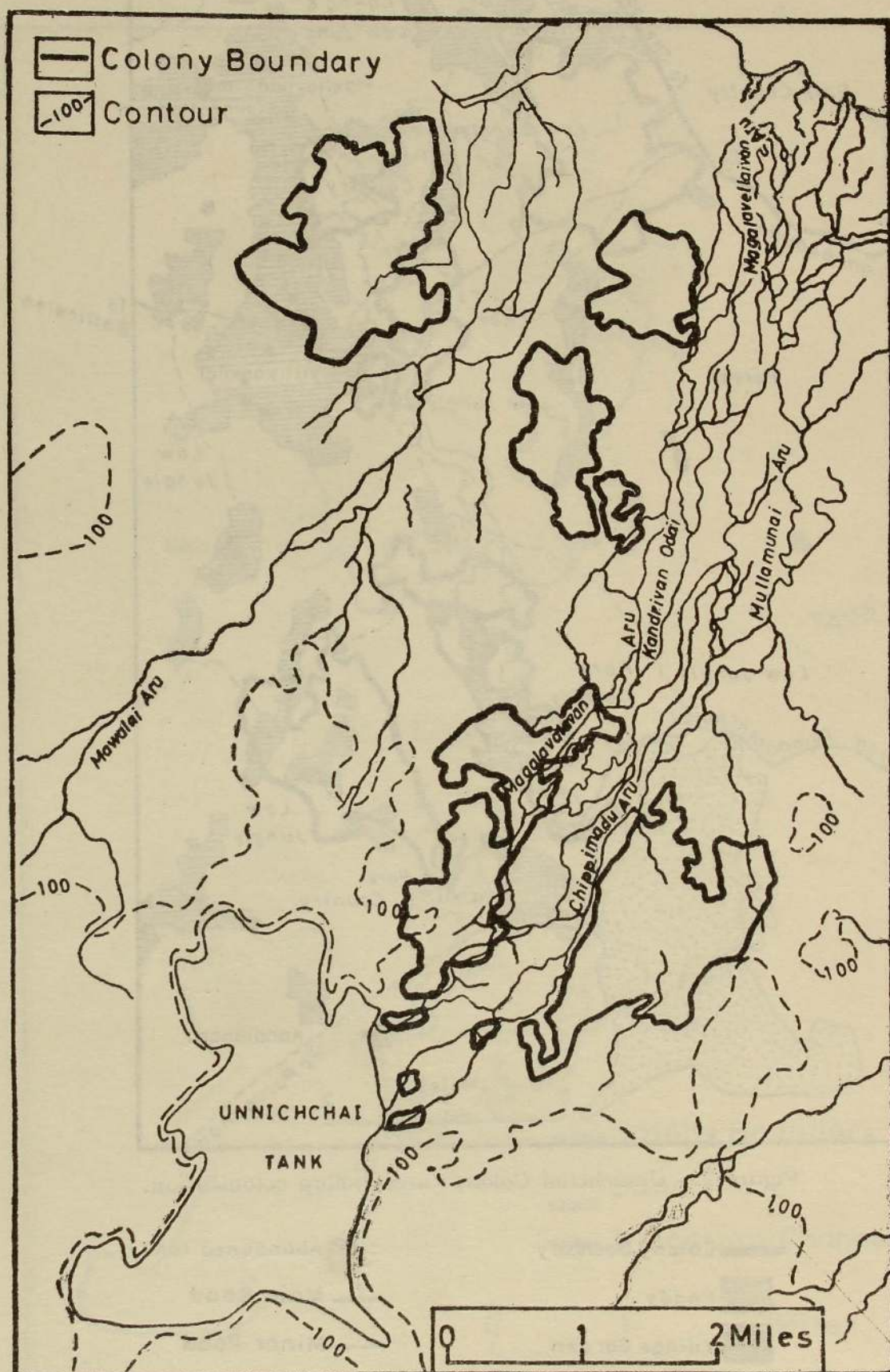


Figure 1. Unnichchai Colony: relief and drainage.

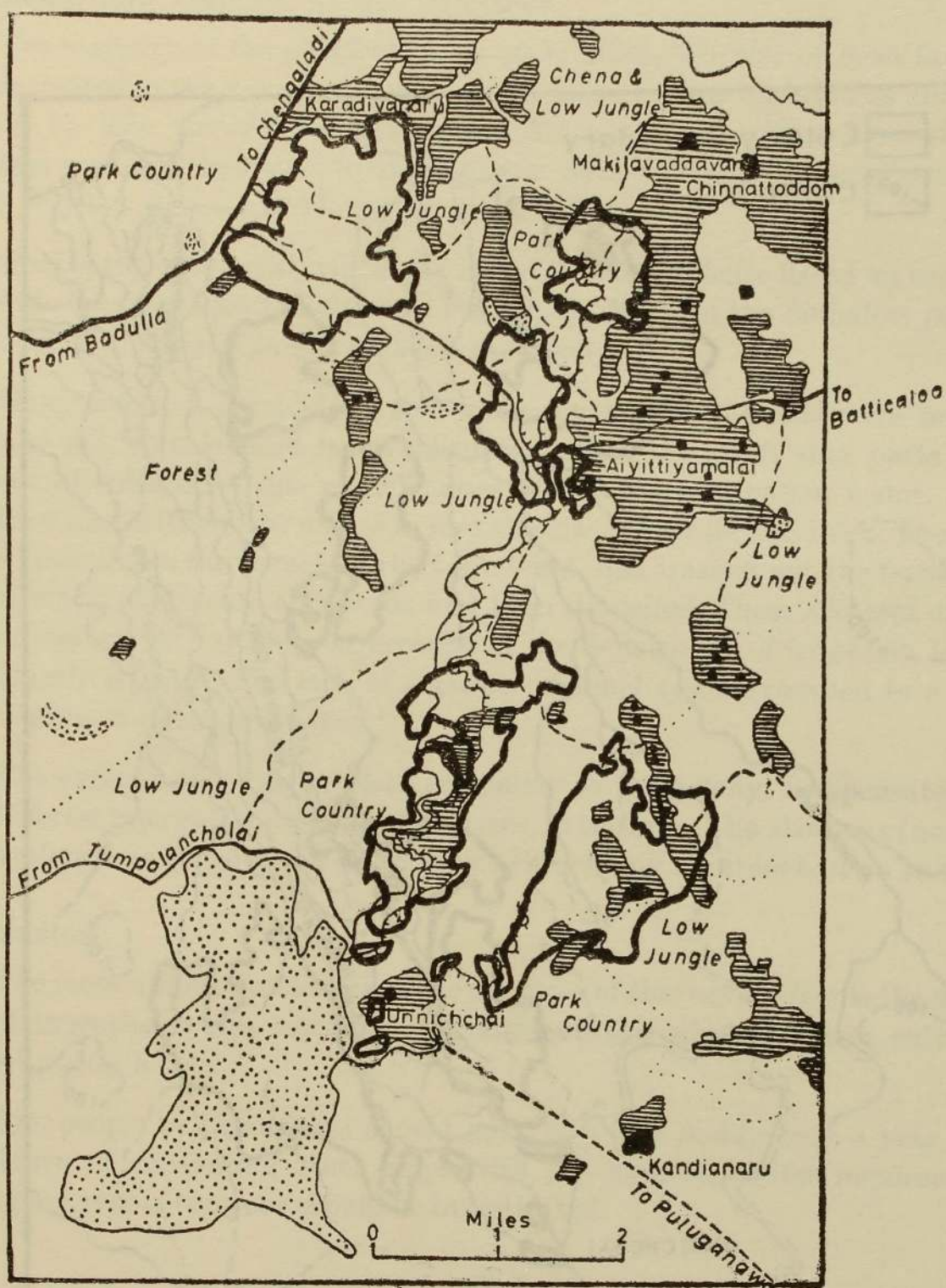
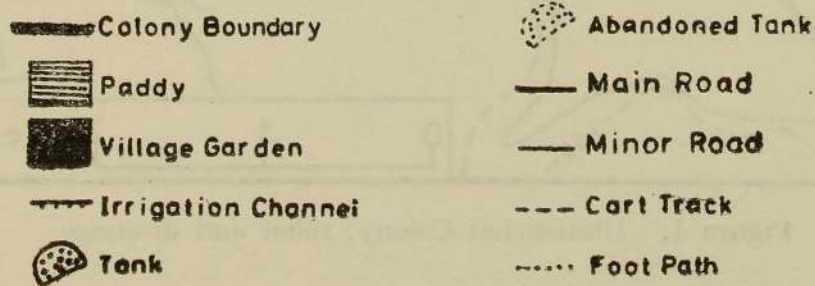


Figure 2. Unnichchai Colony: area before colonisation.



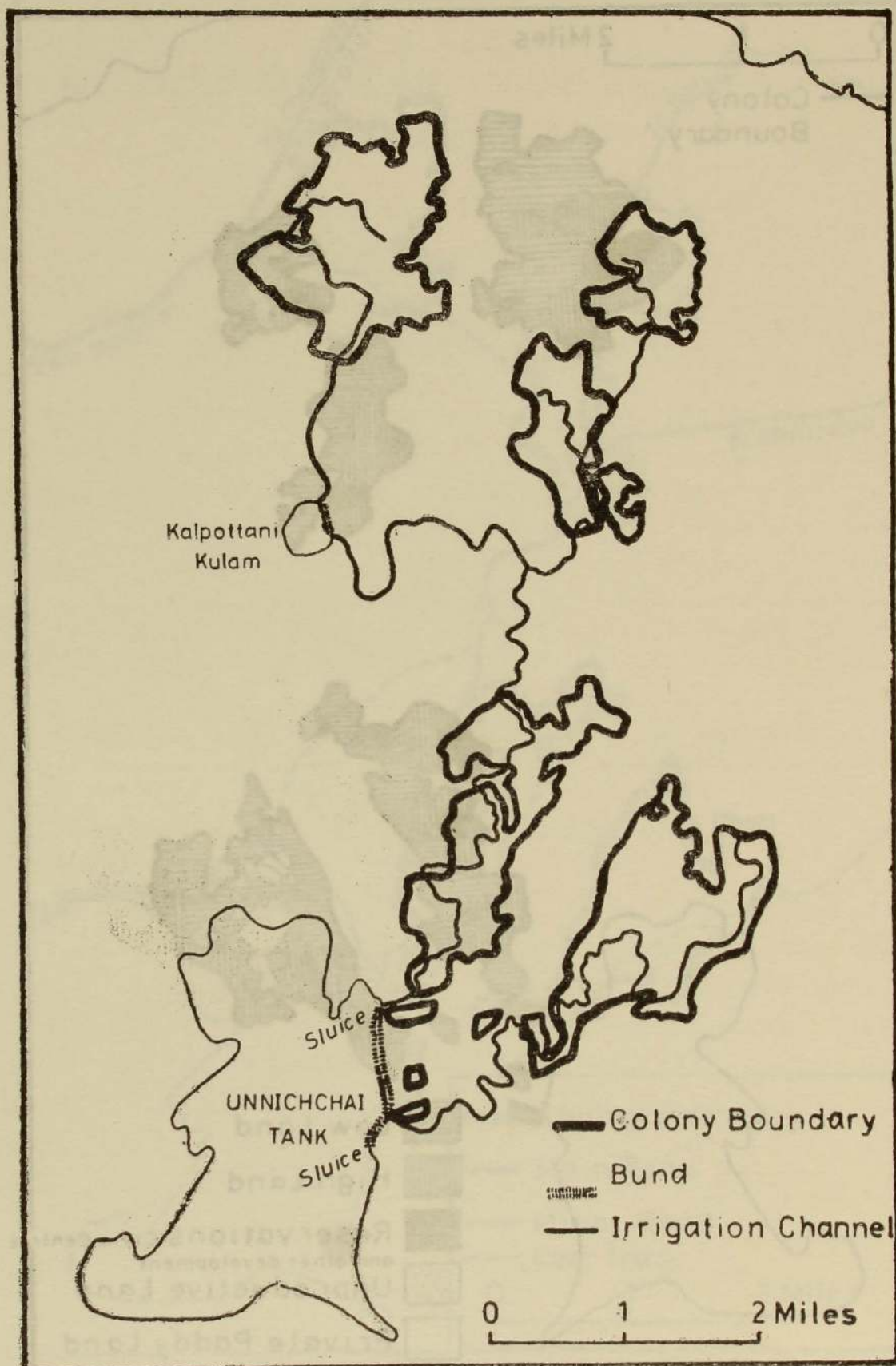


Figure 3. Unnichchai Colony: irrigation.

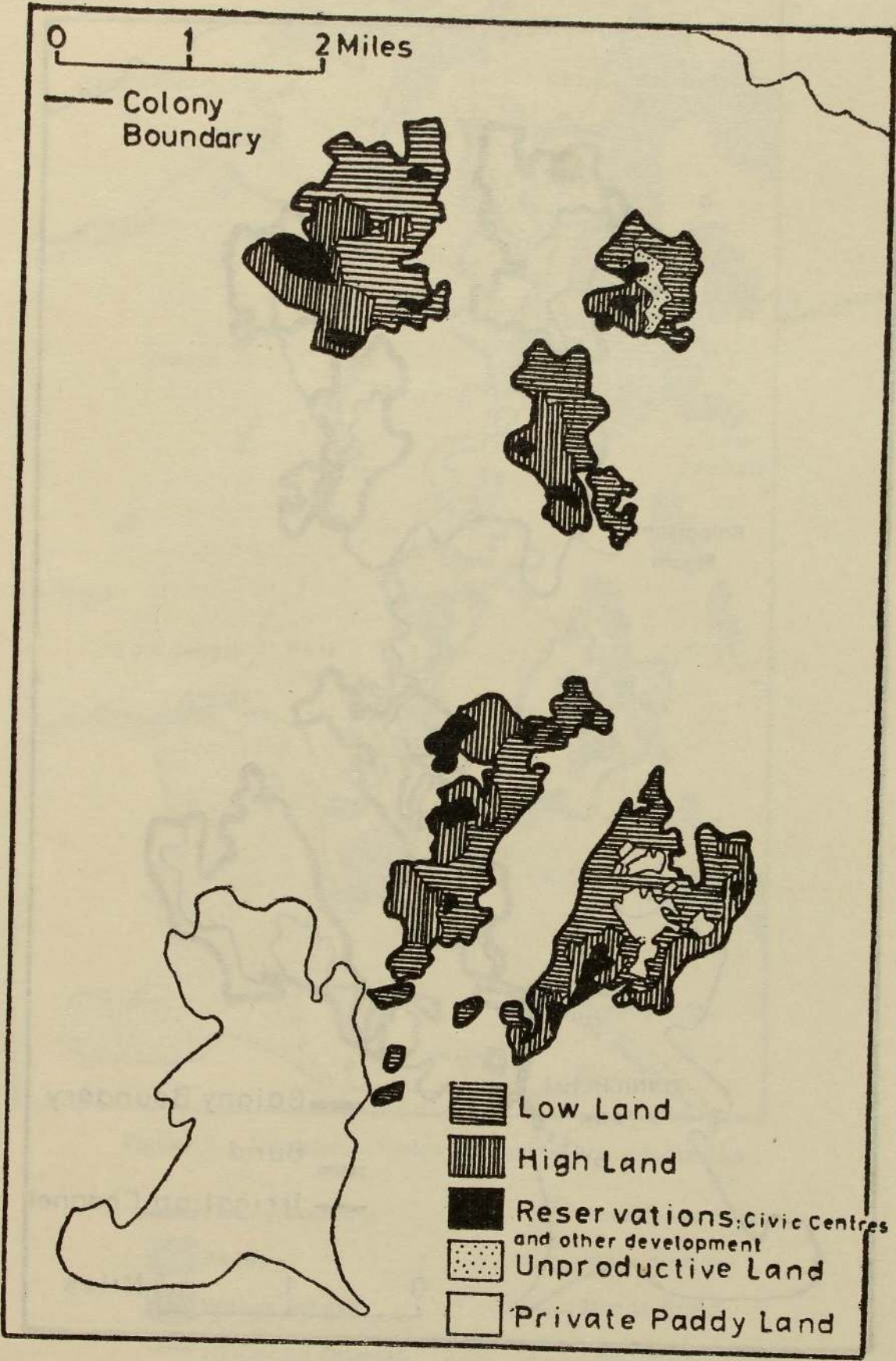


Figure 4. Unnichchai Colony: land classification.

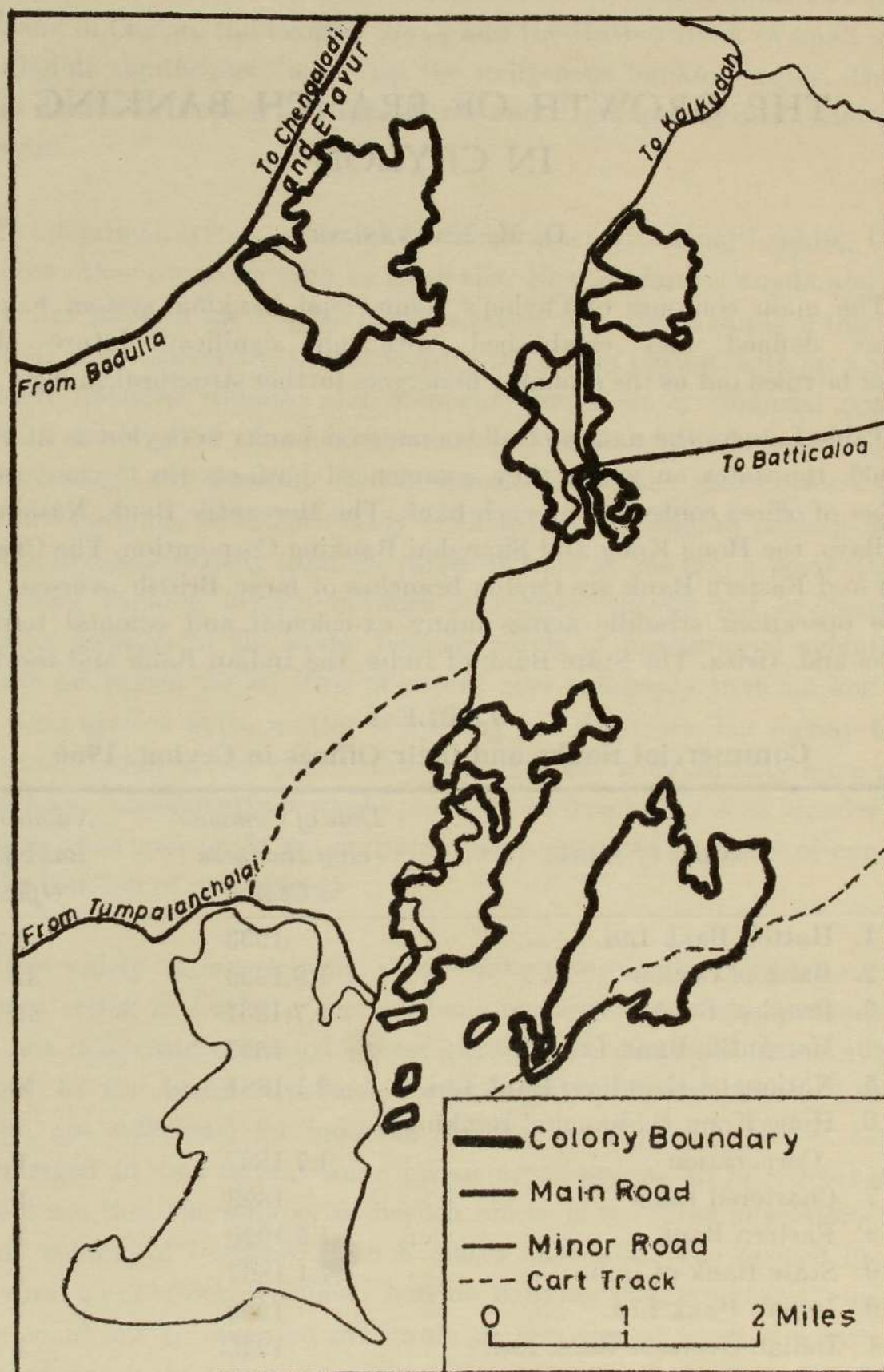


Figure 5. Unnichahai Colony: communications.

THE GROWTH OF BRANCH BANKING IN CEYLON

D. M. KANNANGARA

The main contours of Ceylon's commercial banking system have now become defined and established, although significant future changes cannot be ruled out as the economy undergoes further structural change.

Table I shows the names of all commercial banks in Ceylon as at the end of 1966, the dates on which they commenced business (in Ceylon) and the number of offices controlled by each bank. The Mercantile Bank, National and Grindlays, the Hong Kong and Shanghai Banking Corporation, The Chartered Bank and Eastern Bank are Ceylon branches of large British overseas banks whose operations straddle across many ex-colonial and colonial territories in Asia and Africa. The State Bank of India, the Indian Bank and the Indian

TABLE I
Commercial Banks and their Offices in Ceylon, 1966

<i>Name of Bank</i>	<i>Date of Commencing Business in Ceylon</i>	<i>Number of Banking Offices</i>
1. Hatton Bank Ltd.	1933	1
2. Bank of Ceylon	1.8.1939	33
3. Peoples' Bank	1.7.1961	55
4. Mercantile Bank Ltd.	1853	5
5. National & Grindlays Bank Ltd.	2.1.1881	4
6. Hong Kong & Shanghai Banking Corporation	1.7.1892	1
7. Chartered Bank	1892	1
8. Eastern Bank	1.5.1920	1
9. State Bank of India	27.1.1867	1
10. Indian Bank Ltd.	1930	1
11. Indian Overseas Bank Ltd. ..	1946	1
12. Habib Bank (Overseas) Ltd. ..	15.8.1951	1
Total:		105

Source: Commercial Banks.

Overseas Bank are (relatively small) local branches of large Indian banks while the Habib Bank is a branch office of one of the leading banks in Pakistan. The Bank of Ceylon, the Peoples' Bank and the Hatton Bank (a small concern of negligible significance) make up the indigenous banking sector. Thus the foreign banks in Ceylon fall into three racial groups—British, Indian and Pakistani.

In adopting a system of branch banking rather than unity banking, Ceylon, like most other countries such as Australia, New Zealand, Canada and South Africa, has followed the English practice rather than the example of the United States. It is not surprising that a country the size of Ceylon, without a variety of widely different climatic and economic conditions or financial practices, and with fairly good communication, should have adopted branch banking in preference to unit banking. It is noteworthy, however, that Ceylon's system of branch banking, although closely modelled on the English pattern in some respects, diverges sharply from the latter at least at one major point. Ceylon's commercial banking branch network is largely, though not exclusively, a conscious creation of the state; not the result of institutional evolution in response to market forces. This of course does not imply that market forces have been ignored in the matter of opening new branches; but merely that in the establishment of new offices state initiative and responsibility have played a large role. Consequently it would probably be true to say that broader considerations than mere profit maximization have governed the pace of expansion and the location of new offices.

It is widely known that the state banking sector has in fact come to be the pace setter in Ceylon's current banking scene. In many instances, the state has deliberately created excess capacity in particular areas ahead of demand in the belief that such excess capacity is temporarily necessary (though not sufficient) for inducing regional development. Excess capacity has emerged in two forms. Some urban areas appear to be "overbanked" in the sense that the number of branch offices is too large in relation to the present volume of business. Branch offices have also been opened in particular rural areas which previously had no banking facilities even though such offices could not be operated profitably at the current level of transactions. The need to create excess capacity arises from the fact of "indivisibility". A bank office has to be of a certain minimum size if it is to operate efficiently. On the other hand, there are also instances in Ceylon of excess utilization (under-capacity) of branch offices where the "excess" is not yet considered large enough to justify the opening of another branch office.

The reasons for state intervention are largely historical. From the beginning of commercial banking in Ceylon¹ up to the establishment of the state-sponsored Bank of Ceylon in 1939, a small number of foreign commercial banks through their local branch offices held a virtual monopoly of commercial banking in Ceylon.² Their Ceylon offices were concentrated in Colombo and their clientele were largely restricted in practice to foreign commercial interests which dominated the economic life of Colombo and the foreign owned plantations outside that city.³ The managers of the local branches of foreign banks, as well as other high officials, were foreign personnel from their head offices who had no abiding interest in Ceylon.⁴ They had little contact with the indigenous population; and no knowledge of socio-economic conditions outside Colombo.⁵ The banks had little faith in Ceylonese business ability or integrity.⁶ Their operational costs were high.⁷ They insisted upon types of collateral security from their borrowers which were hard to come by as far as the mass of the population were concerned.⁸ They were generally reluctant to

1. The first commercial bank in Ceylon was the Bank of Ceylon established in Colombo in 1841 under a Royal Charter, with a capital of £125,000 subscribed mostly from outside Ceylon. It opened a branch in Kandy in 1843, lost heavily in the crash of the coffee industry in 1847, and was absorbed by the Western Bank of India which had opened two branch offices in Ceylon in 1843. For details, see *Fergusons' Ceylon Directory; Report of the Ceylon Banking Commission*, Ceylon Government Sessional Paper XXII—1934, pp. 23-24.

Modern banking commenced much earlier in India with the establishment of the Bank of Calcutta in 1806. Indeed the first western-type bank to be opened in India was the Hindusthan Bank in 1770 by the Calcutta Agency House of Alexander & Co. H. Sinha, *Early European Banking in India*. The opening of the Suez Canal in 1869, and the establishment of a direct telegraphic link between London and Bombay in 1870, by providing a further spur to trade, stimulated expatriate banking both in India and Ceylon.

2. During the period 1841-1938, there was one (abortive) experiment in indigenous banking in Ceylon. This was the Bank of Colombo which had a brief existence from 1917-1921. For an analysis of the causes of its failure which provides valuable insights into the many difficulties which beset indigenous banking in underdeveloped colonial systems in their early stages, see *Ceylon Banking Commission, ibid.*, p. 25, paras. 83-85. There were two other banks whose business was of a very limited and specialized character which may be describe as indigenous in the sense that they were registered under the *Banking Ordinance* of Ceylon, but were controlled by expatriate interests. These were the Bank of Uva Ltd. (established in 1884 and no longer in existence) and the Hatton Bank Ltd. (opened in 1933 and is still in business). For details see *Ferguson's Ceylon Directory; Ceylon Banking Commission, ibid.*, pp. 34-35, paras. 135-40 and 285.
3. *Ceylon Banking Commission, ibid.*, pp. 26, 71, paras. 94, 295.
4. *Ibid.*, pp. 29, 70, paras. 110, 289.
5. *Ibid.*, pp. 29, 31 paras. 110, 119.
6. "... little has been said about the financial handicaps of the Ceylonese merchants, traders and cultivators, but a good deal about the inability of people to carry on any kind of business, their inefficiency in cultivation, their incapacity to take part in trade, industries..." etc. *Ibid.*, pp. 20-21, paras. 56, 58.
7. *Ibid.*, p. 72, para. 298.
8. *Six Year Programme of Investment, 1954/55 to 1959/60*, Planning Secretariat 1955, p. 265.

grant small loans.⁹ Rural per capita incomes were low and subject to unpredictable fluctuations. It was difficult and costly for commercial banks to attract small rural savings scattered over wide areas. In these circumstances there was little incentive for the foreign banks to extend their activities geographically. The foreign banks in Ceylon not merely failed to establish any significant branch network for their ordinary commercial banking purposes, but in contrast to certain other colonial territories where similar socio-economic conditions prevailed, they also did not establish any subsidiaries for the purpose of granting long-term loans.¹⁰

The lack of growth impulses within the foreign commercial banking sector in Ceylon in recent decades is well illustrated by the fact that the number of their banking offices which totalled 16 in 1934 remained virtually unchanged right up to 1961 when the Finance Act of that year prohibited the opening of new accounts by Ceylon citizens and companies in foreign banks with effect from 27th July 1961. Certainly with this piece of legislation in operation, no further extension of branch offices can be expected from the foreign banks, but it is virtually certain that there would have been no significant expansion in any case. On the other hand while such legislation might well react adversely on Ceylon's ability to obtain foreign aid, the deliberate concentration of the growth of deposits in the more vigorous and dynamic indigenous banking sector probably imparted a significant impulse towards a quickened rate of expansion in the commercial bank branch network.

But if the expatriate Banking system showed no interest in geographical expansion, why did Ceylonese private enterprise fail to establish banking offices where they were needed, especially when there was no legal bar to the establishment of indigenous (unit or branch) banks? It could, of course, be argued that there was really no 'effective demand' for sophisticated banking services by the backward peasant sector; and that given the sort of dualism that characterized Ceylon's economic and social development under British

9. *Memorandum on the Proposed State-Aided Bank by the Board of Ministers*, Ceylon Government Sessional Paper I, 1937, p. 42, para. 2.

10. For instance, in 1946, Barclays Bank established the Barclays Overseas Development Corporation Ltd., which described itself as "a subsidiary company formed primarily for the purpose of assisting in the economic development of certain colonies and territories overseas in which the Bank is established", with an authorized capital of £5 million. Similarly the Standard Bank of South Africa established the Standard Bank Finance and Development Corporation with an authorized capital of £500,000 for the financing and development schemes in East Africa.

It must, however, be mentioned that foreign banks in Ceylon did make a contribution to the capital of the Development Finance Corporation of Ceylon in 1956. Before the Depression of 1929, they also engaged in a limited amount of long-term lending on the mortgage of real estate. During that period they made a further contribution to the supply of long-term loan funds indirectly by lending to Chettiers, *Ceylon Banking Commission, op. cit.*, p. 28, paras. 105-106.

rule 'financial dualism'¹¹ was inevitable. Nevertheless, the evidence recorded before the Ceylon Banking Commission and other official literature of the period as well as the subsequent history of the Bank of Ceylon suggest strongly, though not conclusively, that there was a latent and growing demand for financial accommodation from the emergent Ceylonese middle class which could well have been met by a banking system which was somewhat more flexible than the existing banks.

The explanation is probably to be found, not so much in a deficiency of demand, as in a constellation of disabilities operating mainly on the supply side. These were: the small prior accumulation of capital in Ceylonese hands;¹² the reluctance of available capital to enter new and unfamiliar terrains of business; the availability of less uncertain investment opportunities in spheres such as trade and in the development of tea, rubber, and coconut properties with their assured markets abroad; the dearth of financial experience and technical (banking) knowledge;¹³ the attractions of professions such as Medicine, Law and the Civil Service for the best talents in the country under prevailing socio-economic conditions;¹⁴ fears of being driven out of business by the more powerful foreign banks;¹⁵ expectations of unsympathetic official treatment; the absence of local lender of last resort facilities etc. In this respect, banking provided a sharp contrast to the field of insurance in which there emerged a large number of indigenous "mushroom" insurance companies side by side with their powerful foreign competitors in the 'forties and 'fifties.¹⁶

We have so far been arguing that the historical reasons for state intervention in commercial banking in Ceylon were the failure of (i) the exchange banks to build up any significant branch network within Ceylon, and (ii) the

11. For a discussion of this concept, see H. Myint, *Economics of Developing Countries*, Hutchinson & Co. Ltd., 1965, Ch. 5.

12. "Under the present position of Ceylon, unless the State comes forward to supply deficiency in the public subscription for capital, the ideal of national banking must ever remain an unrealisable dream". *The Ceylon Banking Commission*, op. cit. p. 244, para. 996.

13. *Ibid.*, p. 61, para. 22.

14. *Ibid.*, pp. 20-21, para. 56.

15. *Ibid.*, pp. 67, 244, paras. 279, 995.

16. Of course, not all Ceylonese insurance companies were "mushroom" companies. In 1934, the *Ceylon Banking Commission*, criticized the prevailing law which had no provision for the incorporation of indigenous joint stock insurance companies, but which permitted foreign companies to "do business without let or hindrance". This defect was subsequently rectified by the British Administration, but the Commission's warning that legal safeguards should be introduced in order to prevent "the people from being swindled by unscrupulous mushroom companies" was largely ignored.

Ibid., pp. 113-115, paras. 471-477. The development of a large number of dubious indigenous companies was presumably one of the factors which led to the establishment of the Insurance Corporation of Ceylon in 1961 by the state which was given a monopoly of all insurance business in the country from 1964 onwards. See *Insurance Corporation Act, No. 2. of 1961* as amended by Part III of the *Finance Act, No. 11 of 1963*.

Ceylonese private enterprise to develop indigenous banking because of a combination of difficulties operating mainly on the "supply side". It must be realised that the degree of penetration of the Ceylon economy achieved by expatriate banking was also limited in another sense. Traditionally the "exchange banks" in Ceylon, and in other Asian and African countries, have restricted their lending activities almost exclusively to the short-term financing of foreign trade. They have also consistently maintained exceptionally high liquidity ratios.¹⁷ Yet such limited "enclave" banking practices were not incompatible with high profits. The expatriate banks made considerable profits in each country in which they operated not by financing a wide range of activities through a country-wide branch complex, but rather by the rapid rate of turnover of a relatively small proportion of their total funds through a few branch offices strategically located at the main centres of commerce at relatively high rates of return¹⁸ in the foreign exchange business. On the other hand, if their activities were restricted in each country, both qualitatively and geographically, to a narrow range of safe and profitable lines, they nevertheless operated in a large number of countries or territories.

The implications for Ceylon of the pattern of development of the branch network of foreign banks (operating in Ceylon) both in and outside the country, have not yet been fully explored. Only the main consequences can be tentatively outlined here in the hope of provoking further research. Apart from the fact that in many technical aspects of branch banking, the British system came to serve as a model for subsequent indigenous branch banking, interest centres on the combination of limited "enclave" development of foreign banking *within* the country and the extensive network of bank and non-bank financial ramifications *outside* Ceylon. The "exchange banks" with their overseas offices spanned a vast number of countries or territories, with only a limited penetration of each territory. Thus Ceylon came to be part of an extraordinarily wide and ramified international complex of branch offices of the British "exchange banks" with its nucleus in London, which straddled across much of Asia and Africa, with all that such a system implies for its component parts. The system undoubtedly facilitated the outflow of British capital to the colonies, the inward flow of colonial profits and dividends, and probably contributed powerfully to colonial economic development, including the dramatic

17. This is no longer the case with the "exchange banks" in Ceylon. But note that even today "banks in Jordan maintain a high liquidity ratio, almost twice as high as the conventional 30 per cent in the United Kingdom" Abdul Malik, "Commercial Banking in Jordan", *Bankers' Magazine* November, 1966, pp. 331-336.

18. It must be recalled that the "exchange banks" enjoyed a *de facto* monopoly of commercial banking in Ceylon and in a number of other countries in which they operated.

growth of Ceylon's plantation economy. Apart from the specific radiation of British capital, the inter-territorial mobility of funds in the area (as opposed to mobility within each territory) was almost certainly enhanced. Further from the viewpoint of each individual "exchange bank", the system contributed to the optimal spacial distribution of funds between branch offices, even though this may have conflicted with local national interests.

On the other hand, the extremely limited extent to which foreign branch banking developed within Ceylon (and other similar areas) meant that the benefits which flowed from this international institutional complex were strongly localized; and limited to the plantations sector as far as Ceylon was concerned. Dwarfed internal banking development also implied that the contribution made by foreign banking to the internal geographical (and occupational) mobility of funds as well as towards regional economic intergration within Ceylon was probably negligible. Banking in fact reinforced other forces making for "dualism". The system also implied that the assets distribution of the Ceylon branches of the expatriate banks tended to be dependent on the assets distribution of the parent company overseas in so far as it is not the normal practice to operate each branch (or branch offices in each territory) as a separate unit bank. That the Ceylon operations of each of the foreign banks constitute even today only a fractional part of its total operations is amply demonstrated in Tables II and III.

TABLE II
British Banks—Selected Balance Sheet Items—Ceylon and Overseas (£ mn.) 1965

	<i>Ceylon and Overseas</i>					<i>Total</i>	
	<i>National and Grindlay's</i>	<i>Hong Kong and Shanghai</i>	<i>Mercantile</i>	<i>Chartered</i>	<i>Eastern</i>	<i>Ceylon and Overseas</i>	<i>Ceylon</i>
1. Cash, bank etc. ..	73	51	13	85	23	245	4
2. Bills of exchange	29	n.a.	21	55	7	112	n.a.
3. Investment ..	12†	69*	12*	89	40*	222*	4
4. Loans and advances ..	191	215	39	189	44	678†	18
5. Capital & reserves	13	24	5	18	3	63	—
6. Total deposits ..	364	289	81	402	111	1,247	31
7. Contra Accounts	71	49	23	83	13	239	n.a.
8. Total assets less contra accounts	377	421	87	434	114	1,433	n.a.
1 as % of 6 ..	20	18	16	21	21	20	11
4 as % of 6 ..	52	74†	48	47	40	54†	58

Source:—miscellaneous

£1 = Rs. 13.33

n.a. = not available

*Includes bills discounted held by Hong Kong and Shanghai Banking Corporation

†Includes shares in subsidiaries

Table II compares selected consolidated balance-sheet items of the British banks, both individually and in the aggregate, with corresponding (aggregate) data for their branches in Ceylon. It has not been disputed that the branch offices of the British banks in Ceylon form only a small proportion of their total number of overseas branch offices.¹⁹ It is further evident from Table II that their operations in Ceylon, in terms of financial magnitudes, were only a fractional part of their total operations. For instance, the aggregate value of deposits held by all Ceylon branches of the British banks at the official rate of exchange²⁰ amounted only to £31 million or 2·6 per cent of their consolidated figures (£1,247 million) in 1965. Some idea of the immensity of the operations of the British banks outside Ceylon may also be gleaned from the fact that the value of Ceylon's total stock of money,²¹ at the official exchange rate, was only £129 million (Rs. 1,713 million) or only a little over a tenth of the aggregate value of the total (consolidated) deposits liabilities of the five British banks in 1965. It is not surprising in the circumstances that the assets distribution of the Ceylon branches of the British banks will tend to be dependent on banking events external to Ceylon in so far as the Ceylon offices are not artificially insulated by the intervention of a central bank or some other agency of the state.

The non-British (Indian and Pakistani) banks together account for some 5 per cent of all commercial bank deposits in Ceylon and about 2·3 per cent of advances. Each bank has only one office in Ceylon, located in Colombo. Their activities continue to be, though less so than in the past, limited in magnitude and narrowly specialised in character, confined as in the past mostly to the financing of the import and export trade conducted by Indian and Pakistani businessmen. Table III provides data in respect of the Indian and Pakistani banks parallel to those in Table II for the British Banks. It is well

19. For instance, at the end of 1965 the National and Grindlays Bank which is the largest foreign bank in Ceylon (it controls about 40 per cent of the assets and deposits of all foreign banks in the country) had 4 offices and one agency in Ceylon in 1965. But outside Ceylon it had offices in London (4), India and Pakistan (48), Aden (10), Somalia (2), Kenya (40), Uganda (25), Tanzania (11), and Rhodesia (18). The Eastern Bank which has only one office in Ceylon had, apart from its head office in London branch offices in Bahrain (2), Quatar (1), Trucial States (3), Pakistan (1), India (3), Aden (3), Hadramaut (1), Lebanon (1), Malaya (1), and Singapore (1). The Hong Kong and Shanghai Banking Corporation which has one office in Ceylon, and its head office in Hong Kong, has branch offices in U.K. (1), U.S.A. (2), Europe (2), Brunei (3), China (1), Vietnam (1), Philippines (2), and Japan (4), Hong Kong (9), India (2), Malasia (19), Singapore (4), Thailand (2). The Mercantile Bank which has its head office in Hong Kong and its registered office in London has branch offices in Ceylon (1), India (11), Pakistan (3), Mauritius (2), Malasia (14), Singapore (3), Thailand (2) and Japan (3). The Chartered Bank has its head office in London and branch offices in Pakistan (6), Singapore (18), Ceylon (1), U.K. (3), U.S.A. (2), West Germany (1), Cyprus (6), Aden (2), India (11), Malasia (35), Brunei (2), Cambodia (1), Vietnam (3), Thailand (3), Philippines (3), Hong Kong Colony (17), China (1), Japan (4). Source: *Bankers Almanac and Year Book*, 1966/67, London.

20. £1 = Rs. 13.33.

21. Defined as demand deposits plus currency notes and coins held by the non-bank private sector.

known that the Ceylon offices of these banks as in the case of the British group form only a negligible proportion of the total number of their branch offices. But unlike in the case of the British group, in the case of the non-British foreign banks the Ceylon branches are a large proportion of the total number of their overseas offices.²² Further, Table III shows that in terms of financial magnitudes, the Ceylon operations of the Indian and Pakistani banks form only a small proportion of their aggregate operations.

It has already been shown elsewhere²³ that the Indian and the Pakistani banks in Ceylon were basically modelled on traditional British banking canons and practices. From the viewpoint of consequences for Ceylon, however, significant differences can be discerned between the branch complex of the British banks and the non-British expatriate group. In both cases, the distribution of the assets of each bank in Ceylon tends to be greatly dependent on banking events abroad in so far as each bank must look at its overall position as well as its specific condition in Ceylon. But the dominant factor in the aggregate position of the British banks is their overseas branch position rather than the position of their home base. In the case of the other expatriate banks, the overall position is dominated by events in India or Pakistan. The difference arises essentially from differences in the geographical distribution of branch offices and bank assets.

TABLE III
Indian and Pakistani Banks—Selected Balance Sheet items
Ceylon and Overseas (Rs. mn.) 1965

	Ceylon and Overseas				Total	
	Indian Bank	Indian Overseas Bank	State Bank of India*	Habib Bank (Overseas) Ltd.	Ceylon and Overseas	Ceylon
1. Cash, Bank ..	84	84	793	34	995	18
2. Investments ..	171	138	2,644	51	3,044	28
3. Loans and Dis- counts ..	372	348	4,812	77	5,609	12†
4. Capital and Reser- ves ..	19	20	162	7	208	—
5. Total Deposits ..	633	569	8,311	157	9,670	92
6. Contra Accounts	104	164	331	68	667	n.a.
7. Total Assets less Contra Accounts	652	591	8,474	164	9,881	n.a.
1 as % of 5 ..	13	15	10	22	10	20
3 as % of 5 ..	59	61	58	49	58	13†

* Excludes subsidiaries

† Loans and overdrafts only

n.a. Not available.

Source:—Miscellaneous

22. At the end of 1955, the Indian Bank had offices in India (156), Malasia (3), Singapore (1) and Ceylon (1); the Indian Overseas Bank in India (118), Malasia (5), Singapore (1), Thailand (1), Hong Kong (1) and Ceylon (1); the State Bank of India has nearly 2,000 branch offices in India and overseas offices in London (1) and Colombo (1). The Habib Bank has some 500 branch offices in Pakistan and overseas offices in Aden (1), Lebanon (1), Kenya (1), Mauritius (1), Trucial States (1), U.K. (3) and Colombo (1). Derived from the *Bankers' Almanac and Year Book*, 1966/67, London.
23. D. M. Kannangara, "Formative Influences in Ceylon's Banking Development", *The Ceylon Journal of Historical and Social Studies*, Vol. 3, (Jan.-June 1960), pp. 82-96.

Second, with the exception of one indigenous bank (which has an interest in a hotel business) and one British bank (which has an interest in a finance company in Colombo), the banks in Ceylon do not own shares in finance or hire-purchase companies operating in Ceylon. But in the case of the British banks, there exists a tangled web of financial tie-ups and ownership interlacings between the parent banks (overseas) and a network of other non-bank financial organizations operating outside Ceylon with wide extra-territorial connections and interests.²⁴ That is to say, the behaviour of the British branch bank offices in Ceylon are not altogether structurally insulated either from banking events or from events in the non-bank financial field external to Ceylon.

Third, although nominally there are five British banks (as compared with three Indian and one Pakistani banks) with twelve banking offices in Ceylon, the entire issued capital of the Eastern Bank Ltd. was acquired by the Chartered Bank in 1957; and the capital of the Mercantile Bank (with five branch offices in Ceylon) by the Hong Kong and Shanghai Banking Corporation through an exchange of shares²⁵ in 1959. The British group of banks usually act in much closer concert in matters of common interest than the other expatriate banks. They follow common borrowing and lending policies forged through their membership of the Colombo Exchange Banks' Association²⁶ or through their head offices in London and Hong Kong. The degree of co-ordination and co-operation (if not "collusion") achieved between the British banks is certainly much greater than that between, say, the Indian banks. In the specific context of Ceylon, this does not imply that the degree of competition between the Indian banks is greater than between the British banks. The Indian banks do not compete much with one another or with any other bank or group of banks. Nor do the British banks compete much with one another; but increasingly in recent years at any rate up to 1961, they have, as a group, come to compete more keenly with the indigenous banks.

24. For instance the Hong Kong and Shanghai Banking Corporation has Hong Kong Finance Pty. Ltd. as a subsidiary in Australia. It has also incorporated Wardley Australia Ltd., a holding company. It has a 40 per cent interest in Mercantile Credits Ltd., a finance company. In Holland it has an interest in Bankierscompagnie N. V. which controls the merchant banks of Hope and Co. and Mees & Zoonen. It also established the Malasian Australian Finance Company Ltd. which has branches in Singapore and Kuala Lumpur. The Chartered Bank owns 92 per cent interest in the equity capital of the Mutual Acceptance Co. Ltd., a hire-purchase company established in Sydney in 1936. The Chartered Bank owns the entire issued capital of the Eastern Bank Ltd. and these two banks together own a 49 per cent interest in the Irano British Bank Ltd. as well as a 49 per cent interest in the Commercial Bank S.A.L. established in Tripoli in 1964. The Chartered Bank of London, San Francisco is a wholly owned subsidiary of the Chartered Bank. The National and Grindlay's Banks absorbed the Eastern Branches of Lloyds Bank in 1961 and has a two-third interest in Wm. Brandt's Sons and Co.

25. On the basis of one Hong Kong Bank, \$125 share for 20 Mercantile Bank £1 ordinary shares.

26. All banks are members of the Commercial Banks' Association.

It can be observed in Table II that while the cash ratios of the British banks as shown by their published figures are relatively high, the Ceylon branches show a much lower ratio of cash (and a much higher ratio of loans and advances) to total deposits. Unlike the past when they were characterized by chronic excess liquidity, the British banks in recent years have tried to achieve a greater degree of diversity of their assets portfolios. They have simultaneously achieved a dramatic increase in their advance/deposits ratio²⁷ from less than 20 per cent in 1950 to nearly 60 per cent in 1966. Their cash/deposits ratio²⁸ and their liquid assets/deposits ratio²⁹ have fallen from 20 per cent and 60 per cent respectively in 1950 to about 12 and 30 per cent in 1966.

Table III suggests that while the overall (consolidated) cash/deposits ratio of the Indian banks are lower than those of the British banks (or of the Habib Bank), the aggregate cash/deposits ratio of the Indian and Pakistani banks in Ceylon is much higher than their overall (consolidated) ratios; and much higher than the corresponding Ceylon ratio of the British group. The ratio of loans and overdrafts (to total deposits) of the Ceylon branches of the Indian and Pakistani banks is now around 13-15 per cent,³⁰ compared to nearly 60 per cent in the Ceylon branches of the British banks. Neither the British nor the Indian and Pakistani banks in Ceylon however have so far evinced interest in extending their branch network geographically.

The volume of deposits held by the expatriate banks is unlikely to show any future secular increase, at least as long as the present legal restrictions on the opening of new accounts by Ceylon citizens in expatriate banks continue to be in force. Their relative share of bank deposits (now 33 per cent) could be expected to shrink further as indigenous banking expands. Thus the significance of the branch offices of expatriate banks for the mobilization of deposits in Ceylon has greatly decreased both absolutely and relatively. The expatriate banks will no doubt reduce their government bond portfolios further in favour of further increases in their advances. But their capacity to increase their advance/deposits ratio further is necessarily limited. Such secular increases in the advance deposit ratio, of course, could probably be expected to increase the technical capacity of the central bank to control the expatriate banks, unlike in the past when perennial excess liquidity of the expatriate banks tended to insulate them from monetary controls.

27. Loans and overdrafts as percentage of total deposits.

28. Cash on hand and with the central bank plus foreign balances as a percentage of total deposits.

29. Cash on hand plus balances with the Central bank plus foreign balances plus cash items in process of collection plus commercial and Treasury bills as a percentage of total deposits.

30. The high cash ratio and the low advance/deposits ratio of the non-British expatriate banks in Ceylon are especially noteworthy because they exist in spite of considerable secular change. Their cash ratio, for instance, was 46 per cent, and their advance/deposits ratio three per cent in 1950.

The establishment of the state-aided Bank of Ceylon in 1939³¹ led to a new phase of branch banking in Ceylon. By 1950, the Bank of Ceylon had established 12 offices and the number increased to 27 by 1961 and to 33 by the end of 1966. With the establishment of the Peoples' Bank³² in 1961—one of the specific objectives behind this move was to push banking frontiers into the country's rural areas—the opening of branch offices received a further impetus. The Peoples' Bank, which commenced operations on 1st July 1961, with its capital subscribed in equal parts by the government and the co-operative movement (which itself is closely supervised and supported in many ways by the state) had opened 55 banking offices by the end of 1966. As already argued above, the process of branch expansion has been further nourished by certain provisions of the Finance Act of 1961 which prohibited the opening of new accounts by Ceylonese nationals in foreign banks. With the establishment of the Peoples' Bank and the nationalization of the Bank of Ceylon under the Finance Act of 1961, the responsibility of the state for the future development of Ceylon's national system of commercial banking has become more direct and explicit. At the end of 1966, Ceylon had 105 banking offices (of which 89 were in the indigenous banking sector), located in 57 different towns or centres.

Thus the creation of a state commercial banking sector in Ceylon, both in intent and design, corresponds broadly to the similar course of action initiated in 1955 by the Government of India as an institutional corollary to the Second Five Year Plan. India, in that year, on the recommendations of the Committee of the All India Credit Survey,³³ which had earlier been appointed by the Reserve Bank of India, created a crucial new state commercial banking sector by the simple device of the nationalization of the Imperial Bank of India³⁴ and its simultaneous reconstitution as the State Bank of India. The new bank was statutorily required to "maintain as its branches or agencies all branches or agencies of the Imperial Bank"³⁵ and, in addition, to "establish not less than four hundred branches . . . within five years".³⁵ Ninety three per cent of the paid-up share capital of the new bank was vested in the Reserve Bank of India. The State Bank of India later absorbed, as subsidiaries, some of the state-aided banks of the former princely states of India. Today she has

31. *Bank of Ceylon Ordinance No. 53 of 1938.*

32. *Peoples' Bank Act, No. 29 of 1961.*

33. "One strong, integrated, state-partnered commercial banking institution with the effective machinery of branches spread over the whole country should be created". *Report of the Committee of Direction—All India Credit Survey*, Bombay, Reserve Bank of India, 1954.

34. The Bank of Calcutta was established in 1806. Three years later this became the Bank of Bengal—India's leading Presidency Bank. The undertakings of the three Presidency Banks of Bengal, Bombay and Madras were combined and reconstituted as the Imperial Bank of India by the *Imperial Bank of India Act, of 1920.*

35. *State Bank of India Act., No. 23 of 1955, Ch. 5, S. 16.*

seven such subsidiaries, over 2,000 branches in all, and controls some 27 per cent of the country's total bank deposits and advances. The Ceylonese procedure, though strongly influenced by the Indian model, differed in some significant respects.

First no formal inquiry or commission comparable to the All India Rural Credit Survey³⁶ was held in Ceylon preceding the establishment of the new state banking sector. But it was widely known—and this was further confirmed by a statistical survey of rural indebtedness undertaken jointly by the Departments of Census and Statistics, Co-operative Development, and Agrarian Services³⁷—that the basic problems of agricultural credit and of energizing the dormant rural masses in the two countries, though widely different in magnitude, had many features in common. Second, while India chose to establish a monolithic state commercial bank, Ceylon deliberately created a two-pronged state banking sector by the outright nationalization of the state-associated Bank of Ceylon on the one hand, and by creating a totally new commercial bank—the Peoples' Bank³⁸ to be owned and controlled jointly by the state and the co-operative societies. The latter was also empowered by statute to transact business with non-co-operative entities. While the constitutions of both banks were highly flexible, the Bank of Ceylon was expected in practice to specialize in the financing of urban and semi-urban activities (such as industry, transport, foreign trade etc.) while the Peoples' Bank was to foster rural pursuits (such as agriculture, animal husbandry, handicraft industries, local wholesale and retail trade etc.) Some functional overlapping of the two banks was expected, and indeed desired, as a device for maintaining an adequate degree of competition within the state banking sector. In order to ensure this latter end, the two state banks have avoided the sort of regional concentration and pronounced geographical specialisation of branch offices that characterize banking in some countries. (e.g. Nigeria)

Finally, as compared with the Indian arrangements under which the share capital of the State Bank of India was vested in the Reserve Bank, in the Ceylonese case the ownership of the Bank of Ceylon, and part-ownership of the Peoples' Bank is vested directly in the state and not in the Central Bank of Ceylon. It is recognised that in many underdeveloped money markets it may be necessary for the central bank to supplement the existing institutional framework of credit by engaging directly in commercial banking activities. At the same time the theory and practice of central banking have not favoured such activities by central banks. It is claimed for the Indian system that it

36. *Op. cit.*

37. *Survey of Rural Indebtedness*, Monograph No. 12, Department of Census and Statistics, 1957.

38. The new bank, however, took over the assets and liabilities of the Co-operative Federal Bank Ltd. which was the existing apex bank of the Co-operative movement.

has satisfactorily solved this dilemma by divorcing the management of the State Bank of India from its ownership (which rests in the Reserve Bank of India).³⁹ However, in the Ceylonese context it was believed that the public image of the central bank as an impartial and non-discriminatory regulator of the banking system could be more effectively preserved by vesting the ownership of the state banking system directly in the state itself rather than in the central bank. It must be recognised however, that other things being given, portfolio decisions of the state banking system under the Ceylonese arrangements than in the India system. Moreover, in a situation in which the ownership of the state banking sector does not reside in the central bank, the risk of the former acquiring sufficient political power to pose itself as a counterweight to a monetary authority bent on a policy of credit restraint may also be greater.

The banking programme of the Ceylon government has to be appraised within the general context of an underdeveloped "mixed economy" attempting to achieve an accelerated pace of economic growth. While the concept of a "mixed economy" as it has evolved in Ceylon is in many ways a vague, ill-defined one, successive plans of economic development—particularly the public sector investment programmes as well as surrounding leadership concepts—provide some indication of the new emphasis which the state seeks to inject into the Ceylon economy. The basic instrument for translating Ceylon's economic aspirations into high growth rates of real output is being conceived as a government extending itself more and more deeply into the nation's economic consciousness and social fabric. Directly the government has reserved for itself certain key areas of operation. Indirectly through a series of measures bearing on private-sector activities, the government apparently hopes to harness Ceylon's latent energies into productive tasks.

There are many people both in Ceylon and other underdeveloped countries who believe that because of the dualistic pattern of past economic development, the free play of economic forces in their countries will only aggravate existing difficulties and set up further "vicious circles". They believe that if such countries are to achieve a breakthrough into economic growth, it is necessary for the state to set up various pressures and countervailing forces if only to trigger off underlying motivational mechanisms and growth impulses even if such state action is to be confined to certain initial stages. But plans apart as aspirations for economic development evolved, common concern for higher achievement has also meant increased emphasis on the part of the state on areas of apparent national weakness. Ever since the '30's, banking has been regarded as one of the more obvious areas of national weakness.⁴⁰

39. For instance see B. K. Madan, "India" in W. F. Crick (ed.) *Commonwealth Banking Systems*, Oxford, 1965, pp. 186-242; D. R. Khatkhate, "Commercial Banking in India, *Bankers Magazine*, Oct. 1966, pp. 230-237.

40. *Ceylon Banking Commission, op. cit.*

Thus while no formal declaration has been forthcoming, the emerging government attitude appears to stress increasingly the responsibility of the state for evolving a financial institutional framework conducive to rapid economic growth.

This attitude, of course, does not imply a belief that the removal of money-market deficiencies is more important for the promotion of economic growth in Ceylon than the removal of deficiencies in other markets; or that financial reforms could alone overcome, on any large scale, the many physical scarcities and psychological obstacles to economic development. Nor does it imply that state banking has been, or will be, free from deficiencies.⁴¹ The performance of state institutions are limited by the quality of persons who man them; by the degree of autonomy which they enjoy in practice; and by the behaviour of pressure groups who express their power through the state. It also does not necessarily underwrite the argument that state banks have better knowledge of future national income, investment, demand etc. and are therefore not subject to the demand limitation which preclude the expansion of the individual non-state bank. Not all future deficiencies of the market can be anticipated; and planned for. Not all foreseen deficiencies can be averted even by the state. Moreover, a state bank in a mixed economy is not indetical with a state bank in a socialist economy. A state bank is not a planning commission and may be as much unaware of social costs and benefits as non-state banks. In a mixed economy the contribution of financial institutions to economic growth depends largely on their ability to foster and mobilize savings; and on the allocation of funds which they collect.⁴² It is useful to remember that the proportion of funds which banks are able to command is not a simple function of the relative effort (including the interest paid) by state, as opposed to non-state, banks. It also depends on a host of factors such as the prevailing level of per capita income and education, the rate of inflation and the availability of competing saving outlets.

On the other hand, the record of state banking in Ceylon is certainly an impressive one. State Banks have added greatly to the depth and dimensions of the structure of financial markets. Their experience has shown conclusively to non-state banks that many producers whom they have turned away in the past are in fact excellent subjects for credit and that financial

41. For instance, the *Ceylon Banking Commission* cautioned that "in the case of a state bank, there is always the danger of its being reduced to a government department subject to all the disadvantages and disabilities incidental to departmental rigidity and red-tapism. Form and procedure would predominate and economic realities on which credit should be based, would be treated as of lesser importance," *op. cit.*, p. 75, para. 312. This danger would tend to be greater in a branch banking system than in a system of unit banks. But the danger need not necessarily materialize.

42. For instance, the contribution to economic growth will probably be larger if agricultural banks are more successful in mobilizing funds than institutions engaged in financing, say, the construction of luxury homes.

experimentation can enable institutional lenders to penetrate into new and unexpected areas of the unorganized sector. They have, to some extent shifted the supply of credit in favour of Ceylonese as against non-Ceylonese; in favour of producers as against traders;⁴³ in favour of new growth points as against traditional activities and so on. They appear to have made the banking system less arbitrary in the choice of its borrowers, in the sense that the priority criteria which they now employ are based rather less on the availability of collateral security and rather more on the 'soundness' and the desirability of proposed projects. In the specific context of the Ceylonese profile of a "mixed economy", however, the simple juxtaposition of state banking and unrestricted private banking could be misleading. It is not simply whether state banking should or should not be expanded; but rather that, between the two extremes of exclusive state banking and unadulterated private banking there is a whole range of alternative institutions, practices and procedures—an interlaced network of possible inducements, co-operation and compulsion—that could be employed in a mixed economy. Indeed even if all banking functions are reserved exclusively for the state, a wide range of supplementary and complementary measures, checks and balances may still be desirable. The practical problem of course, is to determine an optimum mix of such policy measures. Ceylon's experience so far suggests that both government and private banks may have their special advantages, but that the state has not fully explored the potentialities of harnessing non-government banking for the promotion of growth objectives through such known devices as selective (Central-Bank) controls,⁴⁴ credit and crop insurance, export insurance, requests, assurances, guarantees, taxes, subsidies and reforms in financial legislation.

There is also the question of whether Ceylon was prudent in choosing, contrary to the recommendation of the Ceylon Banking Commission⁴⁵ and in spite of the existence of considerable opposition to any further concentration of economic and financial power, a system of branch banking in preference to a system of unit banks. Almost certainly the decision was a prudent one. Successful commercial banking requires the continuous achievement of a

43. This may favour economic growth, not merely by providing a more elastic supply of credit to producers, but also by improving the producers' bargaining position and profits *vis-a-vis* the traders because producers may be more likely than merchants to invest in further production.

44. There are a large number of selective controls using either inducement or compulsion which could be used to combat particular market deficiencies—e.g. maximum portfolio ceilings, minimum capital-asset ratios, minimum margin requirements, fixing of maximum maturities for banks' loans and investments in respect of different activities, refusal to rediscount for banks whose portfolios are made up of not more than a certain proportion of commercial paper and not less than a certain proportion of paper representing directly productive activities, requiring banks to maintain particular types of asset-deposit relationships (e.g. Columbia), imposition of high reserve requirements coupled with the option given to banks of holding them idle or of investing them in specified assets (e.g. Mexico) etc.

45. *op. cit.*

satisfactory gradation of liquidity in asset distribution. In an underdeveloped economic system such as Ceylon, the range of assets available for investment in commercial banks is necessarily limited. In such a situation it is easier for a branch banking system than for a number of unit banks to achieve such a liquidity array because the desired liquidity spectrum is for the entire bank and not necessarily (or usually) for each individual branch office. Further at the present state of economic development most rural areas in Ceylon are "deficit" areas so that banks which expect to lend money for rural agricultural and other allied activities must usually do so on the basis of deposits mobilized by their branch offices in "surplus" urban areas. Thirdly, branch banking is probably by far the more effective inter-locking device for bringing about closer integration between the organized and the unorganized parts of the money market, between the subsistence sector and the money economy.

In the specific context of the Ceylon economy as well as of underdeveloped systems generally these are paramount considerations in favour of branch banking. But there are other general consideration. A branch banking system serving a number of different geographical areas and economic sectors can spread its risks more widely, both against secular and cyclical changes in the fortunes of particular industries.⁴⁶ A branch banking system would probably be able to provide cheaper remittance facilities to customers, recruit higher quality personnel⁴⁷ and to offer more specialized training programmes for its staff. It would lend itself more easily to central bank control—although it is true that a large branch bank may sometimes acquire sufficient political power to cause acute embarrassment to a central bank wishing to implement a policy of restraint.

Nevertheless while Ceylon was fortunate to have chosen the path of branch banking, the arguments adduced by proponents of unit banking, or of some variant thereof,⁴⁸ are of more than purely academic interest. They believe that unit banks with their familiarity with local industries and trade customs and practices and with their intimate knowledge of the customer and his affairs could accept types of business which larger institutions would be prone to pass by. They feel that such unit banks will be more effective in spreading the banking habit among rural classes. In an economy characterized by a great scarcity of assets which can effectively serve as collateral security, they

46. The relative importance of tea, rubber, coconut, cocoa, peasant cultivation, cottage industries, factory-industries etc. differ widely in different areas of Ceylon.
47. It is possible however that the growth of branch offices may outturn organisational capacity. This makes the bank-supervision functions of the central bank, as well as the training of bank personnel by the central bank particularly important in economies such as Ceylon.
48. The Ceylon Banking Commission argued strongly in favour of modified unit banking system. *Op. cit.*, p. 87, para. 360. More recently, various groups of traders etc. have advocated other variants of unit banking in memoranda submitted to the Ministry of Commerce and Trade.

argue that intimate banker-customer relationships are essential if banks are to serve adequately the purposes of internal economic development. Of course, every practising banker knows that intimate association with customers is not an unmixed blessing. A branch manager is often better placed than a unit banker to reject an unsound loan application by pleading bureaucratic red tape at higher levels. On the other hand, intimate banker-customer relationships are by no means a monopoly of unit banking. The question remains whether Ceylon's present branch banking system has achieved the type of flexibility and responsiveness to local needs that was envisaged, for instance by the Ceylon Banking Commission under their scheme of provincial unit banks. Ceylon certainly does not need wild-cat banking. But she does deserve a banking system which will finance economically, financially and technically sound business projects by persons of integrity and evident business ability who, may not be able to offer adequate collateral security.

Naturally, all branch banking systems have had their teething troubles. In a branch banking system the vexing problem of centralism vs. local discretion is not generally solved within a few years. It is probably true to say that the amount of discretion given to local branch managers in Ceylon today is significantly less than in countries such as the United Kingdom and New Zealand.⁴⁹ In the present stage of Ceylon's economic development, the importance of evolving a branch banking system which is responsive to regional development requirements needs to be underlined. In this context, special interest attaches to the pilot project in rural banking undertaken by the Peoples' Bank under which eight multipurpose co-operative societies have been converted into "rural banks". The aim of the project, according to the Central Bank of Ceylon, is to devise a system which will yield the main advantages both of branch banking and of unit banking.⁵⁰ Under this scheme, the Peoples' Bank will act as foster parent to the new rural banks by providing the latter with adequate loan funds on reasonable terms, by supervising the recovery of loans made by rural banks, by providing such other managerial and technical assistance as may be required and by providing training courses for the officers of rural banks. But lending decisions at the village level will be made by the rural bank itself on the basis of its own intimate local knowledge,

49. In the case of most banks in Ceylon, the lending powers of branch managers are considerably less than those of the head office. They are in some cases limited to the granting of temporary overdrafts and advances against "first class" security such as government bonds, savings and fixed deposits, life assurance policies etc. There are also limits on the maximum amount that a branch manager may advance at his discretion to any one person or firm by way of loan or overdraft. It may be possible and desirable for the two state banks as they expand further to secure a substantially higher degree of diffusion of discretionary authority by appointing senior and responsible officers as "regional managers" who maintain close and continuous touch with all branch offices in each region—as is done, for instance, under the scheme of "district managers" in Lloyds Bank Ltd.

50. *Annual Report*, 1965, Central Bank of Ceylon, pp. 81-82.

and it is hoped that this "will solve the problem of security which has greatly inhibited the lending of commercial banks through branch offices located in rural areas".⁵¹ This arrangement calls for three comments. First, even if the initial pilot project is successful, the widespread use of this technique would require, as a prerequisite, a considerable improvement in the quality of co-operative societies in Ceylon. Second, even if the widespread use of the new technique is successful, there would still remain the need for achieving a much higher degree of integration between the institutional framework of rural credit and other (non-financial) aspects of agricultural promotion.

Third, successful running of commercial bank branches in rural areas in Ceylon is certainly not a simple task. Village life is very different in important respects from the urban environment. There are problems of distance and communication. Compared with city offices, operating costs in rural branches are generally high in relation to the volume of business. Deposits are not easily attracted. Small branches have necessarily to be run with minimum staff; and possibilities of specialization are naturally small. Office space as well as strongroom and warehouse facilities may not be easily available. The work in the smaller branches is sometimes of an intermittent character, with heavy work during certain periods, and with virtually no work at other times. It may be possible sometimes to have the smaller centres served by branch agencies which provide banking facilities only once or twice a week (until the volume of business is large enough to justify a branch office) or by mobile banks which provide facilities only for one or two hours on particular days. The conversion of co-operatives into "rural banks" is best regarded as a supplementary third possibility rather than as a complete alternative to such other measures. To put it differently, the problem of rural credit is complex enough to justify experimentation through several institutional forms.

It was indicated earlier that Ceylon's state banking sector consists of two banks, each with its own network of branch offices, competing to some extent with each other and with non-state commercial banks. In such a system there is a natural tendency for each state bank to extend its branches into every area which promises sufficient business at not too distant a date to cover the special costs of operation of each branch, allowing for the difficulty of estimating the costs and the earnings of each branch office. Considerations of prestige and publicity value, political pressures and aspirations, and apparent national considerations may work in the same direction. The result in time would be excessive branch density in particular areas while in other areas

51. *Ibid.*

TABLE IV

The Distribution of Commercial Bank Offices by Districts,
1953-1966

District	1 Area Sq. Miles	2 Population (thousands)		3 No. of bank Offices		4 Area per Office 1 ÷ 3		5 Popula- tion per office (thousands) 2 ÷ 3	
		1953	1966†	1953	1966	1953	1966	1953	1966
Colombo	808	1,709	2,207	16	40	50.5	20.2	107	55
Kalutara	624	524	632	2	4	312.0	156.0	262	158
Kandy	914	840	1,047	4	7	228.5	130.5	210	149
Matale	770	201	256	0	1	—	770.0	—	256
Nuwara Eliya	474	325	399	1	5	474.0	95.0	325	80
Galle	652	524	642	2	4	326.0	163.0	262	161
Matara	481	413	515	0	2	—	240.5	—	258
Hambantota	1,013	192	276	0	1	—	1,013.0	—	276
Jaffna	999	492	613	3	6	333.0	166.5	165	102
Mannar	964	44	60	0	1	—	964.0	—	60
Vavuniya	1,467	35	69	0	2	—	733.5	—	35
Batticaloa	1,017	133*	196	1	2	1,017.0	508.5	133	98
Amparai	1,775	130*	212	0	2	—	887.5	—	106
Trincomalee	1,048	84	138	1	1	1,048.0	1,048.0	84	138
Kurunegala	1,814	626	854	1	4	1,814.0	453.5	626	214
Puttalam	1,172	229	302	0	3	—	390.0	—	101
Anuradha- pura	2,809	171*	279	0	5	—	562.0	—	56
Polonnaruwa	1,331	58*	114	0	2	—	665.5	—	57
Badulla	1,089	657	522	1	6	1,089.0	181.5	357	87
Moneragala	2,188	118*	132	0	0	—	—	—	132
Ratnapura	1,251	422	547	0	3	—	417.0	—	182
Kegalle	642	472	579	0	4	—	160.5	—	145
Ceylon	25,332	8,089	11,490	32	105	791.6	241.2	253	109

Source:—Commercial Banks.

Statistical Abstract of Ceylon.

Annual Report, Central Bank of Ceylon.

† District figures are 1963 census figures.

* Estimated.

economic growth may be hampered by inadequate banking facilities. The uneven and haphazard growth of branch banking in Ceylon is reflected in Table IV. It is also evident from Table IV that at present Ceylon's banking system is more open to criticism on the score of inadequate branch offices than of wasteful duplication.⁵²

52. On the average, every 109,000 units of population in Ceylon now has a banking office, compared with, say 79,000 in India (1966), 97,000 in Pakistan (1963), 32,000 in Jordan (1965), 213,000 in Nigeria (1965), 4,000 in U.K. (1961) and 3,500 in Canada (1961).

Nevertheless, the problem of evolving a more economical and synchronized approach to the geographical extension of banking facilities deserve consideration. At present, the opening of a new branch office (or indeed the opening of a new bank) or the closing of one, does not require the prior approval of the central bank or of any other co-ordinating authority. There is also no evidence to indicate that the opening of a new office is usually preceded by a carefully planned economic survey of the area which the new office intends to serve, including an appraisal of social costs and benefits in terms of regional development requirements. A possible solution may be to invest the Central Bank of Ceylon, the obvious choice for a co-ordinating authority, with adequate legal powers, not merely to approve the opening of new banks or new branch offices, but also to encourage the opening of branches by means of suitable subsidies and other incentives, to bring about the amalgamation of existing branch offices, and to arrange for the swapping of branch offices between banks, where such action is seen to be in the national interest.

CEYLON'S PROSPECTS IN THE WORLD RUBBER MARKET

G. H. PEIRIS

During the three years, 1961 to 1963, the world average annual consumption of new rubber amounted to about 4 million tons, of which about 52 per cent was accounted for by natural rubber.¹ Supplies from countries of south and south-east Asia accounted for roughly 90 per cent of the total supply of natural rubber among producers of natural rubber, Ceylon occupies a position after Malaya, Indonesia (which together account for about 70 per cent of the world's supplies), and Thailand (which now produces about 8.5 per cent). The relative importance of the different producers of natural rubber can be seen from the data given below.

TABLE I
The Percentage of World Production of Natural Rubber
by the Main Producers

	<i>Malaya</i>	<i>Indo- nesia</i>	<i>Thai- land</i>	<i>Ceylon</i>	<i>Viet. & Camb.</i>	<i>Sara- wak</i>	<i>Nige- ria</i>	<i>Libe- ria</i>
1948	.. 45.8	28.4	6.3	6.2	2.9	2.0	0.5	1.6
1950	.. 37.3	37.4	6.0	6.1	2.6	3.0	0.7	1.7
1952	.. 32.6	41.9	5.5	5.4	3.5	1.8	1.0	2.0
1954	.. 32.4	41.1	6.4	5.2	4.3	1.3	1.1	2.1
1956	.. 33.2	36.4	7.1	5.1	5.3	2.2	2.0	2.0
1958	.. 33.9	34.1	7.0	5.1	5.3	2.0	2.1	2.2
1960	.. 35.7	31.6	8.4	4.9	5.7	2.5	2.9	2.1
1962	.. 37.0	31.8	8.5	5.0	5.6	2.1	2.6	2.0

Belgian Congo, Brazil, British Borneo, Brunei, French Equatorial Africa and India, each contributed less than 2 per cent of the World's total production.

Based on data from Rubber Statistical Bulletin.

Ceylon's Rubber Trade during the Recent Past

The rubber produced in Ceylon caters largely to a demand in foreign markets. Only about 1 to 2 per cent of the total production in Ceylon is consumed

1. This paper deals only with the production and consumption of new rubber. Reclaimed rubber which on the average (1961-1963) accounts for about 10 per cent of the total quantum of rubber consumed, has been excluded from the discussion.

internally. Although internal consumption will probably continue to increase in the foreseeable future as it has during the recent past, this is unlikely to affect the dependence of the rubber industry of Ceylon on external markets.

The amounts of rubber purchased from Ceylon by the main importing countries between 1950 and 1960 are shown in Figure 1. Since 1953, the Peoples' Republic of China has been the main buyer of Ceylon's rubber. The diversion of a large part of the rubber produced in Ceylon to China, (the outcome of a bi-lateral trade agreement between Ceylon and China) has resulted in a marked fall in the export of rubber from Ceylon to the United States. It can also be observed from the Figure that, from about 1956, the amounts exported to Japan, Germany and the U.S.S.R. have increased.

On the basis of trends in export and price of rubber produced in Ceylon during the recent past,² it can be said that, in the long run, the trade pact with China has not altered the market conditions of the rubber industry of Ceylon. With each renewal of the trade agreement, the price paid by China has been brought closer progressively to prices in the open market. With China gaining a position to purchase her rubber requirements from a completely free market after 1956, the fortunes and prospects of Ceylon's rubber industry have come to depend entirely on its ability to compete successfully with the synthetic rubber industry and with other natural rubber producers in the open market. Hence it is necessary to examine briefly the main characteristics of the world rubber market.

The World Rubber Market

The developments in world trade since the Great Depression of the 1930's have been characterised by a relatively slow growth of trade in primary products.³ This is regarded as a consequence of two factors. The first is that technological progress in industrially developed countries has resulted in increasing substitution of synthetics for natural products. Secondly, as Maizels shows, the changing pattern of demand in the industrial countries has led to a change in their pattern of manufacturing output.⁴ In the developed countries a progressively decreasing proportion of the expanding incomes generated by technological progress have gone into the demand for foodstuffs and consumer goods. The world trade in natural rubber has been affected solely by the first of these factors—the substitution of synthetics.

2. See figure 2.

3. Proceedings of the U.N. Conference on Trade and Development, Geneva, 1964, Vol. II, Policy Statements (New York, 1964); Yates, P. Lamartine, 'Forty Years of Foreign Trade' (London, 1959), pp. 22-60; Maizels, Alfred 'Recent Trends in World Trade' (London, 1963), pp. 31-51.

4. Maizels, *ibid.*

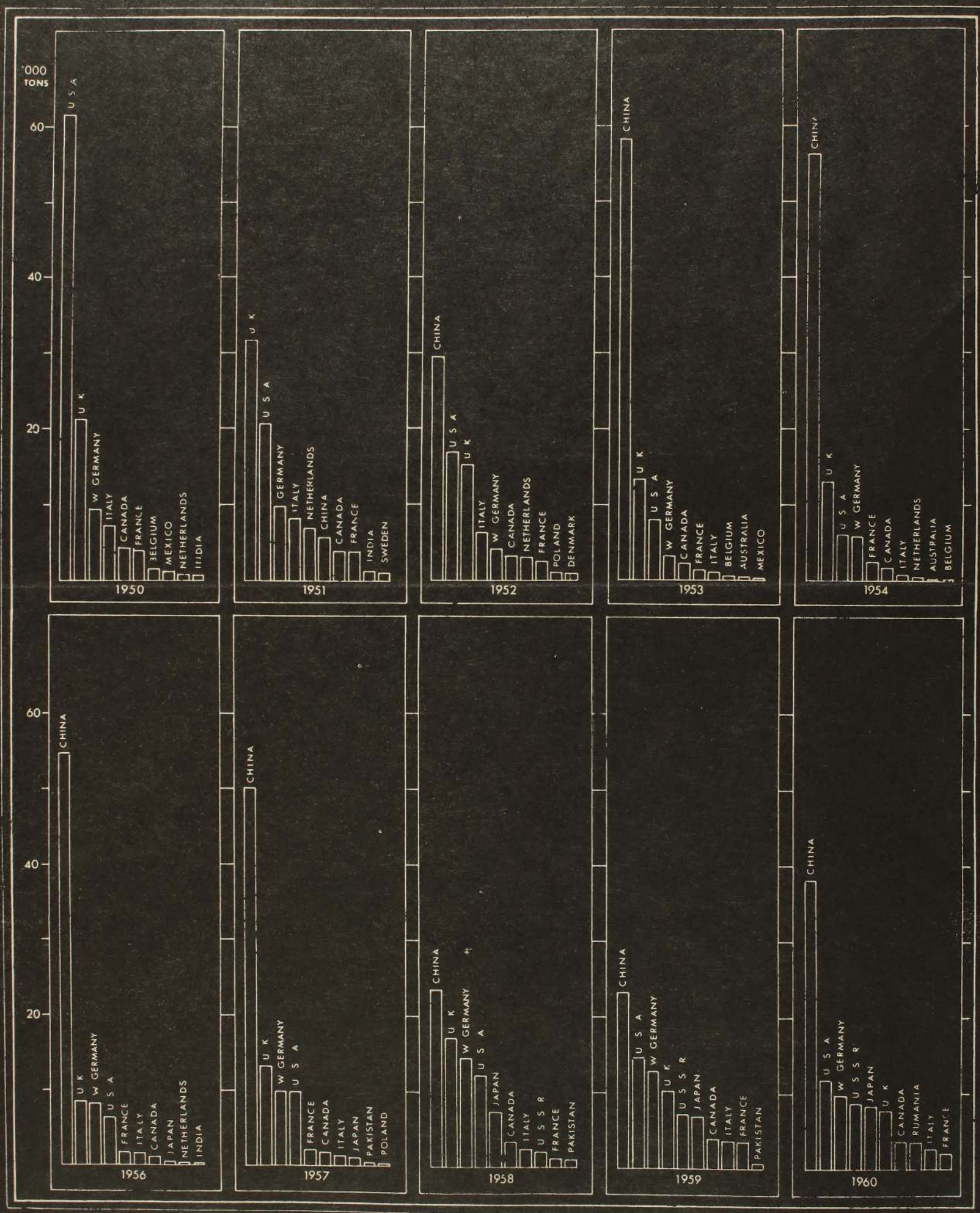


Figure 1 The Main Markets for Rubber Produced in Ceylon, 1950-'60

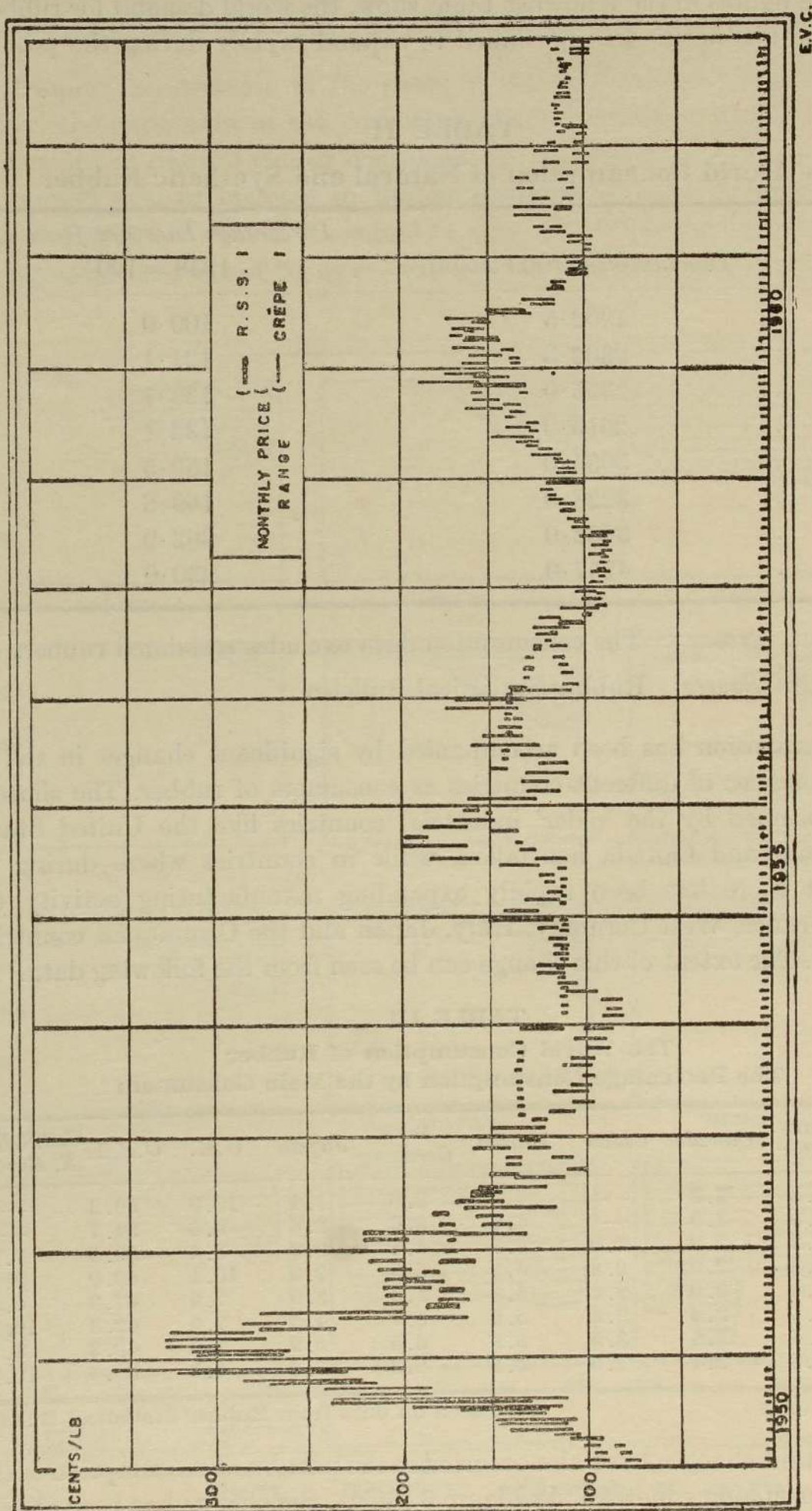


FIGURE 2 - THE PRICE OF RUBBER AT COLOMBO (1950-1962)

As the figures in the following table show, the world demand for rubber—natural and synthetic—has continued to expand rapidly during the post-war period.

TABLE II
The World Consumption of Natural and Synthetic Rubber

<i>Year</i>	<i>Consumption (000 Tons)</i>	<i>Percentage Increase from 1948</i> <i>1948 = 100</i>
1948 ..	1902.5	100.0
1950 ..	2302.3	121.1
1952 ..	2355.0	123.7
1954 ..	2515.0	132.1
1956 ..	3035.0	159.5
1958 ..	3228.0	169.6
1960 ..	3862.0	202.9
1962 ..	4357.0	230.0

Note: The consumption data excludes reclaimed rubber.

Source: Rubber Statistical Bulletin.

This expansion has been accompanied by significant changes in the relative importance of different countries as consumers of rubber. The share of rubber consumed by the 'older' industrial countries like the United States, Great Britain and Canada has fallen, while in countries where during the recent past there has been rapidly expanding manufacturing activity (for example, France, West Germany, Italy, Japan and the Communist countries) it has risen. The extent of this change can be seen from the following data.

TABLE III
The World Consumption of Rubber
The Percentage Consumption by the Main Consumers

<i>Year</i>	<i>Aust- ralia</i>	<i>Canada</i>	<i>China</i>	<i>France</i>	<i>West Germany</i>	<i>Japan</i>	<i>U.K.</i>	<i>U.S.A.</i>	<i>U.S.S.R. & E. Europe</i>
1948 ..	.8	3.3	—	4.9	2.6	1.4	10.3	56.2	—
1950 ..	1.9	3.0	—	4.8	3.6	2.6	9.6	54.7	—
1952 ..	1.2	2.8	1.0	5.7	4.4	2.9	8.4	53.5	7.3
1954 ..	1.8	2.9	2.8	5.6	5.9	3.6	10.1	49.0	2.0
1956 ..	1.6	3.0	2.5	5.5	5.6	3.9	7.9	47.3	6.6
1958 ..	1.6	2.6	3.0	5.9	5.7	4.5	7.6	42.3	10.9
1960 ..	1.6	2.4	3.5	5.6	6.5	5.9	7.6	40.3	8.6
1962 ..	1.3	2.4	2.5	5.3	6.3	6.9	6.6	39.4	10.6

Based on data from Rubber Statistical Bulletin.

Important changes have also occurred in the pattern of consumption within the main consuming countries. As Figure 3 shows, the change has been characterised by a rapid expansion of the share of the market held by synthetic rubber.

Between 1950 and 1962 the share of the total world consumption accounted for by synthetic rubber has risen from about 24 percent to 48 percent.

Despite the decrease in the share of the world market held by natural rubber, the expansion in the consumption of rubber has been so rapid that the amount of natural rubber consumed has continued to increase. The average annual rate of increase in the consumption of natural rubber between 1950 to 1962 has however amounted to only 2.1 percent, as compared with a corresponding increase of 20.5 percent in synthetic rubber. As shown in Figure 3,

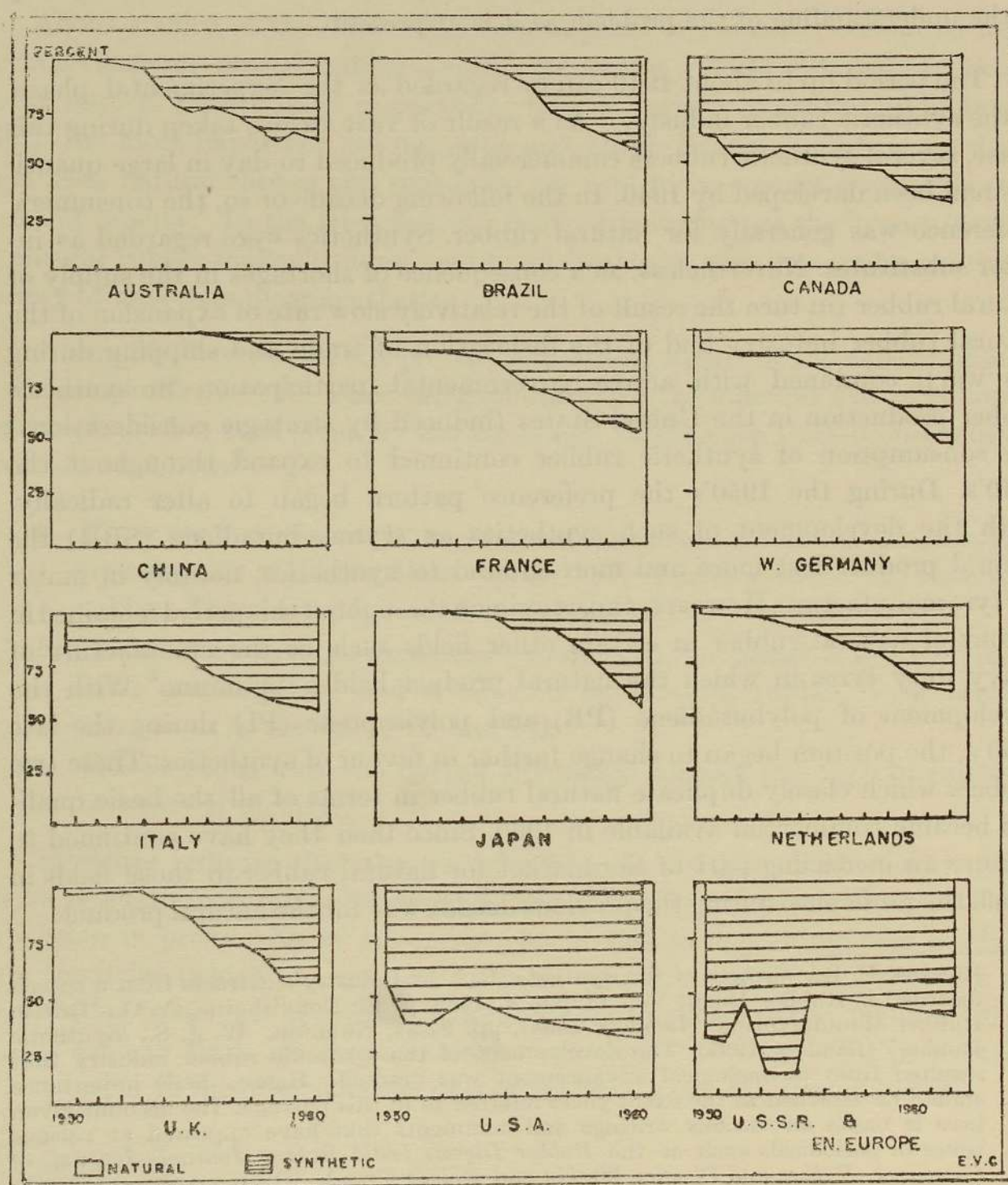


FIGURE 3. PERCENTAGE CONSUMPTION OF NATURAL & SYNTHETIC RUBBER

once again, in the United States, Great Britain and Canada consumption of natural rubber has decreased, while in France, West Germany, Japan and U.S.S.R. the consumption of natural rubber has increased.

The conditions that have regulated the trends of consumption of natural rubber and governed the nature of the competition between natural rubber and synthetic rubber have been in continuous change. Since the past performances cannot provide all clues necessary to show what the future holds in store for natural rubber, no attempt can be made here to forecast the future trends of its consumption. A brief perusal of past trends will, however, help in the understanding of the problem as it is at present.

The period up to about 1940 can be regarded as the 'experimental phase' of the synthetic rubber industry.⁵ As a result of vast strides taken during this phase, several synthetic rubbers commercially produced to-day in large quantities had been developed by 1940. In the following decade or so, the consumers' preference was generally for natural rubber. Synthetics were regarded as inferior substitutes. Nevertheless, as a consequence of shortages in the supply of natural rubber (in turn the result of the relatively slow rate of expansion of the natural rubber industry and of the dislocation of trade and shipping during the war), combined with active governmental participation in synthetic rubber production in the United States (induced by strategic considerations) the consumption of synthetic rubber continued to expand throughout the 1940's. During the 1950's the preference pattern began to alter radically. With the development of such synthetics as styrene-butadiene (SBR) the natural product lost more and more ground to synthetics, notably in motor car tyre manufacture. However, expert opinion throughout this period remained in favour of natural rubber in certain other fields such as the manufacture of heavy duty tyres in which the natural product held a premium.⁶ With the development of polybutadiene (PB) and polyisoprene (PI) during the late 1950's, the position began to change further in favour of synthetics. These two rubbers which closely duplicate natural rubber in terms of all the basic qualities became commercial available in 1960. Since then they have continued to capture an increasing part of the market for natural rubber in those fields in which the preference during the previous decade was for the natural product.

5. Rowzee, E. R., 'Growth of the Synthetic Rubber Industry', extracts from a speech recorded in *Rubber Digest* Vol. 12, No. 4, 1959, p. 13; Donnithorne, A. G., 'British Rubber Manufacturing' (London, 1958), pp. 27-34; Naunton, W. J. S., 'Synthetic Rubber' (London, 1937). The development of the synthetic rubber industry that resulted from technological advancement was gradual. Hence, little importance should be attached to the exact years referred to in this passage. The account given here is based on various writings and comments that have appeared at various times in periodicals such as the *Rubber Digest*, *India Rubber Journal*, *Journal of Commerce*, *Rubber and Plastics Weekly* and *Rubber Trends*, which are not separately acknowledged.
6. Economic Intelligence Unit (E.T.U.), London, 'Some Aspects of the Competition between Natural Rubber and the Synthetics' *Rubber Trends*, June, 1963, pp. 26-30.

PB and PI are still in their initial stages of expansion. In most industrialised countries the plant capacity for these rubbers as well as for SBR (which already dominates motor car tyre manufacture) is being rapidly extended. This may be taken as an indication of a further swing in favour of synthetic rubber in the tyre industry. In the manufacture of tyres a special advantage which has operated and will continue to operate in favour of synthetics is the integration of different stages of production of the industry. In the United States, for example, the largest tyre companies already control their own synthetic rubber production.⁷

About a third of the total world consumption of rubber is accounted for by miscellaneous uses of rubber outside the motor vehicle industry. In this sector natural rubber faces competition from a variety of synthetics among which the most important are neoprene and butyl. Except in certain specialized uses, natural rubber and synthetics are said to be equally acceptable in terms of quality.⁸ In the miscellaneous fields of manufacture the "versatility" of natural rubber makes it more readily adaptable to new uses and a greater variety of uses than most synthetics.

A simplified version of the present position in regard to the consumption of different rubbers in the three categories in which the different uses of rubber can be placed has been given by the Economic Intelligence Unit (Commodity division) as follows⁹—

- a. Motor car tyre manufacture—accounts for about a third of total world consumption of rubber. Main types of rubber used are SBR and natural rubber. At present dominated by the synthetics.
- b. Heavy duty tyre manufacture—accounting for about a third of the total consumption, and dominated by natural rubber, with rapid extensions in the use of PI and PB.
- c. Miscellaneous uses—no overall advantage for any one type of rubber in terms of quality.

Evidence indicate that the use of rubber in all three fields mentioned above is likely to continue to expand. The following table which shows the expansion in production of motor vehicles in the leading automobile producing countries (which are also the foremost consumers of rubber) provides a rough index to the rate of expansion in rubber consumption in tyre manufacture during 1950 to 1964. No comparable data are available to show the past rates of expansion in the miscellaneous uses of rubber outside the tyre industry.

7. *Ibid.*, p. 27.

8. Villa, George R., 'Natural or Synthetic Rubber; factors determining the manufacturers' choice, Proc. of Symp. on the Future of Natural and Synthetic Rubber, Washington, D.C. 1962, (London, 1963), pp. 9-19.

9. E.I.U. (June, 1963), op. cit., pp. 26-27.

TABLE IV

Production of Motor Vehicles, 1950 to 1964
(in units of 1,000)

		<i>Passenger Cars</i>		<i>Commercial Vehicles</i>	
		1950	1964	1950	1964
Canada	..	23.7	46.7	8.8	9.2
France	..	21.4	109.8	8.4	21.9
West Germany		18.0	221.0	7.4	21.2
Italy	..	8.3	85.7	2.4	5.1
Japan	..	.1	48.3	2.5	99.3
U.K.	..	43.5	155.6	21.7	38.7
U.S.A.	..	555.5	648.0	111.4	128.0
U.S.S.R.	..	5.4	15.4	24.5	62.2
Total	..	657.9	1330.5	187.1	385.6
Overall Percentage					
Change from					
1950	..	100	197	100	206

Based on data from The United National Monthly Bulletin of Statistics.

On the basis of past trends of consumption it appears reasonable to expect the future increase in the consumption of rubber to exceed an average annual rate of 6 percent. The fundamental problem from the point of view of the natural rubber industry is whether this expansion will accommodate the future expansion in the production of natural rubber, given the competition of synthetics.

Several attempts have been made to forecast the future demand for natural rubber in the world market.¹⁰ Taking into account the net effect of the probable increase in yields which will result from bringing into bearing extensive areas replanted during the past and changes in the area under tapping which will result from the operation of replanting projects currently in progress in virtually all rubber growing countries, the E.I.U. has forecast an increase in the world production of natural rubber from about 2,000,000 tons in 1960 to 2,475,000 tons in 1970.¹¹ Even if a fairly wide margin is left for possible errors in the premises on which this estimate has been based, it appears that the rate at which the production of natural rubber will expand is unlikely to exceed

10. E.I.U. 'Development in Natural Rubber Production and Marketing' Special Report, Part 1 and 2, *Rubber Trends*, Sept. 1963 and Dec. 1963; President's Material Policy Commission Report (Washington D.C., 1952), Wharton, Clifton, R., 'Malayan Rubber Supply Conditions' Re-printed from 'The Political Economy of Independent Malaya' (Australian Nat. Univ. Press, 1963), pp. 131-162.

11. E.I.U., *ibid.*

2.5 percent per annum.¹² Hence, it can be said that the probable expansion in the demand for rubber (as indicated by past trends) will have the potential capacity to absorb the probable expansion in the supply of natural rubber, provided the share of the market which natural rubber holds to-day is not substantially reduced by the substitution of synthetics. If the course of technological progress does not significantly change the present position in regard to quality of the different rubbers, the crucial factor which will decide the extent of synthetic substitution is the relative price of natural rubber and synthetic rubber.

The Price of Natural Rubber and Synthetic Rubber

The production of different types of synthetics involves widely different processes and different raw material ingredients. Hence, there is considerable variation in their costs of production. On account of technological changes in the direction of cost reduction and quality improvement that will probably take place continuously in the field of synthetic rubber, no attempt can be made here to forecast the future price trends of different types of synthetics. Two features from the past, however, are worthy of note. First, the synthetic rubber industry has been capable of lowering its supply price progressively.

TABLE V
The Price of Natural and Synthetic Rubber in the
United States
(U.S. cents per lb.)

		<i>Natural Rubber (R.S.S. 1)</i>	<i>Styrene Butadiene</i>	<i>Butyl</i>	<i>Neoprene</i>
1950	..	41.1	19.0	18.5	34.0
1952	..	38.4	23.5	20.8	38.0
1954	..	23.6	23.0	22.5	41.0
1956	..	34.2	23.0	23.0	41.0
1958	..	28.1	23.0	23.0	41.0
1960	..	38.2	23.0	23.0	41.0
1962	..	28.6	23.0	23.0	41.0

Note: These figures do not indicate the changes in the costs of production. Up to 1957 synthetic rubber production in the United States was a state owned, subsidised industry.

Source: Rubber Statistical Bulletin.

12. The E.I.U. estimates agree closely with the average rates of increase estimated by the President's Materials Policy Commission in 1952. The increase in the production of natural rubber between 1952 and 1962 shows that the latter estimates have so far been reasonably accurate.

The present cost of production of some of the widely used synthetics in the United States is about 50 percent of what it was during the 1940's.¹³ On the other hand on account of the rise in wages and cost of materials, no comparable reductions in the cost of production has been possible in the natural rubber industry. Secondly, as the following figures show, the price of natural rubber has, at most times during the recent past, been above the prices of the widely used synthetic rubbers.¹⁴

The past trends and present opinion among experts point to the progressive reduction of the price of synthetics in the future. To what level and how rapidly the price of synthetics would be reduced, no accurate forecast is possible. In regard to SBR some authorities expect the price to be brought down to about 12 to 15 U.S. cents per lb. by the mid-1970's.¹⁵

It was shown earlier that the rate at which the production of natural rubber is likely to expand in the foreseeable future will be lower than the probable rate of increase in the consumption of rubber. Hence apart from anything else, it is inevitable that the synthetic rubber industry will continue to expand. As noted earlier, the rate of substitution of synthetics will depend largely on the comparative price of natural rubber and synthetic rubber.¹⁶ If the supply price of natural rubber can be brought down to and maintained at a level equal to or below that of synthetics, it can very probably limit the rate of expansion of synthetic rubber production to that part of expanding total demand which cannot be met by natural rubber. If, on the other hand, the price of natural rubber remains above that of synthetic rubber, it is possible to foresee that the synthetics will 'encroach' more and more into the natural rubber market, and a point will be reached when the expanding supplies of natural rubber cannot be absorbed by the world market at a price remunerative to the marginal producer. Under such a situation it is the high cost

13. According to the data on costs of production of synthetics in the United States given in the Barach Committee Proposals. Quoted in Tharmarathnam, K. 'Demand for Certain Exports of Ceylon Government Press, 1955, pp. 13-84.
14. Comparable data are not available for PB and PI. In 1962, when the natural price in the United States stood at around 28 cents per lb., the price of isoprene was 23 U.S. cents and Butadiene about 27.5 cents, of Villa, op. cit., p. 17.
15. For a continuous period of about 8 years (1956-1963) the average price of S.B.R. has stood nearly stationary at 23 cents per lb. in the U.S. Elsewhere it has fluctuated between a narrow range. In Great Britain, for example SBR was sold at about 2sh. per lb. between 1960 and 1963. Some experts believe that while the price of most synthetics will remain above 20 dollar cents per lb. in the U.S. during the next few years in Western Europe and Japan it will decline from the present level. The probable fall in price of synthetic in these countries, it is held, will be a result of excess plant capacity in the synthetic rubber industry. See E.I.U. 'The World Balance' *Rubber Trends*, March 1963, pp. 5-6; and Natural Rubber in the Mid. 1960's: *Rubber Trends*, March 1961, pp. 17-24.
16. There are various other factors, not taken into consideration here, which will continue to effect the rate of substitution of synthetics. The governmental policies of the producing and consuming countries, the nature of international relations the preference of manufacturers, the cost of conversion of machinery and speculation in the market, can be given as examples of these. See Wharton, op. cit., pp. 134-139. The long-term effects of most of these will probably be less significant than that of price.

producers—either countries or sectors of the industry within the different rubber growing countries—that will probably be pushed out of the market. Hence, it can be said that the future prospects of the rubber industry as a whole and of the different classes of rubber producers in Ceylon will depend largely on the ability of the producers to lower the supply price of rubber to a level equal to or below that of synthetic rubber.

Yield and Cost of Production of Rubber in Ceylon

The data available on yields and costs of production on Sterling and Rupee Company estates show that, within limits, the cost varies inversely with yield. In Figure 4 cost of production during 1961 on individual Sterling Company estates have been plotted against the average yield obtained on each unit. The area covered by the estates which provide the required data for constructing the Figure represent roughly $\frac{2}{3}$ the total Sterling Company rubber acreage in Ceylon. The cost data exclude commissions, tariffs, cesses and ex-estate transport and handling charges. Figure 5 uses similar yield and cost data pertaining to 1963 in respect of Rupee Company estates. Simple regression lines showing the relationship between the two variables, yield and cost, have been drawn in both Figures. Since the plotted values of individual units have a fairly wide scatter the regression lines drawn in each case should be treated merely as expressing in general terms the average extent to which cost reduces with increasing yield. Figure 4 shows that for each increase in

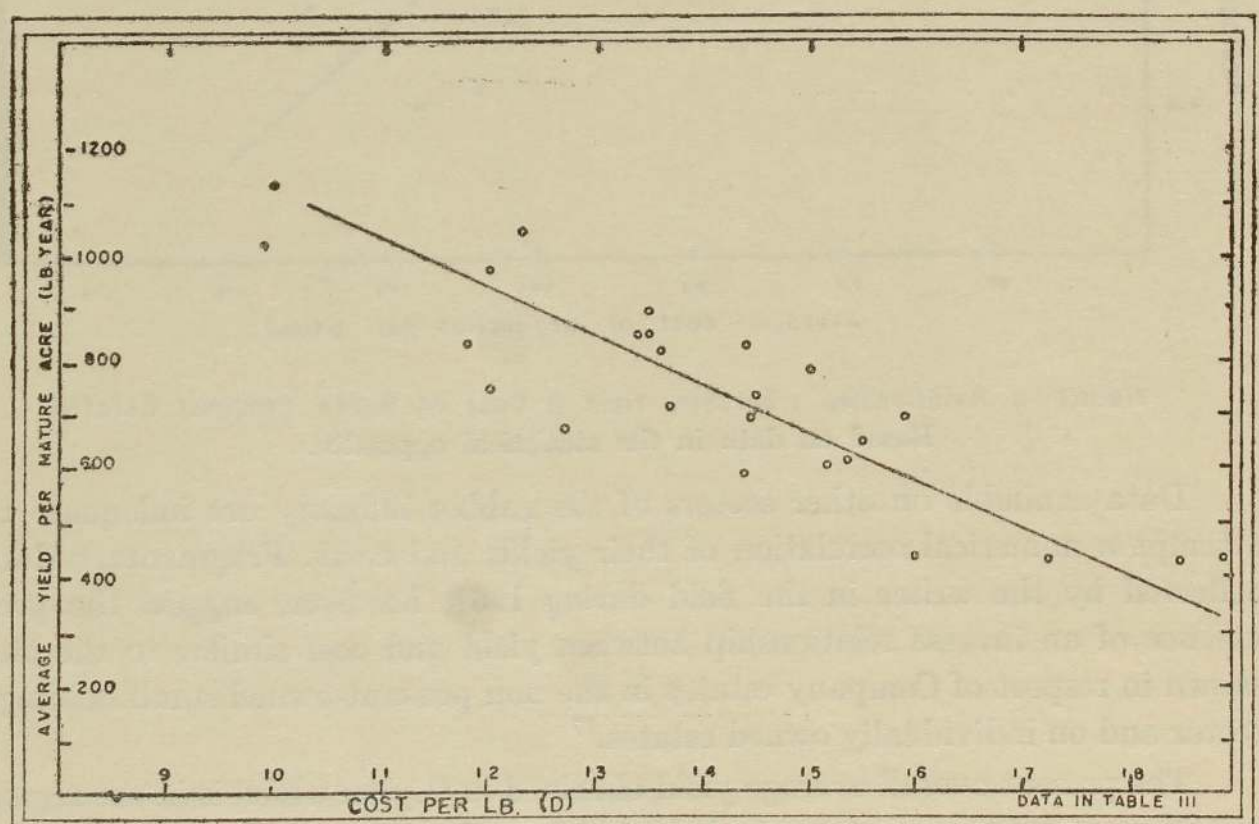


FIGURE-4 THE RELATIONSHIP BETWEEN YIELD & COST ON STERLING COMPANY ESTATES CEYLON

E. V. C.

Figures 4 & 5 are based on data given in the statistical appendix.

Note—The regression equation of the form $Y = a + bX$ where Y = cost per pound and X = average yield per mature acre.

yield of 100 pounds per acre the average cost reduction affected on Sterling Company estates is 7.11 cents per pound. The corresponding figure for Rupee Company estates as shown in Figure 5 is 6.21 cents. Yield and cost data used in the compilation of Figure 5 are in respect of approximately 75 per cent of the rubber land under the ownership of Rupee Companies, and are averages for the five-year period, 1961-65. If differences consequent upon other variables (eg. variations in the physical setting) are ignored, it is possible on the basis of the values derived above to make the estimate that within a range of yields from about 400 to 1100 pounds per acre, for each increase in yield of 100 pounds, the average cost reduction is in the order of 6.5 cents.

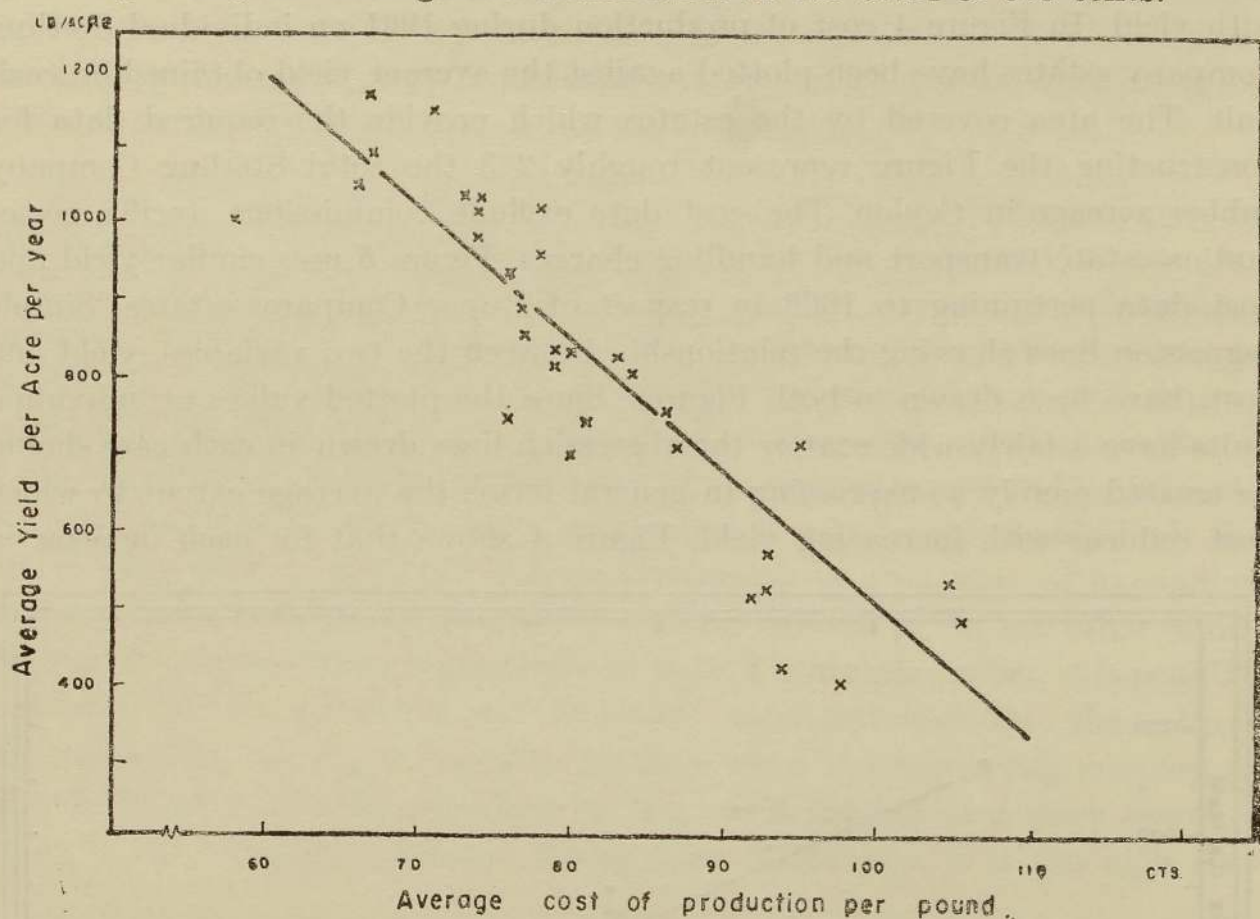


FIGURE - 5 Relationship between Yield & Cost on Rupee Company Estates
Based on data in the statistical appendix.

Data available on other sectors of the rubber industry are inadequate to attempt a numerical correlation of their yields and costs. Fragmentary data collected by the writer in the field during 1961, however, suggest the prevalence of an inverse relationship between yield and cost similar to the one shown in respect of Company estates in the non peasant owned small holdings sector and on individually owned estates.¹⁷

The present overall average yield obtained in Ceylon which is in the region of 480 pounds per acre per year is lower than that obtained in several major rubber producing countries.

17. The term non-peasant has been used here to denote smallholdings which are owner operated. All smallholdings worked with hired labour are regarded as falling into this category.

in the east. The average yield per mature acre in Malaya, for example is about 630 pounds, while that of South Vietnam is as high as 900 pounds. With advantages these countries are observed to possess in terms of their physical factors¹⁸, and in the light of the prevalence of the inverse relationship between yield and cost shown above (which does not necessarily operate at similar rates in all countries and in all sectors) it is possible to surmise that their current costs of production are lower than those of Ceylon.

If the price of rubber lowers to, say, 12 U.S. cents (or equivalent) per pound in the world market by the mid—1970's what possibilities are there for producers in Ceylon to supply rubber at a competitive price? The current costs in the estate sector (which according to data given in the Statistical Abstract of Ceylon is around 80 cents per pound) are clearly too high for a world price of even 15 U.S. cents to be remunerative to the producer whose cost is at or above the average. However, the analysis made above of yields and costs on company owned estates in Ceylon show that by increasing the yields costs of production of most units can be lowered from their present levels to about 55 to 60 cents per pound. Unless a substantial reduction of current costs of production takes place in Ceylon, it is possible, in the light of observations made earlier about the nature of the competition between natural and synthetic rubber, that high cost producers in Ceylon will be pushed out of the market during the foreseeable future.

18. See, Peiris, G.H. 'Physical Environment and Rubber Cultivation in Ceylon', *Ceylon Geographer* Vols. 21 & 22 (in the press).

STATISTICAL APPENDIX

THE STERLING COMPANY OWNED RUBBER ESTATES OF CEYLON

Acreages, Yields and Costs of Production of Individual Companies, 1961

Name of Company	Location of Estates (District)	Ordinary	Acreage Mature HYR	Immature HYR	Average Yield per Mature Acre lb. year (1961)	Cost of Production (lb./d) (1961)
Aboyne Clyde	Kal. (1)	673	300	162	n.a.	15.4
Beua Sejour	Gle. (1)	473	575	427	590	14.4
Bentota	Gle. (1)	489	774	41	645	15.5
Ceylon Consoli- dated	Mtl. (2)	1,269	—	—	435	16.0
Ceylon Para	Keg. (2)	1,173	1,182	1,417	617	15.2
Ceylon Timber and Rubber	Gle. (1)	—	534	319	842	13.4
Delkeith	Kal. (1)	—	2,115	460	1,044	12.3
Deviturai	Gle. (1)	598	503	156	651	15.2
Doloswella	n.a.	220	259	376	595	n.a.
Doranakanda	Rat. KV (1)	380	152	220	425	18.5
Elpitiya	Gle. (1)	352	1,111	367	787	15.0
Grand Central	Gle. (1) Mor. (1) KV. (5) Rat. (2) Keg. (1)	4,659	10,760	4,228	737	14.5
Igalkanda	n.a.	—	489	392	830	14.4
Keppitigala	Kur. (1)	—	961	22	850	13.5
Lunawa	K.V. (2) Rat. (2)	1,877	529	731	437	18.8
Mahawela	n.a.	299	326	237	673	12.7
Mapalagama	Gle. (1)	238	408	152	747	12.0
Nagolle	KV. (1)	—	742	155	970	12.0
Panagula	KV. (1)	240	557	95	717	13.7
Panawatte	KV. (1)	1,560	2,264	892	665	15.0
Parambe	n.a.	243	219	430	623	15.4
Pelmedulla	Rat. (2)	485	1,202	541	832	11.8
Rosehaugh	Kal. (4)	—	2,310	217	897	13.5
R. Estates of Ceylon	n.a.	17	528	150	1,021	9.9
St. George	Kal. (1)	488	1,130	414	819	13.6
K.V. Ceylon Tea & Rubber	Rat. (3)	235	352	347	690	15.9
Yatiantota	KV. (1)	577	1,113	334	707	14.5

Source: Location of estates is given in reference to the main rubber growing areas of Ceylon. The figures given within brackets indicate the number of units under the ownership of each Company in the respective area. 'Groups' of estates within the same locality have been counted as single units.

Abbreviations: Kalutara (Kal.), Galle (Gle.), Kelani Valley (KV), Kegalle (Keg.), Morawaka (Mor.), Ratnapura (Rat.), Kurunegala (Kur.), Matale (Mtl.), HYR = High Yielding Rubber.

Sources: Manual of Rubber Planting Companies, 1961 (compiled by Zorn and Leigh-Hunt, London, for private circulation). Data on location, from Ferguson's Ceylon Directory, 1961.

RUPEE COMPANY RUBBER ESTATES OF CEYLON

Acreages, Yields and Costs of Production of Individual Companies

<i>Name of Company</i>	<i>Location of Estates</i>	<i>Acreage under Rubber</i>	<i>Average Yield* (lb./acre)</i>	<i>Average Cost of Production* (cts./lb.)</i>
Rubber Companies				
Apthorpe	Gle. (1)	434	397	98
Biddescar	Keg. (2),			
	Gle. (1)	653	792	84
Ceylon Rubber	Kal. (1)	1,196	965	74
Dehiowita	KV. (1)	304	823	79
Dorset	Kal. (1)	373	1,012	78
Forcester	Kal. (1)	1,103	821	80
Hatbave	Keg. (3)	699	502	92
Horawela	Kal. (2)	703	684	80
Kalutara Rubber	Kal. (2)	1,251	893	77
Landsdowne	Rat. (1)	697	948	78
Mirishena	Kal. (2)	1,219	920	76
Niriwatte	Rat. (1)	433	475	106
Panakura	KV. (1)	325	527	105
Rubber Plantations of				
Kalutara	Kal. (3)	885	1,140	71
Sittagama	KV. (2)	402	1,015	74
Sunderland	KV. (2)	802	840	77
Udapolla	KV. (4)	1,582	746	86
Usk Valley	Kal. (1)	922	694	87
Tea-cum-Rubber Companies				
Golinda	Keg. (1)	419	1,148	67
Hunuwella	Rat. (2),			
	Bad. (1)	995	1,069	67
Kaluganga Valley	KV. (1)	1,038	514	93
Kelani Tea Gardens	KV. (2)	344	1,033	66
Kuttapitiya	Rat. (1)	353	412	94
L.L.P.	Rt. (2)	737	561	93
Neuchatel	Kal. (6)	1,153	1,020	73
North Western	Kur. (2)	596	873	77
Pine Hill	KV. (1)	535	700	95
Raigama	Kal. (1)	601	811	83
Saffragam	Rat. (2)	2,204	1,005	74
Talgaswella	Gle. (1)	741	727	81
Udabage	KV. (4)	2,083	805	79
Vogan	Kal. (3)	924	626	76
Wellandura	Rat. (5)	324	988	58

*Average annual yields and costs for a period of five years (1961-1965).

Note: Location of estates is given in reference to the main rubber growing districts of Ceylon. The figures within brackets indicate the number of units under the ownership of the respective companies.

Abbreviations: Kalutara (Kal.), Galle (Gle.), Ratnapura (Rat.), Kelani Valley (KV.), Kegalle (Keg.), Kurunegala (Kur.), Badulla (Bad.).

Source: The Registrar of Companies, Ceylon.

MARKET GARDENING IN THE JAFFNA REGION

A Study of the Inuvil-Thavady Villages

S. SELVANAYAGAM

The Jaffna region, with its peninsula and islands, constitutes a unique geographical unit in the dry zone of Ceylon. It has a distinct socio-economic pattern which is not repeated in identical form in any other part of Ceylon. The region is densely peopled with an average of over 1,000 persons to the square mile. But if one takes into account the truly agricultural lands including the semi-productive homesteads the density will then be more than 3,000 per square mile. Densities of such magnitude are seen only in a few areas in south-western Ceylon. The Jaffna region is able to carry such large numbers because of the extremely intensive form of agriculture practised by the Tamil peasants living in it. Market gardening is the predominant form of agricultural activity; the bulk of the cash incomes of the villagers are derived from the sale of these products. With a view to assess the socio-economic conditions of the Jaffna villagers a field survey was conducted by the writer in the Inuvil-Thavady villages in 1960-61. The villages were again visited in early 1967 so as to observe the present trends and changes in agricultural production. The basic statistical data used in the preparation of this paper, however relate to the period 1960-61.

The Villages

Inuvil-Thavady, the two adjacent villages, located in the Valikamam North D.R.O. division in the peninsula, occupy the slightly elevated limestone terrain. The well jointed limestone structure which constitutes the whole of the Jaffna region, exercises a dominant effect on the underground water supply. The mean annual rainfall is about 55 inches; its distribution is concentrated in the three northeast monsoon months (60%). Although the rainfall effectiveness is limited to this rather short period the area is fortunate in having good ground water resources.

The Economy

Land Use: Of the total area of 1,030 acres in the two villages 974 acres (95%) are effectively utilised for agriculture, and for urban and associated uses. The remaining 5% is waste. The types of agriculture practised are

closely related to the different classes of land quality. The well drained red loams are intensively used for garden crops (31%). Homesteads which occasionally embrace small garden plots, occupy about 52%. Urban and associated uses account for 12%.

Agriculture: The main agricultural type in this area is market gardening. About 314 acres are under this type. It is limited to the well drained red loams which are entirely well irrigated. Several varieties of cash crops are cultivated on the small garden plots. Four to five crop rotations are practised in a year. Crops yielding a steady cash income such as onions are rotated two to three times a year. The most important garden crops are tobacco, onions, chillies, vegetables, yams, potatoes and plantains.

About 533 acres are under homesteads. These include, with family dwellings, tree crops such as palmyra, coconut, jak, mango and *murunga*. Of these palmyra, which is well adapted to the environment covers the greater portion of the area. Where land is available some garden crops (chillies, vegetables, plantains) are also grown in small amounts.

Owing to the absence of pasture livestock farming is not so important. Poultry production however occasionally supplements the family income.

Techniques of Cultivation

Highly advanced techniques are practised in the cultivation of garden crops. It is this fact which alone accounts for the intensive farming and the high agricultural productivity in the Jaffna region. Market gardens are all irrigated from wells. The well-sweep which once characterised the landscape has almost disappeared. The most popular modern device is the oil pump and it is used extensively to draw water. The soil is prepared with the aid of the mamotty. Occasionally the wooden plough is used before the soil is first turned by the mamotty. Manuring is an essential feature, and garden plots are often heavily manured. Both organic manures (green leaf manure, cow dung and compost) and chemical fertilizers (usually ammonium sulphate) are applied; frequent dressings are necessary because of the perpetual cultivation. Selected seed varieties are used. Pests and diseases are also largely controlled. The application of pesticides (folidol, endrex, etc.) is a common feature. Thus it is seen that market gardening in this area is given the best attention by village cultivators who in return receive relatively high incomes from tiny plots of garden land.

The farmers in these villages enjoy many facilities with regard to cultivation. Loans for cultivation and fertilizers at subsidised rates are obtained

from the local multi-purpose co-operative society which also buys a portion of the agricultural products such as onions, chillies and potatoes at guaranteed prices. Vegetables, yams and plantains are sold at the local fair at Maruthanamadam and at the nearby Chunnakam and Jaffna town markets. There is a steady local market for the smoking varieties of tobacco. There is in this area a fairly well established cigar industry which consumes most of the tobacco. The cultivators are also advised on modern techniques of cultivation by officers attached to the government agricultural extension service. The extension service no doubt has many shortcomings. Besides the farmers themselves are generally educated and ever willing to adopt whatever technique that is likely to give them a substantial increase in cash returns. Through the years the farmers have built up an agricultural tradition which is considered superior to those found in other parts of Ceylon.

Agricultural incomes

Disproportionately high incomes are obtained from the small extents of garden lands. They yield the bulk of the cash incomes of peasant families. There are many reasons for this. The garden lands are usually the most productive, having irrigation facilities. Hence such lands are continuously cultivated with garden crops, most of which are marketed under the guaranteed price scheme. Vegetables, yams and plantains are sold at the fair and in the nearby markets. Even tobacco which has a declining market elsewhere finds a ready market. Owing to these factors the average cultivator in this area is better off financially (see Table below). However the incomes per family are dependent on the size and character of the farm holding. Families with a fair extent of good garden land (with good soil and adequate well water) usually derive substantial cash returns whereas those with tiny plots receive only poor incomes. Those families owning no cultivated land at all are depending on leased lands for their income. There are also other such families dependent on farm labour and non-agricultural employment. The garden plots owned in this area as in many other Jaffna villages, are small. As such many families operate leaseholds along with what little they own. It was noticed during the field survey that less than 50 per cent of the families questioned in the two villages operated one acre or more of garden lands, and 75 per cent of the families cultivated leased lands which in many cases supplemented their own tiny plots. This shows the acute shortage of cultivated land in this area. The position is largely the same all over the Jaffna region.

Usually a small proportion of the vegetables, yams and chillies is used for home consumption. The bulk is sold for cash. The statistics on agricultural

Inuvil-Thavady villages: Family size, land holding, agricultural incomes, 1960-61

	<i>Family Member- ship</i>	<i>Gardenland Owned (acres)</i>	<i>Gardenland leased (acres)</i>	<i>Total land operated (acres)</i>	<i>Gross income (Rs.)</i>	<i>Net income (Rs.)</i>
1	2	0.31	0.88	1.19	4,750.00	2,935.00
2	3	0.25	0.50	0.75	4,200.00	2,668.00
3	2	0.19	0.19	0.38	2,400.00	1,625.00
4	5	1.06	0.63	1.69	7,215.00	4,465.00
5	2	—	0.50	0.50	2,480.00	1,390.00
6	1	0.44	0.44	0.88	3,605.00	1,705.00
7	1	0.25	—	0.25	1,100.00	700.00
8	7	0.50	1.00	1.50	10,200.00	6,450.00
9	5	3.00	—	3.00	19,275.00	10,300.00
10	4	0.50	0.25	0.75	5,500.00	3,900.00
11	5	—	1.00	1.00	6,900.00	4,800.00
12	3	—	0.63	0.63	3,275.00	2,175.00
13	7	1.13	—	1.13	6,050.00	3,350.00
14	7	0.63	0.88	1.51	4,350.00	2,850.00
15	6	—	0.63	0.63	4,525.00	3,475.00
16	7	0.75	—	0.75	6,300.00	4,290.00
17	4	0.63	0.94	1.57	6,550.00	4,150.00
18	3	0.31	0.94	1.25	5,800.00	4,240.00
19	6	0.50	—	0.50	2,250.00	1,540.00
20	6	0.25	0.25	0.50	2,450.00	1,720.00

incomes obtained during the survey reveal that the gross incomes of the families ranged from Rs. 1,100 to Rs. 19,275. The amounts are unexpectedly very high when one considers the respective size of garden plots. With the exception of one family, even the net incomes (i.e. excluding sums spent as farm expenditure) of the remaining families ranged from Rs. 1,390 to Rs. 10,300. Many of these families also had substantial savings invested in buildings and jewellery; yet there were a few who were indebted (the sums involved were small) to relatives and the local co-operative society. The statistical information relating to the economic conditions shows that the garden cultivators in the two villages under study are generally more prosperous than their counterparts in the neighbouring villages.

Problems and Prospects

The average family membership in this area is about 5. But the distribution of cultivated land is rather unsatisfactory. The majority of the families operate minute extents, and there is no possibility in the face of increasing

population to increase their farm holdings. Therefore the main problem in these villages is the diminution in the size of cultivated land accompanied by a rapid increase in the number of landless families. Subdivision and fragmentation have been going on for many years; with the result there are families today operating less than 0·25 acre of garden land. There are also many landless families, some of whose members are partially employed in the local cigar making industry. But the problems of unemployment and underemployment in the peasant and educated sectors are increasing with no prospects of any relief. Although there are no immediate solutions to these problems any attempt to solve them should embrace a policy combining the following: (i) further intensification of market gardening and homestead production, (ii) industrialisation—cottage and small-scale types, (iii) emigration of a section of the landless population to the new agricultural colonies in the Wanni region.

The economic and social conditions described above although relate to two villages in the Valikamam North D.R.O. division may be taken to reflect the conditions in most market gardening villages in the Jaffna region of Ceylon.^{1,2}

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1. S. Selvanayagam, 'Intensive farming and agricultural trends in the Jaffna region of Ceylon', *The Journal of the National Agricultural Society of Ceylon*, Vol. 3 No. 1, (Kandy, 1966), pp. 21-35.
 2. S. Selvanayagam, 'Agrarian problems and prospects of developing the Jaffna region of Ceylon', *Young Socialist*, Vol. 4 No. 2, (Colombo, 1967), pp. 55-60.

THE ACTION FOR BREACH OF PROMISE OF MARRIAGE

M. SORNARAJAH

The action for breach of promise of marriage has met with much disfavour in modern legal systems. The reason is that the action has now degenerated into an instrument of revenge and extortion and has often been used as a method of blackmail.¹ Also, the action for damages may have the indirect effect of compelling the promiser to marry the promisee rather than pay the damages and face financial ruin. Hence in an age in which much emphasis is placed on freedom of choice and individual happiness in marriage,² the action must necessarily meet with disfavour. It was probably due to this reason that the action had no place in the classical Roman Law. Marriage to the Romans was more a social fact than a legal institution.³ In Roman Law, a marriage could be easily contracted and as easily dissolved. So an engagement to marry was also an informal matter. It only involved a moral obligation, an obligation of honour, and its breach did not give rise to damages,⁴ for the action for damages was inconsistent with the Roman concept of *liberum matrimonium*. However that concept died as a result of the rise of religious fervour. The breach of promise in later Roman Law became actionable only as a result of the solemnity religion attached to such promises.⁵

In the medieval period the Christian Church made marriage a religious institution. The power of the Church and the force of religious thinking were such that law came to regard marriage as an indissoluble union and a betrothal as an irretractable promise which could be specifically enforced at the instance of one of the parties.⁶ However in the modern world, the emphasis has once

1. See, e.g., 7, *Harvard Law Review*, 372.

2. W. Friedmann, *Law in a Changing Society*. (1959), p. 209.

3. W. W. Buckland, *Main Institutions of Roman Private Law*, (1931), p. 58.

B. Nicholas, *Introduction to Roman Law*, (1962) p. 80.

R. Sohm, *Institutes of Roman Law*, 3rd ed. (1907) p. 457.

4. W. L. Burdick, *Principles of Roman Law*. p. 219.

W. W. Buckland and A. McNair, *Roman Law and Common Law*, 2nd ed., p. 31.

F. Schultz, *Classical Roman Law*, (1951), p. 109.

5. F. Schultz, *op. cit.*, p. 109.

6. J. W. Wessels, *History of the Roman Dutch Law*, (1908), p. 430-3.

again shifted or at least is shifting towards the Roman concept of *liberum matrimonium*. With the accent in legal philosophy now on the individual's right to happiness in marriage,⁷ the action for breach of promise of marriage, which may act as an impediment to such happiness has come to be regarded as odious and undesirable. Not only have all modern legal systems abolished the action for specific performance by statute,⁸ but some states have gone to the extent of abrogating even the action for damages.⁹

Thus it could be seen that the action for breach of promise reflected the prevailing legal and social philosophy as regards marriage. The object of this essay is to trace the growth of the action in the Roman and Roman-Dutch Law, to determine to what extent it was affected by *social conditions* and to examine the nature and scope of the action and the defences to the action in the light of the changing philosophy as regards marriage in the modern law.

Roman Law

In Roman Law marriage was contracted and was dissolved by mere consent. So it would have been superfluous to require any special formalities for a betrothal.¹⁰ However there is evidence that in early Roman Law betrothals which were contracted by means of *sponsiones* had some legal significance.¹¹ According to Jolowicz¹² the fact that the breach of promise was actionable in the provinces of Latium would indicate that the breach of promise was actionable in Rome too.¹³ Moyle also takes the view that in early Roman Law any penal stipulation attached to the betrothal would become enforceable in the event of the breach.¹⁴

However it is clear that the Classical Roman Law did not recognise the action for the breach of promise.¹⁵ Even penal stipulations ceased to be enforceable and were regarded as *contra bonos mores* for such a stipulation was an indirect form of compulsion not in keeping with the concept of *liberum matrimonium*.¹⁶

7. W. Friedmann, *Law in A Changing Society*, p. 209.

8. e.g., in England, *Lord Hardwick's Act*, (1753) and in Ceylon, *the General Marriage Ordinance*, (1907), s. 20(1).

9. e.g., certain American States have abolished the action *in toto*. *vide infra*.

10. D. 23.1.4.

11. J. B. Moyle, *Institutes of Justinian*, 5th ed. (1923), p. 129.

12. H. F. Jolowicz, *Historical Introduction to Roman Law*. (2nd ed. 1952), p. 242. f.n.3. R. Sohm, *Institutes*. s. 92, note 5.

13. F. Schulz, *Classical Roman Law*. 109. H. F. Jolowicz, *Roman Foundations of Modern Law*. p. 149.

14. J. B. Moyle, *Institutes*. (1923) 5th ed. p. 129.

15. F. Schulz, *Classical Roman Law*. p. 109. Jolowicz, *op. cit.*, p. 149.

16. J. B. Moyle, *Institutes*. p. 129.

Nevertheless in post-Classical times, apparently due to the influence of Christian ethics on marriage, a betrothal acquired some juridical content. Though penal stipulations were rejected yet other indirect sanctions which produced the same effect, existed. Thus the introduction of the *arrha sponsalica*—a gift made on engagement and forfeited on its breach—served to achieve the same purpose as the penal stipulation.¹⁷ Even the distinction between marriage and betrothal became blurred so much so that infidelity of a party to the betrothal was regarded as adultery.

Eventually Emperor Leo in his 18th Novel, having noted the licentious freedom with which engagements were being broken, made penal stipulations actionable. Thus in the Roman world, the law changed from age to age, reflecting the moral values and social policy regarding marriage.

Roman Dutch Law

The influence of Christianity was such that in the middle ages marriage continued to be regarded as a religious institution. The tendency in the post-classical Roman Law to treat the betrothal as if it were the marriage itself also continued to prevail in the legal systems which were influenced by the Roman Law.

Wessels¹⁸ tells us that among the Germanic tribes, the bride-groom led the bride home immediately after the betrothal. Thus the dignity and sanctity the Church conferred on the institution of marriage came to be attached to betrothals too and the Ecclesiastical Law came to regard a betrothal as an inchoate marriage.¹⁹ In most provinces of Holland, this principle was accepted.²⁰ As a result of this influence of religious thought the law began to recognise the specific performance of the contract to marry. In 1656, the *Echtreglement* empowered the courts to compel specific performance of a promise of marriage, 'whatever might be the wealth and dignity of the parties'.²¹ Specific performance of marriage could be enforced by threat of civil imprisonment. The judge also had the power to make a formal order that 'everything was to be considered to be in the same position as if the marriage had already been contracted'. As an extreme measure he could even ask an officer of the court to represent the recalcitrant party and go through the ceremony of marriage on the latter's behalf.²²

17. H. F. Jolowicz, op. cit., p. 149.

18. J. W. Wessels. *History of Roman Dutch Law*. p. 431. Further see, F. Van den Heever, who discusses the matter at great length. (*Breach of Promise and Seduction*).

19. Van den Heever, p. 8.

20. Huber, l. 59. Wessels. op. cit., p. 435.

21. Wessels. *ibid.* p. 433.

22. Voet. 23.1.12. V. D. K. 57. R. W. Lee *Introduction to Roman Dutch Law*. 5th ed. (1953), p. 51.

Richter. v Wagenaar. 1829. 1. Menz. 262. and *Joosten v Grobbelaar*. 1832. 1. Menz. 149. are the last cases in which courts ordered specific performance (in South Africa).

However, in order to avoid as far as possible the unhappiness that might result from an enforced union, the institutional writers sought to admit a wide category of defences to the action for specific performance.²³ According to Vander Linden, 'the last of the old text writers'²⁴ the commonly recognised defences to the action in the Roman Dutch Law were "lunacy of either party, scandalous conduct of either party, excessive dissipation, incapacity to have children, manifest deceit in the contract and the like".²⁵ Among the jurists, Henry Brouwer in his work, *De Jure Connubiorum*²⁶ has taken the most liberal view. He is liberal enough to lay down as a proposition that where there is any doubt as to whether a supervening circumstance is a *justa causa* for the breach or not, the doubt should be resolved in favour of the defendant.²⁷ He seeks to widen the category of defences and goes to the extent of holding that even an evil smell which arises from the innocent party would provide justification for the breach of promise.²⁸ Brouwer draws support for widening the category of defences from Groenewegen²⁹ and Van Leuwen.³⁰ However Voet criticizes Brouwer's opinion as being too wide.³¹

The Roman Dutch Law also recognised the action for damages.³² But that action was relegated to a subordinate position because of the fact that the action for specific performance was a more satisfactory remedy from the point of view of the injured party. The action for damages was resorted to only when specific performance of the contract to marry had become impossible either by the death or marriage of the offending party.³³ As the action for damages now survives in the modern law, assessment of damages and the defences to the action are discussed in the next section.

The Roman Dutch Law relating to breach of promise of marriage reflected the religious thinking as regards marriage. The law had to strike a balance between two conflicting interests—the sanctity attached by religion to a

23. See. Tatham, J., in *Schnaar v Jansen* 1924. N.P.D. 219-220.

24. So described by Lee, p. 18.

25. Van der Linden, *Institutes*. 1.3.2.

26. Wessels describes the work as being a 'monument of research' vide his *History*, p. 305.

27. "*In conflictu rationem, sitne justa vel injusta quae allegatur causa potius repudium admittendum quam negandum esse, quia hec casu utilius et melius est separare non separandos, quam conjugere non conjugendos, cum coacta matrimonia sortiri soleant tragicus eventus*" Brouwer. op. cit. 1.25.9.

28. The other instances in which Brouwer justifies rescission are—where the girl's face becomes scarred, where one party becomes deaf, blind or lame, or loses limbs or where he has been charged with homicide and acquitted on ground that he acted in self defence.

29. *De Legibus Abrogatis*, Code. V.1.5.

30. *Censura Forensis*. 1.2.27.

31. 23.1.15.

32. Van den Heever, p. 11. Voet. 23.1.12.

33. Voet, 23.1.12. and 23.2.95.

promise of marriage solemnly made and the unhappiness—the *tragicus eventus* as Brouwer puts it—that would result from a marriage which is specifically enforced by court. The conflict was resolved by recognition of the action for specific performance but with a wide category of defences.

Modern Law

In the modern world the concept of an indissoluble marriage has gone out of vogue. All legal systems now recognise that marriage is a union that is entered into by the free will of the parties, for their own happiness. The individual's right to happiness is to-day the first postulate of marriage.³⁴ Thus a slow movement back to the Roman concept of *liberum matrimonium* is discernible in modern legal theory.

In the light of this changing legal philosophy, any restriction placed on the free choice of a future marriage partner would seem undesirable. Because of this, the action for specific performance of the contract to marry has been abolished by statute in most legal systems.³⁵

The action for damages which now is the only remedy is as undesirable for it could indirectly act as an impediment to free choice in that the threat of an impending action with the heavy penalties which may follow it would induce a person to keep his promise rather than break it and thus enter into a union which from its very inception may be doomed to failure. For this reason and for the reason that the action far from being a remedy has degenerated into an instrument of revenge, extortion, and blackmail, modern legal systems do not look upon the action with favour.³⁶ Some States have even abolished the action by statute.³⁷

But one of the tasks of law is to balance conflicting interests. Though a liberal concept of marriage is incompatible with the action for damages, yet the action remains the only method by which redress could be afforded to a jilted party who may have suffered both pecuniary and sentimental damages as a result of the infidelity of his or her³⁸ fiancé. A jilted woman may have

34. W. Friedmann, *Law in a Changing Society*, p. 209.

35. In England by Lord Hardwick's Act, 1788.

For Ceylon, see, the General Marriage Ordinance, sec. 20(3).

36. See 7, Harvard Law Review, p. 372. e.g. in French Law, compensation is not ordered unless the plaintiff can prove substantial damages; Amos and Walton, *Introduction to French Law*, 2nd ed., 1963, p. 258.

37. Many American States (Pennsylvania, New Jersey, New York, Michigan, California among others) have abolished the action by statute. Prof. R. Powell seems to favour the abolition of the contractual action in English Law. See 1961, *Current Legal Problems*, 100.

38. In South Africa there was considerable doubt as to whether the remedy is conferred on women only. But now it is generally accepted that there is nothing to prevent a man from bringing such an action. The fact that in the majority of cases, the plaintiff has been a woman, is no justification for concluding that the action is confined to women only. See *Mocke. v Fourie*, (1893) 3. C.T.R. 313. Van den Heever, p. 34.

expended money in preparing for her wedding, resigned from her employment and even parted with her property by way of gift. Her prospects of another marriage may have been diminished as a result of the breach. Her reputation may have been marred by the fact that slanderous reasons have been given by the other party in justification of the breach of promise. A remedy then should exist to protect the rights of such a jilted lover. So although the action for damages may be undesirable, yet it should be retained as it is the only means by which an injured party could assert her right to redress. In the modern law, the action could be moulded in such a manner as to be in consonance with the liberal concept of marriage, but yet afford a remedy, where need for redress exists.³⁹ This could be done by recognising the action for damages and at the same time widening the defences to the action.

The principal aspects of the action for damages for breach of promise which require consideration and which will be considered here are:—

- (1) The assessment of damages and
- (2) The defences to the action.

Also the question of proof will be considered.

I

ASSESSMENT OF DAMAGES

The legal systems which recognise the action for damages for breach of promise of marriage stress that the action is composite in character. Both contractual as well as delictual damages may flow from a breach of promise for such breach could not only cause pecuniary loss to the jilted party but may also cause great pain of mind. As a result of this, the action is regarded as a fusion of two actions—an action *ex contractu* and an action *ex delicto*.⁴⁰

It is usual to treat the basis on which courts assess damages under two separate heads⁴¹—

- (a) Contractual damages.
- (b) Delictual damages.

Contractual Damages

Though a promise to marry is usually made without any of the formalities which attend an ordinary contract, yet law treats it like any other commercial contract. As Lord Russell of Killowen so aptly pointed out, 'The institution of marriage has long been on a slippery slope. What was once a holy estate enduring for the joint life of the spouses is steadily assuming the characteristics of tenancy at will'.⁴²

39. See, Francis H. Bohlen, 50, *Harvard Law Review*, p. 1248.

40. J. W. Wessels, *Contracts* 2nd ed. p. 845. Mayne, *Damages*. 6th edition. p. 430.

41. See, e.g., Carlisle, A. J. in *McCalman v Thorne*. 1934. N.P.D. 86.

42. *Fender v St. John Mildmay*, 1938. A.C. 1. at page 34.

In English Law, all pecuniary loss directly flowing from the breach of promise and all other foreseeable damage and defendant may incur in consequence would be recoverable. The test that is applied to assess damage is the Rule in *Hadley v Baxendale*.⁴³

In the Roman Dutch Law however the action for damages is seldom referred to by the institutional writers, the reason for this being that the recognition of the mere effective action for specific performance relegated the action for damages to a subordinate position. The action for damages existed only as a surrogate and hence did not receive much attention from the jurists. No clear principle as to assessment of damages is laid down in the texts.

Voet refers to the action only twice. In 23.1.12. having observed that the loss of matrimonial bliss cannot be measured in terms of money, he goes on to state that the action for damages would be the only remedy where the guilty party had already married another. In 23.2.95. he states that an action for damages would lie against the estate of the party in default, if he had died, without fulfilling his promise of marriage. It is to be noted that in both these instances where Voet allows the action for damages, specific performance had been rendered impossible by marriage or death of the guilty party.

Thus though there is no doubt that the action for damages was recognised in the Roman Dutch Law, yet due to the unimportant place it occupied, the text writers do not seek to formulate any principles regarding assessment of damages in such actions. However it is possible to extract certain definite principles from their *dicta*. Thus Voet states⁴⁴ that in the event of the promisor's death, the frustrated party could claim the benefits which would have arisen by universal community of property and the gains that would have passed on dotal agreements had the intended marriage taken place. Brouwer⁴⁵ also states that the guilty party cannot escape specific performance by merely tendering the "*quod interest nuptias sequi*" unless the jilted party accepts the tender. Now that the remedy for specific performance has been abolished, it follows that the injured party can recover the "*quod interest nuptias sequi*" by action. From passages such as these it is possible to infer the principle that the innocent party could recover the *id quod interest* in the event of a breach of promise.

Even as regards the measure of damages for breach of commercial contracts, the Roman-Dutch Law writers do not say much. According to Lee⁴⁶ the law relating to contractual damages in the modern Roman Dutch Law is taken to be the same as in English Law.

43. Under this rule all damages a reasonable man could foresee are recoverable.

44. Voet, 23.2.95.

45. *De Jure Conubiorum*, 1.24. 20.

46. *Introduction to Roman Dutch Law*. p. 263.

It is perhaps true then that the law relating to measure of damages in an action for breach of promise of marriage in the Roman Dutch Law is the same as in English Law. The jilted party is entitled to claim all patrimonial loss which directly flows from the breach and any pecuniary loss which the defendant in the light of his knowledge of the particular circumstances could reasonably foresee. The patrimonial loss will have to be proved "with that degree of precision required in breach of contract".⁴⁷

In assessing contractual loss, the courts take into consideration both the monetary loss that had resulted and the prospective loss.⁴⁸ In assessing actual loss the main concern of the court would be to afford compensation for the money the plaintiff had spent in preparing for the wedding. Thus it has been held that the plaintiff could recover the sum she had spent on the bridal trousseau.⁴⁹ Where the plaintiff had given up lucrative employment in order to marry she may recover damages in respect of such loss.⁵⁰ Any incidental expenses spent on travelling, entertainment etc. in connection with the intended wedding may be recovered.⁵¹ Engagement gifts or their value also could be recovered.⁵²

In assessing the prospective loss, the courts take into account the financial position and the expectation of the parties.⁵³ They would attach some significance to the fact that the plaintiff may have improved both her social and financial position had the intended marriage taken place.⁵⁴ They also consider the extent to which the future prospects of the plaintiff's marriage had been prejudiced by the breach.⁵⁵

47. Trollip, J. in *Rosenbaum v Guggenheim*. 1961, 4. S.A.L.R. at p. 36.

48. See Carlisle, A. J., in *McCalman v Thorne*. 1935. N.P.D. 86.

49. *Kuruppu v Iranganie Gunasekera*. 47 N.L.R. 505. *Combrink v Koch*. 1946. N.P.D. 512. but in *Radloff v Ralph*. 1917. E.D.L. 168. Hutton J. did not allow damages as "the plaintiff still had the trousseau and will have the use of it".

Van den Heever at p. 39 f.n. 46. takes a similar view.

50. *Kuruppu v Iranganie Gunasekera*. 47 N.L.R. 505. *Guggenheim v Rosenbaum*. 1961 4. S.S.A. 23.

Combrink v Koch supra. *Quirk v Thomas*. 1916 1. K.B. at 525.

51. Chitty, *Contracts* 20th ed., p. 1196. Eversley, *Domestic Relations*. 6th ed., at p. 78.

52. *Heen Banda v Sinniah*. 57 N.L.R. 134. In the R.D.L. a *condictio causa data causa non secuta* could lie in such instances. Also the settlor could ask that the property be held subject to a constructive trust due to the fact that there has been a failure of consideration. The property would then result to the settlor. See, s. 85 of the Ceylon Trust Ordinance, No. 9 of 1917. *Essery v Cowland* (1884), 26 CH.D. 191. *Bond v Walfond*. (1886), 32 CH.D. 238, see also Lewin, *Trusts*. 15th ed., p. 135.

53. Van den Heever, p. 39.

54. As Eversley says 'marriage is deemed to be an advancement in the world and reasonable expectations of enjoying this advancement are to be compensated by payment of damages', *Domestic Relations*, 6th ed., at p. 78.

55. *Rosenbaum v Guggenheim*, supra; Van den Heever, p. 39. D. M. Walker, *Law of Damages in Scotland*, p. 563.

Delictual Damages

A breach of promise of marriage in the normal course of events would cause deep hurt to the feelings of the jilted party. It amounts to the frustration of the expectations of a happy future.⁵⁶ It may amount to an affront to the *dignitas*—"that valued and serene condition in his individual or social life"⁵⁷—of the injured party. Where contumelious reasons are given for the breach, the reputation of the jilted person may also stand marred.⁵⁸

Most legal systems treat the action for breach of promise as *sui generis*.⁵⁹ For the action combines within itself both a contractual and delictual element. Thus in English law in awarding damages to the plaintiff "the jury are not limited to the mere pecuniary loss the plaintiff has sustained but may take into consideration her injured feelings and wounded pride."⁶⁰

In some American jurisdictions the courts award damages for "the mental anguish and injury to feelings" caused by the breach.⁶¹ In French Law, 'moral' damages are awarded where the breach occasions prejudice to the detriment of the promisee's social position and reputation.⁶²

In the modern Roman Dutch Law of South Africa and Ceylon⁶³ it is now a settled proposition that damages for *injuria*⁶⁴ may flow from a breach of

56. Virgil thus describes the plight of the jilted party:—

"... she could not sleep nor her eye nor her heart could close, redoubled anguish, unrequited love and burning anger pulsed in her soul in turn".

Virgil 'Aeneid' Book. 4. (Translated by Patric Dickson).

57. De Villiers, *Injuries*. p. 24.

58. Where, e.g., unchastity or an immoral past is falsely imputed to justify the breach.

59. Mayne, *Damages*. 9th ed., p. 476. *McCalman v Thorne*. 1934 N.P.D. 86. Walker, *Law of Damages*, (supra).

60. Per Wills, J. in *Berry v Da Costa*. 1866 L.R. at p. 333. See also *Sunley & Co. v Cunhard White Star Ltd*. 1939 2. K.B. at p. 799.

61. 25, *Columbia Law Review*. 345. the writer also notes "the outstanding similarity between the action for breach of promise and a tort action". But in one case cited sentimental damage was held to be permissible only if the breach was "wilful and wanton". Also see *American Restatement of the Law of Contracts*. 341. *Corpus Juris*, vol. 9 at p. 371.

62. P.O. Lapie, 'French Case Law on Breach of Promise of Marriage', *Journal of Comparative Legislation and International Law*. (1929), pp. 73-74.
See, also, Amos and Walton.—*Introduction to French Law*. 2nd ed., p. 68.

63. *Jockie v Meyer*, 1945, A.D. 354. *Muthukuda v Sumanawathie*, 65. N.L.R. 206.

64. An *injuria* is defined by Voet as a *delictum in contemptum hominis liberi admissum, quo eius corpus vel dignitas vel fama laeditur dolo malo* 47.10.1. and by Vinnius as 'omne dictum factumve ad contemptum, infamiam aut dolore alterius directum'. *Commentarius ad Institutiones*. 4.4.

An *injuria* involves an act of an insulting nature directed at the *corpus*, *fama* or *dignitas* of a person. Vinnius goes to the extent of referring to *dolor*. A breach of promise never affects *corpus* but only *fama* or *dignitas* or both. Unlike the elements of *fama* and *corpus*, *dignitas* has not been precisely defined and still remains a 'vacuous concept' whereas the other concepts have been "departmentalized in the specific *injuria* of defamation malicious prosecution, assault and false imprisonment" and "it is by reference to this concept (of *dignitas*) that any further development can take place". See, C. F. Amerasinghe, *Aspects of the Actio Injuriarum in Roman Dutch Law* (Colombo, 1966) p. 173 and p. 237.

promise of marriage. A long line of decisions also expressed the view that a breach of promise *per se* without any further contumelious conduct on the part of the guilty party would amount to an *injuria*.

In *Triegaardt v Van der Vyver*,⁶⁵ Kotze, J.P. explained the position thus "The contract of marriage is one *sui generis* and in case of breach of promise of marriage, principles apply which are somewhat different to those applicable to ordinary cases of breach of contract. The feelings of the plaintiff for instance and the moral suffering she has undergone ought certainly to be taken into consideration".

The view of Kotze, J.P. was consistently followed in South Africa and was reiterated by Carlisle, A.J. in *McCalman v Thorne*.⁶⁶ Having pointed out that the action for breach of promise in its present form had no place in the Roman Dutch Law and that the action should be treated as essentially modern, he thought that the question as to how damages should be assessed, should be solved mainly upon principles. He thought that the earlier cases had already developed a logical and practical principle as regards assessment of damages in such actions. Citing with approval the view of Hutton, J. in *Radlof v Ralph*⁶⁷ that the court should take into consideration 'not only the monetary loss suffered by the plaintiff but also the extent to which the feelings of the plaintiff had been wounded' Carlisle, A. J. traced the heads of damages in an action for breach of promise to two sources:—

(1) The ordinary measure for the breach of contract.

(2) The ordinary measure for *injuria* arising out of *contumelia* suffered by the plaintiff for 'in a civilised society . . . the wrongful putting an end to of a betrothal by one party is in ordinary cases regarded as an impairment of the personal dignity or reputation of the other party and is thus an *injuria*'.

Consistent with this view, his lordship thought that it was not necessary to specifically set out in pleadings the different heads under which damages are claimed but that a 'lump sum' may be claimed as damages. The approval of this procedure in the recent decision of the Natal courts in *Bibi v Variawa*,⁶⁸ can only be construed as an approval of the view that a breach of promise *per se* amounts to an *injuria* for unless this be the position, delictual damages would have to be specifically pleaded and proved.

McCalman v Thorne thus established as a principle⁶⁹ that a breach of promise of marriage *ipso jure* without accompanying acts of a contumelious

65. 1910, E.D.L.44.

66. 1934, N.P.D. 86.

67. 1917, E.D.L. 168.

68. 1965, 4. S.A.L.R. 675; but Trollip, J. in *Rosenbaum v Guggenheim* disapproved of this procedure.

69. The view was approved in *Mymenah v Cassim Rahim*. 1943, N.P.D. 229. *Combrink v Koch*. 1946, N.P.D. 512; also see, Mulligan, *Breach of Promise of Marriage*. 75, S.A.L.J. 175.

character would amount to an *injuria*. This view that a breach of promise *per se* amounts to an *injuria* finds support in an early decision of the Supreme Court of Ceylon. In *Dormiux v Kriekenbeek*,⁷⁰ the court stated 'that costs (*sic*) were not remuneration for expenses but for injury to reputation and feelings, which it is the object of the court to secure'. It was also said that 'there can be no more severe wound to the feelings of a modest and respectable woman than this capricious rejection of her after a solemn undertaking to make her his wife'.

A more recent case in which damages for *injuria* were awarded, *Muthukuda v Sumanawathie*⁷¹ was concerned with a situation where the manner in which the promise was broken was further contumelious in nature. The plaintiff had waited with her friends and relatives ready for the 'poruwa' ceremony on the day fixed for the marriage. The defendant failed to turn up. The plaintiff brought an action for breach of promise of marriage and on a separate count claimed damages for the pain of mind, humiliation and disgrace she had suffered in the eyes of her friends and relatives.

Weerasooriya, S. P. J. holding that the events on the day of the wedding gave rise to a separate cause of action apart from the breach itself awarded damages both for the breach of promise and for the pain of mind, caused by the conduct of the defendant on the day of the wedding.⁷² Though the breach of promise in this case was accompanied by further contumelious conduct on the part of the defendant which would clearly have constituted an *injuria* on its own as well, yet the *dicta* in this case would support the view that a breach of promise *per se* was an *injuria*. Weerasooriya, S. P. J. was willing to regard every breach of promise as giving rise to an action *ex contractu* as well as *ex delicto*.

The view of Carlisle, A. J. that a breach of promise *per se* would amount to an *injuria* was then generally accepted as correct until that erudite judge, the late Mr. Justice Van den Heever published his work, '*Breach of Promise*

70. 1821, Ramanathan *Reports*, p. 23.

71. 65, N.L.R. 206.

72. It is submitted that in such a situation it would not be correct to look upon the events that occurred as giving rise to two separate causes of action. The failure to appear at the 'poruwa' ceremony was the first act of the defendant which indicated to the plaintiff, the unwillingness of the defendant to abide by his promise. Hence it should more properly have been treated as the mode in which the breach was committed and should not have been considered a separate *injuria*, which gave rise to a different cause of action. As every breach of promise is *per se* an *injuria*, circumstances such as those which existed in this case should be treated as merely aggravating the *injuria* and not as a separate *injuria*. So the damages to be awarded for pain of mind caused by the conduct of the defendant should have been considered in assessing damages for the delictual element involved in the breach of promise. If the view of Weerasooriya, S. P. J. is followed there would be a duplication of damages.

and Seduction',⁷³ the approval of the views expressed therein by Trollip, J. in *Rosenbaum v Guggenheim*⁷⁴ and the doubts raised by the recent decision of the Appellate Division in *Bull v Taylor*.⁷⁵

Van den Heever objects to the view that every breach of promise should necessarily contain a delictual element on the ground that the view is 'unconsciously based on English principles and has no support in the Roman Dutch Law'. He takes the view that 'unless a person who breaks off an engagement commits an actionable wrong' the feelings of the plaintiff and the mental agony she had undergone are irrelevant to the question of damages. He holds that the delictual damages should be awarded only where the breach of promise itself takes place under humiliating circumstances. Consistent with this view, van den Heever holds that a mere formal breaking of a promise of marriage would not amount to an *injuria*.

The reasons he advances for his opinion are:—(1) that the view in decisions like *McCalman v Thorne* has no support in the Roman Dutch Law and (2) that the notion that a woman necessarily 'loses social position or "face" when an engagement is broken off under non-injurious circumstances seems . . . to reflect the morals of a by-gone age when espousals constituted an inchoate marriage and repudiation was equivalent to malicious desertion'.

Van den Heever's first reason can be easily disposed with. If there is no authority for the proposition that a breach of promise *per se* is an *injuria*, then there is no authority to support the view of Van den Heever either.⁷⁶ Then the criticism that Van den Heever makes of the view in *McCalman v Thorne* is equally applicable to his own view. But the view of Carlisle, A. J. it should be noted, would be in consonance with the liberal spirit of the Roman Dutch Law, which recognises an action for *injuria* and defines the concept of *injuria* in wide terms.⁷⁷

As Carlisle, A. J. further pointed out the action for breach of promise should be treated as a modern action, capable of being developed by the courts. The fact that the feelings of a person who had accepted an offer of marriage is deemed to be an interest worthy of protection by other mature legal systems⁷⁸ coupled with the presence of a liberal concept of *injuria* in the Roman Dutch

73. Published in 1954. (Juta & Co. Cape Town, South Africa). For a review, see 1955, *S.A.L.J.* 318.

74. 1961, 4. S.A.L.R. 26. (W.L.D.)

75. 1965, 4. S.A.L.R. 29. (A.D.)

76. Van den Heever cites no authority.

77. The concept of *injuria* is not found in English Law which nevertheless recognises that sentimental damages may be awarded for a breach of promise.

78. Looked at in the light of the 'jurisprudence of interests' the fact that feelings and expectations are deemed to be interests worthy of protection by the American and English systems would provide strong justification for similar protection in the modern Roman-Dutch Law. For 'Jurisprudence of interests' see Paton, *Jurisprudence* 3rd ed., p. 118 et. seq. Stone, *Province and Function of Law*, ch. xx.

Law would heavily weigh the scales in favour of the view that a breach of promise *per se* is an *injuria*.

Further at least one text-writer is not entirely silent on this question. Van der Keessel in his *Theses Selectae*⁷⁹ states that a married man who promises to marry a woman who is ignorant of the fact that the man is already married commits a *crimen injuria* and "should be exposed as infamous deprived of his dignity and fined". The pain of mind caused to the jilted party both in the case of the deception by the married man and in the case of breach of promise by an unmarried man is in effect the same. There is frustration of hopes of marriage and happiness in both cases, but in the former case the conduct of the married man is also *crimen* in that "such act or conduct is offensive to good morals".⁸⁰ But a *crimen injuria* is always a civil *injuria* too. As the effect produced on the mind of the jilted party in both cases is same, there is no reason why the feelings of the person who had been jilted by an unmarried man should not be afforded the same protection as the feelings of a woman to whom a married man had made a promise. It is submitted then that it is possible to interpret the view of Van der Keessel to support the view taken by Carlisle, A. J.

The second criticism of Van den Heever contains an initial fallacy that an *injuria* should necessarily involve the losing of 'face' and social position. Van den Heever here places emphasis on *fama* ignoring the fact that an affront to *dignitas* alone in the Roman Dutch Law would amount to an *injuria*. So though a woman may not lose 'face' as a result of an *injuria* yet she could suffer pain of mind as a result of the deception and infidelity of her erstwhile lover and hence would become entitled to sentimental damages.

Thus Van den Heever's criticism of the stand taken by Carlisle, A. J. in *McCalman v Thorne* that a breach of promise *per se* would amount to an *injuria* is basically unsound. However Van den Heever's view was cited with approval in *Guggenheim v Rosenbaum*. Trollip, J. in that case also canvasses the support of another great scholar, the late Professor Melius de Villiers who in his work, the *Roman Dutch Law of Injuries* says:—"... a breach of promise of marriage is not necessarily an *injuria*. The favourable inclination of a man towards a woman may turn to aversion from numerous other causes than those which reflect upon her character and there may be cases where a breach of promise may be occasioned by reasons which are strictly honourable. It might however be an injury when a person wilfully enters into an engagement which he does not intend keeping with the object of exposing that other to ridicule or when he justifies his action by giving reasons for his conduct which are slanderous and untruthful".⁸¹

79. *Select Theses*, 62.

80. F. G. Gardner and C. W. H. Landsdown, *South African Criminal Law* 5th ed., vol. ii, p. 1443. See also *R. v Howard*, 1917, N.P.D. 192. *R. v Youngleson*, 1948, 1. S.A.L. 822, where Van der Keessel was approved.

81. M. de Villiers, *The Roman Dutch Law of Injuries*, p. 26.

The protection of a man who is induced by strictly honourable reasons to break his promise of marriage seems to be the only reason adduced by de Villiers for taking the view that every breach of promise would not constitute an *injuria*. De Villiers does not explain what is meant by 'strictly honourable reasons'. If he means by the phrase the existence of lawful reasons⁸²—(for this is the only probable meaning)—then no necessity for protection would arise. For a person who breaks a promise of marriage for lawful reasons does not commit an *injuria* as he does not commit a wrongful act which is the primary requisite of an *injuria*.⁸³ Hence the reason de Villiers gives viz. the prevention of a man whose breach is motivated by 'strictly honourable reasons' being mulcted in damages for *injuria*—is not sound for no *injuria* had in fact been committed by such a person.

De Villiers also seems to think that a breach would become actionable as an *injuria* only if such breach causes "a bad reflection on character". In taking this view de Villiers like Van den Heever considers only the *fama* aspect of *injuria* and fails to appreciate that a breach of promise being an affront to *dignitas* could thereby be an *injuria*.

Trollip, J.'s view in *Rosenbaum v Guggenheim* is entirely based on the view of Van den Heever and de Villiers. Their view not being well reasoned, the merit of judicial recognition of those views should necessarily suffer. Furthermore Trollip, J.'s view is strictly *obiter* for having found on facts that the conduct of the defendant in denying that he ever made a promise of marriage to the plaintiff was contumelious, there was no necessity for him to consider whether a breach of promise unaccompanied by such conduct would also amount to an *injuria*.⁸⁴

A recent judgement of the South African Appellate Division⁸⁵ ushers into this field another giant of the Roman Dutch legal world—Sir John Wessels. Wessels in his monumental thesis⁸⁶ on contracts states that as a general rule only damages for pecuniary loss can be recovered in an action for breach of contract and that damages for sentimental hurt are not recoverable in such actions. However he mentions two exceptions to this rule, one of them being the breach of the contract to marry;⁸⁷ Wessels points out that the action should be treated as *sui generis* 'for a breach of promise to marry is not only a breach of contract but a substantial wrong done to the injured party and damages are

82. For legal justification for breach of promise, vide *infra*.

83. De Villiers, *op. cit.*, p. 37.

84. This view is supported by the judgement of Beyers, J. A. in *Bull v Taylor*.

85. *Bull v Taylor*, 1965, 4. S.A.L.R. 29.

86. *Contracts*, s. 3191. Wessels is described by his editor A. A. Roberts as "probably the most dynamic personality in the forensic history of South Africa" *Contracts* p. xi.

87. The other being the breach of the contract of carriage, as such breach may occasion bodily suffering to the passenger. Wessels, s. 3196.

awarded for both in loss of property and as a *solatium* for the wounded pride of the plaintiff'. It is significant to note that whereas Van den Heever and de Villiers only consider loss of 'face' and damage to reputation thus emphasising the *fama* element of an *injuria* that may be involved in a breach of promise, Wessels shifts the emphasis to *dignitas* by stating that *salatium* is awarded to palliate 'the feelings of wounded pride'.

Beyers, J. A. then proceeds to quote a passage from Tindall, J. A.'s judgement in *Jockie v Meyer*⁸⁸ in which Tindall, J. A. citing Wessels, held that sentimental damages would flow from a breach of contract of carriage only if *the bodily feelings of the passenger come into play*.

According to Beyers, J. A. the words italicised "suggest that damages are not automatically awarded for the breach of those contracts and that mental or bodily suffering as the case may be, have to be proved before damages are awarded".

Beyers, J. A.'s conclusion cannot in any way be construed to affect the proposition that a breach of promise *per se* is an *injuria*. It, at the most, reiterates the rule that damages for *injuria* should not be awarded where the plaintiff had not taken to heart the commission of an *injuria: actio injuriarum dissumulatione aboletur*.⁸⁹ This rule would apply to every type of *injuria* and hence the reiteration of the rule is superfluous.⁹⁰

There is nothing in Wessels to suggest he had taken a view contrary to that expressed in *McCalman v Thorne*. Had he held a view expressed in that case, which is considered to be the leading authority on the subject, Wessels would no doubt have used more explicit terms. However the language in S. 3195 strongly suggests that in his view *every* breach of promise is not only a wrong but a substantial injury done to the injured party.

Then it is submitted that in spite of the criticisms made, the view that every breach of promise *per se* would amount to an *injuria* would still remain correct as the criticisms made of it are unsound. However where there is contumelious conduct⁹¹ or slanderous reasons⁹² given for the breach affecting the *fama* or reputation of the injured party, damages for *injuria* would be aggravated. In essence, it is clear that sentimental damages are awarded in a breach of promise action as a lenitive to injured feelings.

88. 1945, A.D. 354, 366, 367.

89. McKerron doubts whether this doctrine forms part of the modern law. *Law of Delict* 6th ed. He cites de Villiers, p. 187-9. But de Villiers does not support such a proposition.

90. Though Beyers, J. A. inclines to favour Trollip, J.'s view, on his own admission, his views are *obiter*.

91. As e.g. in *Muthukuda v Sumanawathie*, vide *supra*.

92. E.g. that the woman is unchaste or immoral; however where injurious or defamatory statements are made during the trial, damages will not be aggravated as such statements constitute a separate *injuria*. *Rosenbaum v Guggenheim*. However in Ceylon, no action would lie for this separate *injuria* as the statements made in the course of a trial are privileged. Vide, *Silva v Balasuriya*, 1911, 14, N.L.R. 452. *Leisa v Seyathukamy*, 1925, 27, N.L.R. 318.

II

THE DEFENCES TO THE ACTION FOR DAMAGES

The availability of an action for specific performance in the old Roman Dutch Law, and the unhappiness that would ensue as a result of involuntary union induced the institutional writers to readily admit defences to the action.⁹³ The purpose of this liberality was to obviate the unpleasant consequences that would result from an enforced union. Though the action for specific performance has been abrogated, the defences recognised by the writers, would, it is submitted, still remain valid defences to the action for damages.⁹⁴

Modern juristic philosophy, as pointed out earlier, emphasises the individual's right to happiness in marriage. The threat of an action for damages to a great extent acts as an impediment to free choice in marriage in that a man may, despite his subsequent aversion to a woman he promised to marry fulfil his promise rather than face financial ruin and loss of reputation.

The State has a definite interest in protecting the institution of marriage, for the family which is the unit created by the marriage bond forms the nucleus of every civilised society. Unhappy marriages thus strike at the very root of society.⁹⁵ The policy of law, which is the instrument of State should be to hinder unhappy marriages, not force them directly or indirectly. As an action for damages for breach of promise indirectly has the effect of compelling the fulfilment of the promise, as a matter of policy the courts should look upon it with disfavour and whenever possible seek to widen the defences to the action.

That this is the policy of the English courts appears very clearly from the judgement of Erle, J. in *Hall v Wright*.⁹⁶ His Lordship said "... a contract to marry is assumed in law to be made for the purpose of mutual comfort; and is avoided ... if the circumstances are such that intense misery instead of mutual comfort would be the probable result of performing the contract".

Though Professor Lee holds a contrary view⁹⁷ it is submitted that by retaining in the modern Roman Dutch Law the wide category of defences to the action for specific performance recognised by the institutional writers, and possibly by further extending them, the courts could effectively restrict the scope of action.

However, the fact that the jilted party may have suffered both pecuniary and sentimental damages should not be ignored. The courts then should seek

93. Tatham, J. in *Schnaar v Jansen*, 1924, N.P.D. at pp. 219, 220.

94. *Sed contra*, Lee, p. 51.

95. See Viscount Simonds in *Blunt v Blunt*, 1943, A.C. 517.

96. 1859, E.B. & E. at 765, Webb and Bevan, *Source Book of Family Law*, p. 20.

97. R. W. Lee, *Introduction to Roman Dutch Law*, 5th ed., p. 51.

to mould the action to safeguard women from the 'playboys'⁹⁸ of the modern society to whom a promise of marriage serves as a passport to pleasure but not make it a sword hanging over a man who subsequently develops a reasonable aversion towards the woman he promised to marry. It is in light of such policy, that the defences to the action should be considered.

The defences to an action for breach of promise would fall under three heads:—

- (a) Lack of capacity to enter into the contract to marry.
- (b) The non-satisfaction of a condition, where the promise was conditional.
- (c) The presence of a *justa causa* for the breach or the presence of such supervening circumstances as would frustrate the contract to marry.

(a) Want of Capacity

(1) *Minority*

As a general rule any contract entered into by a minor without parental consent is '*prima facie* void as against the minor'.⁹⁹ A minor under the age of 16 years if a male and under the age of 12 years if a female, not having capacity to marry¹⁰⁰ cannot make a valid promise to marry even with parental consent for, as Voet¹⁰¹ points out, only those who have capacity to marry can contract a valid betrothal. A promise to marry made by minors above those ages would be invalid, unless there is parental consent.¹⁰²

But difficult questions would arise where a minor fraudulently misrepresents his age and makes a promise of marriage. In such instances it is possible to use the fiction of law that fraud supplies the age and hold him liable as in commercial contracts.¹⁰³ In any case the minor it is submitted would be liable in delict for deceit if the other party had relying on the misrepresentation suffered damages and in an action for *injuria* for the pain of mind caused, for minority is not a bar to an action for delict.¹⁰⁴

It is further submitted that even where there is no misrepresentation as to age, the minor may be liable for deceit provided it could be shown that at the time he made the promise he never intended to fulfil it and that the plaintiff had acted to her detriment in reliance of this promise.

98. This is an American colloquialism meaning, 'pleasure seeking profligate' according to Merriam Webster.

99. T. Nadaraja, 'The Contracts of minors in the modern Roman Dutch Law, *University of Ceylon Review*, Vol. XI, p. 65.

100. See sec. 15 of the General Marriages Ordinance.

101. 23.1.2.

102. Voet, 23.1.2. Brouwer, 13.21. *Chandrasena v Karunawathie*, 57 N.L.R. 298, 299. *Hendrick Sinno v Harmanis Appu*, 2. S.C.C. 136.

103. *Wijesuriya v Ibrahimsa*, 13. N.L.R. 195. *Fouche v Battenhausen & Co.*, 1939, C.P.D. 228.

104. Wickramanayake, *Delict*, 110, McKerron, *Delict*, 6th edition, p. 79-80.

(2) *Marriage*

In English Law a promise to marry made by a person who is already married is treated as an illegal contract which is unenforceable as it is *contra bonos mores*. The reason given is that 'in any cases such a promise would be made for the purpose of inducing the woman to yield to the passions of the man upon some plausible excuse that they were already married in the sight of heaven.'¹⁰⁵ A more obscure reason is that such a state of affairs may 'tend to induce the husband to murder his wife'.¹⁰⁶ The English Law on this point has been followed in some Ceylon¹⁰⁷ and South African¹⁰⁸ decisions.

The English Courts have nevertheless held that exceptionally, where the plaintiff is able to satisfy the court that she did not know that the defendant was married to another, she could recover damages on the ground of breach of warranty of capacity for every man who proposes marriage to a woman impliedly warrants that he is in a position to marry her and that he is not himself a married man.¹⁰⁹

Professor Hahlo¹¹⁰ suggests that this should be the basis of recovery of damages in South African Law too. It is submitted that this reasoning in the English cases is fallacious as it is based on the initial premise that a valid contract exists between the two parties for it is axiomatic that a valid warranty can exist in a contract, only if that contract itself is valid. But it is well-settled proposition in English Law that a contract to marry entered into by a married man is illegal and invalid. That being so any warranty in that contract should also be tainted with the illegality and hence cannot be the basis of an action.

The position that is taken by the institutional writers on this question, it is submitted, is more sound. Grotius¹¹¹ holds that as a subsisting marriage is an absolute impediment to another marriage, a married person does not have the capacity to enter into an espousal with another woman.¹¹² Thus where a married man makes a promise to marry the contract to marry so made is initially void due to his lack of capacity to enter into such a contract. That

105. Farwell, L. J. in *Wilson v Carnley*, 1908, 1, K.B. 729; also see *Spiers v Hunt*, 1908, 1, K. B. 720.

106. Atkin, L. J. in *Fender v St. John Mildmay*, 1938, A.C. 1.

107. *Chandrasena v Karunawathie*, 57 N.L.R. 298.

108. *Staples v Marquard*, 1919, C.P.D., 181, *Friedman v Harris*, 1928, C.P.D. 43.

109. Denning, L. J. in *Shaw v Shaw*, 1954, 2 Q. B. 429, *Viljoen v Viljoen*, 1944, C.P.D. 137.

110. *Law of Husband and Wife*, 2nd ed., 50.

111. *Inleyding*, 1.5.2. also see, Van der Linden, *Institutes*, 3.2.

112. Compare Voet, 22.1.2. 'Only those who can contract a marriage can contract a betrothal'.

being the case, the promisee who was unaware of the fact that the promisor was already married must seek her remedy not on contract for no contract came into existence,¹¹³ but in tort.¹¹⁴

The mere logical position then would be that a married man who makes a promise of marriage to a woman who does not know that he is married would not be liable in contract for the breach of that promise as no contract come into existence between the parties due to the latter's lack of capacity. However such a promiser would be liable in delict, in the exceptional instance where the promisee is not aware of the fact that the promisor was already married. The promisor in this instance would be liable for *deceit* and probably also for *injuria*. The promisee then could recover by an action for deceit, all loss she had suffered by acting in reliance of the fraudulent promise. She could also claim compensation for pain of mind.

The liability of a married man who makes a promise of marriage, after decree *nisi* has been entered by a court dissolving his existing marriage, but before such decree is made absolute has raised an interesting question. Faced with this question the House of Lords by a majority¹¹⁵ held that though the status of marriage subsists until decree absolute is entered, yet as the *consortium vitae* ends upon the entering of the decree *nisi* it would not be contrary to public policy to hold that the promise of marriage is valid and that an action would lie for its breach.

In Ceylon as pointed out above the problem involves the question of capacity. It is clear that the much criticised view¹¹⁶ in *Fender v St. John Mildmay* would have no application in Ceylon, for sec. 625 of the Civil Procedure Code lays down that a party to a divorce action can marry only after the decree *nisi* has been made absolute.¹¹⁷ It follows then that as such a person does not have capacity to marry he also does not have the capacity to promise to marry.

113. At least one English Judge has also taken this view. In *Sweyer v Allison*, 1935, 2. K.B. at 406. Greaves, L. J. said that 'a married man is incapable of legally contracting to marry and the fact that an innocent person is persuaded into purporting to make such a contract does not give rise to any claims in contract as where there is no contract, there can be no breach'.

114. Wessels, *Contracts*, sec. 458, after citing *Duncan v Wilson*, 1906, 26. N.L.R. 624, in which English Law was followed, observes—'It is open to doubt whether the Civil Law or the old Roman Dutch Law would have regarded such a contract as actionable *ex contractu*. If marriage is not possible between the parties the action cannot be based on contract'. cites Savigny, *Obligation*, v. 1. s. 37. *Digest*, 45.1.35. 1.

115. *Fender v St. John Mildmay*, supra, Lords Atkin, Thankerton, and Wright concurring; Lords Russel of Killowen and Roche dissented.

116. E.g. see, Van den Heever, The decision is obviously illogical. Can a person who obtains a judicial separation make a valid promise of marriage because his *consortium vitae* has come to an end? Hahlo holds that in any event, the decision will not be followed in South Africa due to some statutes relating to procedure.

117. See also *Kandiah v Thangamany*, 55 N.L.R. 568.
Weeraperuma v Weeraperuma, 39 N.L.R. 432.

The position however would be different if the marriage contract is null and void *ab initio*.¹¹⁸ In such an event it is submitted that either party to the void marriage would have the capacity to contract an espousal even without obtaining a decree of nullity for where a marriage is void, "the courts regard the marriage as never having taken place and no status of matrimony ever having been conferred".¹¹⁹ Hence as a party to a void marriage has capacity to make a valid promise of marriage and action would lie for the breach of the contract.

However where the subsisting marriage is only voidable, such marriage being valid until set aside by the courts,¹²⁰ a party to it will not have the capacity to make a promise of marriage until he obtains a decree of nullity.

Other Categories:—

According to Voet,¹²¹ an interdicted prodigal is also incapable of contracting an engagement, except with the consent of the person appointed as curator. However, Brouwer¹²² holds that a prodigal promise is valid, but that any ante-nuptial contract which affects the property of the prodigal could only be made with the consent of the curator. Van den Heever prefers Brouwer's view.¹²³

Grotius¹²⁴ maintains that an impotent person is absolutely incapable of marrying and hence cannot make a valid promise of marriage. However in the modern law, there appears to be nothing which prevents the marriage of an impotent person; the better view is that such a person could make a valid promise of marriage.

(b) Conditions

As in the case of other contracts, an engagement may be subject to conditions. The non fulfilment of the condition then is a good defence; though Vander Keisel¹²⁵ holds that immoral or impossible conditions vitiate an espousal, that is now generally regarded as too wide a statement. Impossible condi-

118. For grounds of nullity, see Lee, p. 30-31.

119. Halsbury, *Laws of England*, vol. 12, p. 226. *De Reneville, v De Reneville*, 1958, A.E.R. 59.60.

120. *R. v Algar*, 1954, 1. K.B. 279.

121. 23.1.3.

122. 1.4.18.

123. p. 17.

124. Introduction.—1.5.3. Voet, 25.7.8. and Schorer *Notes on Grotius*, No. 52, disagree with Grotius. Van den Heever, p. 18, also rejects Grotius's view. But Scholtens, 1956, S.A.L.J. 318, agrees with it.

125. *Theses Selectae*, 48.

tions vitiate the contract as the parties in such instances are deemed not to have been serious. However, illegal and immoral conditions are taken as *pro non scripto*.¹²⁶

Both Van der Keisel and Voet¹²⁷ hold that a man who makes a conditional promise of marriage and later indulges in sexual relationship with the woman, is estopped free relying upon the condition.

(c) *Justae Causae* for Breach of Promise

The *justae causae* for a breach of promise would generally fall under two broad heads:—

(1) The presence of circumstances which would invalidate any ordinary contract would provide a sufficient *justa causa* for the breach of contract of espousal too. Thus the fact that the promise to marry was induced by fear, force, or fraud or that it was made under a mistake of fact would afford sufficient *justa causa* for its breach, for the presence of such instances would invalidate any contract.

(2) The presence of supervening circumstances which would render the marriage unpleasant or would defeat the objects of harmonious marriage would also provide *justae causae*. Though Voet¹²⁸ disagrees yet modern writers like Hahlo¹²⁹ and Powell¹³⁰ maintain that in every espousal there is an implied clause that matters should remain in the same condition as they were when the stipulation was made—the *clausula rebus sic stantibus* and that the happening of any event which amounts to a breach of this implied condition would afford a *justa causa* for the breach of promise.

(a) Misrepresentation and Fraud

There is a duty on the part of either party to a betrothal to disclose information relating to antecedent matters like social standing and parentage.¹³¹ But in *Schnaar v Jansen*,¹³² the court held that the fact that the plaintiff's relatives were criminals and the non-disclosure of this fact, does not provide justification for the breach of promise. However Van den Heever disputes the *ratio* of the case,¹³³ and holds that an engagement to marry being a contract

126. Hahlo, *Husband and Wife*, 40.

127. 23.1.6.

128. 23.1.14.

129. Hahlo, 'Breach of Promise to Marry', 63, S.A.L.J. at p. 384. It is as if the *clausula rebus sic stantibus* formed part of every contract to marry.

130. Raphael Powell, 1961, *Current Legal Problems* at p. 110. Powell cites Hahlo with approval.

131. *Digest*, 45.1.38.

132. 1924, 45, Natal Law Reports, 218.

133. At p. 26. However Hahlo cites decision with approval, 63, S.A.L.J. 381.

uberrimae fidei 'a party with a skeleton in the cupboard ought to disclose it'.¹³⁴ Marriage is a union not only of two persons but of two families too and the social status of the other members of the family would be a material fact and the suppression of any information relating to it should be treated as suggestion of falsehood.¹³⁵

But it is not every misrepresentation that amounts to a *justa causa* for the breach. The misrepresentation should relate to vital factors of the contract, the absence or presence of which would adversely affect all prospects of harmonious marriage. Thus any misrepresentation as to moral, mental or physical fitness as to marriage or the suppression of any fact inconsistent with the aims of marriage would afford a *justa causa* for the breach.¹³⁶ Whether a misrepresentation as to caste, religion and nationality would also amount to a *justa causa*¹³⁷ is not clear. Hahlo would include misrepresentation as to religion as affording a *justa causa*, but leaves misrepresentation as to nationality in doubt; as regards misrepresentation as to caste, it is submitted that it would afford a *justa causa* for the breach.

Social conditions in Ceylon are such that caste plays an important role in marriage.¹³⁸ That being the case, a harmonious marriage cannot result where one party extracts a promise or marriage by misrepresenting his caste. Further as Brouwer¹³⁹ states that in cases of doubt *justa causa* should be presumed rather than denied, misrepresentation as to both caste and nationality would, it is submitted, amount to a *justae causae*.¹⁴⁰

The institutional writers also held the view that the parties should disclose their previous sex life.¹⁴¹ Where there has been unchastity on the part of either party,¹⁴² the non-disclosure and the subsequent discovery of it would justify rescission of the contract of the other party.

134. Van den Heever's view is well supported by authorities he cites.

135. The English decisions also support this view. 'The wilful suppression of the real circumstances of the family and previous life of the plaintiff is a good defence to this action'. Per Abbot C. J. in *Wharton v Lewis*, 1824, 1. C & P. 529. Webb and Bevan, p. 17.

136. Voet, 23.1.15. lists 9 circumstances which would be inconsistent with the aims of marriage.

137. At p. 382. Hahlo's view is supported by *dicta* of Tatham, J. in *Schnaar v Jansen*, 1924, 45, Natal L. R. at p. 219.

138. See Bryce Ryan, *Caste in Ceylon*, p. 212.

139. Brouwer, 1.25.9.

140. According to Van der Linden, *Institutes*, 3.5.2. concealment of considerable debts would amount to fraud.

141. Voet, 23.1.

142. Voet, 23.1.13 demands the same standard of conduct in both men and women, but contra. V. L. *Cens. Forensis*. Hahlo approves Voet 68 S.A.L.J. 383.

The reason given by Brouwer¹⁴³ as to why fraudulent misrepresentation justifies rescission is that there is little prospect of a happy marriage if the parties commence their association with deceit. Though Hahlo¹⁴⁴ took the view that innocent misrepresentation would not justify the rescission of the contract, yet Hiemstra, J. in a recent decision¹⁴⁵ was prepared to extend the reason given by Brouwer even to a case where misrepresentation was innocent.

(b) Other grounds

As an espousal is essentially a contract, the presence of any factor which would release the parties from the obligation arising from a normal contract would have the like effect in the contract of espousal too. Thus where the defendant can show mistake as to identity or that the promise was obtained under duress the espousal would be invalid, but where the promise is freshly repeated, 'with sure knowledge and free will it would become actionable'.

(2) SUPERVENING CONDITIONS WHICH FRUSTRATE THE PROMISE

Where between the engagement and the marriage, any event occurs which renders harmonious marriage impossible, the happening of that event would provide a *justa causa* for the breach of promise. Erle, J. said in *Hall v Wright*¹⁴⁶ that "the principle seems . . . to be that a contract to marry is assumed in law to be made for the purpose of mutual comfort, and is voided if by act of God or of the opposite party, the circumstances are so changed as to make intense misery instead of mutual comfort the probable result of performing the contract.

The traditional theory¹⁴⁷ as to the doctrine of frustration is based on the presumed intention of the parties or on implied term in the original contract, that no substantial object of the contract should be prevented or become impossible by the happening of any event. The court in applying this doctrine would read into the contract any terms which the parties should as reasonable men have included if they had thought of the possibility arising. The test thus is objective. The doctrine of frustration of contracts in the Roman Dutch Law is the same as in English Law.¹⁴⁸

143. *De jure connubiorum* 1.19.2.

144. Voet 23.1.4.

145. *Theleman v Van Geyso* 1957. 3. S.A. 39.

146. 1859 E.B. & E. 746.

147. The precise legal theory as to the doctrine of frustration is a matter of dispute. See Cheshire and Fifoot, *Law of Contract* 6th ed. p. 478ff. Atiyah, *Law of Contract*, p. 135ff.

148. Lee, *Introduction to Roman Dutch Law*, p. 276.

Though Powell expresses the view that marriage promises are not treated differently from other contracts in considering questions of frustration, yet it is submitted that in the Roman Dutch Law the position is different and that additional factors should be taken into consideration in applying the doctrine to betrothals, for that contract, has as its object a harmonious marriage.¹⁴⁹ The law then should apply the doctrine more liberally in order to prevent unhappy marriages and hold that where any supervening condition arises which prejudices the mind of one of the parties, the promise is frustrated.

Thus whereas the applicability of the doctrine of frustration to commercial contracts depends on purely objective considerations, it is submitted that in applying the doctrine to espousals, the court should consider certain subjective factors too and ask itself the question whether the particular defendant would have contracted the espousal if the supervening circumstances had occurred before the contract.

Though the writers tend to categorise the supervening circumstances which would frustrate the promise of marriage, yet it should be noted that their list is not a closed one. For the court may at its discretion add to the list formulated by the writers.

The circumstances dealt with by the writers are:—

(a) *Chastity*

Chastity is regarded as a tacit condition of a betrothal; not only *stuprum* after betrothal but discovery of past unchastity, unknown to the defendant at the time he made the promise would be a good ground for rescission.¹⁵⁰

Brouwer and Voet do not agree on the question whether the fact that the woman had been raped would amount to a *justa causa* for the breach of promise. Voet takes the view that though raped the woman remains chaste and pure at heart¹⁵¹ and hence her misfortune would not afford a *justa causa*. Brouwer¹⁵² however holds that loss of virginity in any form would afford good cause for rescission. If the defendant were to set up loss of virginity by violence as a defence, the better view in the light of the subjective considerations would be to treat his defence as good.

In an American case it was held that where a promise was made without the knowledge of the plaintiff's bad reputation, the subsequent discovery of a

149. Support for this could be found in the texts. Thus e.g. Voet speaks of 'reasonable grounds for aversion' as being a *justa causa*.

150. Van Leuwen, *Cens. Forensis* 1.11.2.8. Voet 23.1.13 *Stander v Stander* 1929 A.D. 353.

151. Voet, 23.1.14. His main argument is that the woman is not morally guilty.

152. *De Jure Connubiorum*, 1.2.59. Van den Heever agrees with Brouwer and counters Voet's arguments by pointing out that insanity and incurable illness which are *justae causae* are also brought about due to no fault of the parties.

bad general reputation would even without proof of such reputation being well founded afford ground for rescission.¹⁵³ However mere reports of unchastity have been held to be insufficient.¹⁵⁴

(b) *Physical and Mental Defects*

Mutual happiness and procreation of children being the principle objects of marriage, the contraction of any disease which would defeat this purpose would frustrate the promise. Supervening impotence or sterility, contracting of venereal disease, of other loathsome diseases like leprosy, loss of limbs etc. would be good grounds for a breach of promise. Voet says that an evil smell arising from the other party also would be a good ground of rescission.

In English Law too, supervening disease which makes consummation of marriage impossible or unpleasant is a good defence. However the rule is formulated more strictly in that only such disease as would endanger life of the parties would have this frustrating effect.¹⁵⁵

Voet also includes long continued insanity as a frustrating cause. Brouwer¹⁵⁶ and Voet¹⁵⁷ again disagree as to the effect of the subsequent marring of facial beauty of a woman by pockmarks or chronic halitosis; Voet, again takes up the defence of the woman and holds that this would not afford a *justa causa*, "for the beauty of face though lost, the sweetness of her soul still remains". However Brouwer points out that "beauty is the greatest gift a woman can take to man"¹⁵⁸ and holds the contrary view; Van Leuwen agrees with Brouwer.¹⁵⁹ Brouwer's view would undoubtedly be preferred to-day.¹⁶⁰ However his denial of the same right to a woman would not be accepted.

(c) *Other Grounds*

Voet accepts cruelty as a ground for dissolving espousals. Voet also includes bankruptcy or assignment to creditors as a *justa causa*. Changes of religion would also be regarded as a *justa causa*.¹⁶¹

153. *Morgan v Yarborough*, Vol. 9 *Corpus Juris*, p. 338. *Capehart v Canadine*, 545.

154. Vol. 9, *Corpus Juris*, p. 338, *R. Irving v Greenwood*, 1. C & P. 350, (35, S.C.L., 42 545).

155. *Jefferson v Paskell*, 1916, 1. K.B. 57. *Hall v Wright*, 1859, E.B. & E. 746. Powell p. 115, 116.

156. 1.25.37.

157. 23.1.15.

158. '*Magna dos est in puellis formae et juventae commendatio, in masculis animi prudentia et composite ad virtutem mores*'.

159. *Censura Forensis*, 1.1.11. 30.

160. Van den Heever, p. 27.

161. *Schnaar v Jansen*, 1924, Natal, L. R. 218.

III

THE QUESTION OF PROOF

The action for damages for breach of promise, as has been pointed out earlier, meet with disapprobation in the modern law as it has degenerated into an instrument of extortion and a method of blackmail and revenge. The trial often provides opportunity for malicious slandering of one party by the other.

The modern legal systems have adopted two different methods to meet the problem. Some have abolished the action altogether. Others have made proof of the promise of marriage at a trial, more difficult.

The abolition of the action by statute did not prove to be a satisfactory solution.¹⁶² The fact that some injury may have been done and some loss have been caused,¹⁶³ induced some American Courts to circumvent these statutes and afford legal redress to the injured party. Thus the statutory bar to breach of promise actions did not prevent a court from permitting an action for recovery of engagement gifts on the ground that otherwise, there would be unjust enrichment¹⁶⁴ of one party. Though a Californian Statute provides that no cause of action arises from a breach of promise to marry, yet a Californian Court held that the Statute applies only to an action on the contract to marry and not to a tort action based on a fraudulent promise.¹⁶⁵ The position then in those legal systems in which the action has been totally abolished is unsatisfactory for in these systems the courts by seeking to circumvent the statutes, recognise the fact that a breach of promise is in some instances a wrong which requires a remedy.

The method adopted by other group of legal systems is more satisfactory. They seek to make the proof of a promise of marriage more difficult. In England, sec. 2, of the *Evidence (Further Amendment) Act of 1869*, requires independent corroboration of the plaintiff's testimony as to the promise of marriage. In the Roman Dutch Law according to Van Leeuwen "clear proof of the betrothal is required as in criminal cases".

The position in Ceylon

The law in Ceylon also adopts the second method by requiring documentary evidence of the promise to marry. Sec. 20. of the General Marriage Ordinance states that '... no action shall lie for the recovery of damages for the breach of promise to marry, unless such promise of marriage shall have been made in writing'.

162. Many American States have abolished the action and made it an offence to institute or threaten to institute such actions. See 52, *Columbia Law Review*, 245.

163. Francis H. Bohlen, 50, *Harvard Law Review*, 1247-1248.

164. "Avoidance of Anti-Heartbalm Statutes" 52, *Columbia Law Review*, 245.

165. 70, *Harvard Law Review*, 1098. It is however to be noted that in other jurisdictions suits based on tort (fraud, deceit, and false representation) have been rejected. 52, *Columbia Law Review*, 245-249.

The interpretation of sec. 20 of G.M.O. has often caused difficulty. The question which has vexed the Ceylon courts is whether 'a written document' which affords corroboration of a previous oral promise of marriage or evidences a previous oral promise would satisfy the requirements of sec. 19. In *Jaya-singhe v Perera*,¹⁶⁶ *Misi Nona v Arnolis*,¹⁶⁷ and many other cases,¹⁶⁸ the view was taken that if the documentary evidence produced gives rise to an inference as to a prior oral promise, then such documentary evidence would be sufficient to satisfy the provisions of sec. 19. However Layard, C. J. in *Beling v Vethecan*¹⁶⁹ and Kueneman, J. in *Karunawathie v Wimalasuriya*,¹⁷⁰ expressed a contrary view that such documentary evidence would not be sufficient.

The judicial antinomy was finally resolved by the Privy Council in *Boange v Udalagama*,¹⁷¹ in favour of the view of Layard, C. J. This decision now contains the binding and most authoritative interpretation of sec. 19. Their Lordships held that 'the writing required to satisfy the Ordinance must contain an express promise to marry or confirm a previous oral promise i.e., admit the making of a promise and evince a continuing willingness to be bound by it'.

Another question which arises in connection with the interpretation of sec. 20, is whether the 'writing' necessary should have been written and signed by the defendant. In *Beling v Vethecan*, Layard, C. J. took the view that the writing should have been signed by the defendant. However in *Muthukuda v Sumanawathie*¹⁷² though the question was not expressly raised, the court held that the production of an astrological chart printed at the instance of the defendant indicating the time at which the wedding ceremony was to take place, would constitute sufficient 'writing'. It is submitted that the latter view is to be preferred for sec. 20 of the Interpretation Act of England states that 'writing' would include 'printing' 'lithography' 'photography' and other modes of reproducing or representing words in a visible form.¹⁷³

The question then arises whether a jilted party who has suffered pecuniary loss but who has not been cautious enough to obtain a promise in writing has no redress in our law. As Gratien, J. pointed out in *Boange v Udalagama*¹⁷⁴ the Ordinance does not declare that oral promises of marriage are null and void, it merely renders them unenforceable unless they be evidenced in writing.

166. 9, N.L.R. 62.

167. 17, N.L.R. 425.

168. E.g., *Boange v Udalagama*, 57, N.L.R. 385.

169. 1, A.C.R. 1.

170. 20, C.L.W. 126. 42, N.L.R. 390.

171. 61, N.L.R. 25.

172. 65, N.L.R. 206.

173. See also Maxwell, *Interpretation of Statutes*, 10th ed., p. 354.

174. 57, N.L.R. p. 392.

It could then be argued that an injured party who is unable to produce documentary evidence of the promise could yet obtain relief by an action in delict for deceit and *injuria*. This would be possible by interpreting sec. 19, as applying only to actions *ex contractu*¹⁷⁵ and not to actions *ex delicto*. But such an argument is untenable as it seeks indirectly to defeat the intention of the legislature to discourage breach of promise actions. Where a woman has permitted herself to be so deceived, without taking the precaution of having the promise put in writing, the law provides no redress for her.

175. As a Californian Court did, 70, H.L.R. 1098,

REVIEWS

I

G. C. Mendis: *Problems of Ceylon History*, The Colombo Apothecaries' Company Ltd., Colombo, (n.d.), pp. vii, 87.

"To praise a historian for his accuracy", E. H. Carr commented in his Trevelyan lectures, "is like praising an architect for using well seasoned timber or properly mixed concrete in his building. It is a necessary condition of his work, not his essential function". The historical writer in Ceylon, particularly the one who concentrates on ancient and mediaeval periods, seems to be over anxious about the 'timber' and the 'concrete' of his craft to the neglect of an interpretative understanding of the historical process. He laboriously pieces together individual events but fails to bring out the process of change that they represent. Dr. Mendis draws attention to this regrettable tendency in his slender volume in which he attempts to make some general observations on four examples of recent historical writing: *A Concise History of Ceylon* by Prof. S. Paranavitana and the late Mr. C. W. Nicholas; *The Story of Ceylon* by Prof. E. F. C. Ludowyk; *Ceylon* by Prof. S. A. Pakeman; and *Ceylon* by Dr. S. Arasaratnam.

Analysing the shortcomings he noticed in these four books, Dr. Mendis traces them to conceptual and methodological problems that the historical writer in Ceylon is faced with. In some of these shortcomings Dr. Mendis diagnoses an inadequate understanding of what history is. This leads him to draw on the writings of Butterfield and Carr in an attempt to define history, contradistinguishing it from general and religious literature and from allied disciplines like archaeology.

In the second, third and the fourth chapters of his book, Dr. Mendis discusses the problems involved in the utilisation of source material falling under three categories: myth, legend and religious truth. Here he makes a very useful analysis of the chronicles of Ceylon and investigates the nature of their growth, their motivation and the difficulties involved in utilising them for historical reconstruction. He examines the accounts in the chronicles of the *yakkhas*, *nāgas* and the visits of the Buddha and the legends about Vijaya and Paṇḍukābhaya to illustrate historical method and technique.

Few would disagree with Dr. Mendis when he emphasises on the dangers involved in literally accepting the testimony of the chronicles. There are many instances in the four works he deals with where the writers have uncritically accepted statements in the chronicles as representing the historical truth to draw weighty but untenable conclusions. Greater care in the use of the chronicles with due consideration of their motivation and the nature of their growth should greatly improve the quality of historical writing in Ceylon.

On the other hand, a rigid adherence to ideas of history propounded by writers who tried to apply methods of the natural sciences in historical research could prove equally harmful. Dr. Mendis appears to be hypercritical in concluding that the legends concerning Vijaya and Paṇḍukābhaya are mere fictions of the mind reflecting only the beliefs prevalent at the time of their fabrication. Further, many would find his arguments not very convincing when he categorically states that the name Sīṃhala was not in common use either for the Island or for the people till the fourth century A.D. and that it was the island which gave its name to the people. It is rather difficult to accept the contention that the use of the derivative form Saimphalaka in the Allahabad inscription implies that the term Sīṃhala was really the name of the Island and that the people were named after the island. The process of a people giving their name to the area they settled in and later being named after the land is not an uncommon phenomenon as is evident in the evolution of terms like Māgadhā and Vaidehā. It is also unfortunate that, in making this bold assertion, Dr. Mendis does not consider the implications raised by evidence in certain South Indian Brāhmī inscriptions assigned to the third and the second centuries B.C. Statements in these inscriptions have been identified as references to a Sīṃhala kingdom and to individuals who called themselves Sīṃhalas.

The material that Dr. Mendis puts together in this booklet is not altogether new, being based on one of his public lectures and on articles previously published in journals and newspapers. Readers would wish that he had devoted more space for the rather formidable task that he had undertaken. Some would question whether the four works he has selected are sufficiently representative to warrant generalisations on historical writing

in Ceylon as such. Further, Dr. Mendis does not devote sufficient attention to the problems that the writer dealing with the modern period of Ceylon history has to face. The reader would also be disappointed if he were to be guided by the title of this book to expect a discussion of the problems created by the interplay of diverse tendencies like Eurocentrism and Indocentrism and of influences like nationalism and communalism which have vitiated historical writing in modern Ceylon. This is a particularly serious lapse on the part of the author because some of the works he reviews are apt examples which illustrate these trends. But there is no doubt that what Dr. Mendis says in this booklet should prove most useful and thought provoking to both research workers and students.

R. A. L. H. Gunawardana.

II

The Process of Dynamisation in Rural Ceylon, Theodor von Fellenberg (A. E. Bruderer, Bern, 1966) pp. 243 + XXI, plates.

Community development projects in Ceylon and other Asian countries have engaged the interest of many scholars in recent years. Von Fellenberg's book is a valuable contribution to this growing literature.

This study, although largely concerned with the self-help ideology of the Rural Development Movement, is not a mere evaluation of self-help efforts in Ceylon. It has a much larger focus—it is a study of social change in rural Ceylon. The process of dynamisation, which is the author's central interest, is the change from a predominantly static to a predominantly dynamic society. This is the change he sees in rural Ceylon. The impulse for dynamisation can come from within society (endogenous), or it may be exogenous, or—as is often the case—it may involve both these processes. In his analysis of the Kandyan village Higgoda, the author sees both exogenous and endogenous factors operating in its dynamisation. Crucial to von Fellenberg's analysis is his conception of 'adequacy of dynamisation', but this is also the weakest aspect of the book. His conception of 'adequacy' is cast so wide that it loses all its practical significance. For instance, the author considers economic growth, social stability, national development goals and even the psychological welfare of villagers as criteria for evaluating dynamisation. Such a manifold approach is no doubt theoretically justifiable, but it leads one to nebulous conclusions. Thus, the author concludes that dynamisation in Higgoda is 'predominantly adequate' but not 'fully adequate' when viewed objectively and only 'partly adequate' from the point of view of the villagers. Which is probably true, but it does not tell us very much. It would perhaps have been more profitable had the author confined himself to a few specific and generally recognised criteria of modernization, and evaluated the process of dynamisation in terms of these alone. As it is, the author tries to do too many things with too little material. Neither his field data, nor his historical documentation and statistics used, justify such an ambitious attempt.

But the book is not without value. As compensation for his limited knowledge of Ceylon, the author has brought to bear his vast personal experience as a work camp volunteer in many countries, including Israel, India and Guatemala. He was also an active participant in rural development activities of Higgoda. His main section on the Higgoda village is consequently interesting reading and should prove very rewarding to students and organisers of rural development schemes. The book also includes many interesting observations, which give us a useful glimpse of how others see us. For instance, referring to some of the grave problems confronting the island, the author notes the tendency of the Ceylonese 'to look at these events as if he were watching some sport rather than confronting an emergency'.

The study of Higgoda is supplemented with a very brief account of dynamisation in other selected areas—a Dry Zone colonisation scheme, a fishing village, a Rodiya community, and the labour population of a tea estate.

It is to be regretted that this book perpetuates the invidious practice, popular among westerners studying so called 'developing nations', of including photographs of villagers. Nor does the author keep names of villages and individuals pseudonymous.

P. T. M. Fernando.

III

Asia in the Making of Europe, Vol. I, The Century of Discovery, 2 Vols. D. F. Lach (Chicago, Univ. of Chicago Press, 1965). pp. xxviii + xii + 965 pp. (\$20.00).

Burma Through Alien Eyes: Missionary Portraits of the Burmese in Nineteenth Century, Helen G. Trager. London (Asia Publishing House, 1966) 35 sh., Rs. 18/- vii + 239 pp.

Asia (and in particular China) and the West—and their impact on each other has been one of the major concerns of Western scholars ever since the seventeenth century. In the sixteenth century, the period so magnificently surveyed in Professor Lach's monumental work, and indeed till about the end of the eighteenth century, the major Asian civilizations were still able to conduct their relations with western powers 'within a framework and on terms established by the Asian nations'.

Professor Lach's present volume, the first of six planned to survey the period from 1500 to 1800, deals with the sixteenth century. The aim of this major work of historical scholarship is to 'trace the gradually changing images which Europeans had of individual Asian countries and the impact of this knowledge on European institutions, arts, crafts and ideas'. The book itself is divided into three broad sections, the first of which deals in fair detail with the extent of Western knowledge of Asia in the fifteenth century and earlier. This knowledge, if such it could be called, disseminated by scholars and travellers—both genuine explorers like the intrepid Marco Polo and the arm-chair traveller Mandeville—, was a blend of myth, legend and fact. The picture that emerged was that of a mysterious and exotic world, indistinct and not true to life. Before 1500, the countries of Western Europe did receive the impress of the superior technological civilizations of the Far East, particularly in the form of Chinese inventions, and perhaps ideas for invention. But while these penetrated the barrier between Europe and Asia, more abstract scientific ideas did not. These inventions reached Europe as isolated phenomena, unrelated to the other impressions that Europe received from Asia. Indeed there was no consciousness that these were ideas or inventions of Asian origin. Briefly this transmission of technical devices, without the related complex of scientific ideas and methods, as Professor Lach demonstrates had no lasting effect in enlarging or modifying the European image of Asia.

The situation changed in the sixteenth century—the century of discovery—after the opening of the sea route around Africa. A consciousness of Asia began to affect Europe's traditional ways of thought, and activity as well, when new channels of information, traders, sailors, missionaries and above all, printed books and maps brought greater depth and realism into Europe's image of Asia. The geographical discoveries of the sixteenth century, the fundamental re-orientation of European commerce which followed the establishment of direct trade with the East, and the spread of the art of printing in Europe which came of age at about this time, made it certain that the leading powers of Asia and Europe could no longer go their separate ways or be utterly ignorant of each other. These form the theme of the second section of the book, while the third and by far the largest section is really an expansion of the second, a detailed and comprehensive review of the growth of Europe's knowledge of the major civilizations of Asia: India; South East Asia; Japan; and China.

The present volume makes no effort 'to assess the influence of Asia upon Europe during the sixteenth century', a theme which, Professor Lach informs us, will be the subject of the next volume. He does attempt, however, to show—if not to explain—how the Europeans were able to force their way to the spice islands and to gain control of all the major sea-routes and to begin the process of establishing overseas empires. In a stimulating and provocative book Professor Carlo Cipolla—*Guns, Sails and Empires: Technological Innovation and the Early Phases of European Expansion 1400-1700* (New York, 1966)—seeks to explain how Europe achieved all this. Cipolla's emphasis is on the technological factor, a monistic explanation which is no more than an interesting though illuminating hypothesis. Lach covers the same theme for the sixteenth century, but he has no such faith in the exclusive significance of technological factor, preferring instead to explain the increasing power of Europe by describing the complexity of the political and economic forces at work. In the process he provides in the third chapter of his book a profoundly illuminating study of the spice trade in all its aspects.

Professor Lach's book is on the whole a brilliant piece of work. Toynbee in scope and scale, but without those imperfections of historical technique which have attracted so much criticism of Toynbee's work from professional historians. No serious student of the encounter between Asia and Europe can afford to refrain from reading this book. It is a pity therefore that at \$20.00 it would be far beyond the reach of Asia's intelligentsia.

If in the sixteenth century the relations between Asia and Europe were conducted on terms established by Asian nations, in the nineteenth century, the political and economic predominance of Europe was overwhelming, and the terms of the relationship with the Orient reflected, at all levels, this European predominance. A consciousness of occidental 'superiority' and a corresponding contempt for Asian civilization and cultures were accompanied by an overwhelming desire to impose a process of change patterned on Occidental models and norms. In initiating this process of social change, the missionaries were as important as administrators and soldiers. Indeed, the missionaries were more consistent in the advocacy of change, precisely because they were more conscious of occidental cultural superiority, than administrators and soldiers. The missionary commitment to social and religious change was so much stronger also because they had seldom to bear the consequences of impulsive attempts at evangelization, and were therefore much less concerned about the administrator's and soldier's pre-occupation with political stability.

Mrs. Trager's book dealing with missionary (largely American) views of the Burmese in the nineteenth century, attempts on a much more limited scale than Professor Lach, to re-view the complex relationship between East and West.

What she attempts is a reconstruction from missionary writings of a picture of the Burmese people, their culture and civilization, as the missionaries viewed them. Not surprisingly, what emerges, is less a complete picture, than an unsympathetic and essentially hostile caricature. The hostility stemmed from a sense of failure. The missionaries displayed a confidence that sprang from a strong conviction that theirs was a creed that superseded all others and from a belief that their efforts at proselytism must certainly culminate in the triumph of Christianity at the expense of all other creeds. In countries like Burma and Ceylon, with well established cultures and civilizations the propagation of Christianity was a more formidable undertaking than the missionaries anticipated. A great many of their disappointments sprang from their over-confidence, and their under-estimation of the strength of indigenous religions. The brooding sense of failure and the tone of self-pity which permeated their letters home, and their diaries, were in a sense no more than expressions of disappointment at their failure to evoke an enthusiastic response from the people among whom they worked.

Besides, one could hardly expect scientific detachment in the description, much less understanding, of an alien society, from persons so steeped in the cultural and social patterns of their own society, and so 'ideologically' committed, as the missionaries. The slow progress of their efforts at evangelization made them even less inclined to be generous and charitable in their descriptions of the Burmese. A sense of failure seldom encourages objectivity or detachment. And so there was, as Mrs. Trager shows, a sickening concentration on the 'savagery', ignorance, apathy, deceitfulness and cruelty of the people among whom the missionaries worked. A study of missionary diaries, letters and books in nineteenth century Ceylon reveals much the same attitude, in regions where, and periods when, missionary enterprise was stalled.

If Professor Lach's monumental study shows that the western images of Asia in the sixteenth century were blurred and indistinct, the result of a lack of constant and regular contact between Europeans and Asians, Mrs. Trager's interesting monograph suggests that prolonged contact did not bring understanding either, or make the picture clearer or more distinct.

K. M. de Silva.

IV

Indian Sculptures in the von der Heydt Collection, Museum Rietberg Zürich, by J. E. van Lohuizen-de Leeuw. (Atlantis Verlag Zürich, 1964, 250 pages, 67 large and 20 small illustrations, map).

As the preface indicates at the outset, this catalogue is one of a series of volumes dealing with the antiquities in the possession of the well known Rietberg Museum in Zürich and the present one deals with the collection of Indian sculptures. The text is written in Dutch and in English by a well known iconographer. The book has been produced in excellent print and the illustrations with their illuminating details are of superior quality. The sculptures illustrated in this volume, albeit a heterogeneous collection, are representative of monuments of the early schools of Kushāna, Āndhra, and Gandhāra, Gupta and Post-Gupta and Mediaeval and Post-Mediaeval sculptures of North and South India. The Post-Mediaeval period of Indian sculpture, as the writer explains, 'has attracted little or no attention and consequently it is not well represented in museums outside India'. This remark enhances the value of the sculptures of the collection under discussion. The sculptures, representative of a long period extending to nearly twenty centuries, have been studied in chronological order and thus this excellent catalogue turns out to be a concise history of Indian sculpture.

The introduction traces the history of Indian art in a precise yet illustrative manner with a view to preparing the reader for the better understanding of the subject and the explanatory note provided is a *sine quo non* for the comprehension of iconographic details. The description of each sculpture in great detail is a true evaluation of the objects in all its aspects. The avoidance of fluctuation of ideas adds to the lucid style and comprehensive explanations. The learned discussion of the iconographic traits of the important divinities is very instructive. For the purpose of comparison, a parallel image of better preservation is illustrated in addition to the particular sculpture under discussion. This helps one to comprehend the nature of the sculpture described. This is rather a new venture and a praiseworthy thought.

The writer draws striking parallels between some sculptures which had enabled her to arrive at a close dating and identification of the sculptures concerned. However, the dating of some objects is open to doubt. The *Standing Bodhisattva* (5 a,b) is dated in the middle of fourth century A.D. John Marshall considers it to be one of the earliest in the group of sculptures that survived into the third century. The Bodhisattva from Takht-i-Bāhi can also be considered a very close parallel and the latter is ascribed to the first century A.D. by Ludwig Bachhofer. Another sculpture, *Kneeling Mañjuśrī* (10) is dated in the seventh or eighth century A.D. Yet stylistically this sculpture appears to be anterior to this date. Its identification, too, lies on slender evidence. The lotus pedestal and the halo, though indicative of a divinity, are not adequate to prove its identity. The writer's comment on the arrangement of the hair as being characteristic of Mañjuśrī is questionable. The author rightly attributes the *Standing Lokanātha* (11 a-d) to the early Pāla school. The writer has given a detailed description of this work of art. The projections in the pedestal, according to Indian iconography, are called *ratha*. Thus, in this case, the pedestal is *triratha*. The writer appears to have missed this point in her account.

The writer's observing eye has not failed to identify forgeries of inscriptions and reworking of certain sculptures. In her description of *Image of the Tīrthaṅkara Supārśvanātha* (30), the writer says, 'similar "proof of authenticity" provided by dealers are quite common on Indian painting but they are rare on sculptures, so the image in question has an added interest for students of Indian art'. Examples of reworking are traced in figures 21, 27.

Each sculpture is fully described in all its aspects: history, details of the sculpture, iconography, style, date, and even though most of the sculptures have been bought from dealers and no provenance was known, yet the author's exacting knowledge has made it possible to suggest the location of such sculptures.

On the whole, this book exceeds the limits of a mere catalogue and provides a full survey of the field of Indian sculpture. In this impressive monograph, the author lets out her researches and makes them accessible to the reader. The catalogue reviewed is evidently a valuable source book of the vast repertory of Indian sculpture.

L. Prematilleke.

V

The World of South East Asia: Selected Historical Readings.

Harry, J. Benda & J. A. Larkin, (New York, Evanston, London, Harper & Row, 1967) xvii—332 pp.

This work provides a useful guide to students at the undergraduate level who are interested mainly in modern South-East Asian history. A few documents of the pre-modern era are also included but chiefly as background material for the study of the later period. Despite the emphasis on modern history, the selection of documents by no means represents an Europocentric view. Indigenous institutions and traditions which played valuable roles even in the heyday of European dominance are given due attention.

The explanatory notes on the documents are brief and clear and most of the eighty selected extracts prove stimulating reading. The selected bibliography at the end of the book consists of rather basic standard works. This book as the editors point out is intended "to serve the beginner rather than the scholar" and is well designed for the task.

C. R. de Silva.

VI

Edith W. Ware. *Bibliography on Ceylon*. Coral Gables, Florida, University of Miami press, 1962 [i.e. 1964]. [24], 181 p. \$ 12.00.

It is an instructive exercise to contemplate the planning and preparation of this extraordinary confection which has the distinction of being the first bibliography on Ceylon that has aimed at being comprehensive. All quotations in this review are from the unnumbered "Introduction" of seven pages by the editor Dr. Henry Field, which opens thus: "This Bibliography on Ceylon was suggested to the University of Miami Press by Dr. P. E. P. Deranyigala (*sic*) [i.e. Deranyigala], Director, National Museums of Ceylon, while visiting us in Coconut Grove some years ago". The proposal was endorsed by Prof. Bryce Ryan, Professor of Sociology, University of Miami, and one-time Professor of Sociology in the University of Ceylon. The idea was enthusiastically taken up, though Ceylon was a far cry from the happy hunting grounds of the Field bibliographical outfit. Stretching the Near East geographical area to accommodate Ceylon is briskly achieved in the Introduction, and "after careful consideration" Dr. Edith Ware, erstwhile research assistant to the late Prof. James H. Breasted, and subsequently a member of the Field organisation, was despatched to Ceylon in 1957 on a crash mission to encompass the literature on Ceylon in all fields of knowledge. This was apparently accomplished in "three difficult and strenuous months", whereupon the indefatigable compiler flew home eastwards to California. The next five years were spent assembling, editing and preparing the bibliography, and a team of librarians and research assistants, supervised by Dr. Field, participated in these necessary rituals. The work which was begun in the research centre in Coconut Grove, Florida was transferred in 1959 to South House, Tyringham, Massachusetts, and the final copy was fashioned on the editor's IBM electric typewriter by Mr. Mark Grant at 95 Viale Giovanni Milton in Florence, "where I spent the summer of 1961 in San Domenico and Fiesole". Though the imprint date is 1962, the bibliography, reproduced by photo offset by Edwards Brothers, Ann Arbor, Michigan, was actually published in late 1964. These are the bare bones of the case and it is illuminating to investigate a little further.

"Dr. Ware is to be congratulated on this unique Bibliography on Ceylon which forms an important new source of references for Asia". It is unique, if for no other reason, than that we are vouchsafed no preface by the author herself (whose name alone occupies the cover and title page) explaining the scope and organisation of her work which was intended to "render an important service to researchers throughout the world". We are left to surmise how the impressive array of resources was gathered in Ceylon. All we are offered in the interests of espionage is the tantalising piece of information that "Upon arrival in Colombo, Dr. P. E. P. Deranyigala (*sic*) [i.e. Deraniyagala] rendered especial assistance in guiding Dr. Ware to the main reference sources". Circumstantial evidence, brief acknowledgements, and a cryptic reference to "the original reference card in Ceylon" point to one probability alone—the entries were largely made straight off the card catalogues in the libraries Dr. Ware visited. The bulk of the material apparently came from

the catalogues of the Colombo Museum Library and the Library of the Royal Asiatic Society (Ceylon Branch). Further gleanings were made in the University of Ceylon Library and the National Archives. "Mr. Herath M. Abhayaratna, Guide Lecturer, Ceylon Museum" who accompanied the compiler on her travels in Ceylon, also chipped in with "many Sinhalese titles". These data were supplemented from titles in the University of Miami Library, and the Widener Library, Peabody Museum Library and Museum of Comparative Zoology at Harvard University. It is incredible that the rich and varied resources of Ceyloniana in the Library of Congress were not exploited. There is no evidence that even its monumental printed catalogues were used in the editorial process. For an American research organisation, buttressed by every conceivable financial and other resource, this is an inexcusable blind spot. The great wealth of material in British libraries has also been ignored.

The appearance of a comprehensive and systematic bibliography of this well-known island in South Asia, even as a pioneering venture, was many years overdue. The closest approximation was "*Books about Ceylon: selections from a bibliography*" by Lyn de Fonseka, then Librarian of the Colombo Museum, which appeared from 1952 to 1958 in instalments in the Information Department monthly *Ceylon Today*. It was an alphabetical listing by authors' names of books and periodical articles based mainly on the collections in the Colombo Museum Library. This valuable index was interrupted at the commencement of the letter 'K' by the author's illness. Mr. de Fonseka, whose help is acknowledged at many points, must undoubtedly have saved Dr. Field and his assistants from perpetrating more serious errors than there are. This then sets out to be the first comprehensive bibliography of Ceylon. There can be nothing but praise for the initiative and enthusiasm of all those concerned in its production, and the editor's timely appreciation of the sense of urgency in supplying a long-felt need is to be commended, though one must confess to a feeling of disquiet that the materials were collected in the brief space of three months only, by a compiler whose previous research experience did not extend to Ceylon. Even if every allowance is made, this skilful tour de force suffers from defects which cannot be allowed to pass unnoticed and it is therefore necessary for caution to be exercised in its use. Its value as a serious and authoritative instrument of research is a little tarnished by inaccuracies, omissions, irrelevancies and second-hand descriptions, as well as other misleading and distracting elements.

The approximately 7,000 entries (not 10,000 as claimed in the Introduction) embrace both published and unpublished material in "thirteen languages": "Danish, Dutch, English, French, German, Hebrew, Italian, Latin, Norwegian, Portuguese, Russian, Swedish" [and Sinhalese]. Books, articles, manuscripts and maps are included. They are arranged in alphabetical order of subject headings in two main sections: General and Natural History. There are 350 headings in one, and 19 headings in the other, respectively, and under each heading the arrangement is alphabetical by author. The alphabetical subject heading approach, while admittedly the most congenial, is not the most suitable choice of arrangement for a bibliography of this sort. A proper classification would have added immeasurably to its value as a research tool. Other American bibliographies on Asian regions would have provided impressive models. The pure and simple alphabetical order gives rise to a disconcerting jumble of subjects, for example: Badulla District; Banners and Flags; Batticaloa; Bee Culture and Honey; Beligala; Betel; Bibliography; Bintenne; Biography; Bo-Shrine; Brahmanas; Branding of Cattle; Buddha, Relics. The allocation of material to the various subjects is not always systematic or even correct, and the headings themselves are sometimes an inconsistent mixture of subjects, titles and keywords. Designed also, as it is, to take its place in the anthropo-geographic cum natural history spectrum of bibliographies, which "covered the area from the Nile to the Indus and the Caucasus to the Arabian Sea", the materials subsumed in the emphasised categories fall short of the projected comprehensiveness. Important subjects like Anthropology, Archaeology, Buddhism, Demonology, Description and Travel, Ethnic and Social Groups, Folklore, Geography, Geology, History, etc., to give only a few examples, are little more than preliminary sketches for a complete picture. The lack of more cross-references among headings is another defect. Where the entries themselves are concerned, collations of books are conspicuous by their absence, and imprint data are frequently lacking. The information in periodical articles is not uniformly given, and errors in typing and the unfamiliarity of the compiler with local names, terms and background have resulted in many misleading entries. Oriental terms and titles are a little confounding owing to the absence of diacritical marks. The "several thousand annotations by Dr. Ware", which are recommended as being of "especial value to the user", are difficult to discover, and those on view are not particularly enlightening. The entries are not numbered and an author index would have provided some welcome aid. A list of the libraries used, and the bibliographical sources consulted would

also have been valuable auxiliaries. There is no mention, either, of how up to date the text is—from internal evidence, sometime in 1958 appears to be the likely date. The introduction is a confusing hotch-potch of legitimate prefatory data, publicity puffs for other titles in the Near East Series of the University of Miami Press, miscellaneous hints for the user, the globe-girdling itinerary of the compiler, the contents page of *Spolia Zeylanica* Vol. 29, Pt. 1, 1961 supplied by Dr. P. E. P. Deraniyagala, and diverting number of personal asides and unconnected trivia. Attempting to be foreword, historical introduction and technical preface in one and the same sequence, it only succeeds in falling between all three stools.

Nodding proof-reader and ubiquitous printers's devil apart (I counted five mistakes in the Introduction alone), I give below a cross-section of error.

1. Under "Agriculture" p 4.—"Strauss, Murray A.—A Bibliography of books and papers relating to agriculture and botany to the year 1910. Colombo, 1925". This is a well known compilation by the late Tom Petch of the Dept. of Agriculture, Ceylon. Murray A. Strauss was an American Fulbright Lecturer in Sociology in the University of Ceylon in the nineteen-fifties! His contributions are listed under "Sociology". This wrong attribution is repeated under "Bibliography" p. 16. Nothing daunted, this incorrect entry re-appears under "Botany" p. 168, but, to make things crazier, the same title, this time credited to the author Tom Petch, is also listed under "Botany" on the preceding page!
2. On p. 87 the first 6 entries are all incorrectly given under Perera, S. G. The author is P. E. Pieris.
3. On p. 108, A. L. Basham, of *The wonder that was India* (1954) fame, is credited with two articles on Sinhalese paddy cultivation ceremonies written in the 1880s, before the distinguished historian even saw the light of day. The actual author was H. C. P. Bell, a pioneer in the field of Ceylon antiquities.
4. On p. 113 under "Medicine and disease" one comes across "Raja, E. S. W. Senathi—A Compendium of the Law of Prescription in Ceylon. Colombo, 1901"! This also illustrates a type of error which occurs more than once—the selection, through ignorance of local names, of the wrong part of the name for use as heading. The author's name should have been "Senathiraja, E. S. W."
5. Authors' surnames are also sometimes mis-spelt, and when the initial letter is wrong, it makes nonsense of the alphabetical listing. On p. 13 under "Astrology", there is "Kahanayake" for "Dahanayake". This entry is repeated under "National Resources"! Here "Kahanayake" is filed after "Pete".

It is a pity that the many flaws detract from what could have been a substantial achievement. A more patient, scientific and scholarly approach would have eliminated the inaccuracies which now unhappily remain to compromise its value and set up a credibility gap. A perfect bibliography is indeed a Platonic ideal; but it is worth pointing out that those who wish to create safe and sure guides to the literature of a country's history and culture must have a broad acquaintance with many fields of knowledge, have taken a sympathetic interest in the social, economic and political background of the development of society in that country, and gained some personal experience of local life and custom. They must, in addition, have received systematic bibliographical training and been engaged for some years in this kind of activity. These are basic requisites for the compilation of scientific bibliographies, intended to be of permanent value. A poor bibliography can only misguide the user, and there is also the danger that a scamped piece of work can have the effect of inhibiting the production of a proper bibliography. As the Sanskrit saying goes, "It is better to have no sons at all than to have foolish ones".

H. A. I. Goonetilleke.

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