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Ceylon Year Book

1968





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1968

DEPARTMENT OF CENSUS AND STATISTICS

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P R E F A C E

THE Ceylon Year Book 1968, which is the eighteenth in this series, is the official annual compendium of information on the Government and other institutions and on the socio-economic development of the nation and contains for the most part information relating to the year 1966. It presents facts on Ceylon in respect of its history, geography, social aspects, general economy and governmental activities.

The co-operation of the various public and private institutions in preparing the material for this volume is gratefully acknowledged.

Any suggestions which may help to widen the scope and usefulness of the future issues of this publication will be welcome.

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Colombo 7, September 10, 1968.

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CHAPTER I

HISTORICAL SKETCH

RECENT studies regarding pre-historic and historic ages in Ceylon have revealed traces of pre-historic man. A small race with heavy brow ridges named *Homo Sinhaleyus*, known from a single brow ridge that occurred in association with hippopotamus fossils in a gem pit in Ratnapura District is the earliest race known for Ceylon. Primitive stone artefacts assignable to the second Interglacial are not uncommon and the palaeolithic of Ceylon is termed the "Ratnapura culture phase". Succeeding it is a combination of the meso and neolithic, termed the "Balangoda culture phase". Its humans known from a number of skeletons, were dolichocephalic, the males were about 5' 10½" and the females 5' 5" in height, the brow ridges were heavy but diffuse, the palate wide, the bit of the edge to the edge type, and the last molars were as large as the others and always well worn with usage. This race named *Homo Sapiens Balangodensis*, persisted into early historic times. Of special interest is the fact, that many of the stone implements found with these skeletons are of the palaeolithic type and these as well as pitted pebbles, microliths and ground and polished artefacts, were used simultaneously by this race. When *Homo Sinhaleyus* inhabited Ceylon, the fauna included such large mammals as hippopotamus, rhinoceros and two species of elephants with heavy brow ridges. All these became extinct and *Homo Sapiens Balangodensis* came up on the scene together with the animals that now inhabit Ceylon, including species which although extinct locally occur in India such as lion and gaur. Eventually waves of metal using races crossed from India over Adam's bridge, and the degenerated hybrid descendants of these stone age and metal using races came to be known as Veddhas¹.

According to the Mahavamsa an Indian Prince named Vijaya, with his band of 700 men, colonized the Island of Ceylon in about 543 B.C. The present day Veddhas are the survivors of the legendary tribes of Yakkas and Nagas who inhabited Ceylon then. Travellers from the West have also made certain references in their writings to ancient Ceylon. These too help to obtain more information regarding the ancient period. The Sinhalese royal line consisting of 180 rulers held sway in unbroken succession for nearly 2,300 years. King Pandukabhaya who founded the City of Anuradhapura stands out as the most important ruler of the ancient period. It was this city which later became the political capital of the Island for nearly a thousand years. Anuradhapura has been the spiritual home of the Buddhists for well nigh 2,300 years.

In the 3rd century B.C. there occurred an event which changed the whole complexion of the Island and the faith of its people. King Asoka, Emperor of India, sent to his friend King Devanampiyatissa of Ceylon, the Message of the Buddha through his own son, Thera Mahinda. The Island embraced Buddhism. Quick progress followed and art and architecture developed. These were used to subserve the needs of the new religious movement. Another unique event, which occurred at this time, was the arrival of the Bodhi Tree from India. It has survived to this day and is said to be the oldest tree in the world.

South Indian contacts disturbed the peace of the Island from about the 1st century B.C. The Northern part of the Island was held by King Elara but after a time he was vanquished in battle by Prince Dutugemunu from Ruhuna. The establishment of peace under one sovereign ruler was the direct result. There followed a period of prosperity leading to the spread of learning, development of art and architecture and foundation of temples.

Irrigation engineering had attained an unique position in ancient Ceylon as is evidenced by large tanks. These ensured a proper food supply to the population. In the sphere of learning and arts, Indian influences have been considerable, particularly the Gupta influence is noticeable in the monuments of the 6th century. The fortress at Sirigiya was converted as the living palace of Kasyapa where the well-known frescoes are still preserved. Somewhat later in the 7th century the Pallava influence was also felt in the Island. The monument at Isurumuniya bears witness to this tradition.

¹This paragraph is based on the researches conducted by Dr. P. E. P. Deraniyagala, (erstwhile) Director of National Museums.

The 9th century is a dark period in Ceylon history. Little recorded evidence, either as rock inscription or in any other tangible form, is yet available. This may be due to religious differences or political disputes which troubled the land.

During the mediaeval period Ceylon suffered again at the hands of Cholas and Pandians who from time to time overran the capital, burnt the buildings and looted the wealth. Anuradhapura had to be abandoned. Finally the scattered Sinhalese forces rallied together under Prince Kitti who later defeated the enemy and brought complete victory to the Island and ruled at Polonnaruwa as Vijaya Bahu I. To him, more than to any other ruler, the Sinhalese owe an eternal debt for preserving their race. The results of his victory were realised during later times.

King Parakramabahu the Great used his mighty influence to further the good of the Island. The revival of learning, restoration of monuments and the construction of buildings were organised on a scale that was not to be surpassed since. Some of these monuments stand to this day as worthy records of the spirit of greatness of a great ruler. He also developed irrigation and constructed new tanks with the sole object of attaining economic self-sufficiency in food. After his reign there followed a period of stress and struggle. The capital shifted to other sites, such as Ruhuna, Dambadeniya, Yapahuwa, Polonnaruwa, Kurunegala, Gampola, Dedigama, Rayigama, Kotte, Sitawaka and Kandy. The Kings contended with each other as well as with outsiders at times to preserve freedom, peace and prosperity. It was with considerable sacrifice through centuries that the nation preserved its spirit and recovered from intermittent feuds.

During the 15th century the capital was at Kotte. It was during this period that the first European contact was felt. This was the beginning of a crucial change which was to lead to further complications and difficulties. It was also the beginning of the eventual loss of freedom. The Portuguese arrived in 1505 A.D. and conquered parts of the Island. They were the first to introduce Christianity. The Portuguese were ousted by the Dutch who ruled over their possessions in the Island from 1640 A.D. They established trade and ruled the maritime provinces through a Governor. In 1706 A.D. the Dutch too yielded these to the English and in 1815 A.D. the Sinhalese surrendered their country to the British. New changes took place. The country was ruled by a Governor appointed from England. New laws were introduced and European ways and beliefs influenced the people. However, the Island regained its Independence in 1948 and today is ruled by the elected representatives of the people themselves under a democratic constitution based on the British model. Ceylon continues to be a member of the British Commonwealth of Nations.²

(2) For further detailed information the following references are suggested :—

- (i) The Mahawamsa—Wilhelm Geiger (English Translation).
 - (ii) Short History of Ceylon—H. W. Codrington.
 - (iii) Ceylon and the Hollanders—Paul E. Peiris.
 - (iv) History of Ceylon (I and II) Father S. G. Perera.
 - (v) Early History of Ceylon and
 - (vi) Ceylon under the British
- } Dr. G. C. Mendis
- (vii) The Pleistocene of Ceylon—P. E. P. Deraniyagala (Colombo Museums. Published 1958).
 - (viii) An open air habitation site of *Homo Sapiens Balangodensis*—P. E. P. Deraniyagala (Colombo Museums. Published 1958).

CHAPTER II

GEOGRAPHICAL FEATURES

I—GENERAL

Area and Location

Ceylon has an area of 25,332 sq. miles as compared with the United Kingdom (93,053 sq. miles), Canada (3,845,774 sq. miles), Australia (2,974,581 sq. miles), India and Pakistan (1,686,695 sq. miles), Union of South Africa (790,275 sq. miles), New Zealand (105,072 sq. miles) and Eire (26,631 sq. miles).

The Island is situated between $5^{\circ} 55'$ and $9^{\circ} 50'$ N. Latitude, and between $79^{\circ} 42'$ and $81^{\circ} 52'$ E. Longitude. It is separated from the Indian sub-continent by a narrow strip of shallow water—the Palk Strait.

Next to India the nearest neighbours of Ceylon are the Maldiv Islands to its West, the Nicobar and Andaman Island to its East and North-East respectively.

The Island has a compact land area except for Mannar Island in the North-West, the Jaffna Peninsula in the North and adjoining islands, the largest of which are kayts and Delft. The greatest length of the Island North to South is 270 miles, from Point Palmyra in the North to Dondra Head in the South. The greatest breadth is 140 miles, from Colombo in the West to Sangamankanda on the East coast.

Ceylon's position in the Indian Ocean has proved favourable and today Colombo, Trincomalee and Galle form important ports of call (passenger, bunkering, repairs, &c.) for ships that cross the Indian Ocean from East to West and *vice versa*, particularly *via* the Suez Canal.

With the development of air travel the Colombo Air Port situated at Ratmalana about 8 miles south of the City of Colombo, and the Katunayake Air Port south of Negombo and 21 miles north of Colombo have become busy centres where the chief airlines of the world call regularly.

II—RELIEF OF THE LAND

Generally speaking, the relief of the Island may be said to comprise a mountainous area about the central part or more correctly the South-Central part, averaging in elevation from about 3,000 to 7,000 feet which is again surrounded by an upland belt of about 1,000 to 3,000 feet, while the coastal plain occupies the rest of the Island and is narrower on the West, and South but broadens out to a vast tract in the North.

The Coastal plain continues for some distance out to sea as the Continental Shelf. The 100 fathoms line is close to the coast, except about the North-West where it opens out to include a large area continuous with the Indian Continental Shelf. A coral reef lies close to the coast, which, though for the most part submerged, can be discerned by the breaking of the waves at a short distance from the coast line.

The following table shows the relative heights of the principal peaks in Ceylon :

TABLE 2.1—PRINCIPAL MOUNTAIN PEAKS IN CEYLON

<i>Mountain Peak</i>	<i>Height in feet</i>	<i>District situated in</i>
Pidurutalagala	8,281	Nuwara Eliya
Kirigalpotta	7,857	do.
Totapalakanda	7,741	do.
Kudahagala	7,610	do.
Siri Pada (Adam's Peak)	7,360	Ratnapura
Kikilimana	7,349	Nuwara Eliya
Great Western	7,269	do.
Hakgala	7,127	do.
Conical Hill	7,114	do.
Mahakudagala	6,890	do.
One Tree Hill	6,890	do.
Waterfall Point	6,811	do.
Namunukula	6,679	Badulla
Gommolli Kanda	6,674	Ratnapura, Badulla
Knuckles	6,112	do.
Kotagala	5,757	Kandy, Nuwara Eliya

Source : Survey Department

The essential framework of the Hill Country over 5,000 feet appears in the form of an inverted "T" or anchor, with the Central Ridge forming the shank on which are some of the highest peaks in Ceylon—Pidurutalagala (8,281 feet), Kirigalpotta (7,857 feet), Totapalakanda (7,741 feet), and also the high plains, such as Nuwara Eliya (over 6,000 feet), Elk Plains (6,000 feet), and Horton Plains (over 7,000 feet). At the base of the shank is Kirigalpotta from where one arm of the anchor extends Westwards to terminate at Adam's Peak (7,360 feet) while the Eastern arm extends through Haputale and continues North-East to form Namunukula which is part of the North-South aligned Lunugala ridge. To the North-East of the shank are the Matale hills, with Knuckles, (6,112 feet) forming the highest point. On either side of this central mountainous anchor-shank are two plateaux the Hatton Plateau to the West and the Uva Basin (or Welimada Plateau) to the East—each averaging 4,000 feet. The East-West arm of the "Anchor" is termed the Southern Mountain Wall, because here it presents a sheer drop of over 4,000 feet to the southern platform lying at its foot. Forming a detached portion from the massif to the South-West lies the Rakwana Hill Country and the Bulutota massif averaging 3,000 feet ; the intervening tract being occupied by the upper tributaries of the Kalu and Walawe Rivers. Monadnocks or "relict mountains" composed of resistant rock-like granite, stand out to break the monotony of the level stretches. The Jaffna Peninsula and the Island of Mannar are entirely featureless plains.

Rivers and Waterways

The hydrographic pattern is a function essentially of relief and structure, and in Ceylon with its central hilly mass a general radical pattern is clearly revealed—the rivers flowing to the West, East and South being shorter than those flowing to the North-West and North-East. The most important and longest river is the Mahaweli-ganga which rises on the Western side of the "shank" of the anchor.

TABLE 2.2—LENGTHS OF PRINCIPAL RIVERS

<i>River</i>	<i>Length in miles</i>	<i>River</i>	<i>Length in miles</i>
Mahaweli-ganga	206	Menki-ganga	81
Aruvi-arū	104	Maha-oya	78
Kala-oya	97	Kirindi-oya	73
Yan-oya	94	Kalu-ganga	70
Kelani-ganga	90	Gin-ganga	70
Deduru-oya	87	Kubukkan-arū	70
Maduru-oya	86	Mi-oya	67
Walawe-ganga	83	Gal-oya	62

Waterfalls girdle the central mountain massif and offer some of the best scenic features in Ceylon, e.g. Laxapana, Aberdeen, Dunhinda (Badulla), Diyaluma (Koslanda), Elgin (Hatton Plateau) and Perawella. They are found to occur especially to the West, South and East, and are perennial owing to the heavy rainfall on the central mountain mass, though the fluctuations in their volume occur as a result of variations in the seasonal rainfall.

TABLE 2.3—ANNUAL RAINFALL, TEMPERATURE AND RELATIVE HUMIDITY AT NINE PRINCIPAL STATIONS DURING 1965 AND 1966

<i>Station</i>	<i>Annual Rainfall (inches)</i>		<i>Mean Annual Temperature (Degree Fahrenheit)</i>		<i>Mean Annual Relative Humidity (Per cent)</i>			
	1965	1966	1965	1966	1965		1966	
					<i>Day</i>	<i>Night</i>	<i>Day</i>	<i>Night</i>
Colombo	102.47	94.78	81.2	81.6	69	83	73	86
Jaffna	46.82	50.98	81.7	82.2	69	79	68	76
Trincomalee	94.77	62.45	82.9	83.7	68	81	68	81
Hambantota	49.12	46.26	81.0	81.2	73	86	75	86
Ratnapura	149.94	125.28	81.0	81.6	76	95	76	95
Anuradhapura	71.97	49.79	81.1	81.9	69	92	71	92
Kandy	80.84	59.57	75.8	76.7	73	92	71	92
Diyatalawa	64.74	57.88	68.1	68.3	72	88	72	89
Nuwara Eliya	78.68	64.18	59.9	61.1	75	82	69	73

III—CLIMATE AND METEOROLOGY

Climate

Although on account of its situation close to the equator within the latitude of 6° to 10° N, the mean temperature is high (ranging from 80° to 82° F in the low-country), the oceanic effect, due to the fact that the maximum breadth of the Island is only 140 miles, helps to reduce the temperature in the plains. The hills in the central regions enhance this effect.

Temperature

Variation with altitude.—In the hill-country the temperature falls off at a steady rate of about 1° F for each 300 feet rise. Thus at Kandy, 1,600 feet above sea level, it is 77°, at Diyatalawa, 4,100 feet, it is 68° F, and at Nuwara Eliya, the chief hill station in the Island, 6,200 feet, it is 60° F.

Seasonal Variation

A noteworthy feature in many parts of Ceylon is the small variation in the mean monthly temperatures throughout the year. The mean temperature at Colombo during the coolest months, November to February, is 79° F—3° cooler than that during the warmest months, April and May. At the other stations the mean annual range of temperature does not vary very much, though in the North and East it is slightly lighter.

Highest Temperatures

Highest temperatures are experienced in the districts to North or North-West of the hills and in the Eastern and North-Eastern low country, generally during the period March to June, but they rarely exceed the blood heat (98·4°).

Lowest Temperatures

Lowest temperatures are experienced early morning a little before sun rise. At coast stations they occur during December and January and range between 70° and 74° F. They decrease with altitude, and at Nuwara Eliya (6,200 feet), the minimum temperatures which are generally of the order of 45° F (February), occasionally fall below the freezing point (32° F).

Diurnal Variation

The diurnal variation of temperature, the rise to a maximum early in the afternoon and the fall to a minimum shortly before dawn, is well marked in Ceylon. Its magnitude depends on the direction of the prevailing wind. There is a gradual increase in the range, with altitude as well as with distance from the sea.

Humidity

The relative humidity varies generally from about 70 per cent during the day to about 90 or 95 per cent at night, rising as the temperature falls. In the dry zone, however, these values are lower by about 5 per cent, while in the driest areas in the North-West and South-East, the day humidity goes down to about 60 per cent. In the South-Western parts, the absolute humidity is rather high, particularly in April and May on account of the high mean temperature.

Rainfall

Rainfall is of three types—monsoonal, convectional and depressional. Monsoon rain occurs during the two Monsoons, South-West and North-East, and is responsible for a major part of the annual precipitation. Convectional rain occurs during the inter-monsoon periods, mainly in the afternoon or evening, and is likely to be experienced anywhere over the Island. Depressional rain also occurs mainly during the inter-monsoon periods.

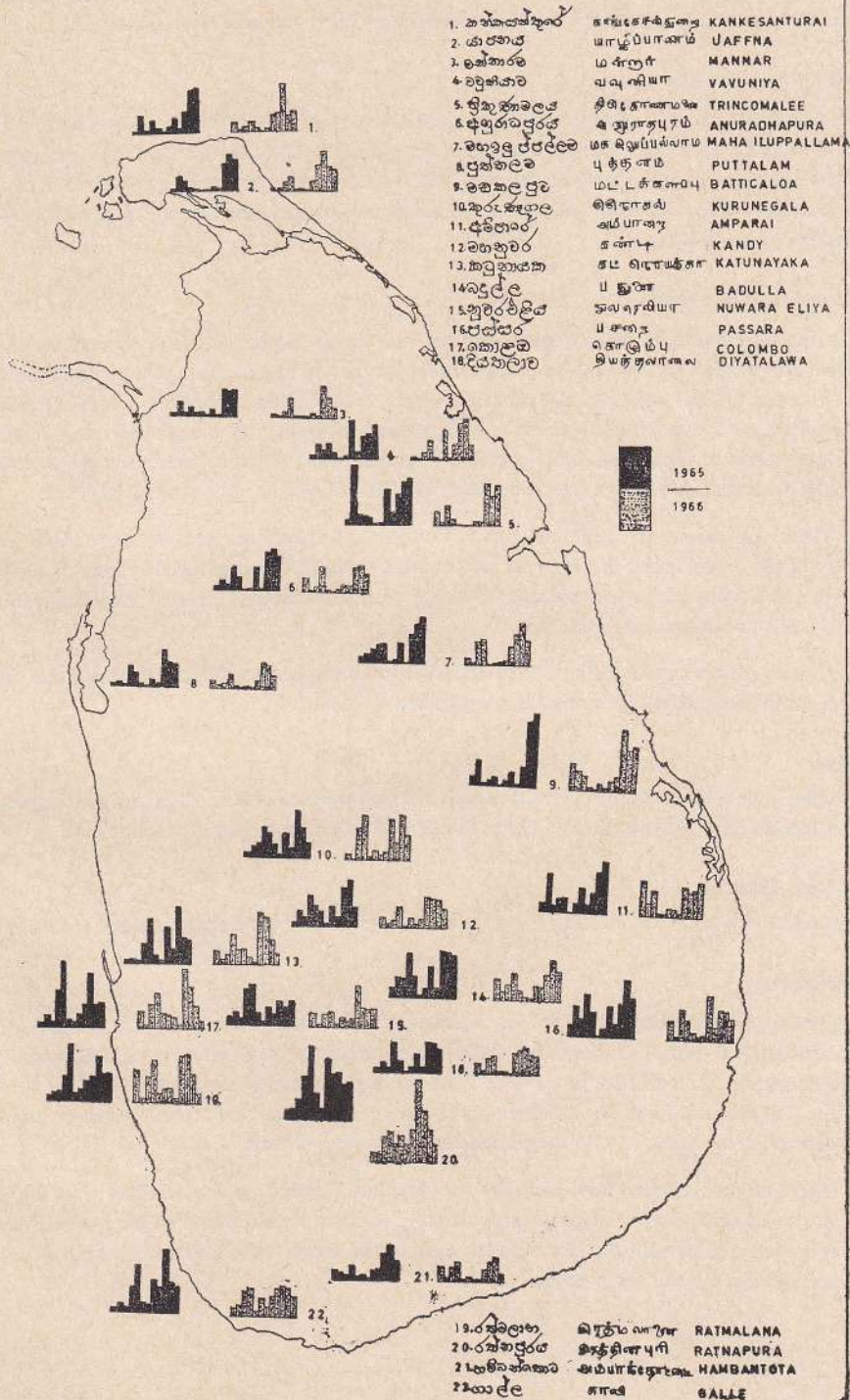
The annual average rainfall varies from below 40 inches in the driest zones in the North-West and South-East of the Island to over 200 inches at certain places on the South-Western slopes of the hills.

There are four rainfall seasons during the year, the periods of which may approximately be taken as follows :—

- (i) the South-West Monsoon period, May to September.
- (ii) the inter-monsoon period, following the South-West Monsoon, October and November.
- (iii) the North-East Monsoon period, December to February, and
- (iv) the inter-monsoon period, following the North-East Monsoon, March and April.

CHART NO. 1—MONTHLY RAINFALL AT SELECTED STATIONS, 1965-1966

1965 1966 கனரகத் துறையில் வடிகாட்டுப் பணிகள்.
1965 ம் 1966 ம் துறைமுகத்திற்குப் பட்டி. சிங்களத்திலிருந்து மாதாந்திர மழை வீழ்ச்சி.
MONTHLY RAINFALL AT SELECTED STATIONS 1965 AND 1966.



South-West Monsoon

The rainfall is mostly confined to the South-Western parts. At the beginning it occurs in the South-Western low country. As winds strengthen, it spreads gradually to the interior, with considerably heavy rain in the hill-country from June to August. South-West Monsoon rainfall exceeds 100 inches at some stations in the South-Western hill-country. During the periods of active Monsoon weather these stations aggregate monthly totals of 50 to 60 inches.

North-East Monsoon

The rainfall is mainly confined to the North-Eastern parts. Most of the rain occurs in December and January, February being normally a dry month. The heaviest rain is experienced on the North-Eastern slopes of the hills, where some stations receive about 50 inches for the two months. There have been occasions when over 100 inches of rain were recorded at some of the hill stations in December or January.

Inter-Monsoon Periods

During inter-monsoon periods winds are generally light, except for the sea breeze which develops from about noon and which also is responsible for the thunder showers that occur in the afternoon or evening. These showers may occur anywhere over Ceylon. Another source of rain during these periods is depressional activity. A depression in the Bay of Bengal will cause rainfall in the Eastern parts of the Island, while one in the Arabian Sea will cause rainfall in the Western parts. If the depression is of great extent, however, the rainfall will be heavy and widespread.

These depressions are most frequent in October and November and are responsible for a good part of the precipitation during these two months. Rainfall during the first inter-monsoon period is therefore widespread and exceeds 20 inches at many stations. Taking the Island as a whole, this is the rainiest period of the year.

Conditions are similar during the second inter-monsoon period, March and April, but the rainfall received is less, mainly because of less depressional activity.

Hail

During intense thunderstorms, hail is occasionally experienced. It occurs mainly in the hill-country, but reports have been received of the occurrence of hail in low-country stations too.

Ground Frost

Ground Frost occurs at Nuwara Eliya on a few days of the year during January and February.

Meteorology

Climatic data have been collected in Ceylon since 1880 and today there are altogether 21 main Meteorological Observatories which make daily records of temperature, rainfall, wind, pressure and humidity. In addition, upper wind observations with pilot balloons are recorded at 4 stations, while temperature, humidity, pressure and wind of the upper air up to a height over 50,000 feet are recorded at Colombo with radio sonde and radar instruments.

The Colombo Observatory, provides for Weather Forecasting for aviation, shipping and local needs, collection of climatological data, determination and distribution of Ceylon Standard Time, preparation of astronomical data such as phase of the moon, the times of rise and set of the sun, moon and planets and seismological work.

IV—GEOLOGY

The Island of Ceylon is part of a larger "shield" area which embraces most of South India and which has not undergone any major earth movements since early geological time. The rocks within this "shield" are mostly Pre-Cambrian in age, the youngest of them being approximately 500 million years old.

Occupying a belt which runs through the island from SW. to NE. and forming most of the Central Highlands is a group of meta-sedimentary rocks, known as the Khondalite Group, the major rock types of which are quartzites, marbles, quartz-felspar granulites and garnet-sillimanite-graphite schists and gneisses. These are the metamorphosed equivalents of such sedimentary rocks as sandstones, limestones and marls, sandy clays and clays have been formed at high temperatures and at great depth. Closely associated with the metasediments of the Khondalite Group are distinctive series of greyish-green rocks, known as the Charnockite series which appear to be metamorphic in character. In the South-Western extremity of this central belt Wellstonite-seapolite calc gneisses and garnet-cordierite-sillimanite gneisses are prominent.

To the East and West of the central belt are gneissic and granitic rocks of various types which are collectively known as the Vijayan Series. These on the East are predominantly light-coloured and frequently black-and-white banded rocks, while to the West similar light-coloured gneisses are obscured by a later reddish to pinkish series of granitoid rocks and gneisses together known as the Tonigala Complex. The Vijayan Series once thought of as the "basement" on which the Khondalite Group metasediments were originally laid down are now thought to be younger than the Khondalite Group and in part derived from it.

Several late granites and pegmatites, many with zircon and allanite-bearing, as well as a series of dolerite dykes, cut across all these Pre-Cambrian rocks, and range from 450 to 600 million years in age.

The Pre-Cambrian rocks (Khondalite Group and Vijayan Series) occupy nearly four-fifths of the Island, the remaining part being underlain by the the Jaffna limestone of Upper Miocene age (in the Jaffna Peninsula and the North-West coastal tract), and by "red earths", gravels, unconsolidated sands and clays, sandstones and laterite of Pleistocene to Recent age (mainly in the Northern portion of the Island and along the coasts). Two small pockets of coarse sediments alternating with shales of Jurassic age are found at Tabbowa and Andigama where they are preserved by faulting within the Pre-Cambrian rocks.

The structure of the Island is complex. The rocks within the central belt are folded into an almost parallel series of open and recumbent folds which run continuously for considerable distances and trend between NW-SE and NE-SW. In the Vijayan however, the rocks have suffered greater deformation, major folds are fewer and less regular, and the trends vary from N-S to E-W.

CHAPTER III

ECONOMIC REVIEW—1966

The following were the main features of Ceylon's economy in 1966 :—

- (1) There was a significant increase in the Gross National Product both at current as well as constant factor cost prices.
- (2) The government's net operating cash deficit indicated an increase of Rs. 20·7 million or 4·7 per cent when compared with the previous year.
- (3) The earnings from exports declined appreciably, while the payments on imports increased. The terms of trade, which improved by 1·2 per cent in 1965, declined sharply by as much as 13 per cent in 1966.
- (4) The balance of payments position deteriorated in 1966 as compared with the previous year.
- (5) The level of consumer prices as reflected by the Colombo Consumers' Price Index remained fairly stable during the course of the year.

National Product

In spite of the adverse movements in the export agricultural sector, Ceylon's Gross National Product at current factor cost price increased from Rs. 7,361·8 million in 1965 to Rs. 7,614·5 in 1966 or by 3·4 per cent. This increase could be attributed to the contributions made by the non-export agricultural sector, as well as industrial, construction, trade and transport sectors. In real terms, i.e. after making an allowance for price changes, the increase in the Gross National Product between these two years was 4·0 per cent. The per capita income both in money terms as well as in real terms was higher than in 1965. After allowing for a 2·3 per cent for increase in population, the product per person rose by 1·1 per cent in money terms and 1·7 per cent in real terms during the year.

Government Finance

As far as revenue resources were concerned, the Government failed to achieve its original target which stood at Rs. 1,897·8 million. The actual revenue of the Government in 1965-66 fell short of this figure by Rs. 20·2 million. Even though the Government anticipated an increase in revenue from import duties, export duties and tax on heavy oil motor vehicles, the tax revenue realised from these sources fell below the targets.

However the actual revenue increased by Rs. 60·8 million or by 3·4 per cent when compared with the year 1964-65 (Rs. 1,816·8 million). Even though the actual revenue received from customs duties fell short of the estimated figure, yet the imposition of higher import duties led to an increase in the revenue from customs by 40·6 million when compared with the corresponding figure for 1964-65. It was the revenue received from import duties and from excise duties on locally produced liquor which contributed mainly to the increase in the actual revenue of the Government for the financial year 1965-66 when compared with the year 1964-65.

Reduced earnings from the export of tea and coconut products, together with a reduction in tax rates at all levels, and the savings relief scheme, resulted in a decline in the receipts from income tax, from Rs. 291·2 million in 1964-65 to Rs. 275 million in 1965-66.

A more significant feature was the decline in the actual expenditure of the Government by Rs. 248·5 million when compared with the estimates of voted expenditure. This decline could be attributed to an under expenditure on capital votes of Rs. 132·1 million even though it was off set in part by an increase in expenditure chargeable to recurrent votes. The recurrent expenditure

increased during this period owing to an increase in expenditure incurred on administrative and social services and Government enterprises. Moreover the actual expenditure for 1965-66 also fell short of the expenditure incurred in 1964-65 by Rs. 148.3 million or by 6.1 per cent.

Thus the Budget deficit or the excess of total expenditure over revenue was Rs. 558.6 million. The Government financed this deficit from the following sources.

	<i>Million</i>
Market Borrowing	275.0
Foreign Aid	175.0
Administrative Borrowing	25.0

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

The year 1965-66 witnessed a very high net cash operating deficit and this was the highest ever recorded (Rs. 461.4 million). When compared to the net operating cash deficit of the previous financial year it indicated an increase of Rs. 20.7 million or 4.7 per cent. The increase in recurrent expenditure by Rs. 20.1 million chargeable to capital votes and an increase of Rs. 39.1 million in payments from advance accounts influenced this deficit.

Foreign Trade

In 1966, our export earnings declined sharply and reached a level of Rs. 1,674 million which was the lowest figure recorded for the previous decade. When compared with the previous year, there was a fall of Rs. 235 million or 12 per cent in the total value of exports. This could be attributed partly to a sharp decline in the volume of domestic exports of tea and coconut products. The Central Bank Index shows a decline of 9 per cent in the aggregate volume of exports. Added to this there was a sharp decline in prices of all the major commodities exported—especially tea and coconut products.

Our principal export earner, tea, registered a decline of Rs. 183 million or 15 per cent in 1966. Thus the share of tea export earnings in total exports fell from 62 per cent to 60 per cent during this period.

Moreover the export earnings from the three major coconut products declined by Rs. 79 million or 29 per cent. The aggregate volume of exports and the average price of these three products too declined by 20 per cent and 10 per cent respectively as compared with the previous year.

The value of other minor domestic exports which declined by Rs. 10 million or 7 per cent in 1965, showed a further drop of Rs. 11 million or 8 per cent in the year under review.

It was only the earnings from rubber which showed some improvement during this period. These earnings increased by Rs. 33 million or 11 per cent and this could be attributed to an increase of 12 per cent in the volume of exports.

On the other hand the value of imports increased in 1966. It is not possible to make a correct estimate of the actual change between the two years on the basis of the data given in the Customs Returns, since the figures given there do not reflect the actual imports, particularly in the case of Government Agencies.

However, as observed from the Balance of Payments data, the payments on imports had increased from Rs. 1,922 million in 1965 to Rs. 2,023 million in 1966.

The import volume index increased by 39 per cent during this year. The index for consumer intermediate and investment goods increased by 55 per cent, 10 per cent and 36 per cent respectively. On the other hand the export volume index decreased by 9 per cent in 1966. The index for tea, the three major coconut products and minor agricultural products declined by 11 per cent, 20 per cent and 6 per cent respectively, whereas the index for rubber showed an increase of 5 per cent in 1966.

The price index for imports in 1966 increased by 9 per cent. This increase was observed particularly in the case of intermediate goods and investment goods which increased by 11 per cent and 40 per cent respectively during this period. But the export price index declined by 5 per cent. The major decline was in the price index of the three major coconut products which was 10 per cent less than the previous year. The export price index of tea, rubber and minor products also declined by 4 per cent, 1 per cent and 5 per cent respectively.

Thus our terms of trade which improved by 1.2 per cent in 1965 declined sharply by as much as 13 per cent in 1966, and this percentage decline was the highest recorded since 1952.

Balance of Payments

There was a marked deterioration in the balance of payments position in 1966 as compared with the previous year.

- (a) In 1965 the merchandise account on commercial transactions reflected a surplus of Rs. 128 million but in 1966 such transactions showed a deficit of almost Rs. 123 million.
- (b) There was a deficit of Rs. 19 million in 1966 on account of Ceylon's invisible transactions whereas in 1965 there was a surplus of Rs. 8 million.

Thus this deficit in the merchandise and invisible accounts of Ceylon's balance of payments in 1966 resulted in a total current account deficit of Rs. 142 million in transactions on commercial accounts. The poor performance of our export agricultural sector together with the increase in import payments and larger outward transfers on account of invisible payments were mainly responsible for this adverse current account position. Moreover the Government had to utilise Rs. 2,023 million of its resources to finance merchandise imports, Rs. 225 million for invisible services, Rs. 114 million for interest and amortization of foreign loans, including suppliers credits and repatriation of foreign capital and Rs. 45 million for settlement of short-term liabilities.

Thus under these circumstances, the disequilibrium in the trading account caused a further drain on the external assets. In 1965 the Government curtailed the import requirements to the barest minimum. Any further curtailment of imports in 1966 to bring about the equilibrium in the trading account would have hampered the growth of industries and in turn domestic capital formation. However, foreign exchange difficulties were relieved to some extent as a result of the assistance obtained from other countries and from the International Monetary Fund. The Gross long-term foreign capital inflows in 1966 amounted to Rs. 224 million as compared with 142 million in 1965. But there was also a current account deficit of Rs. 305 million. When set off against the net capital account balance it showed a basic deficit of Rs. 192 million as compared with a surplus of Rs. 117 million in 1965.

This basic deficit was financed in 1966 by borrowing Rs. 71.4 million from the International Monetary Fund and by drawing Rs. 122 million from our external assets. Following this deficit in our Balance of Payments our foreign exchange reserves which stood at Rs. 408 million at the end of 1965 declined to Rs. 282 million at the end of 1966, which was just sufficient to finance two months of our average import payments. This is a serious situation for a developing country—a country which simultaneously imports a sizable proportion of the capital requirements and feeds a growing population.

Price Wages and Employment

During the year 1965–66 there were periodic scarcities in common consumer goods, such as chillies, onions, coriander and milk powder and this acute shortage led to an increase in the open market price. However this shortage cannot be attributed entirely to a decline in the total volume of such goods imported. The irregular phasing of imports and the lack of efficient system of distribution were some of the most important factors which contributed to the rise in prices.

The wage rates of Government Employees and School teachers have remained unchanged since 1958. In the case of employees coming under the Wages Board Ordinance in the private sector whose allowances are adjusted in accordance with the Colombo Consumers' Price Index the real wages increased by 1 per cent in 1966.

According to the figures published by Labour Department in the *Ceylon Labour Gazette* the total number of registrants for employment and better employment enrolled with the Employment Exchange had increased sharply. The total registrants at the employment exchanges rose by 40,000 in the year 1966 as compared with 1965. The most noticeable feature was the increase in the unemployment figure in the unskilled and semi-skilled categories. Even though these figures do not reveal the actual situation yet they indicate a rapid increase in the level of unemployment.

However, it must be emphasised that in spite of the decline in the export earnings and a sharp increase in the price of our imports, followed by a deterioration in our balance of payments and a depletion of our external assets, the country showed some signs of positive improvement during this period.

The rise in production in the domestic sector is indicative of the increase in economic activity, and the improved supply position led to a slight decline in the Colombo Consumer Price Index in 1966. The absence of new inflationary pressures showed possible signs of improvement in the domestic financial situation. The satisfactory control of the monetary situation had brought about a monetary contraction of over 3 per cent and it was understood that this situation was created for the first time since 1957.

CHAPTER IV

CONSTITUTION AND GOVERNMENT

I—THE GOVERNMENT OF CEYLON

Ceylon at present possesses a broad-based democratic Government after the British pattern. Her position is that of an independent nation within the British Commonwealth enjoying the same status as the other Dominions.

Law of the Constitution

The fundamental law embodying the constitution is contained in an Act of Parliament and a number of Orders-in-Council.

The Parliament of Ceylon

The Parliament of Ceylon consists of (a) THE QUEEN (Represented by the GOVERNOR-GENERAL) and (b) Two houses, namely the Senate and the House of Representatives.

The Queen is represented by the Governor-General. The Governor-General is appointed by the Queen on the advice of the Prime Minister. The Constitution lays down that all powers exercisable by the Queen or the Governor-General shall be exercised as far as shall be in accordance with the constitutional conventions applicable to the exercise of similar powers, authorities and conventions in the United Kingdom by Her Majesty.

The first Governor-General was Sir Henry Moore who was succeeded by Lord Soulbury on July 8, 1949. Sir Oliver Goonetilleke G.O.M.G., K.C.V.O., K.B.E. succeeded Lord (later Viscount) Soulbury as the first Ceylonese Governor-General on July 17, 1954. Mr. William Gopallawa who succeeded Sir Oliver Goonetilleke is the present Governor-General.

The Senate consists of 30 members, half appointed by the Governor-General, and half elected by the House of Representatives in accordance with the system of proportional representation by means of the single transferable vote. Senators serve for a period of six years, one-third retiring after every two years.

The Senators appointed by the Governor-General are chosen on the advice of the Prime Minister. It is however laid down that the "Governor-General shall endeavour to appoint persons who, he is satisfied, have rendered distinguished public service or are persons of eminence in professional, commercial, industrial or agricultural life, including education, law, medicine, science, engineering and banking.

The President of the Senate is Senator The Hon. A. Ratnayake and Senator S. D. S. Somaratne is the Deputy President.

The House of Representatives now consists of 157 members, 151 of whom are elected and six appointed. The House of Representatives is elected on a wide franchise, every citizen of Ceylon over the age of 18 years being entitled to the vote. The representation has been arranged so as to enable every community and interest to have its voice heard in Parliament. The delimitation of the constituencies under the new Constitution is carried out by a commission. At the second delimitation each province of the Island was divided into electoral districts, the aggregate of which totals 143 for the whole Island, returning 151 members. The electoral districts have been demarcated so as to render possible representation of minorities united by the tie of race, religion or by any other tie. Where after any General Election the Governor-General is satisfied that any important interest in the Island is not represented he may appoint any persons, not exceeding six in number, to be Members of the House of Representatives. The duration of the House of Representatives is five years unless Parliament is dissolved earlier.

The Cabinet

The Executive consists of the Prime Minister and his cabinet chosen from the party which has the majority in the House of Representatives. The Prime Minister is the Head of the Cabinet.

The Prime Minister is also in charge of the Ministry of Defence and External Affairs in addition to such other matters as he may decide to retain in his charge. Every other Minister shall be charged with the administration of such subjects and functions as may be assigned to him by the Prime Minister. Not less than two Ministers, one of whom shall be the Minister of Justice must be appointed from the Senate.

The Prime Minister is the leader of the largest party or group and is appointed by the Governor-General. The other Ministers are appointed by the Governor-General on the advice of the Prime Minister. The number of Ministers is not fixed and in the present cabinet there are seventeen including the Prime Minister, who is also Minister of Defence and External Affairs.

The Parliamentary Secretaries are appointed from the Senate and House of Representatives by the Governor-General on the advice of the Prime Minister to assist the Ministers in the exercise of their parliamentary and departmental duties.

The following formed the Government as at 31.12.67 :—

The Honourable Dudley Senanayake (Dedigama), Prime Minister and Minister of Defence and External Affairs, Minister of Planning and Economic Affairs and Minister of Information and Broadcasting.

The Honourable J. R. Jayewardene (Colombo South), Minister of State and Parliamentary Secretary to the Prime Minister and Minister of Defence and External Affairs and Chief Government Whip.

The Honourable M. D. Banda (Polgahawela), Minister of Agriculture and Food.

The Honourable Montegue Jayawickrema (Weligama), Minister of Public Works, Posts and Telecommunications.

The Honourable M. D. H. Jayawardena (Kottawa), Minister of Health.

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

The Honourable Dr. W. Dahanayake (Galle), Minister of Home Affairs.

The Honourable D. P. R. Gunawardena (Avisawella), Minister of Industries and Fisheries.

Senator the Honourable M. V. P. Peries, O.B.E., Minister of Commerce and Trade.

The Honourable U. B. Wanninayake (Yapahuwa), Minister of Finance.

The Honourable I. M. R. A. Iriyagolle (Kuliapitiya), Minister of Education and Cultural Affairs.

The Honourable N. H. A. M. Karunaratne (Rambukkana), Minister of Social Services.

Senator the Honourable A. F. Wijemanne, Minister of Justice.

The Honourable E. L. B. Hurulle (Horowupotana), Minister of Communications.

The Honourable V. A. Sugathadasa, M.B.E., (Colombo North), Minister of Nationalised Services.

Senator the Honourable M. Tiruchelvam, Q.C., Minister of Local Government.

The Honourable M. H. Mohamed (Borella), Minister of Labour, Employment and Housing.

Mr. D. P. Atapattu, (Beliatta), Parliamentary Secretary to the Minister of State.

Mr. P. C. Imbulana (Ruwanwella), Parliamentary Secretary to the Minister of Agriculture and Food.

Mrs. Wimala Kannangara, M.B.E., (Galigomuwa), Parliamentary Secretary to the Minister of Health.

Mr. D. Shelton Jayasinghe (Wattala), Parliamentary Secretary to the Minister of Industries and Fisheries.

- Mr. S. de S. Jayasinghe, O.B.E. (Dehiwala-Mt. Lavinia), Parliamentary Secretary to the Minister of Labour, Employment and Housing.
- Mr. Gamini Jayasuriya (Homagama), Parliamentary Secretary to the Minister of Education and Cultural Affairs.
- Mr. L. B. Dassanayake (Gampola), Parliamentary Secretary to the Minister of Communications.
- Mr. M. H. M. Naina Marikar (Puttalam), Parliamentary Secretary to the Minister of Justice.
- Mr. S. A. Peiris, O.B.E. (Passara), Parliamentary Secretary to the Minister of Commerce and Trade.
- Mr. R. Premadasa (Second Colombo Central), Parliamentary Secretary to the Minister of Local Government and Parliamentary Secretary to the Minister of Information and Broadcasting.
- Mr. C. R. Beligammana (Mawanella), Parliamentary Secretary to the Minister of Home Affairs.
- Mr. M. M. Mustapha (Nintavur), Parliamentary Secretary to the Minister of Social Services.
- Mr. Wijepala Mendis (Katana), Parliamentary Secretary to the Minister of Public Works, Posts and Telecommunications.
- Mr. N. Wimalasena (Senkadagala), Parliamentary Secretary to the Minister of Finance.
- Mr. D. B. Welagedara (Kurunegala), Parliamentary Secretary to the Minister of Nationalised Services.
- Mr. C. P. J. Seneviratne (Mahiyangana), Parliamentary Secretary to the Minister of Land, Irrigation and Power.

II—ELECTIONS—PARLIAMENTARY AND LOCAL AUTHORITIES

There are two main types of elections in the Island, (a) Parliamentary (b) Local Authority. Parliamentary elections, or more correctly elections to the House of Representatives (the Lower House of Parliament) take place once every five years unless Parliament is dissolved earlier in terms of the "Constitution of Ceylon".

Local Authorities, of which there are 634 covering the whole Island, have a four-year term of office with the passing into law of the Local Authorities (Term of Office) Act No. 2 of 1967 and their elections generally take place in towns in October/December of the year in which their term of office ends and as far as Village Councils are concerned, similarly in the months of March to June of their fourth year. The law governing elections is found in the Ceylon (Parliamentary Elections) Order in Council, 1946 (Reprint of December 24, 1964) and in the Local Authorities Elections Ordinance (Chapter 262) and subsequent amendments thereto.

The responsibility for the conduct of Parliamentary and Local Elections lies with the Department of Elections. The Commissioner of Parliamentary Elections is appointed under the Ceylon (Constitution) Order in Council, 1946 by the Governor-General and his removal from office can be only on a prayer of both Houses of Parliament. His appointment is made and safe-guarded in this particular way so that he may be independent and not be subject to ministerial control. Under the Local Authorities Elections Ordinance, the holder of the office of Commissioner of Parliamentary Elections is the Commissioner of Elections (Local Bodies).

For the purpose of elections, the Department (through the 23 Registering Officers who cover the whole Island) annually revise the Parliamentary Electoral Registers. In June of every year this revision commences and an enumeration takes place. This enumeration takes the form of house to house visits by Grama Sevakas in the rural areas while in the larger towns special enumerators are employed and householders are required to fill up forms. The essential qualifications for an individual to have his name entered or retained in a register are citizenship of Ceylon, being not less than 18 years of age on 1st June of that revision year and being ordinarily resident at some particular address in an electoral district on 1st June. There are the other usual disqualifications for those who have gone to prison, been convicted of corrupt practices, insanity, etc. These registers are prepared

in draft form and exhibited all over the Island, generally about December of a year, and publicity is given to that fact. Claims and objections are then invited by the Registering Officers and after inquiries the final registers are compiled, certified and kept available in the various provincial towns. These registers form the basis of electoral registers for any parliamentary general election or by-election. For local elections too these same registers are the base, for any voter to be entitled to vote at a local election has to have his name on the Parliamentary Register for the time being in operation for that electoral district and on the date of the commencement of the preparation or revision of that register has to have a residential qualification in any ward of that local authority which is situated wholly or partly within the Parliamentary Electoral District.

The principles on which elections are conducted, whether for parliamentary or local election purposes, are essentially the same. Convenient polling stations are allocated to groups of voters. Each voter goes to the polling station at which his name appears registered and after identification and marking with indelible ink receives an official ballot paper, stamped or franked with the official mark. On the ballot paper appears the names of the candidates contesting that election and against each name appears a symbol, which has been allocated to that particular candidate. The purpose of the symbol is to help a voter, who even if somewhat illiterate, can recognise the symbol of the party or person he wishes to vote for and place his mark against that name. The voter after receiving his ballot paper takes it to a cubicle where screened from observation, he marks it in secret with a pencil provided, folds it and then deposits it in a sealed ballot box, which is placed in front of the Presiding Officer. At the close of the poll all the ballot papers relating to the electorate or ward are mixed together, sorted and counted in the presence of the candidates and their agents and the winner of the election announced. The essential ingredient of the election being the liberty of the voter to vote freely in secret for any candidate he wishes. The party system is gaining in strength and the results of the last three general elections show that the country by and large votes party-wise.

The Island has a very proud record of peaceful and orderly elections for a long period of time. The interest of the people is very keen ; this is evidenced by the fact that the two Parliamentary Elections of 1960 and the last Parliamentary Election of 1965 showed an Island-average poll of nearly 80 per cent and in all local elections an equally high percentage has been the rule. The total number of voters for the Island on the last certified register (the register of 1965 certified in May, 1966) was 5,061,685.

Qualifications of Electors

(A) PARLIAMENTARY

No Person shall be qualified to have his name entered or retained in any register of electors in any year if such person—

- (a) is not a citizen of Ceylon ;
- (b) was less than eighteen years of age on the first day of June in that year, or
- (c) has not, for a continuous period of six months in the eighteen months immediately prior to the first day of June in that year, resided in the electoral district to which the register relates ; or
- (d) is serving a sentence of imprisonment for an offence punishable with imprisonment for a term exceeding twelve months, or is under sentence of death or is serving a sentence of imprisonment awarded in lieu of execution of a sentence of death ; or
- (e) is under any law in force in the Island, found or declared to be of unsound mind ; or
- (f) is incapable of being registered as an elector by reason of his conviction of a corrupt or illegal practice or by reason of the report of an election judge in accordance with this Order, or by reason of his conviction of an offence under Section 52 or Section 53 of this order, or by reason of the operation of Section 4A of the Ceylon (Parliamentary Elections) Order in Council, 1946,

A person shall, at any time, be incapable of being registered as an elector or of voting at an election under this Order if such person—

- (a) is, at that time, disqualified by Section 5 of the Public Bodies (Prevention of Corruption) Ordinance, No. 49 of 1943 from voting at an election of members, of any public body as defined in that Ordinance, by reason of a conviction, or of a finding of a Commission of Inquiry, referred to in that Section ; or
- (b) has, during a period of five years immediately preceding that time, been convicted of an offence under the provisions of any of the following Sections of the Local Authorities Elections Ordinance, No. 53 of 1947, namely, Sections 75 to 80 (both inclusive).

Every person, who is not disqualified by anyone of the above circumstances shall be qualified to have his name registered as an elector.

No person shall be entitled to have his name entered in more than one register, notwithstanding that he may be qualified to have his name entered in two or more registers.

(B) LOCAL AUTHORITIES

Every person—

- (a) whose name is entered in any parliamentary register for the time being in operation for any electoral district ; and
- (b) who was on the date of commencement of the preparation or revision of that parliamentary register resident in any ward which is situated wholly or partly within the electoral district shall be entitled to have his name entered in the electoral list of that ward. Provided, however, that no person, shall at any time, be qualified to vote at any election of a member of a village committee if such person at that time—

is a labourer or a kangany in charge of labourers, employed on any plantation and in occupation of any building on the plantation provided by the employer for the accommodation of any such labourer or kangany, or is the spouse or a child or a dependent of any such labourer or kangany and is living with him in any such building on any such plantation.

III—THE ADMINISTRATIVE SYSTEM

The cabinet as in other Commonwealth countries is responsible for the formulation of Governmental policy. Day to day administration of the Island is carried on by the Public Service comprising officers of various services and grades.

For purposes of administration a number of Departments of Government are grouped under each Ministry. There is a Permanent Secretary in each Ministry entrusted with the general control and direction of Departments under the Ministry.

Functions of Ministries and Departments of Government

A Permanent Secretary, subject to the general direction and control of his Minister, supervises the Department or Departments of Government in charge of his Ministry. When a decision has been taken it is his business to see that it is carried out with all possible energy and skill. The Minister takes responsibility for his departments acts.

The function of the various Ministries and the Chief Departments under their control are given below.

Defence and External Affairs

The Prime Minister is also Minister of Defence and External Affairs. Defence, Police, External Affairs and Citizenship, Immigration and Emigration fall within the purview of the Ministry of Defence and External Affairs.

The Departments under the Ministry are as at December 31, 1967—

- Army
- Royal Ceylon Navy
- Royal Ceylon Air Force
- Police Department
- Department of External Affairs abroad
- Department of Immigration and Emigration and
- Registration of Indians and Pakistani residents

Planning and Economic Affairs

The Ministry is in charge of Planning and Economic Affairs and comes under the Prime Minister.

The Departments under the Ministry are—

- Department of National Planning
- Department of Foreign Aid
- Department of Plan Implementation

Information and Broadcasting

The Prime Minister is also the Minister of Information & Broadcasting.

The Departments under the Ministry are—

- Department of Information
- Department of Broadcasting

State

Tourism, Wild Life, Press, Government Printer and Archives fall within the purview of the Ministry of State.

The Departments under the Ministry are—

- Ceylon Tourist Board
- Department of Commodity Purchase
- Zoological Gardens
- Department of Control of Imports and Exports
- Department of Wild Life
- Department of Government Printer
- Department of Government Archivist
- Ceylon Hotels Corporation

Finance

The subjects falling within the purview of the Ministry include Treasury, Supply and Cadre, Economic Division, Finance, Establishments, Accounts, Organisation and Methods, Public Service Provident Fund, Teachers' Widows' and Orphans' Pension Fund, Government Stores, Inland Revenue, Customs, Port dues, Widows' and Orphans' Pension, Census and Statistics, National Savings and Loan Board.

The Departments under the Ministry are—

- Treasury
- Public Service Provident Fund Office
- Teachers' Widows' and Orphans' Pension Fund Office

- Stores Department
- Department of Inland Revenue
- Customs Department
- Widows' and Orphans' Pension Office
- Department of Census and Statistics
- Department of National Savings
- Loan Board
- Department of Official Languages

Land, Irrigation and Power

The subjects assigned to the Ministry include Crown lands, Crown forests, Irrigation and Electrical Undertakings.

The Departments under the Ministry are—

- Department of Land Commissioner
- Land Settlement Department
- Survey Department
- Forest Department
- Irrigation Department
- Valuation Department
- Land Development Department
- Department of Electrical Undertakings
- River Valleys Development Board
- Kantalai Sugar Corporation

Home Affairs

The subjects falling within the purview of the Ministry are Home Affairs, Excise, Parliamentary Elections and Rural Development.

The Departments under the Ministry are—

- Government Agencies (Kachcheries)
- Department of the Registrar-General
- Department of Mosques and Muslim Charitable Trusts
- Department of Excise
- Department of Rural Development and Cottage Industries

Health

The subjects assigned to the Ministry of Health include Medical Services, Public Health Services and Laboratory Services

The Departments under the Ministry are—

- Department of Health
- Department of Ayurveda

Nationalised Services

The Ministry is in charge of the Nationalised Services and Sports.

The Departments under the Ministry are—

- Ceylon Transport Board
- The Port (Cargo) Corporation

Department of the Port Commissioner
Ceylon Petroleum Corporation
The Department of Coast lights

Industries and Fisheries

The subjects assigned to the Ministry are, Industries, Geological Survey, Salt and Fisheries.

The Departments under the Ministry are—

Department of Industries
Geological Survey Department
Department of Salt
Fisheries Department
Fisheries Corporation

Commerce and Trade

Commerce and Trade, Shipping and Co-operative Wholesale Establishment fall within the purview of the Ministry.

The Departments under the Ministry are—

Department of Commerce
Department of Registrar of Companies
Department of Tea Exports
Tea Control Department
Department of Merchant Shipping

Justice

The subjects assigned to the Ministry are : Justice, Implementation of the Official Language Act and Tamil Language (Special Provisions) Act, and Public Trustee.

The Departments under the Ministry are—

Department of Attorney-General
Department of the Legal Draftsman
Department of the Registrar of Supreme Court
Fiscal's Departments of the Provinces of the Island
District and Magistrate's Courts
Courts of Requests
Rural Courts
Department of the Bribery Commissioner
Department of Debt Conciliation
Department of Prisons
Department of Govt. Analyst
Department of Public Trustee

Local Government

The subjects falling within the purview of the Ministry are : Local Government, Town and Country Planning, Election (Local Bodies), Local Government Service, Commission, Water Supply and Drainage and Coast Protection.

Departments under the Ministry are—

Department of Local Government
Department of Local Government Service
Department of Town and Country Planning
Department of Water Supply and Drainage

Agriculture and Food

The subjects assigned to the Ministry include Agriculture, Veterinary Services and Research, Food Production, Marketing, Meteorology, Food Supply, Control and Distribution and Co-operative Undertakings.

The Departments under the Ministry are—

- Department of Agriculture
- Department of Agrarian Services
- Tea Control Department
- Rubber Control Department
- Department of Coconut and Cocoa Rehabilitation
- Marketing Department
- Department of Meteorology
- Department of the Food Commissioner
- Department of Co-operative Development and Registrar of Co-operative Societies

Education and Cultural Affairs

The Ministry is in charge of Education and Cultural Affairs.

The Departments under the Ministry are—

- Regional Departments of Education
- Unesco Secretariat Ceylon
- Department of Examinations
- Educational Publications Board
- Department of National Museums
- Department of Cultural Affairs
- Archaeological Department

Labour, Employment and Housing

The Ministry is in charge of Labour and Housing.

The Departments under the Ministry are—

- Department of Labour
- Department of National Housing

Public Works, Posts and Telecommunications

Public Works, Posts and Telecommunications are the subjects falling within the purview of the Ministry.

The Departments under the Ministry are—

- Public Works Department
- Department of Posts and Telecommunications

Communications

The subjects falling within the purview of the Ministry are ; Railway, Civil Aviation and Motor Traffic.

The Departments under the Ministry are—

- Railway Department
- Civil Aviation Department
- Department of Motor Traffic

Social Services

The Ministry is in charge of Social Services.

The Departments under the Ministry are—

Department of Social Services.

Department of Probation and Child Care Services

IV—THE JUDICIAL SYSTEM OF CEYLON

Supreme Court

The Supreme Court consists of the Chief Justice and ten Puisne Justice. It has appellate and revisional jurisdiction in Civil matters and, as a general rule, it exercises no original jurisdiction in Civil cases. However, under Ordinance No. 2 of 1891, it is colonial Court of Admiralty.

The Supreme Court has original jurisdiction in Criminal cases and exclusive jurisdiction in respect of the more serious offences such as homicide, rape and the graver types of house breaking and robbery. In practice it seldom tries cases which do not fall within its exclusive jurisdiction. It usually sits with a jury and tries cases committed for trial by a Magistrate's Court. Special jurisdiction is conferred on the Supreme Court to hear election petitions.

District Courts

The District Courts, have unlimited original civil (including testamentary) and matrimonial jurisdiction and Criminal jurisdiction in respect of all offences which are not within the exclusive jurisdiction of the Supreme Court. Except in cases under the Bribery Ordinance District Courts try only cases committed to them for trial by Magistrate's Courts.

Under Sections 3 and 4 of the Ordinance No. 2 of 1891 (Cap. 9) the Minister of Justice has power to appoint a District Court to have a limited Admiralty jurisdiction. The District Court of Colombo alone has been appointed to exercise such jurisdiction. There are 26 District Courts in the Island sitting at 36 towns.

Magistrate's Courts

The offences which a Magistrate's Court may try are specified in the Schedule to the Criminal Procedure Code, 1898. Various Ordinances have also made other offences triable by a Magistrate's Court. There is a Municipal Magistrate's Court and a Juvenile Court in Colombo. In other stations the Magistrate performs the duties of a Municipal and Children's Magistrate in addition to his normal functions.

Special jurisdiction is conferred on Magistrate's Courts to make orders for the maintenance of wives and children. There are 33 Magistrate's Courts sitting at 63 places in the Island.

Courts of Requests

Courts of Requests have original Civil Jurisdiction to hear (subject to certain exceptions) all actions in which the debt damage or demand otherwise than in actions relating to land does not exceed Rs. 750 and in actions relating to land, the value of the land or the interests in dispute does not exceed Rs. 300. The Courts of Requests, the Colombo Court and the Kandy Court are each presided over by a separate Commissioner. All the others are presided over by a District Judge or a Magistrate who acts as Commissioner of Requests in addition to his duties as District Judge or a Magistrate. There are 29 Courts of Requests throughout the Island.

Rural Courts

The Rural Courts Ordinance, No. 12 of 1945, which repealed Sections 64–128 of the Village Communities Ordinance and fourth Schedule to that Ordinance was brought into operation in October, 1946.

Rural Courts have Civil jurisdiction in action in which the debt damage or demand or the value of the land in dispute does not exceed Rs. 100.

Rural Courts have criminal jurisdiction to try—

- (a) all offences consisting of breach of rules made or deemed to be made under the Village Committee's Ordinance ;
- (b) the offences for the time being included in the second schedule to the Ordinance ;
- (c) all offences in respect of such jurisdiction as is expressly conferred on a Rural Court by any law. A Rural Court may impose a fine not exceeding Rs. 50 or 14 days imprisonment.

The jurisdiction of a Rural Court is exclusive and cases within that jurisdiction may not be entertained by any other Court.

A Rural Court is presided over by a President appointed by the Judicial Service Commission.

There are 47 Rural Courts sitting at 285 places in the Island ; 5 in the Western Province, 6 in the Central Province, 7 in the Southern Province, 6 in the Northern Province, 6 in the Eastern Province, 6 in the North-Western Province, 3 in the North-Central Province, 3 in the Uva Province and 5 in the Province of Sabaragamuwa.

Judicial Service Commission

The Judicial Service Commission as constituted under the provisions of Section 53 (1) of the Ceylon (Constitution) Order in Council 1946, assumed office in October, 1947. From that date until February 3, 1948, the powers of appointment, transfer, dismissal and disciplinary control of the Judicial Officers remained vested in the Governor acting on the recommendations of the Judicial Service Commission. With the coming into effect of the Ceylon Independence Act 1947 and the Ceylon Independence Order-in-Council from February 4, 1948, appointments, transfers (including those involving increase of salary) dismissal and disciplinary control of Judicial Officers became vested in the Commission.

In addition to the above powers vested in the Commission, Section 6 of the Minute on the Ceylon Judicial Service as modified and published in the *Gazette* No. 10,105 of May 26, 1950 placed the Judicial Service for the purpose of leave and general administration under the general control of the Judicial Service Commission.

Qazis

Since a recent Supreme Court ruling, the power to appoint Qazis has been exercised by the Judicial Service Commission. The Qazis for the judicial divisions of Colombo South and Panadura, Divisional Revenue Officers' Divisions of Pata Hewaheta including Four Gravets and Gangawatta, Uduuwara and Yatinuwara and Udapalata in Kandy and Moneragala Administrative districts were appointed in the year 1966. The Qazi Board of Review consisting of five members has been appointed by the Judicial Service Commission to hear the appeals from the decisions of Qazis.

Conciliation Boards

75 Conciliation Boards were established under the Conciliation Boards Act 1958, in the year 1965 in various parts of the Island. Seven of these were in the Judicial District of Colombo, four in the Judicial District of Kalutara, six in the Judicial District of Kurunegala, fifteen in the Judicial District of Galle, eight in the Judicial District of Matara, four in the Judicial District of Ratnapura, five in the Judicial District of Kandy, six in the Judicial District of Matale, six in the Judicial District of Kegalla, seven in the Judicial District of Hambantota, two in the Judicial District of Chilaw and five in the Judicial District of Anuradhapura.

New buildings for the Rural Courts at Pallegama and Dandagamuwa and Rest Room for Kalmunai District Court were put up in 1966.

V—LOCAL GOVERNMENT

Historical

There is evidence that in Ceylon there existed in ancient times (in the 4th Century B. C.) institutions which exercised functions which by modern concepts could be considered as those generally performed by local governing bodies.

The systems of Local Government in ancient Ceylon were of a patriarchal type, in which the affairs of every village were directed and controlled by its natural leaders, whose decisions were accepted and obeyed by the community in general. The Village elders met from time to time at a convenient spot and were surrounded by those who cared to hear and see and criticise their proceedings. They deliberated on affairs of common interest, adjusted civil disputes and awarded punishments to ordinary offenders against person and property. Cases of serious crimes were reserved for the consideration of the King himself. These (Village Councils) of Ancient Ceylon which were known as "Gansabhas" were not controlled or directed by the King or any central authority. It is not certain whether there were formal rules of procedure laid down, but matters of common interest were fully discussed by these Village Councils and the decisions of the majority were accepted and acted upon by the community without dissent. There were too in that time, large Councils known as "Rata Sabas" which dealt with matters affecting a whole District or Province. The fundamental ideas of Democracy seem to have been in active operation in these institutions.

With the occupation of Ceylon successively by the Portuguese, the Dutch and the British the ancient system of Local Government began to disappear. The British administrators, however, realised the value of system of Government which had taken deep root in the life of the rural population and began to revive the ancient system. When first revived and given statutory recognition in 1871, the Village Community was given limited powers and responsibility which were mainly in regard to village cultivation and irrigation. Successive legislation enlarged the powers of Village Committees.

This period marked the beginning of modern Local Government in Ceylon. The structure of Local Government as found today began to be built up gradually from this period onwards, and other local governing institutions, based however, after the British Model began to be established. The first Ordinance establishing Municipalities was enacted in 1865 and the first Local Board of Health and Improvement which may be regarded the precursor of the Urban Council, was established in 1876. The twentieth century saw the creation of Urban Councils and Town Councils.

Modern Local Authorities

There are today four types of local authorities, namely, Village Councils in rural areas, Town Councils in more developed rural areas, Urban Councils in urban areas, and Municipal Councils in very highly developed urban areas. Village Councils control a vast area of the country. The total area of Ceylon is 25,332 sq. miles out of which approximately 192 square miles are administered by either Municipal, Urban or Town Councils. The rest of the area except the undeveloped area controlled by the River Valley Development Board, is under Village Council administration.

There are at present 510 Village Councils—

- 76 Town Councils
- 36 Urban Councils, and
- 10 Municipal Councils

Village Councils

The Village Councils are the smallest units of local government. These form the broad base on which the whole structure of local government has been built. These Councils are constituted for areas consisting of one or more villages.

Town Councils

Town Councils have been established in developed rural areas which by their development are urban in character. These Councils have powers and duties substantially similar to those of Urban Councils. The main difference being however, that Town Councils cannot impose and levy a property rate of more than nine percent.

Urban Councils

Urban Councils have been established in important urban areas. Their powers and duties are similar to Town Councils, but the control exercised by Government over this type of local authority is less than that over the Town Councils. The distribution of Urban Councils in particular gives an indication of the urbanisation of the country. Colombo District, apart from the Municipality of Colombo, has the highest number of Urban Councils.

Municipal Councils

At the very apex of the structure of local government is the Municipal Council. This type of local authority is the most developed. The degree of Central control exercised by the government over these authorities is small and therefore are virtually autonomous. Colombo, the capital city of the country, is a Municipality which has celebrated its Centenary. Kandy and Galle are two other Municipal Councils which have also celebrated their Centenaries. The other Municipal Councils are -

Jaffna	Kurunegala
Nuwara Eliya	Negombo
Dehiwala-Mt. Lavinia	Badulla
Matale	

Functions and Powers of Local Authorities

Local Authorities are independent statutory corporations and their constitutions, powers and duties as well as their areas of authority are provided for in the respective Ordinance which apply to them. The functions of these local authorities are broadly the same, viz., generally to promote the comfort, convenience and welfare of the people and develop amenities in the fields of public health, public utility services and public thoroughfares. These functions take the form of provision of water supply schemes, electricity schemes, street lighting, housing schemes, construction and maintenance of roads other than trunk roads, provisions of markets, conservancy and scavenging services, sewage disposal schemes, maternity and child welfare clinics, milk schemes, cemeteries, public baths and bathing places, free dispensaries, recreation grounds, parks, resthouses, libraries, fire brigades, etc. For carrying out these functions and duties, the inhabitants of each city, town or village, elect their own representatives every three years. The franchise is almost an universal one, the qualifications of a voter being the same as those applicable to voters for Parliamentary Elections. Representation is on the basis of wards and voters elect representatives for their wards. The elections to the wards are conducted by the Commissioner of Elections. The Mayor, in the case of Municipal Councils, or the Chairman in the case of other local authorities is the Chief Executive Officer of the respective local authority and it is his function to see that the resolutions of the Council are speedily and efficiently carried out through the staff of the Council.

Finance of Local Authorities

The following is the prescribed manner by which local authorities obtain their finances :—

- (1) Local Taxation
- (2) Grants from the Central Government
- (3) Loans from the Central Government obtained through the Local Loans and Development Fund.

Central Government assistance to local authorities has been considerably increased consequent on Government's acceptance that schemes such as water supply, electricity, housing, drainage, village wells, village roads and works cannot be handled solely by local authorities.

Grants and Loans

Government grants totalling Rs. 53,637,170 have been given to Local Authorities during the financial year 1965-66. Rs. 4,644,651 have been paid to Local Authorities during the year 1965-66 from the Local Loans and Development Fund to assist Local Authorities in their Development Schemes. In addition to these grants and loans Government annually makes a substantial contribution towards the major water supply schemes of local authorities.

The Employees of Local Authorities

The staff employed fall into two categories :

- (1) Those recruited by the Local Government Service Commission on terms and conditions fixed by it and appointed to scheduled posts in local authorities which pay their salaries, etc.
- (2) Those recruited direct by the local authorities.

Local Government Service Commission

The Local Government Service Commission was established in 1946 to deal centrally with appointments, transfers and disciplinary control of the majority of local authority's staff. Uniformity in the service was thus established and better trained and experienced personnel were made available to local authorities.

The Local Government Service Commission consists of the Commissioner of Local Government as ex-officio Chairman and 8 other members with power and responsibility to determine all matters relating to the methods of recruitment and conditions of employment in the Local Government Service.

Conditions of service in the Local Government Service are similar to those in the Government Service and a Pension Scheme and a W. & O. P. Scheme are in operation. Those who do not hold pensionable posts can contribute to a Provident Fund. The Service had 7,032 officers at the end of 1966.

VI—DIPLOMATIC SERVICE

The information shown below in respect of the Diplomatic Service is as at 31st December, 1967.

The following countries have established diplomatic relations with Ceylon :—

Afghanistan	France
Argentina	Germany, Federal Republic of
Australia	Ghana
Austria	Greece
Belgium	Hungary, People's Republic of
Britain	India
Bulgaria	Indonesia
Burma	Iran
Cambodia	Iraq
Canada	Israel
China, People's Republic of	Italy
Chile	Japan
Cuba	Jordan
Czechoslovak Socialist Republic	Lebanon
Denmark	Laos
Finland	Malaysia

Maldive Islands	Sudan
Mongolia	Sweden
Nepal	Switzerland
Netherlands	Syrian Arab Republic
New Zealand	Thailand
Norway	Turkey
Pakistan	United Arab Republic
Philippines	United States of Mexico
Poland, People's Republic of	United States of America
Portugal	United States of Brazil
Rumania, People's Republic of	Union of Soviet Socialist Republics
Spain	Socialist Federal Republic of Yugoslavia

Foreign Representation in Ceylon (as on 31st December, 1967)

DIPLOMATIC CORPS

<i>Country</i>	<i>Name of the Head of the Mission</i>	<i>Designation</i>
Afghanistan	His Excellency Gholam Mohamed Sleiman (Designate)	Ambassador (Resident in Rawalpindi)
Argentina	His Excellency Mr. Adolfo A. Bollini	Ambassador (Resident in New Delhi)
Australia	His Excellency Mr. G. N. Upton	High Commissioner
Austria	Her Excellency Dr. Johanna Nestor	Minister (Resident in New Delhi)
Belgium	(Vacant)	Ambassador
Brazil	His Excellency Mr. Renato Firmino Maia de Medonca Mr. Antonie Ferreira da Rocha	Ambassador (Resident in New Delhi) Charge d'Affaires ad interim
Britain	His Excellency Sir Stanley Tomlinson, K.C.M.G.	High Commissioner
Bulgaria	His Excellency Mr. Christo Dimitrov	Ambassador (Resident in New Delhi)
Burma	(Vacant) U. Tet. Sa	Ambassador Charge d'Affaires ad interim
Cambodia	His Excellency Mr. Poc Thieun	Ambassador (Resident in Rangoon)
Canada	His Excellency Mr. John Timmerman	High Commissioner
People's Republic of China	(Vacant) Mr. Lsi-Yeh-Sheng	Ambassador Charge d'Affaires ad interim
Cuba	(Vacant) Mr. R. Perez Yero	Ambassador Charge d'Affaires ad interim
Czechoslovakia	His Excellency Mr. Jaromir Stetina	Ambassador
Denmark	His Excellency Mr. H. A. Biering (Designate)	Ambassador (Resident in New Delhi)
Finland	His Excellency Mr. Asko Ivalo	Ambassador (Resident in New Delhi)
France	His Excellency Monsieur Jean Brionval	Ambassador

<i>Country</i>	<i>Name of the Head of the Mission</i>	<i>Designation</i>
Germany	His Excellency Dr. Herbert Schwörbel	Ambassador
Ghana	His Excellency Major-General Stephen Joseph Asamoah Otu	High Commissioner (Resident in New Delhi)
Greece	His Excellency Mr. John Phrantzes (Designate)	Ambassador (Resident in New Delhi)
Hungary	His Excellency Dr. Peter Kos (Designate)	Ambassador (Resident in New Delhi)
India	His Excellency Shri Y. D. Gundevia	High Commissioner
Indonesia	(Vacant)	Ambassador
	Mr. M. Sjadzali	Charge d'Affaires ad interim
Iran	His Excellency Major-General Hassan Patra van (Designate)	Ambassador (Resident in Rawalpindi)
Iraq	His Excellency Al-Sayed Abdul Kadir Al-Gaylani	Ambassador (Resident in Karachi)
Israel	His Excellency Mr. Avraham Darem	Minister (Resident in Bangkok)
	Mr. Zvi Brosh	Charge d'Affaires ad interim
Italy	His Excellency Dr. Edoardo Costa Sanseverino Di Bisignano	Ambassador
Japan	His Excellency Mr. Seizo Hinata	Ambassador
Jordan	His Excellency Mr. Kemal Homoud	Ambassador (Resident in New Delhi)
Lebanon	His Excellency Mahmoud Hafez	Ambassador (Resident in New Delhi)
Malaysia	His Excellency Enche Bahadun Bin Haji Hassan	High Commissioner
Maldives Islands	His Excellency Mr. Abdul Sattar	Ambassador
Mongolia	His Excellency Mr. Oyuny Khosbayer	Ambassador (Resident in New Delhi)
Nepal	His Excellency Mr. Jharndra Narayan Singha (Designate)	Ambassador
Netherlands	His Excellency Mr. Herman Sybrandt Hallo	Ambassador
New Zealand	His Excellency Mr. B. S. Lendrum	Acting High Commissioner (Resident in New Delhi)
Norway	His Excellency Mr. Haakon Nord	Ambassador (Resident in New Delhi)
Pakistan	His Excellency Mr. Humayun Khan Panni	High Commissioner
Philippines	His Excellency Mr. Yusup R. Abubakar	Ambassador
Poland	His Excellency Mr. Romauld Spasowski	Ambassador (Resident in New Delhi)
	Mr. Janusz Stalinsk	Charge d'Affaires ad interim

<i>Country</i>	<i>Name of the Head of the Mission</i>	<i>Designation</i>
Portugal	Dr. C. A .S. Simoes Coelho	Charge d'Affaires ad interim
Roumania	His Excellency Mr. Aurel Ardeleanu	Ambassador (Resident in New Delhi)
Spain	His Excellency Mr. Miguel Teus	Ambassador (Resident in New Delhi)
Sudan	His Excellency Mr. Sayed Ahmed Salah Bukhari	Ambassador (Resident in New Delhi)
Sweden	His Excellency Professor Gunnar Heckscher	Ambassador (Resident in New Delhi)
Switzerland	His Excellency Monsieur Rene Fasslor	Ambassador (Resident in New Delhi)
	Mr. Frieder H. Andres	Charge d'Affaires ad interim
Thailand	His Highness Prince Prem Pura-chatra (Designate)	Ambassador (Resident in New Delhi)
	Mr. Pacha Osathamond	Charge d'Affaires ad interim
Turkey	(Vacant)	Ambassador (Resident in New Delhi)
United Arab Republic	His Excellency Mr. Khalifa Abdel Aziz Moustafa	Ambassador
United States of America	His Excellency Mr. Andrew V. Corry	Ambassador
United States of Mexico	His Excellency Mr. Octavio Paz	Ambassador (Resident in New Delhi)
Union of Soviet Socialist Republics	His Excellency Mr. Leonid A. Korobin	Ambassador
Yugoslavia	His Excellency Mr. Paun Serbanovic	Ambassador

CONSULAR CORPS

The following countries are represented by Consuls-General :—

Democratic People's Republic of Korea

German Democratic Republic

Democratic Republic of Vietnam (Resident in New Delhi)

Republic of Panama

and Honorary Consuls represent the following countries :—

Austria	Finland	Norway
Bolivia	Greece	Peru
Denmark	Iraq	Spain
Dominican Republic	Liberia	Sweden
El Salvador	Mexico	Turkey

OTHER REPRESENTATION

Other representation in Ceylon include Trade Representations of Austria, People's Republic of Bulgaria, Hungarian People's Republic and People's Republic of Rumania, Colombo Plan Council for Technical Co-operation in South and South East Asia, United Nations Development Programme, United Nations Information Centre, Food and Agriculture Organization and World Health Organization.

Ceylon Representation Abroad (as on 31st December, 1967)

Ceylon has established Diplomatic Missions in the following countries :—

Australia
 Brazil
 Burma
 Canada
 China, People's Republic of
 France
 Germany, Federal Republic of
 Ghana
 India
 Indonesia
 Iraq
 Italy
 Japan
 Malaysia
 Pakistan
 Philippines
 Switzerland
 Thailand
 United Arab Republic
 United Nation's New York
 United States of America
 Union of Soviet Socialist Republics
 United Kingdom of Great Britain and Northern Ireland

The names and designations of our representatives in these countries are as follows :—

<i>Country</i>	<i>Name of the Head of the Mission</i>	<i>Designation</i>
Australia	His Excellency Mr. C. O. Cooray, M.B.E.	High Commissioner
	Mr. L. E. A. Peiris	Commercial Attache and Trade Commissioner (Resident in Sydney)
Brazil	(Vacant)	Ambassador
	Mr. G. A. Fernando	Charge d'Affaires ad interim
Britain	His Excellency Sir Lalita Raja pakse	High Commissioner
Burma	His Excellency Dr. Nandadeva Wijesekara	Ambassador
Canada	His Excellency Mr. L. S. B. Perera	High Commissioner
China, People's Republic of	His Excellency Mr. D. B. R. Guna- wardena	Ambassador
France	His Excellency Mr. E. F. L. de Silva	Ambassador
Germany	His Excellency Mr. G. S. Peiris	Ambassador
Ghana	His Excellency Mr. A. C. L. Rat- watte, M.B.E.	High Commissioner
India	His Excellency Mr. Siri Perera, Q.C.	High Commissioner
	Mr. E. L. F. de J. Seneviratne	Deputy High Commissioner
	Mr. R. A. M. C. Wanigaratne	Trade Commissioner (Resident in Bombay)

<i>Country</i>	<i>Name of the Head of the Mission</i>	<i>Designation</i>
Indonesia	His Excellency Mr. Stanley de Zoysa	Ambassador
Iraq	Mr. H. O. Wijegoonewardena (Minister)	Charge d'Affaires ad interim
Italy	His Excellency Major-General H. W. G. Wijekoon, O.B.E., E.D.	Ambassador
Japan	His Excellency Mr. H. E. Tennakoon	Ambassador
Malaysia	His Excellency Mr. M. M. Maharoo	High Commissioner
Pakistan	His Excellency Mr. B. H. W. Fernando	High Commissioner
Philippines	His Excellency Mr. H. E. Tennakoon	Ambassador (Resident in Tokyo)
	Mr. P. M. D. Fernando	Charge d'Affaires ad interim
Switzerland	His Excellency Mr. E. F. L. de Silva	Ambassador (Resident in Paris)
Thailand	Mr. C. Gunasingham	Charge d'Affaires ad interim
United Arab Republic	His Excellency Major-General Anton Muttucumaru, O.B.E., E.D.	Ambassador
United Nations	His Excellency Mr. H. S. Amerasinghe	Permanent Representative
United States of America	His Excellency Mr. O. Weerasinghe, O.B.E.	Ambassador
U.S.S.R.	His Excellency Mr. B. F. Perera, C.M.G., O.B.E.	Ambassador

Ceylon is concurrently accredited to the following countries but does not maintain permanent offices in them :—

Afghanistan	Jordan	Sudan
Belgium	Lebanon	Switzerland
Cuba	Mongolia	United States of Mexico
Greece	Nepal	Yugoslavia
Hungary	Netherlands	Cambodia
Iran	New Zealand	
Iraq	Poland	
Israel	Rumania	

The names and designations of our representatives to these countries are as follows :—

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Afghanistan	His Excellency Mr. Siri Perera, Q.C.	Ambassador (Resident in New Delhi)
Belgium	His Excellency Mr. G. S. Peiris, C.M.G., O.B.E.	Minister (Resident in Bad Godesberg)
Cuba	His Excellency Mr. L. S. B. Perera	Ambassador (Resident in Ottawa)
Czechoslovakia	His Excellency Mr. B. F. Perera, C.M.G., O.B.E.	Ambassador (Resident in Moscow)

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Greece	(Vacant)	Ambassador
Hungary	His Excellency Mr. B. F. Perera	(Ambassador(Resident in Moscow)
Iran	His Excellency Mr. B. H. W. Fernando	Ambassador
Iraq	His Excellency Mr. B. H. W. Fernando	Ambassador
Jordan	His Excellency Major-General Anton Muttucumaru, O.B.E., E.D.	Ambassador (Resident in Cairo)
Lebanon	His Excellency Major-General Anton Muttucumaru, O.B.E., E.D.	Ambassador (Resident in Cairo)
Mongolia	His Excellency Mr. D. B. R. Gunawardena	Ambassador (Resident in Peking)
Nepal	His Excellency Mr. Siri Perera, Q.C.	Ambassador (Resident in New Delhi)
Netherlands	His Excellency Mr. G. S. Peiris, C.M.G., O.B.E.	Minister (Resident in Bad Godesberg)
New Zealand	His Excellency Mr. C. O. Cooray, O.B.E.	High Commissioner (Resident in Canberra)
Philippines	His Excellency Mr. H. E. Tennakoon	Ambassador (Resident in Tokyo)
Poland	His Excellency Mr. B. F. Perera, C.M.G., O.B.E.	Minister (Resident in Moscow)
Rumania	His Excellency Mr. B. F. Perera, C.M.G., O.B.E.	Minister (Resident in Moscow)
Sudan	His Excellency Major-General Anton Muttucumaru, O.B.E., E.D.	Ambassador (Resident in Cairo)
Thailand	His Excellency Mr. V. C. Jayasuriya	Ambassador (Resident in Rangoon)
United States of Mexico	His Excellency Mr. O. Weerasinghe, O.B.E.	Ambassador (Resident in Washington)
Yugoslavia	His Excellency Major-General Anton Muttucumaru, O.B.E., E.D.	Ambassador (Resident in Cairo)

Ceylon is represented in the following countries by the following officials :—

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Denmark	Mr. U. M. Jorgenson	Honorary Consul-General
Federal Republic of Germany,		
Hamburg and Schleswig-Holstein	Dr. G. Grupe	Honorary Consul-General
Berlin (West)	Mr. Theodore Mayer	Honorary Consul-General
Singapore	Mr. U. W. de Silva	Honorary Trade Commissioner
New Zealand	Mr. D. M. P. Hay	Honorary Trade Commissioner
United States of America		
Los Angeles	Mr. Welton Becket	Honorary Consul-General
New Orleans	Mr. C. C. Walther	Honorary Consul-General
San Francisco	Mr. Daniel E. London	Honorary Consul
Seattle	Mr. Joseph Edward Gandy	Honorary Consul-General

VII—DEFENCE

Ceylon Army

The Army Act, No. 17 of 1949 which came into operation on 10th October 1949 provides for the Army of Ceylon. The Army consists of the Regular Force, the Regular Reserve, the Volunteer Force, and the Volunteer Reserve. Service is entirely voluntary, there being no form of conscription.

2. During the year under review the Army, apart from carrying out its own Military Training, was also called upon to assist the Civil Administration in carrying out National Development projects and maintain essential services whenever that became necessary.

Some of the services carried out by the Army are :—

- (a) The provision of the bulk of the troops in the Northern coastal areas to prevent illicit immigration from India.
- (b) Providing the task force of Pioneers at Kantalai for the Sugar Corporation.
- (c) Construction of Katunayake Airport approach road and car park.
- (d) Jungle clearing, earth cutting and filling of the proposed railway line from Puttalam to Ara Akalu, the distance being 16 miles.
- (e) Clearing and levelling of land required for the Petroleum Corporation at Sapugaskanda.
- (f) Jungle clearing of land for the Cement Corporation at Puttalam.
- (g) Assisting the Telecommunication Department in the Colombo Area Development Scheme. The work involves 24 miles of trenching, ducting and building of 1,200 man-holes for the Telecommunication Department.
- (h) Clearing the Pilgrimage Park at Kataragama Sacred City.
- (i) Earth cutting and levelling for the construction of Ceylon Transport Board playing field.
- (j) Army Engineers launched a Bailey Bridge across the Periya Aru river in Polonnaruwa for the purpose of conveying pilgrims to the Somawathie Chaithiya Restoration Ceremony.

Royal Ceylon Navy

The Navy Act, No. 34 of 1950, provides for the Regular Naval Force, Regular Naval Reserve, Volunteer Naval Force and Volunteer Naval Reserve.

2. The Royal Ceylon Navy plays its main role in the intensification of anti-illicit immigration and anti-smuggling patrols in Northern and North Eastern waters of Ceylon. Six more fast patrol craft were procured for operational duties.

3. The Navy continues to extend its specialist services to other Government Departments and Corporations such as the Fisheries Corporation, the Port Commission and the Mineral Sands Corporation. Personnel have also been attached to the Department of Immigration and Emigration.

4. The main wireless station of the Navy at Welisara provides communication between ships and serves as a link between the Central Telegraph Office and merchant ships. It also monitors foreign news bulletins and weather forecasts broadcast by other meteorological areas and ships at sea.

Royal Ceylon Air Force

The Air Force Act, No. 41 of 1949 which provided for the Royal Ceylon Air Force, came into operation on 10th October, 1950.

The aircraft in service at present with the Royal Ceylon Air Force are Chipmunk, Pioneer, Dove, Heron, Jet Provost and Hiller and S. 51 Helicopters.

The type of operations carried out by the Royal Ceylon Air Force were as follows :—

- (a) Communication—Air Transport (Internal and Overseas).
- (b) Photographic Reconnaissance.
- (c) Casualty Evacuation.
- (d) Illicit Immigration Patrols in conjunction with the Royal Ceylon Army and Police.
- (e) Search and Rescue—Ships, Fishing Boats and personnel lost at sea.
- (f) Operational Flying in conjunction with Internal Security duties. Flights for VIPs on official visits within the country, and flood relief duties.

Flying Training is carried out at No. 1 Flying Training School, China Bay, and continuation training at Katunayake. Officers' I. Q. Tests, Recruit and Ground Combat Training and Refresher Training is conducted at Diyatalawa.

Technical training is undertaken at Katunayake. Personnel who require advanced technical training are sent to Karachi for training with the Pakistan Air Force, U.K. with the Royal Air Force and some civilian establishments and Singapore with the Royal Air Force.

The Supply and Maintenance Base stationed at Katunayake is responsible for the receipt and provisioning of all equipment for the Air Force.

The Air Force operates and maintains the International Airport for Ceylon at Katunayake and the Airfield at China Bay for Air Ceylon, and other civilian movements.

VIII—OFFICIAL LANGUAGE AFFAIRS

In June 1956 Parliament passed the Official Language Bill declaring Sinhala as the Official Language of the Country and the Department of Official Language Affairs was set up.

The Department of Official Language Affairs consists of two sections : The Official Language Section and the Publications Section.

The main responsibility of the Official Language Section is to ensure the quickest possible transition from English to Sinhala in the administration of the country and towards this end, it has to examine the degree of progress made by different Departments and Government Corporations in their switch over to Sinhala, and give them such instructions and assistance as are necessary to overcome any difficulties they may have.

Implementation of the Official Language Act

In addition to the implementation of the Official Language Act, No. 33 of 1956, which proclaims that Sinhalese should be the only Official Language of Ceylon, the implementation of the recently passed Language (Special Provisional) regulations under the Tamil Language (Special Provisions) Act, No. 28 of 1958, has come under the purview of this department.

Accordingly all Acts and Ordinances and all Orders, Proclamations, Laws and by-laws made under any written law have to be translated into the Tamil Language as well. As such initial steps have been taken to recruit additional staff to carry out such work. However a good amount of urgent and important translations were done even without adequate staff.

Progress

In order to ascertain the nature of the problems that have to be faced in the implementation to the fullest extent of the Official Language Policy in certain sections, and in order to find out the progress so far attained on the basis of the special instructions and guidance provided by the Official Language Department, surveys were carried out during the year in a number of government institutions and offices and further instructions given where necessary. After investigating into requests from various Departments for staff and equipment suitable recommendations were made to the Supply & Cadre division of the Treasury.

Classes for the training in the Official Language

Classes for training in the Official Language were conducted in the same manner as in the previous year. There is a decrease of about $\frac{1}{3}$ of the classes started in the year 1964/65. These classes were organized for the purpose of training officers who are not proficient in the Official Language. Absenteeism among the old entrants has reduced the number of new classes.

Sinhala Typing Classes

During this year 241 officers working in and around Colombo and 166 officers from outstations were trained in Sinhala typewriting on the standardized keyboard. Apart from this at the special request of the Commander in Chief of the Army steps were taken in September 1966 to train 30 Army officers in Sinhala typing.

Shorthand and Typing Committees

The report of the Committee appointed by the Hon. Minister of Justice on 9th April, 1964, in connection with the preparation of a typewriter with a comprehensive Sinhala keyboard was submitted to him on 21st April, 1966. The report of the Committee appointed by the Hon. Minister of Justice to examine the methods of Sinhala Shorthand was submitted to him on 10th October, 1966.

Official Language Translation Section (Sinhala)

At the request of Government departments as well as State-sponsored Corporations various forms, agreements, regulations, handbooks and other documents were translated into Sinhala during the year under review. Translations sent for revision by various departments were also attended to. Translations done during the years amount to 10,246 folios while revisions amount to 2,604 folios. Though the amount of translations done during the year is about 20% less than in the previous year the amount of revisions has increased by about 38%.

After the issue of the Treasury Circular No. 686 of 26.3.66 prescribing that all forms, handbooks, rules and regulations, proclamations, notifications, etc., be translated into Tamil as well, more documents were received in this Department for translation into the Tamil Language. All these documents could not be translated into Tamil promptly due to the inadequacy of the staff. However the Department has been able to translate a considerable amount of these during the last year.

Official Language Research Section

ENGLISH-SINHALA COMPOSITE GLOSSARY

Part II of this glossary consisting of letters from H to P has been sent to the printer after proof reading and steps have been taken to see that it will be out in a short time. Part III consisting of words from G to Z is also now with the printer.

SINHALA-ENGLISH COMPOSITE GLOSSARY

Part II of this glossary has been completed and sent for printing.

LEGAL GLOSSARY

The Legal Advisory Board has met 37 times during the period under review. Halsbury's Laws of England series has been indexed for the purpose of Volume XII.

SINHALA LESSONS

Part I of this course compiled for the purpose of teaching Sinhala to beginners through the medium of Sinhala has been completed and the typed copy has been prepared with suitable pictures for printing.

SUPPLEMENT TO THE ENGLISH-SINHALA COMPOSITE GLOSSARY

The compilation of this glossary which was started during the last financial year is progressing satisfactorily.

GLOSSARY OF CLUSTER WORDS

Part II of this glossary compiled on the same basis as Part I that was issued in 1960 has been sent for printing. Compilation of Part III thereof has been undertaken.

Publication Section**PRODUCTION OF TEXT BOOKS**

Since it has been decided by the Cabinet that instruction in the Universities should be in the mother-tongue from 1968 it is the duty of this department to translate the necessary books into Sinhala for this purpose. It is however doubtful whether this responsible task could be fulfilled because of the inadequacy of the available staff. In spite of that about 150 books for use in 1st and 2nd years in the Universities are being translated. About 50 books required for the 1st year in the University have been already published.

In addition to the books that are required by the Universities a number of books necessary for the G.C.E. advance and ordinary levels have been published by this department. Several books have been reprinted after revision based on their new editions. About 15 of such revised editions have been brought out during this year.

Progress in the Production of Books

Most of the books required for the G. C. E. Ordinary Level have been completed already and at least one book in each important subject has been published. Preparation of books required for the G. C. E. Advance Level and University Entrance Examinations was begun a few years back and requirements of that level have been met with to a great extent. A number of books in such subjects as Physics, Chemistry, Botany, Geography, History, Economics and Sanskrit required for this examination have now been published. Translation of a few more books in these subjects have been undertaken during the year.

During this financial year about 50 books in Sinhala and Tamil including revisions have been printed and published. This would show a production rate of one book for every six days excluding public holidays.

Distribution of Books

The responsibility for the distribution of class text books produced by the Education Department devolved on the sales section of this department from December 1964. 2,280,140 copies of these books alone have been sold during the year. The wholesale distribution of books is done by this department while retail sale is done by about 835 recognised dealers and co-operative societies and unions from all parts of the Island.

The number of dealers have been increased this year by 260. As a result students as well as the public of those areas have been able to purchase these books readily and at the prescribed prices. The sales section earned an income of over Rs. 1,725,022 from the sale of books during this year. At the end of this year (1.10.66) the department's stores had a stock of 443,579 copies remaining out of 221 categories of Sinhala books, 163,268 copies out of 150 categories of Tamil books and 3,834,101 copies out of 15 categories of school text books showing a total balance of 4,440,948 copies of books published so far.

School Text Books

Eleven Sinhala Text books, 10 Tamil Text books and 2 English Text books prepared by the Education Department were printed and supplied to students through book sellers, co-operative societies and school co-operative societies ; and steps have been taken to publish 16 more school text books during the current year.

CHAPTER V

POPULATION, VITAL STATISTICS AND MIGRATION

I—THE GROWTH OF POPULATION

The first decennial Census of Ceylon was undertaken in 1871. The Census of that year gave the population as 2,400,380 which rose to 10,582,064 at the Census of 1963. In ninety two years, therefore, the population of Ceylon has increased by 8,181,684 or 340·8 per cent. The mean rate of increase has been 18·1 per cent per decennium.

The following table indicates the population of Ceylon as recorded at the various decennial Censuses beginning from 1871, the amount of increase and percentage increase :—

TABLE 5.1—POPULATION OF CEYLON IN CENSUS YEARS 1871 TO 1963

<i>Census Year</i>	<i>Population</i>	<i>Amount of Increase</i>	<i>Per cent of Increase</i>
1871	2,400,380	—	—
1881	2,759,738	359,358	15·0
1891	3,007,789	248,051	9·0
1901	3,565,954	558,165	18·6
1911	4,106,350	540,396	15·2
1921	4,498,605	392,255	9·6
1931	5,306,871	808,266	18·0
1946	6,657,339	1,350,468	25·4
1953	8,097,895	1,440,556	21·6
1963	10,582,064	2,484,169	30·7

The growth of the Island's population has been occasioned by two factors. First, by the natural increase—"excess of births over deaths" and secondly by the increase in migration.

The following table shows these two factors in operation and also gives the total intercensal increase :—

TABLE 5.2—THE NATURAL INCREASE, MIGRATION INCREASE AND INTERCENSAL INCREASE

<i>Period</i>	<i>Natural Increase</i>	<i>Migration Increase</i>	<i>Intercensal Increase</i>
1871-1881	119,792	239,566	359,358
1881-1891	114,260	103,791	248,051
1891-1901	225,406	332,759	558,165
1901-1911	356,147	184,249	540,396
1911-1921	319,410	72,845	392,255
1921-1931	656,990	151,276	808,266
1931-1946	1,280,916	69,552	1,350,468
1946-1953	1,328,355	112,201	1,440,556
1953-1963	2,506,953	22,784	2,484,169

Births and Deaths

The increase in population in recent years has been due in a very large measure to the excess of births over deaths. The following table gives figures in respect of births, deaths, natural increase, birth rate, death rate and rate of natural increase for the period 1945-1965.

TABLE 5.3—BIRTHS, DEATHS, AND NATURAL INCREASE. 1945-1965

<i>Year</i>	<i>Births</i>	<i>Birth rate per 1,000</i>	<i>Deaths</i>	<i>Death rate per 1,000</i>	<i>Natural Increase</i>	<i>Rate of Natural Increase per 1,000</i>
1945	238,494	35.9	142,931	21.5	95,563	14.7
1946	256,886	37.4	135,937	19.8	120,949	18.0
1947	271,191	38.6	98,544	14.0	172,647	25.0
1948	287,695	39.7	93,711	13.0	193,984	27.3
1949	291,191	39.1	91,889	12.4	199,302	28.2
1950	304,635	39.7	95,142	12.4	209,493	27.8
1951	313,662	39.8	100,072	12.7	213,590	27.6
1952	313,532	38.8	95,298	11.8	218,234	27.5
1953	321,217	38.7	89,003	10.7	232,214	28.0
1954	303,894	35.7	86,794	10.2	217,100	25.5
1955	325,538	37.3	94,368	11.8	231,170	26.5
1956	325,067	36.4	87,561	9.8	237,506	26.6
1957	334,135	36.5	92,759	10.1	241,376	26.5
1958	335,690	35.8	90,815	9.7	244,875	26.1
1959	356,336	37.0	87,971	9.1	268,365	27.9
1960	361,702	36.6	84,918	8.6	276,784	28.0
1961	363,677	35.8	81,653	8.0	282,024	27.7
1962	370,762	35.5	88,928	8.5	281,834	27.0
1963	365,842	34.1	91,673	8.5	274,169	25.6
1964	361,577	33.2	95,618	8.8	265,959	24.4
1965	369,437	33.1	91,728	8.2	277,709	24.9

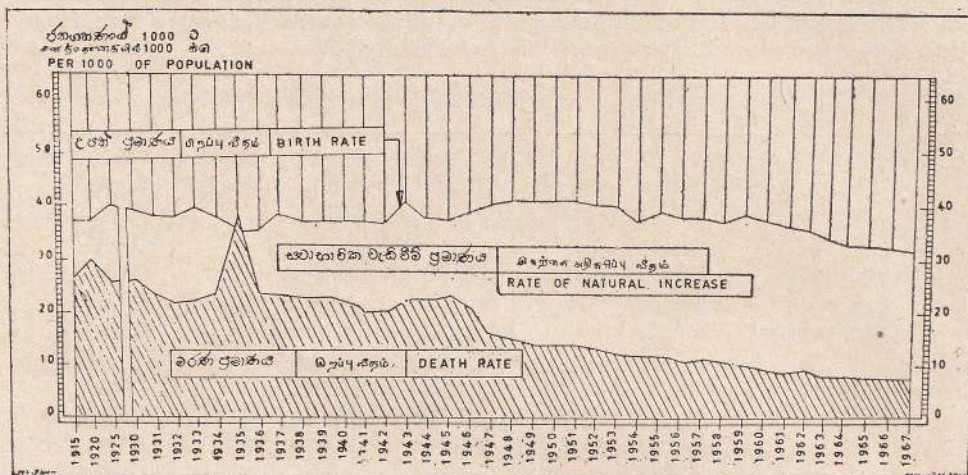
Note.—Provisional corrections in population estimates and rates in respect of the years 1941 and after have been made for child—under enumeration at the 1946, 1953 and 1963 Censuses.

Ceylon's death rate has declined fairly steadily from about 26 per thousand in the 1920's to 19.8 in 1946. In 1947, however, the intensive D. D. T. spraying in the malarial regions resulted in a sensational decline in the death rate to 14.0. Subsequently it has declined further steadily, though more slowly.

During the fifteen-year period 1931-45, the mean crude birth rate fell to 35.6 from 39.8 which was the mean for the decade immediately preceding it. The death rate declined from 26.5 in the period 1921-30 to 22.0 in the period 1931-45.

During the following intercensal period 1946-53, although the mean crude birth rate rose slightly to 39.0, the death rate declined rapidly to 13.4. In 1953, the death rate was 10.7 with 89,003 deaths. In 1960 the death rate was 8.6. In 1961 the death rate dropped to 8.0, the lowest on record. In 1962 it increased slightly to 8.5. In 1964 it stood at 8.8 and has fallen again to 8.2 in 1965.

CHART NO. 2—BIRTH RATE, DEATH RATE, AND RATE OF NATURAL INCREASE OF POPULATION, 1915-1967



II—CENSUS OF POPULATION, 1963

The Census of Population was held on 8th July, 1963 and the total number of persons enumerated was 10,582,064. The percentage increase over 1953 Census figure was 30.7 per cent.

Detailed information is not available as the Census data are being processed. The table shown below gives the population of Ceylon by Districts as at 8th July, 1963.

TABLE 5.4—POPULATION OF CEYLON BY DISTRICTS AS AT 8TH JULY, 1963

Ceylon	10,582,064
Colombo	2,207,420
Kalutara	631,457
Kandy	1,043,632
Matale	255,630
Nuwara Eliya	397,756
Galle	641,474
Matara	514,969
Hambantota	274,297
Jaffna	612,596
Mannar	60,124
Vavuniya	68,621
Batticaloa	196,189
Amparai	211,732
Trincomalee	138,553
Kurunegala	852,661
Puttalam	302,546
Anuradhapura	279,788
Polonnaruwa	113,971
Badulla	521,845
Moneragala	132,260
Ratnapura	546,037
Kegalle	578,506

III—VITAL STATISTICS OF CEYLON

The important features of the Vital Statistics for 1965 are as follows :—

Population

The estimated population of Ceylon at the beginning of this year was 11,024,000 at mid-year 11,164,000 and at the end of the year 11,296,000. The increase in the Island's population during the year was 2.4 per cent as compared with 2.3 in 1964. The excess of births over deaths amounted to 277,709 while the excess of emigrants over immigrants was 5,610.

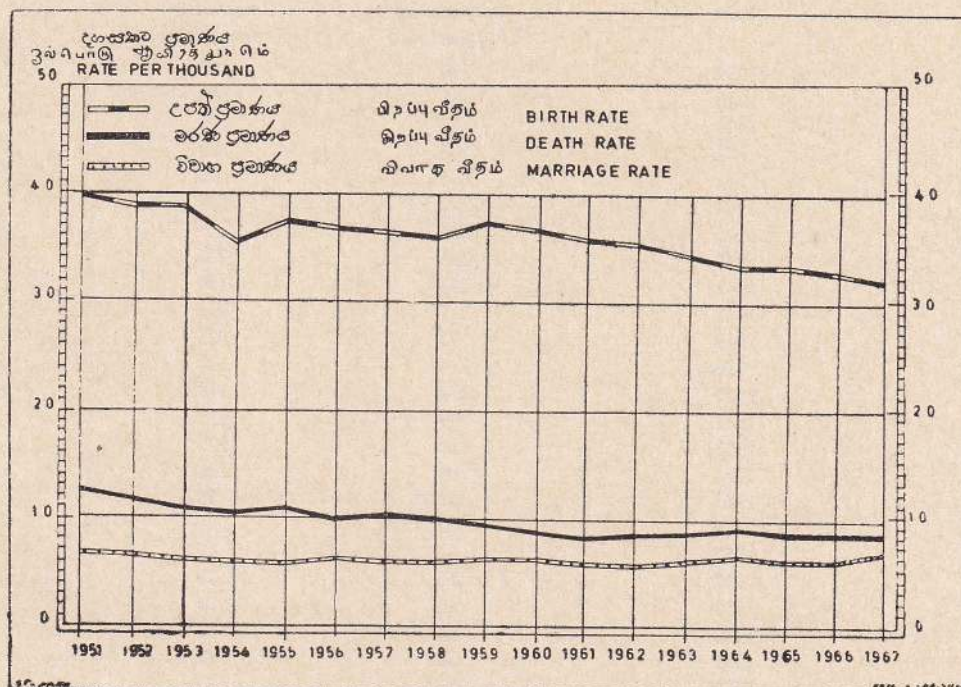
Marriages

There were 60,525 marriages registered under the General and Kandyan Marriage Registration Acts. 52,219 being under the General Marriage Act, and 8,306 under the Kandyan Marriage Act. The corresponding figure for 1964 was 62,790. There were 4,899 Muslim Marriages registered during the year as against 5,107 for the previous year.

Births

The number of births registered in 1965 was 369,437 (187,757 males and 181,680 females) an increase of 7,860 more than the previous year's figure of 361,577. The sex ratio at birth was 1,033 males per 1,000 females. The rate per 1,000 of the Population was 33.1; this is almost the same as in 1964. In Colombo Town 33,474 births were registered during the year.

CHART NO. 3.—REPORTED BIRTH, DEATH AND MARRIAGE RATES, 1951-1967

**Deaths**

Deaths registered in 1965 numbered 91,728 (49,732 males and 41,996 females) compared with 95,618 in 1964. The death rate for the year was 8.2 as compared with 8.8 in 1964. The number of deaths registered in Colombo Town was 9,212 as against 8,942 in the previous year.

IV—MIGRATION

The Department of Immigration and Emigration exists under the provisions of Chapter 351 of the Legislative Enactments of Ceylon as revised in 1956. Since then there has been one amending Act No. 68 of 1961, which covers the existing problem of illicit immigration.

The Department deals with the following :—

- (a) issue of Ceylon travel documents,
- (b) grant of residence, visit and transit visas to foreigners,
- (c) issue of visas on behalf of certain other Governments,
- (d) prevention of illicit immigration,
- (e) deportation and removal of foreigners from Ceylon,
- (f) Surveillance of foreigners in Ceylon, in association with the Police Department,
and
- (g) punitive action for contravention of the provisions of the Immigrants and Emigrants Act.

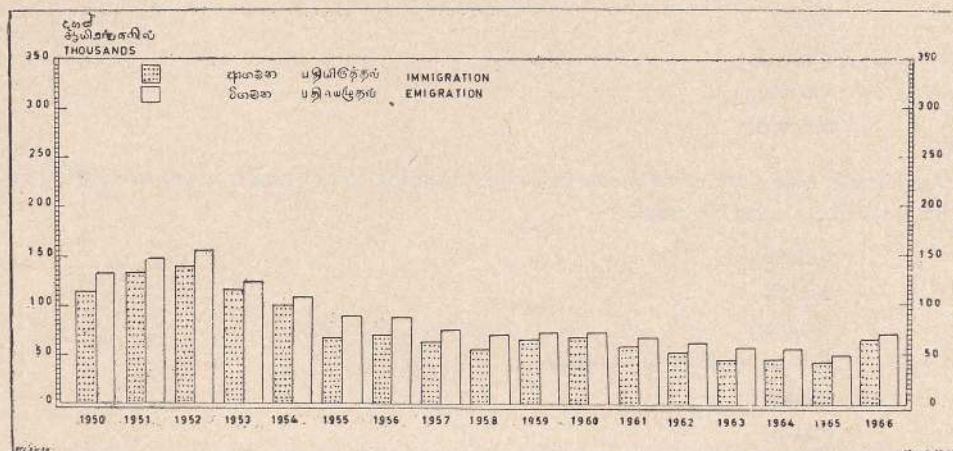
The table given below are statistics of immigration into, and emigration out of Ceylon during the period 1939 to 1966 :—

TABLE 5.5—IMMIGRATION AND EMIGRATION, 1939–1966

<i>Year</i>	<i>Immigration (in thousands)</i>	<i>Emigration (in thousands)</i>
1939	130	156
1940	68	100
1941	74	100
1942	102	189
1943	194	198
1944	270	182
1945	333	225
1946	283	226
1947	233	210
1948	217	196
1949	195	165
1950	114	134
1951	134	148
1952	140	156
1953	116	129
1954	100	108
1955	67	90
1956	70	88
1957	63	75
1958	56	71
1959	66	74
1960	68	74
1961	58	68
1962	53	63
1963	45	56
1964	45	55
1965	43	49
1966	64	70

The Controller of Immigration and Emigration of Ceylon and Ceylon Missions abroad are empowered to issue passports and visas on behalf of the Government of Ceylon. A British Consular Officer, and in certain cases, the Passport Officer of a Commonwealth Government act on behalf of the Government of Ceylon, where there is no diplomatic representative of Ceylon.

CHART NO. 4—IMMIGRATION AND EMIGRATION, 1950–1966



The issue of residence visas is at the discretion of the Controller of Immigration and Emigration, subject to Government policy, apropos the Government's policy of Ceylonization. The Controller of Immigration and Emigration ensures that Ceylonese are given priority of consideration for employment before he permits a non-Ceylonese to enter Ceylon for purposes of residence and employment. The Controller also ensures the continuous repatriation of foreigners who have overstayed their visas, and who have entered Ceylon illicitly.

During the year 1966, 338 foreigners in the country have been repatriated perforce from Ceylon and 4,801 have responded to a request to leave Ceylon on the expiry of their visas under a scheme of repatriation implemented by the Controller of Immigration and Emigration.

Ceylon Passports

Ceylon Passports and Emergency Certificates are issued by the Department of Immigration and Emigration to citizens of Ceylon. An Emergency Certificate is a travel document which is available for travel between Ceylon and a limited number of neighbouring countries in the Asian region. A person is a citizen of Ceylon either by descent or by acquiring it through registration, in accordance with the citizenship Act, Chapter 349 of the Legislative Enactments of Ceylon.

The following are the figures of Ceylon travel documents which have been issued in the last three years :—

	1964	1965	1966
Ceylon Passports	3,844	7,759	10,022
Ceylon Emergency Certificates	3,955	3,566	6,436
Identity Certificates	8	12	47

Visit Visas

A Visit Visa is issued to a foreigner for a period not exceeding six months. The Government of Ceylon, however, has exempted certain categories of persons, from the requirement of being in possession of a visa, under the provisions of the Immigrants and Emigrants Act.

Bona fide

Tourists of the following countries do not require visas to visit Ceylon up to a maximum stay of six months :—

Britain and Colonies
Canada
Eire
Malaysia
Pakistan, and
Singapore.

Additionally *bona fide* tourists of the following countries do not require a visa to visit Ceylon for a stay not exceeding one month :—

Australia
Austria
Denmark
Federal Republic of Germany
Finland
France
Italy
The Netherlands
New Zealand
Norway
Sweden
Switzerland
U. S. A.

A table of statistics of foreigners, including crews of ships and aircraft who travelled to Ceylon in 1964, 1965 and 1966 on Visit Visas is given below :—

<i>Year</i>	<i>Indians and Pakistanis</i>	<i>Other Commonwealth Citizens</i>	<i>Aliens</i>
1964	5,580	5,699	11,361
1965	6,546	8,656	12,238
1966	9,354	17,416	13,976

Visit Visas are required for entry into Ceylon from the nationals of all countries, which are not listed above, whether they are coming as *bona fide* tourists or not, and also from the nationals of the countries listed above, if they are coming not as *bona fide* tourists.

Transit Visa

Transit Visas are issued to foreign passengers desiring to disembark in Ceylon in order to continue their journey by a different ship or aircraft.

Residence Visas

Residence Visas are issued in Colombo, to foreigners for a stay in Ceylon beyond six months, for a purpose approved by the Controller of Immigration and Emigration, in his discretion. The following are statistics of residence visas issued during the years 1954 to 1966 :

Year	Indians and Pakistanis	Other Commonwealth Citizens	Aliens	Total
1954	8,304	947	414	9,665
1955	13,897	1,483	364	15,744
1956	11,905	1,245	553	13,703
1957	4,778	1,428	639	6,845
1958	3,684	842	592	5,118
1959	6,205	949	375	7,529
1960	6,594	880	648	8,122
1961	5,865	800	701	7,366
1962	9,378	1,039	880	11,297
1963	9,510	964	733	11,207
1964	10,926	827	558	12,311
1965	10,716	899	801	12,416
1966	11,050	864	904	12,818

A Ceylon Mission abroad, or an officer empowered to issue a visa on behalf of the Government of Ceylon, can issue a visa to a foreigner who is not a national of the country where such diplomatic mission or visa issuing officer is functioning.

New Immigrants

New immigrants who were granted residence visas for Ceylon comprise the numerically smallest category of residence visa holders. These persons generally were skilled workers, technicians, engineers, etc. in which grades there was a dearth of suitably qualified Ceylonese personnel. New immigrants are no longer allowed to come to Ceylon as replacements for outgoing foreigners, for example, in the fields of religious work and planting.

The following figures provide, under nationality, the new immigrants who were admitted during the year 1966 :

United Kingdom nationals	101
Canadians	15
Australians	8
Americans	28
Other Europeans	118
Indians and Pakistanis	136
Asians other than Indian and Pakistanis	35
	<hr/>
	441
	<hr/>

The figures include officials of recognised international organisations, temporarily assigned to Ceylon, their wives and dependent children.

Emigration

Ceylonese, together with their families continue to emigrate to Australia, Canada and Britain while a very small number have emigrated to U. S. A., and the new Commonwealth countries of Africa.

The total tax earned by the Department of Immigration and Emigration under the Temporary Residence Tax Act, which now stands repealed, is Rs. 19,917,050.00.

CHAPTER VI

LAND DEVELOPMENT

I—GENERAL

Urgent national problems, like shortage of food supplies, high prices and unemployment, were the subjects of public attention and the Government came to rely more on the development of land as one of the main solution to these problems. This Department was intimately connected with the proposals to find solutions to these matters. The alienation of land under colonization schemes, village expansion schemes, youth schemes and special leases to the private sector were intended mainly to solve the problem of unemployments, and agricultural production. The two main Ordinances administered by the Department are the Land Development Ordinance, No. 19 of 1935 and the Crown Lands Ordinance, No. 8 of 1947.

II—PROGRESS OF LAND DEVELOPMENT

Alienation of Crown Land to Peasants under Village Expansion Scheme

As in other years this activity continued to constitute a major portion of the activities of the department. This activity of the department envisages the easing of over population in existing villages by giving out small extents of crown land around these villages for peasants. Where land is plentiful units varying from about 2 to 5 acres are given out to peasants under this scheme. In the more populated areas of the south-west part of the Island and in the more populated coastal areas where land is not available in large extents for alienation under village expansion, it is customary to alienate smaller units of land ranging from $\frac{1}{2}$ acre to about 2 acres, and in extreme cases an extent of even $\frac{1}{4}$ acre for purpose of putting up residential quarters. In the latter case the purpose is generally to provide housing allotments to people who are otherwise employed in towns, etc. During the year under review 23,266 acres were alienated under Village Expansion Schemes.

On the directions of the Hon. Minister of Lands, the Government Agents were requested to have Divisional Committees headed by the D. R. O., consisting of the Agricultural Instructor, the Range Forest Officer, the Rural Development Officer, the Supervisor of L. D. O. allotments and the Irrigation Engineer or his representative, in order to ascertain the availability of land for village expansion as well as other purposes and to see that the land is so given out as expeditiously as possible. The Members of Parliament and the Chairman of local bodies in the area were also to be invited to the meetings of this Committee. All Rural Development Societies, local authorities and co-operative societies in the area were to be requested to inform the D. R. O. of land in their areas which they considered was necessary for alienation to local peasants as well for other purposes. When the land was available and required for V. E., the G. AA were requested to hold land Kachcheries forthwith and proceed with the alienation. The alienation of Crown land in this manner was intended to make land available to the local villagers well in time and after giving due publicity. It was felt that Land Kachcheries had not been systematically held even though the land was available and the need for L. K. had been keenly felt. The failure to do this had resulted in a large number of encroachments by persons who were unable to wait till the administration got moving on. The Committees contemplated, together with the publicity which was intended to be given them were expected to ensure that the administration worked more expeditiously and to the satisfaction of the rural population. In selecting land the G. AA were asked to seek the advice of the officers of the Agriculture Department to look into the suitability of the soil for particular crops and the availability of water as well. It was also felt that the local information from villagers on these matters would be very useful as they could, by experience, provide information with regard to these matters which the local officers may not be aware of. If in order to develop such land it was necessary to restore any tank or other minor irrigation work, the G. AA were asked to get the scheme investigated immediately through the D. A. C. In selecting land G. AA were requested

to exclude forest reserves or proposed forest reserves. But as some of these reserves had been established many years ago and are not of date in the present context the G.A.A. were asked to re-examine these areas in consultation with the Forest Department and exercise such portions as are now not deemed to be necessary for maintenance as forest reserves. Supervisors/Land Development Ordinance, Estate Supervisors and Overseers/Land Development Ordinance employed by the department are engaged in supervising the development work in lands given on village expansion. They are expected to help the allottees in getting subsidies as and when they are due, inspecting the construction of houses, latrines, etc., and to generally help in the development of alienated lands. They are also responsible for the recovery of the small annual payment that is due from the allottees to Government.

Acquisition of Land for Village Expansion

Where land is not available for distribution among peasants in overcrowded areas and where it is felt that relief is necessary, the acquisition of private land is being resorted to. During the year under review estates involving 553 acres were acquired. In deciding on acquiring private estates for village expansion the general rule is that productive estates are not acquired. In selecting land for acquisition the least productive land close to roads, and water supply and flat enough for housing are deliberately selected.

Assistance to Peasant Allottees

In Village Expansion Scheme a series of subsidies is given to the allottees once the land has been alienated. Subsidies for house construction, latrines, wells, adoption of soil survey measures and for planting materials are given. Rs. 1,000 is given for a house, Rs. 75 for latrines, Rs. 300 to Rs. 600, depending on dimensions, for a well, Rs. 50 for planting materials and Rs. 2.50 per chain of drain and Rs. 3.50 per chain of stone terrace for the adoption of soil conservation measures are given up to a maximum chainage per acre. There has been a general criticism of this subsidy policy—specially of the subsidy for house construction—that peasants do not display a keenness to construct their houses speedily, and that the contribution made in the sphere of rural housing by this department by this subsidy is not very effective. It is true that generally peasants take an inordinately long time to complete the house. The subsidy is paid in several stages as the construction progresses. The rule that was being followed up to last year was that the peasants were given 2 years within which he should complete the house. However, on representations made by the Government Agents it was decided to extend the period 2 years to 3 years and peasants were given an additional year to complete their houses. This change was introduced during the year under review, and it is too early to measure its effects on the problem. In fact, as it was noted that there were a large number of incomplete houses for which part payments have been drawn, a greater latitude has been introduced so that the deserving cases, could draw the balance money to complete their houses according to the type plan furnished by the department, but here too where they have not strictly complied with the type plan, payments have been authorized as long as minimum requirements of space and light have been observed.

The following figures give the work done on houses, latrines and wells on individual allotments at a total cost of Rs. 3,326,325.

	Completed	Under construction
Houses	2,026	4,430
Latrines	831	350
Wells	925	797

(Schedule 'E' provides more detailed information).

Similar assistances is given to allottees who were given lands which were acquired for the purpose of Village Expansion. The following table gives the number of houses, wells and latrines constructed and under construction on such lands at a cost of Rs. 948,673:

	Completed	Under construction
Houses	655	1,365
Latrines	674	81
Wells	102	105

Major Colonization Schemes

During the year under review, lands were given on a one year advance alienation basis as in the previous year. The selected colonists were brought to communal wadiyas, in the first instance. These allottees put up temporary huts in the highland allotments which were cleared by the land Development Department and thereafter moved in to residence. They cultivated the highland allotment with chena crops during the rains and settled down to clear and prepare the paddy allotments so that, by the time irrigation facilities are provided in the following year, the land was ready for cultivation. By this method, the allottees do not have to wait indefinitely for irrigation facilities to asweddemize their paddy land ; at the same time valuable paddy land prepared for cultivation is ready for cultivation the moment irrigation water is available. A major change introduced in the course of the year was the clearing of the highland area in colonization schemes before the colonists were brought into the scheme. It was found from experience that the earlier practice by which the colonists had to clear the entire extent after they had been brought in was not only difficult to the allottees who were suddenly brought into an unfamiliar area but also retarded the programme of development. With the new practice the colonists were able to establish themselves earlier on the land and also obtain a chena crop on the area cleared at the very next cultivation season.

In selecting allottees to major colonization schemes preference had been given in the past to the selection of persons with larger families. Agricultural know-how, energy and physical fitness and experience in farming were given second place. However, this year, an important change was made. Agricultural know-how and proven ability as farmers were given primary consideration in selecting colonists. By this means, it is now possible to select even unmarried persons who are proven agriculturists in preference to persons with large families, whose agricultural abilities are in doubt.

4,292 colonists were settled in the various colonization schemes in the Island. The selectees were given subsidies for the construction of T. P. houses, wells, latrines, jungle clearing, fencing, etc. Free seed paddy is also given for the first cultivation ; subsistence allowances are also given for a limited period until the first harvest.

Misconceived criticism has been directed at the policy of major colonization schemes from time to time. Since inception about 60,000 families with a population of about 400,000 have been settled in Colonization Schemes, and are gainfully employed. Ancillary occupations in the Colonisation Schemes have provided employment to another 25-30,000 families. The irrigable extent in major Colonization Schemes is 181,000 acres or 50 per cent of the total under major irrigation schemes in the Island. The extent cultivated in Yala 1965 was 83,361 acres and for Maha 1965-66 was 137,627 acres. These figures do not include areas provided with irrigation facilities in 1966. The drought and consequent shortage of water partly accounts for the balance difference. The total harvest for Yala 1965 for major schemes was 3,321,250 bushels and for Maha 1965-66, 7,241,430 bushels making a total of 10,562,680 bushels for one year which was with generally adverse weather conditions. The average yield per acre for seasons was 48 bushels for that year. The foreign exchange saving of paddy production in major colonization schemes for 1965-66 was Rs. 74 million. These figures do not include Gal Oya and Uda Walawe Schemes under the River Valleys Development Board.

The production of other agricultural crops for the same period was as follows :—

	Yala 1965 (cwt.s.)	Maha 1965-66 (cwt.s.)	Total (cwt.s.)
Red Onions	330	1,500	1,830
Chillies	240	2,500	2,740
Groundnuts	—	1,600	1,600
Other crops— Dhal, gram, green peas, gingelly, etc.	3,500	2,400	5,900

Highland Colonization Schemes

Highland Colonization Schemes were inaugurated in the year 1957 with a view to meeting the urgent demand for land and employment from landless villagers as the major irrigation schemes were themselves inadequate to meet the mounting demand for land. Suitable highland areas were selected on which permanent economic crops such as tea, rubber and coconut can be grown. It was imperative that such schemes should be started only on highland where a permanent income yielding cultivation could be established, as these colonists who are moved out into remote areas should be able to subsist throughout the year on the income from their allotments. A certain amount of mixed cultivation was allowed provided it was possible to have a large proportion of the allotments under permanent crops. The average expenditure on a highland colonist works out to about Rs. 7,500. It is, therefore, necessary that the feasibility of the scheme be carefully examined, particularly from the point of view of the suitability of soil and the rainfall. In the case of tea and rubber schemes the unit of allotment is two acres with $\frac{1}{2}$ acre for a residential lot while the unit for coconut is 5 acres. These acreages have been determined in such a way as to provide the allottee with an income of about Rs. 1,750 per annum on the basis that he uses the labour of himself and his family. The scheme of assistance to develop the land has been so drawn up that they will be able to earn sufficient income for their upkeep until the land comes into bearing. The scheme of assistance includes the supply of manure until such time as the land came into bearing. Thereafter when the allotment came into bearing the allottees were expected to organize themselves into co-operative societies to enable them to obtain their manure and other requirements in order to keep the allotment in good agricultural conditions.

During the course of the year, due to the fall in prices of green tea leaf, the Hon. Minister decided that opening of further land under tea should be suspended until the question of the best utilization of the land which had been earmarked for the purpose, had been decided. For this reason, no new highland tea schemes were started in the course of the year and action suspended in all cases where initial steps had been taken for the purpose. Work was continued on the schemes already started. The construction of the State Tea Factory at Kalubowitiyana was completed in the course of the year and went into production. In the course of the year the problem of proper management of the tea colonization schemes came up for consideration. The Tea Factories, which after construction are handed over to the management of the State Plantations Corporation were intended to help the colonists to obtain a good price for their green leaf and not to allow colonists to be at the mercy of the bought leaf dealers. The assistance given by this Department to the colonists ceases after the allotments come into bearing; thereafter the colonists cease after themselves. They have not been successful in organising satisfactory Co-operative Societies. It was therefore necessary to have an organization to provide credit facilities for purchase of manure, etc., and to co-ordinate the production in the field and the sale of made tea to the maximum benefit of the colonists. These State Tea Factories, according to the existing system, received whatever green leaf was offered by the colonists and had no responsibility in the production of green leaf. Very often the quality of green leaf was poor and the supply uneven. This resulted both in the uneconomic working of the factories as well as the teas fetching a poor price. In consequence the colonists were badly affected. A proposal was therefore under consideration for the State Plantations Corporation to take a greater initiative and responsibility in the Highland Schemes with the sole object of the welfare of the colonists.

In the case of rubber, no new rubber schemes had been started for some years in view of the uncertain market conditions for natural rubber. The only rubber highland schemes in existence are those at Hedigalla in Kalutara District consisting of 470 acres. There is also a rubber scheme for youth in Nape in Galle District where the extent involved is 150 acres.

Apart from filling vacancies in existing schemes the only major alienation work in respect of highland schemes was for the purpose of coconut cultivation. In addition to the extents reported in the schedule as alienated in Jaffna and Vavuniya Districts, a further 2,000 acres were selected for a highland coconut scheme in Attavillu in the Puttalam District. 400 colonists were selected for this extent and action was being taken at the end of the year under review to place them in possession of the land. Inquiries made through Government Agents have revealed that the extent of land available for further cultivation under coconut is very limited. This is mainly due to the fact that in those areas of the dry zone where the land is available the rainfall is low and there are long spells of drought which prohibit successful coconut cultivation on an economic basis.

Unemployed Youth Schemes

The unemployed youth scheme programme is based on two fundamental economic and social objectives. Economically, the programme is committed to ensuring a maximum monthly income of Rs. 250 per youth, when the land is fully developed. This income limit is commensurate or even more than the income of a white collar or urban worker. With this income, a modern youth could reasonably be expected to adopt agriculture as a permanent vocation. Socially, the youth will be organised into communities, and as far as possible trained in community living. All initial land development work and living will be done communally. The youth will be sympathetically guided by hand-picked officers. Thus, it was hoped to get the best out of the literate and demanding youth of today.

There are five types of youth schemes—lift irrigation, reservoir irrigation, tea, coconut and animal husbandry cum other crop schemes. The irrigation schemes are emphatically for the growing of subsidiary food crops like chillies and onions, which with the present guaranteed prices could yield Rs. 250 per month on a 2-acre unit. An additional area is given for the homestead in the irrigation schemes. 2 acres of V.P. tea with $\frac{1}{4}$ or $\frac{1}{2}$ acre for homestead and 5 acres for coconut (inclusive of homestead)—together with some kind of animal husbandry—are computed to be units capable of yielding the desired income. A few schemes have been started for poultry, vegetables and cardamoms, because the resources were more suitable.

All types, except the reservoir irrigation schemes, have been roughly calculated to cost Rs. 5,000 to Rs. 6,000 per youth. The reservoir irrigation schemes cost Rs. 8,000 to Rs. 9,000 per youth. An important feature of the costing is the high Shramadana component all manual work is to be provided free by the youth.

The youth schemes will play a significant role in the current agricultural development programmes. Especially in the sphere of subsidiary food crops, out of 20,000 acres of new irrigated land to be brought under subsidiary food crops in the Agricultural Plan 1966–70, 5,000 acres will be in youth schemes. The implications of this on foreign exchange savings are significant.

The major programme, consisting of 22 new schemes were started in June to August, 1966. As mentioned in the previous report, two pilot schemes, namely—Kalugalla Stage I (at Hiriya) and Galporuyaya were started in August, 1965. A third, Wellangiriya, was started in Bingiriya in February, 1966. Galporuyaya recovered Rs. 28,000 gross from its Maha crops of mainly paddy and tobacco. Wellangiriya got Rs. 7,000 from 2 acres of Yala '66 chillies, Kalugalla got about Rs. 2,000 from 2 acres of Yala '66 onions and chillies. In all there are 27 working schemes with 1,955 youths resident. The number actually settled was approximately 2,802 youths. The percentage of drop out is about 25. This drop out rate was as expected. The reduction includes actual drop outs and those who did not report on the first day. All vacancies will be filled up. The target of the Ministry of Land, Irrigation and Power Five-Year Plan for 1966–67 to settle 2,500, youths in the first year was achieved.

It has been necessary to revise the number of youths that could be settled in some schemes due to limitation of land and water discovered subsequent to starting of schemes.

Up to the end of September, 1966, out of a total 9,434 acres, 2,640 have been cleared and burnt. Almost all the work was done by the youth. Land development, particularly stumping, presented an unexpected and major obstacle to rapid cultivation. In Rajangane, Kalugalla and Attavillu land was cleared on contract at local rates with an advance from the second year's subsistence allowance, which was to be repaid from the income of the first crop. This was partial solution to the problem of slow land development.

As a result of under-estimating the land development problem, it has not been possible to keep to the subsidiary food crop targets in the Food and Agriculture Plan. Out of a targetted acreage of 400 for Yala 66 in Kalugalla (100 acres), Wellangiriya (100 acres) and Gal Oya L.B. Stage I (200 acres) only 18 acres were actually cropped. This shortfall was very largely due to land development difficulties.

A scheme of 100 youths has a Colonisation Officer or a Supervisor, Land Development Ordinance or Agricultural Instructor in charge, with 2 Overseers, Land Development Ordinance to help him. Altogether the following number of officers are engaged in 27 schemes :—

C.OO	7
S/L. D. OO	10
A. II	3
O/L. D. OO	40
F. P. OO	1

All these officers were hand-picked from the existing ranks and volunteered to work in these schemes. The projected training for these officers in community development and youth schemes work to be given by the Institute for Training and Research in Community Development of the Rural Development and Small Industries Department could not be given this year. It will be held next year.

Rupees 1.5 million worth of aid was received from the Netherlands Organisation For International Assistance. They supplied 26 Massey Ferguson tractors, 22 Massey Ferguson 5 ton trailers, 15 Alcon 6" pumps with hoses, 26 Nine-tine tillers, 26 disc ploughs, 3 ridgers and 1 seed drill. The Asia Foundation contributed Rs. 165,000 worth of tractors, equipment, radios and books to 4 schemes. The CARE organisation had aided one scheme. All the aid equipment is now in the schemes. The appeal for a special food ration to youths in the schemes made to the World Food Programme of the FAO has still not been approved. The approval is expected shortly. The food aid asked for is valued at rupees 2 million, and is for a duration of 2 years.

The private sector has helped generously. Messrs. Brown & Co. trained the youths in tractor driving, "3 Acre Farms" has trained them in poultry breeding and Messrs. Lever Brothers and Ceylon Tobacco Company have done extension work on gingelly and tobacco respectively. Several Estate planters have been enthusiastically advising on V.P. tea and cardomom growing.

Among those who visited the schemes were—Dr. J. Kruijtenbrouwer from the Netherlands Government, who had come here to report on the project, Mr. James Noyes and John Plate of the Asia Foundation, Mr. Breislin of CARE and Mr. S. N. Seth from UNICEF.

Several difficulties were encountered. The first year's planning was rushed, and hence some schemes had avoidable difficulties regarding wadiya location, drinking water and access roads. The pilot schemes experienced difficulties like absenteeism and poor officer-youth relations. Better communication and management pattern will be realised with more training of both officers and youths.

Several difficulties were experienced at the Kachcheri level, which is also the level of implementation. G.AA or A.G.AA. or D.L.OO were entrusted with youth schemes in addition to their existing work loads. Due to the daily increase in land work at all levels, as much as these officers would have liked to, they find it very difficult to supervise the youth schemes as intensively as they should. It is proposed in every Kachcheri where there are schemes consisting of more than 200 youth, to appoint a separate land Officer solely doing youth scheme work.

Marginal Land Alienation

No new lands were given out under the marginal land alienation scheme. Approximately 70,000 acres had been given out in the Districts of Anuradhapura, Polonnaruwa, Jaffna, Mannar, Vavuniya, Badulla, Moneragala, Batticaloa, Puttalam, Kurunegala, Matale and Hambantota. The condition under which the land was given was that the full area should be developed in 5 years, at the rate of $\frac{1}{5}$ th of the acreage every year. But investigations revealed that although the land had been given out in 1963-64 not more than an approximate extent of 3,000 acres had actually been cleared and planted by 1966.

Government Agents were requested to warn the allottees that unless adequate development is shown within 12 months, the permits issued to them will be cancelled.

Middle Class Ceylonese

Middle Class persons are defined in the Land Development Ordinance as persons whose annual income does not exceed Rs. 12,000 and in the case of husband and spouse, whose annual income does not exceed Rs. 24,000. No lower income limit is, however, laid down. The dividing line between a peasant and a middle class person is generally decided by the consideration that a person is deemed to be of the peasant class if he is a manual labourer or a minor employee in a private or public concern.

The alienation of land under the middle-class scheme in the course of the year was as follows :

Batticaloa	50 acres
Badulla	2,520 "
Jaffna	3,110 "

In the case of Jaffna it was realienation of cancelled allotments in middle class schemes throughout the District. The 50 acres in Batticaloa was for cashew cultivation and was given in units of 3 acres to local applicants. The land alienated in Badulla District was in Bintenne D.R.O. division. The availability of land for alienation to individual middle-class families has now receded because of the more pressing demand from peasants for the available land with adequate rainfall or other water supply necessary to support a permanent cultivation. Land that is now left is mostly in the dry zone and requires larger capital investment for development by either groups or societies or individuals who can command the necessary financial resources to establish a satisfactory scheme of irrigation if the conditions permit it.

Issue of Grant

Action continued to be taken regarding the issue of grants. The policy is to issue grants as soon as the allotment is satisfactorily developed. However, the issue of a grant has to be preceded by a survey and the preparation of the necessary survey plans. There is inevitable delay, and in spite of these difficulties, grants have been issued in respect of 473 allotments.

Encroachments

The total number of encroachments pending on 30th September, 1965, was 88,866 involving an extent of 118,525A. 3R. 32P. The year under review saw a definite plan of work to solve this major problem. These figures had accumulated over a number of years ; and in most cases these encroachments were by deserving local peasants on land which was available to be given to them. The largeness of the figure was due mainly to the fact that inadequate Land Kachcheries had been held to meet the requirements of the villagers. The Hon. Minister of Lands, therefore, directed that purposeful and regular action be taken to reduce this mounting figure. Every Government Agent was requested to draw up a Land Kachcheri Programme specifically for the purpose of dealing with encroachments that could be regularised. The Divisional Revenue Officers were gazetted as Land Officers to enable a large number of Land Kachcheries to be held. For the Districts with the larger number of encroachments, the assistance of extra surveyors was given to demarcate the encroachments. The following figures indicate the increased activity in disposal of the encroachments :—

Year	No. of encroachments settled	Extent of encroachments settled		
		A.	R.	P.
1964-65	3,314	4,728	0	16
1965-66	17,135	23,729	0	18

Briefly, the principle governing the regularization of encroachments was as follows. Wherever land was available for village expansion without damaging the reservations that should be preserved for climatic, or other agricultural or government requirements, the encroachments were to be regularized, if the encroachers were *bona fide* local landless villagers, and if there was no local objection to the regularization. At the same time in order to minimize the incidence of encroachments in the future, the G.A.A were asked to go ahead with Land Kachcheries in areas where Crown land was available and there was a demand for it from the villagers.

Expenditure on Roads and Water supply Schemes

The alienation of land to peasants would not achieve its purpose unless the peasantry is assisted with the basic development requirements like roads and water. Approximately 54 miles of new roads, including culverts and bridges, were completed during the year in various districts of the Island. The total cost of these works amounted to Rs. 870,174. An expenditure of Rs. 298,725 was incurred during the year on water supply schemes. In hilly areas pipe-borne water supply schemes were constructed.

Loans to Middle Class Ceylonese Allottees

There is provision in the Regulations under the Land Development Ordinance for the grant of loans to allottees who are in need of financial assistance for further development work.

It is observed from reports received, that the loans have been put into good use. The present rate of interest is $4\frac{1}{2}$ per cent, which is the lowest obtaining in any lending institution. The terms of repayment are also convenient in that the repayment of over a period of 10 years commences only from the second year. The amount granted during the year has been Rs. 287,017 while the quantum of the loans has ranged from Rs. 1,000 upwards. The following table shows the position of loan granted and recoveries made as on 30.9.66.

TABLE 6-1—THE POSITION OF LOAN GRANTED AND RECOVERIES

Financial year	Loans		No. of Loans
	Amount granted during the year Rs.	Amount recovered during the year Rs. c.	
1949-50	247,666	—	41
1950-51	239,950	22,316 15	57
1951-52	399,900	45,554 45	58
1952-53	276,400	33,307 06	41
1953-54	391,760	102,456 19	49
1954-55	397,035	195,108 76	95
1955-56	360,880	182,936 75	60
1956-57	391,906	194,433 21	70
1957-58	389,530	208,114 46	80
1958-59	388,450	263,281 77	71
1959-60	455,360	239,649 00	106
1960-61	390,928	265,645 00	77
1961-62	420,250	300,137 79	74
1962-63	444,239	300,648 42	59
1963-64	509,898	321,958 02	68
1964-65	488,600	337,776 10	68
1965-66	287,017	340,225 05	65

Leases and Other Disposals of Crown Lands

(a) *Crown Land within the City Limits.*—A fair number of requests for land within the city of Colombo have been received during the year from Government and Semi-Government Departments, religious, cultural and other institutes, individuals and private organisations. All these applications were

in the first instance examined by the Colombo Land Advisory Committee. Once these applications are examined recommendations are made to the Ministry in the usual manner. Very great care is exercised in the examination of these applications in view of the scarcity of land. The position with regard to the applications received and sanctioned during the year is as shown below. The number sanctioned include some applications received in previous years. Crown lands are not given preferentiality to private bodies for commercial purposes. The few applications received on this ground were therefore turned down :

	No. of Applications received	No. of Applications sanctioned	Extent		
			A.	R.	P.
(1) Religious institutions	17	3	1	1	23
(2) Commercial purposes	3	—	—	—	—
(3) Sports Clubs	7	1	5	0	00
(4) Government Departments	15	5	136	3	20
(5) Corporations	7	—	—	—	—
(6) Residential purposes	—	—	—	—	—
(7) Charitable and Social Service Institutions	4	—	—	—	—
(8) Others	19	1	0	0	19
(9) Colombo Municipal Council	10	5	1	2	20
	82	15	145	2	02

(b) *Preferential lease of Land situated outside Colombo.*—Requests for land on preferential basis for various purposes such as religious and educational institutes, Rural Development Societies and Co-operative Societies, etc., continued to flow in as normal. 453 such applications were received during the year. Investigations were completed in respect of some of them along with some carried over from the previous year. 50 applications were sanctioned. 37 applications have been received from Semi-Government institutions, such as Ceylon Transport Board, People's Bank, etc. 18 applications involving and extent of 245 acres, 1 rood and 36 perches have been sanctioned.

TABLE 6.2—PREFERENTIAL LEASE OF LAND

	No. of Applications received	No. of Applications sanctioned	Extent		
			A.	R.	P.
(1) Religious institutions	105	4	35	0	20
(2) Educational institutions	16	1	10	0	00
(3) Rural Development Societies, Community Centres and Mahila Samithis	51	—	—	—	—
(4) Co-operative Societies	71	33	24	1	02
(5) Recreational institutions	22	2	3	1	08
(6) Charitable institutions (other than religious)	13	2	—	2	36
(7) Individual—					
(a) Commercial	55	2	6	0	00
(b) Agricultural	75	2	53	0	31
(c) Residential	45	4	5	2	38
(8) Semi-Government Institutions—					
(a) Ceylon Transport Board	14	8	36	3	12
(b) People's Bank	4	4	3	1	24
(c) Fertilizer Corporation	13	4	5	1	00
(d) Fisheries Corporation	6	2	200	0	00
	490	68	383	3	31

No finality is yet reached on the proposed legislation to regulate and control the construction of new places of worship. As a result a large number of applications for lands for new places of worship are held up. However the cases that have been sanctioned during the year under review are for purposes of either expansion of existing places of worship or for the regularisation of occupation over a period of years.

Applications of a miscellaneous nature such as right to tap streams, laying of pipe lines, construction of bridges over streams, etc., were received. 14 such applications were received during the year and added to the carry-over from the previous years. Of these 8 were allowed.

(c) *Vesting of Crown Land in Local Authorities.*—Applications from local authorities for various civic purposes continued to come in as before. 240 applications were received and along with some carried over from previous years 12 were allowed. The following table gives the position :—

TABLE 6.3—VESTING OF CROWN LAND IN LOCAL AUTHORITIES

	No. of Applications received	No. of Applications sanctioned	Extent		
			A.	R.	P.
(1) Municipal Councils (other than Colombo)	4	2	6	1	34
(2) Urban Councils	8	—		—	
(3) Town Councils	13	3	1	3	17
(4) Village Committees	215	116	85	3	10
	240	121	94	0	21

(d) *Land Sales (in Pursuance of Land Settlement).*—Thirteen land sale notices involving an extent of 194A. 3R. 11P. forwarded by the Settlement Officer were approved during the year.

(e) *Re-conveyance of Land Acquired by Crown.*—Seven applications involving an extent of 49A. 1R. 16P. were allowed.

(f) *Re-sale of Land seized for non-payment of Irrigation rates.*—A proposal to revise the procedure in dealing with the applications under this category in view of certain administrative difficulties encountered in dealing with them is being considered.

Action on such applications has been suspended pending a decision on the matter.

(g) *Instruments dealing with the disposition of Crown Land.*—The following instruments were prepared and issued :—

Grants under the Land Development Ordinance	473
Crown Grants	11
Leases (with plans)	8
Leases (without plans)	19
Vesting Orders	23

Land Redemption

No new applications under the Land Redemption Ordinance, No. 61 of 1942 were entertained since 30th September, 1950. Allotments acquired on behalf of 1,183 applicants have been conveyed by permits or grants under the Land Development Ordinance.

In response to the representations made by the Allottees Association this year, a Cabinet Memorandum is being prepared with a view to issuing Deeds of Transfer.

Estate Bazaars (Compulsory Acquisition) Act

This Act came into operation in 1958. Its main object is to safeguard the interests of occupants and traders resident in buildings in the estate bazaars ; especially those who have been in residence for several years.

In 1965-66 notices were not published under Section 4 (ii) of the Act.

Notices under Section 5 were published in respect of bazaars of Kirimetiya and Walaha Estates in Nuwara Eliya District.

Notices under Section 38 were published in respect of the Mianawita Bazaar in Kegalle District.

III—LAND SETTLEMENT

The connotation of the term " Land Settlement " in Ceylon is not what it is in other countries. Here it is not settlement of people on the land but settlement of title to land presumed to be at the disposal of the Crown. Under the provisions of the Land Settlement Ordinance claims to such land are investigated and settled. Claims are consolidated and indefensible title is granted in place of vague, scattered and undivided interests. The title of the Crown is also finally and conclusively established in the areas to which private claims are not admitted. Both the private sector as well as the Crown are thereby assured of an essential pre-requisite for development.

Credit facilities from the various lending institutions in the country are readily available to persons holding settled title.

Settlement has a special significance in the light of the current trend towards encroachment on Crown land. Summary ejectment of encroachers is possible under several Land Ordinances only in the case of land declared the property of the Crown under the Land Settlement Ordinance (or its predecessor, The Waste Lands Ordinance), acquired under the Land Acquisition Act or resumed under the provisions of the Lands Resumption Ordinance.

The areas to be taken up for settlement operations are decided annually at the Survey and Settlement Conference after consultation with the Government Agents. Priority is given to areas to be taken up for development under major irrigation or other development schemes. Block Survey plans on the scale of 4 chains to an inch in the case of villages and Topo Survey plans in the case of larger areas having less detail are prepared by the Surveyor-General. Settlement proceedings are based on these plans.

During the year 1966 settlement operations were conducted in the Administrative Districts of Anuradhapura, Badulla, Batticaloa, Galle, Jaffna, Kandy, Kegalle, Kurunegala, Matale, Moneragala, Puttalam, Ratnapura, Trincomalee and Vavuniya.

IV—ACTIVITIES OF THE LAND DEVELOPMENT DEPARTMENT

The Land Development Department provides the infrastructure necessary for a colonist family to settle down in its new environment. The amenities provided include clearing of jungle both in paddy and highland allotments, construction of roads, wells and the buildings of cottages and latrines for the colonists. The Department also constructs schools, dispensaries, central dispensaries co-operative stores and post offices, central schools and rural and district hospitals are also provided. Quarters are constructed for colonisation officers and O/LDOO, who are government officers placed in permanent and immediate administrative charge of each colony. Similar facilities are provided by the Department in Highland colonisation schemes where land is alienated to landless families for the cultivation of tea, rubber and coconut. In Kalutara, Galle, Matara and Hambantota Districts the Department constructs metalled and tarred roads whereas in paddy schemes only gravel roads are provided.

Youth settlement projects were inaugurated by the Ministry of Lands, Irrigation and Power during the year under review. This Department was called upon to provide all the advance alienation camps necessary for each scheme and in some cases access roads were also provided.

It was found impracticable for colonists to build a satisfactory permanent cottage with the subsidy of Rs. 1,000. The Department, therefore, during the year 1965 investigated the possibility of organising colonists into groups for the construction of permanent cottages on Shramadana using the subsidy of Rs. 1,000 provided. Accordingly a number of cottages were begun at Rajangana, Mahakandarawa, Attaragallawa and Pahariya and in Village Expansion schemes such as Welisara and Hatarakotuwa and several in Kalutara District. The results have been encouraging.

A summary of the construction work done by this Department is furnished below:

TABLE 6.4—THE CONSTRUCTION WORK DONE BY THE DEPARTMENT OF LAND DEVELOPMENT DURING THE FINANCIAL YEAR 1965-66

<i>Description</i>	<i>Completed</i>	<i>Under construction</i>
Colonist cottages	790	792
Latrines	578	567
Wells	35	57
Jungle felling	1,448 acres	4 acres
„ burning	814 „	4 „
Fencing	631 ch.	364½ ch.
Permanent and GB in Col. Schemes	183	180
Miscellaneous	22	49
Extent of roads in colonization schemes	3,415½ ch.	3,488½ ch.
Metalling and tarring	710	332
Culverts	65	14
Bridges	6	15

V—CEYLON STATE PLANTATIONS CORPORATION

The Ceylon State Plantations Corporation was established in August, 1958 by Act, No. 4 of 1958. The underlying reason for the establishment of this Corporation was that primarily there was a large extent of Crown Land in the hinterland of the Western, Southern and Sabaragamuwa provinces benefiting from both monsoons, suitable for planting in the Island's Commercial crops. This land was situated in inaccessible places and development could be undertaken by persons who had sufficient capital for the purpose. The suggestion was that the Government should undertake the opening of this land in commercial crops. Such development would not only result in the investment of the capital formation and consequent increase in the national wealth of the Island, but will also help to a large extent in solving the question of landlessness and unemployment.

A committee composed of Agriculturists and Planters examined the question of establishing a State owned plantation and their recommendations were embodied in a Sessional Paper No. XXVIII of 1957. In terms of these recommendations the Ceylon State Plantations Corporation commenced work at Pelawatte in Migahatenne in Kalutara District with the opening up of the first Plantation in Tea seed and the Board of Directors, considering the modern trends in V. P. planting, decided that a part of the plantation should be in high yielding V. P. material. In addition to the Pelawatta Project the Government approved the opening of three similar plantations in Galle, Ratnapura and Uva areas and a Cashew Plantation in Mannar District. In all these projects, the Corporation has laid stress on the welfare aspect of labourers employed.

Pelawatte State Plantation

Situated at Migahatenne in Kalutara District is a 1,000 acre Tea Plantation. 646½ acres in seed at stake and 353½ acres in V. P. Tea. The entire 1,000 acres is now in bearing.

Employment is given for 1,520 labourers and 567 cottages have been constructed for them. These cottages are allocated to families who have at least 3 units of labour per family. The labourers are paid in terms of the Wages Board rates of pay for the Tea Growing and Manufacturing Trade. Construction of a Model Tea Factory with a capacity of 2.5 million lb. was completed and commenced manufacture on 7th March, 1966.

Habarakada State Plantation

Situated at Hiniduma in Galle District. Original proposal was to plant 1,000 acres in V. P. Tea, which was subsequently restricted to 500 acres in extent in view of recommendations made by the Planning Committee. To end 1966, 227½ acres were planted. There were 526 labourers on this plantation at the close of the period. 57 twin cottages were completed for labourers at the end of the period.

Samanalawatte State Plantation

Situated at Balangoda in Ratnapura District. The proposal was to open 1,000 acres in high yielding V. P. Tea and later reduced to 500 acres. To end 1966, 190 acres were planted. There were 814 workers in the checkroll, at the end of the period. 3 sets of twin cottages were constructed for the resident workers.

Nuwara Eliya State Plantation

Situated at Nuwara Eliya, it was proposed to open 1,000 acres in high yielding V. P. Tea and later reduced to 500 acres. To end 1966, 166 acres were planted. There were 16 residents and 811 non-residents workers in the checkroll at the close of the season.

In accordance with the Government policy and a directive issued by the Hon. Minister of Lands, Irrigation and Power, approximately 2½ acres have been planted with Cabbage, Beetroot, Carrots, Leeks and Lettuce.

Kondachchi State Plantation

Situated at Chilavathurai in Mannar District. The proposal is to open up 1,000 acres in Cashew. The total acreage cleared and planted at the end of December 1966, was 600 acres. There were 74 labourers in the checkroll at the end of this season.

Further there are 8 revenue earning estates and 4 state factories under the administration of this Corporation.

VI—IRRIGATION

A Five-Year Plan has been drawn for the period 1966 to 1970, providing for the development of 200,000 acres of land. The year under review is the first year of the Plan, with a target of 31,678 acres. The Department provided irrigation, drainage and access facilities to 37,022 acres, which is in excess of 15 per cent over the target.

Heavy construction work on major schemes such as Rajangana Reservoir, Minipe Yodi Ela Extension Scheme, Kaudulla Stage II, Mahakanadarawa Extension, Padaviya Extension, etc., were continued. The construction of the 480 feet tunnel for the Ambawela Reservoir Scheme is nearing completion. Special emphasis has been given for the construction of Minor Works. The Department has 270 items benefiting 27,000 acres in the construction list and about 900 items benefiting about 80,000 acres in the investigation list for the year.

A separate Planning Branch was set up in February, 1966 to carry out the planning and preparation of feasibility reports for major irrigation works listed in the Five-Year Plan. The feasibility report of Heda Oya Reservoir Project, capable of irrigating 14,500 acres of new lands and 4,000 acres of existing paddy lands at a cost of Rs. 43 million, was prepared and submitted for consideration by the Ministry. Studies on Inginimitiya Reservoir and Lunuganvehera Reservoir Projects are in hand.

The Land Use Division is at present compiling a standard general soil map of Ceylon to a scale of 1 : 500,000. Besides, this, soil surveys were done for Muttu Iyyan Kaddu, Nagadeepa Maha Wewa, Heda Oya, Malwatu Oya, Inginimitiya, Lunuganvehera and Pimburutawa Reservoir schemes and reports prepared.

The Hydraulic Laboratory had undertaken model studies of Samanala Wewa Spillway and Madu Ganga Sea Outfall and the tests are in progress.

The Soil Mechanics and Material Testing Laboratory conducted lab and field tests on Samanala Wewa, Dehigama and Pimburutawa Reservoir Schemes, Muthurajawela Reclamation Scheme and Moragahakande and Kotmale Reservoirs for Mahaweli River Valley Development.

On the directions of the Cabinet Sub-Committee on Housing, Technical Reports were prepared for—

- (1) Reclamation of swamps in and around the City of Colombo to reclaim 1,700 acres at a cost of Rs. 60,000,000.
- (2) Reclamation of Muthurajawela for Housing to reclaim 4,220 acres at a cost of Rs. 125,000,000.

These have appeared as Sessional Papers Nos. XXVI—1966 and XXI—1966 and have been accepted by the Government for implementation.

VII—RIVER VALLEYS DEVELOPMENT

Gal Oya

The Board's activities during the year 1966–67 were confined to full development of Namal Oya Scheme. Satisfactory progress was made during the year in completing the irrigation distribution system, roads, development of the village centres, consolidation of 1,200 acres of high land.

On the Right Bank, development of irrigation, land reclamation, drainage, development of village centres have progressed to cover an area of about 6,000 acres. In addition, irrigation facilities have been extended to the Sugar Estate to bring another about 1,000 additional acres under sugar cultivation.

The construction of a road and development of land around Dighavapi Shrine has been undertaken and the work may be completed towards the middle of next year. The main road linking Amparai Town to Maha Oya through Kandy is being completed. A road from Inginiyagala to link up with Bibile has been constructed to serve as a dry weather road. Opening up this road has greatly benefited citrus cultivators in Mullegama, Galgamuwa and Budapitiya. They now fetch a better price for their fruits than they did last year.

In keeping with the problem of subsidiary food production and settlement of educated youth on the land, a Self-Help Youth Movement has been established at Ekgal Aru with a population of 225 boys to develop and open up 1,000 acres including settlement centres, etc. Very good progress has been made under this and already the youths are reaping a good return for their endeavours.

In all 62 buildings for the Central School, Hardy Technical Training Institute, Hospital, Village amenities and Staff Quarters have been constructed. The construction of a high dam across Pannalagama Reservoir has been started. Work is progressing satisfactorily for the irrigation of 4,000 acres and the settlement of about 2,000 colonists. Work on the Pannala Oya Dam has also been started and the preliminary work connected with the construction of the Dam is in progress.

Malawatte Farm was taken over from the Agricultural Department and is being developed jointly with the Agriculture Department to establish a rice and subsidiary food crop Research Station and a Pure Line seed Paddy Station to cater for the needs of the Eastern sector of the Island. Already about 300 acres have been opened up and cultivations are in progress at the Farm.

An Extension Service and Expansion of citrus cultivation in the Valley has been started and already a 16 acre Nursery is being developed to produce 500,000 selected orange seedlings.

Colonists of the Right Bank area and expansion of the old village in the Right Bank are also in progress.

Base Workshop.—During the course of the year practically all the heavy equipment that were discarded have been rebuilt and are in operation to-day at Uda Walawe, Sugar Industries, Land Development at Uda Walawe and at a few other construction points outside the Area of Authority of the Board. Reclamation of these discarded machines has saved the Country about Rs. 8,000,000 in foreign exchange and also has enabled the Board to enhance the construction schedule of the Uda Walawe Dam without the import of extra machinery for the work.

Public places, gardens, etc., have been maintained at a high level during the year.

Uda Walawe

Work was continued at Uda Walawe on all fronts.

The Construction of the Head Works have progressed satisfactorily and it is hoped to complete the main items of work by the end of the current year and the entire Head Works should be completed by the end of March next year. In addition to the work done by the Technoexport—Contractors for the Left Bank and Power Sluices—the Board has constructed the Right Bank and also undertaken the River Closure—which work is now progressing according to schedule.

Excavation of the Left Bank Channel and the Right Bank Channel to command about 10,000 on the Right Bank and about 3,000 on the Left Bank is in progress. It is hoped to give water to these areas during the coming Maha Season.

The development of the Sugar Nurseries have gone apace and as the first stage of the Sugar Industries a Khandasari Plant capable of crushing 600 tons a day is in the process of being installed. Also a crusher plant which came from Gal Oya is being established at Uda Walawe for the purpose of manufacturing sugar jaggery.

In the area set apart for sugar cane about 6,000 acres have been cleared and about 1,000 acres of gingelly was sown and very good harvest has been gathered and it is expected to realise about 45,000 for the gingelly crop.

The colonists already established on the Right Bank and the Left Bank totalling to about 2,000 are being given assistance and are being organised to undertake a full scale Maha cultivation depending on rain, until the distribution system is completed.

Laxapana Power Line from Balangoda was brought into Uda Walawe Head Works and from there spur lines are being taken to serve Hambantota, Tissamaharama and Ambalantota.

A self-help youth settlement scheme has also been established at Uda Walawe with about 200 boys to settle on 1,000 acres. Already in the space of four months 300 acres have been cleared and are being got ready for a chena cultivation. A very intensive extension service has been established to serve the colonists and encourage them to take to a diversified scheme of agriculture.

A new town in Embilipitiya has been established and a number of Board buildings have been constructed and gone into occupation. Work on the Central School is being started at Embilipitiya.

A road from Thimbolketiya to Tanamalwila is being constructed. Two roads from the Head Work—leading to Hambantota is being constructed. A road from Siyambalangoda through Angunukola pella to Ranna is also being constructed. Also about 110 miles of internal roads to serve the new developing areas are being constructed.

In conjunction with the Agricultural Department a Cotton Research Station is being established at Suriyawewa. A town at Suriyawewa on the Left Bank is being developed. Restoration of Mahagama tank is under way. Channel System under Mahagama, Kiri Ibban Wewa is being undertaken. Progress in all aspects of development in this area is being maintained at a very high level and in some items of work, the work is being taken ahead of the schedule.

VIII—LAND REGISTRATION AND VALUATION

Land Registration

There is no system of registration of titles to land in Ceylon. What is registered are deeds and other documents affecting land. For this purpose every instrument presented for registration is required to embody an accurate and clear description of the land affected, its boundaries, extent and situation specifying the district and the village, pattu, korale or other division of the district in which the land is situated. These instruments are registered at the Land Registry established for the district in the books maintained in that office. Each district is divided into divisions and a book is allotted to each division.

The present law relating to registration of documents is the Registration of Documents Ordinance (Cap. 117). Under this law, registration is not essential to the validity of a deed but merely confers priority, i.e. an unregistered deed is void against any later registered deed adverse to it, if executed for valuable consideration.

Before a deed is tendered for registration it should be stamped in accordance with the provisions of the Stamp Ordinance. Registration of a deed which is improperly stamped or registered in a wrong folio will entail serious consequences to the public, such as loss of title to land.

The nature and number of deeds affecting immovable property registered during the year 1965-66 are shown in the following table :—

TABLE 6.5—NATURE AND NUMBER OF DEEDS REGISTERED AFFECTING
IMMOVABLE PROPERTY

<i>Nature of Deed</i>	<i>Number</i>
Transfers by sale, gift, &c.	165,300
Mortgages	48,844
Discharges	31,949
Leases	11,105
Other Deeds	22,153

Land Valuation

The Valuation Department is responsible for making valuations for Government as well as for Local Bodies and semi-official Institutions. The main branches of work are—

- (i) Assessment of capital values of properties
- (ii) Assessment of rental values

Assessment of Capital Values

Assessment of capital values is done chiefly for the following purposes :—

- (a) Valuation for acquisition of land for public puproses under the Land Acquisition Act, No. 9 of 1950 ; as amended by Land Acquisition (Amendment) Act, No. 28 of 1964.
- (b) Furnishing of Estimates for Heads of Government Departments and other local and semi-Government bodies in connection with proposed acquisitions.

- (c) Valuation for Estate Duty under the Estate Duty Ordinance.
- (d) Valuation for Stamp Duty under the Stamp Ordinance.
- (e) Valuation for Local Bodies and demi-official institutions like the State Mortgage Bank, Central Bank, etc., for various purposes.
- (f) Valuation for the Commissioner of Inland Revenue for the purpose of Wealth Tax.

Valuation for acquisition

As in the past the number of acquisitions for public purposes is on the increase, primarily due to the large number of acquisitions for Village Expansion Schemes, Housing Schemes, Road Widening Schemes, Hospitals and extensions etc.

The procedure with regard to valuation for land acquisition is that when notice of acquisition is given by Acquiring Authority, namely, the Government Agent, the Department makes independent investigations and places before the Acquiring Authority expert evidence in regard to the amount of compensation to be awarded.

A total of 1,182 lots, in extent 3,437 acres were valued at Rs. 14,763,814 during the financial year 1965-66. Estimates for Heads of Government Departments and Local Bodies in connection with proposed acquisitions. Before an acquisition is finally decided upon an estimate of the value of the property is normally obtained from this Department. During the year, the Department furnished estimated costs of acquisition (preliminary valuations) for an extent of 227 acres valued at Rs. 3,811,469.

Valuation for purpose of Estate Duty

Estate Duty work constitutes a major item of work of the Department in spite of the fact that by arrangement with the Commissioner of Estate Duty rural properties and properties in towns other than Colombo, Kandy, Nuwara-Eliya and Galle as attended to by Revenue Officers without consulting this Department.

During the financial year under review an extent of 16,496 acres were valued, the official valuations totalling Rs. 51,020,763 as shown below :—

<i>Nature of Property</i>		<i>Extent</i>			<i>Declared Value Rs.</i>	<i>Official Valuation Rs.</i>
		A.	R.	P.		
House Properties	A*	148	0	21.5	17,125,282	25,636,071
	B†	13	1	09.44	—	1,460,443
Agricultural Properties	A*	15,542	3	32.99	13,799,321	22,076,209
	B†	792	1	29.44	—	1,847,040

* Where value has been declared.

† Where value has not been declared.

Valuation for purpose of Stamp Duty

When properties are gifted, it is not unusual for Stamp Duty to be fixed on low valuation and in such cases the Registrar-General, the Commissioner of Inland Revenue and the Registrar of Lands consult this Department. With the steady increase of market value of properties the valuation in cases of under-stamped deeds have also increased in recent years. During the financial year under review an extent of 1,097 acres were valued for Stamp Duty, the total of official valuations being Rs. 4,205,650.

Miscellaneous Valuations

Assessments of capital values, apart from the four main items mentioned above, are made for Local Authorities and demi-Official institutions like The Savings Bank, Loan Board, Public Trustee, etc. During the Financial Year 1965-66 an extent of 1,724 acres were valued for this purpose, at Rs. 6,540,426.

Valuation for the Commissioner of Inland Revenue for Wealth Tax

When tax-payers make declarations of the value of their properties for the assessment of their Personal Tax, the papers are referred to this Department to estimate the market value of these properties. During the year an extent of 51,762 acres were valued for this purpose at Rs. 161,483,133.

Assessment of Rental Values

Assessment of rental values is mainly done for the following purposes :—

- (i) Rating within Local Government Areas for levying rates.
- (ii) Payment of rent by Government where properties are leased out from private owners.
- (iii) Collection of rent where Government leases or rents out Government property to private parties.

Assessment for Rating

The assessment of towns for rating purposes involves revision of assessments, generally every five years and also making fresh assessments in case of towns which have not been assessed by this Department hitherto. Assessment of rents of private property hired by Government in Colombo as well as in outstations, Government rents out buildings from private parties, and in these cases the rental value is assessed by this Department. During the financial year under review 1,715 properties were assessed.

Assessment of rent of Crown Properties leased to Private Parties

Crown lands are leased out to various private parties and in these cases the Revenue Officers as well as the Land Commissioner consult this Department regarding the amount or rent that should be recovered.

Fees for valuation

The Department recovers fees in case where work is undertaken for Local Authorities and demi-official institutions, whether it be for assessment of capital value or rental value.

IX—LAND SURVEYS

Records of systematic triangulation in Ceylon began with the measurement of a base at Negombo on the West coast in 1857 and the subsequent building of a system of triangulation. Where this was impracticable, especially in the flat parts of the Island, a framework of primary traversing was substituted.

During the year under review 214 miles of Secondary Levelling and 148 miles of Tertiary Levelling were done.

Triangulation

Establishment of survey control points, in addition to Primary Traversing of 3 miles in the Maskeliya Oya Project area, 11½ miles of Primary Traversing in the Western Division has been completed.

Engineering and Village Tank Surveys

The Island is divided into a number of river basins where existing and proposed irrigation schemes both major and minor are located to harness the water of rivers. This consist of storage reservoirs and river diversion schemes.

Contour surveys for the design and construction of irrigation projects were carried out in 18 major schemes and 20 minor schemes. A total extent of 79,525 acres were completed during the year. In addition 338 miles of Channels were traced. Two saltern surveys of 10,000 acres were also contour surveyed.

Blocks, Topo and Demarcation Surveys

Block and Topo Preliminary Plan Surveys, comprise the survey of large areas of land for the final settlement of claims as preferred by private parties.

Block Surveys of 35,114 acres and Topo Preliminary Plans surveys of 230,910 acres were completed during the year.

Seventy-nine Demarcation requisitions and 134 other requisitions were completed and disposed of in Block Surveyed areas.

One hundred and seventy-seven Draft Settlement Notices and Orders were checked and sixty-six Settlement Plans were prepared and sent to the Settlement Officer.

Forty-seven Final Village Plans were issued to the Revenue Officers.

Air Survey

The Air Survey project was first initiated in 1956 for acceleration of the production of Maps and resources inventories with the help of Air photographs and primarily for the production of a National Map Series on the 5" scale showing 20' contours and for accelerating the production of Town and reconnaissance maps. Analysis of Physical resources by air photograph interpretation also assists geological, water resources, forest, land soil and engineering development planning.

Up to end of 1966 mapping of 6,025 sq. miles on the 5" scale showing 20' contours in the Elephant Pass, Pooneryn, Iranamadu, Mullaitivu and parts of Vavuniya, Kaudulla, Kadiraveli, Gampaha, Avissawella, Kandy, Hatton, Nuwara Eliya, Buttala, Timbolketiya, Kataragama, 1" sheets has been completed. Selected areas were also mapped on varying scales for various development projects.

The Fort Ward of Galle town and the Town of Weligama, Tangalla were plotted for revision on ground and issue of Town Assessment Plans.

8,896 sq. miles in the Northern half of the Island has been mapped on the 40 chain scale showing 20' contours for the Mahaweli River Basin Development investigations.

The whole Island is covered by aerial photography on the scale of 1 : 50,000 taken in 1956. Other selected areas and also the towns of Matale, Wattala-Mabole, Vavuniya and Gampola have been subsequently photographed at varying scales.

Mosaics of photo maps are available for the whole Island on the scale of 2 inches to the mile.

In the field of photo-interpretation, road traces were planned in between Colombo and Katunayake Airport, Ella and Wellawaya and between the right bank of Mahaweli Ganga and the hinterland. Ground water investigations were carried out for water supply to the Mahagalwewa Colony, the Mahakandiya Youth Settlement Scheme and the engineering survey parties round Panama, Pettuvil, Andigama and Madhu areas.

The photo-Forester was assisting the UNSF Forest Industry Preinvestment survey team while the Photo-Pedalegist joined the Land Use Division of the Irrigation Department late in the year.

A United Nations Expert on Photo-Interpretation assisted by Asst. Superintendants of Surveys (Resources) conducted two courses in Photo-interpretation for different purposes, and an Asst. Supdt. (Resources) conducted a further course in Air Surveys for Forestry purposes.

Town Surveys

Town Surveys dealt with during the year under review were as follows :—Kolonnawa—9 plans covering an extent of 1,305 acres were printed and issued to the Local Body, Govt. Town Planner, etc., Ratnapura—(Revision and Extension) Plans covering an extent of 2,632 acres of Revision surveys and 1,457 of Extension surveys were sent for preparation and printing. In the meantime the original sheets have been returned to the field to insert the new boundaries, consequent to the recent delimitation of Ward boundaries. Matara—(Contour Surveys) Contour Survey plans covering an extent of about 1,350 acres were sent for printing. 5 plans were printed and issued to the Director of Water Supply and Drainage and to the Local Body.

Colombo Town—(Revision) 114 acres were revised. 10 plans were forwarded for printing and 4 were printed and issued.

Panadura—The entire field work and plan work of Assessment Surveys were completed.

Jaffna—(Revision) 491 acres were revised and 5 sheets were printed.

Trincomalee—The entire field work and plan work have been completed.

Moratuwa—The entire Assessment survey field work was completed and the plan work is in progress.

Anuradhapura (New Town)—260 acres of Assessment survey field work and 91 acres of plan work completed. The contour plans of the unsurveyed are in the New Town were received and sent for printing.

Galle—1,605 acres of Assessment survey field work were completed and the plan work is in progress.

Ambalangoda—461 acres of field work and plan work of the Assessment surveys were completed.

Negombo—(Revision) 828 acres of Assessment surveys were completed and plan work is in progress.

Maharagama—695 acres of Assessment survey field work were completed and the plan work is in progress.

Dehiwela-Mt. Lavinia—(Revision) 1,115 acres were revised and the plan work is in progress.

Mirigama—The entire Assessment Survey field work (extent 575 acres) was completed and the plans were forwarded for printing.

Matale—251 acres of detail revision and 119 acres of Contour Revision were completed.

Batticaloa—946 acres of Assessment survey field work were completed and the plan work is in progress.

Badulla—Five ground control points were fixed and 19½ miles levelled.

Wattala-Mabole—(Revision) work started in May, 1966. 17 Ground Control points were fixed and field work is in progress.

Land Development Surveys

(a) An extent of 2,392 acres of land has been surveyed for acquisition for various Govt. purposes including the Maskeliya Oya Project, Uda Walawe Scheme, Ceylon Textile Corporation, Ceylon Fertilizer Corporation, Ceylon Hotels Corporation and the Ceylon Steel Corporation.

(b) An extent of 77,581 acres of land was staked out and landmarked for the Kandaluwewa Scheme, Maruthankulam Scheme, Muthuaiyankaddukulam Scheme, Murikandikulam Scheme, Vavunikulam Scheme and Chandrikawewa Scheme. This also includes 10,000 acres for Cadju cultivation.

(c) Proposed Forest Reserves such as Ragala Forest Reserve, Kaparella Forest Reserve, Sellankandal Forest Reserve and Giritale Forest Reserve were surveyed for the Conservator of Forests.

Other Surveys

Reclamation of Swamps in Colombo and Environs

322 acres of detail revision and 510 acres of Contour Revision were done. In all 100 revised 1 chain sheets (contour and detail) were received and forwarded for preparation and printing.

Colombo North and South Drainage Surveys—The plans are being printed for issue to the D.I. Clearing of Dutch Canals, N.W.D.

Plans of the Toppu-Puttalam canal 1st to 12th miles were printed and issued. Plans of the 13th to the 23rd miles were completed and received for printing. Field work of the first 5 miles from Chilaw to Mundal Lake has been completed.

Map Publications

(I) *The following are some of the more important maps, etc., printed :—*

- (i) 4 mile map of Ceylon showing Electrical Power lines and extension.
- (ii) Guide map of Anuradhapura and Mihintale in English.
- (iii) Mineral map of Ceylon.
- (iv) Maps of the Muthurajawela Scheme.

(II) *One Inch Topographical sheets*

Ambalangoda, Hanguranketa, Rangala, Kandy, Rakwana, Nuwara Eliya, Kurunegala, Nilgala, Alutgama, Negombo, Rukam, Galgamuwa, Galle, Matara and Polonnaruwa were printed.

(III) *Two Inch Maps*

The following sheets were printed for the Mahaweli Ganga Diversion Project :—

Puttalam, Kala Oya, Kalpitiya, Galgamuwa, Mantai, Marichchikaddai, Tunukkai, Murunkan, Hatton and Nuwara Eliya.

(IV) *Town Survey Sheets*

The following Town Survey Sheets were printed :—

- Jaffna Town—1 chain—5 sheets printed.
- Ratnapura Town—2 chain—2 sheets were printed.
- Colombo Town—2 chain—11 sheets printed.

(V) *Five Inch National Map Series*

Five Inch maps of the Haputale and Nuwara Eliya were printed.

CHAPTER VII

AGRICULTURE AND FOOD

I—GENERAL

The Economy of the Island is predominantly agricultural and is heavily dependent on the growing and export of three cash crops tea, rubber, and coconuts. Together, these earn more than 90 per cent of Ceylon's foreign exchange. Tea alone accounts for over 65 per cent of the total foreign exchange earnings. The country's heavy import bill is met from the earnings of these agricultural commodities. Tea, rubber, coconut and paddy together account for approximately over three million acres of the total cultivated area. The estimated area under each crop is as follows :—

	1965	1966
Tea acreage	594,308	596,445
Rubber acreage	671,487	672,592*
Coconut acreage	1,152,428	1,152,428†
Paddy (Asweddumized area)	1,135,188	1,323,855‡

* May be revised.

† Estimated as at the Census of Agriculture 1962.

‡ This information should be treated as provisional until finally checked with regard to District differences.

II—TEA CULTIVATION

Tea is Ceylon's largest industry, providing over 65 per cent of the Island's revenue. Ceylon ranks as the second largest producer of Black Tea in the world. In 1965, Ceylon displaced India as the world's leading exporter of tea. She maintained this position in 1966, although exporting 30 million pounds less in 1966 compared to 1965, as India's exports fell by 88 million pounds during the same period. The tea plant grows at elevations up to 6,000 ft. above sea level and requires an evenly distributed rainfall of not less than 80 inches per year.

Acreage under Tea

The total area under tea in Ceylon on December 31, 1966, was 596,445 acres as compared with 594,308 acres at the end of 1965. The increase was due to the registration of approximately 990 acres of newly planted tea and about 1,147 acres of under-declared acreages and the reclaiming of certain abandoned areas during the year.

All tea estates and tea small holdings in the Island are registered by the Tea Control Department in a Register maintained according to the requirements of the Tea Control Act. An "estate" is defined in this Act as an area of land 10 acres or more in extent, which is planted with tea, and a "small-holding" is defined as an area of land under 10 acres in extent, which is planted with tea. The Island's total tea area of 596,445 acres was distributed between small-holdings and estates of different sizes as follows :—

	No. of Holdings	Total Extent in Tea Acres	Percentage of Total acreage
Small-holdings	109,619	99,332	16.66
Estates 10 acres and above but below 100 acres	2,345	62,864	10.54
Estates 100 acres and above but below 500 acres	528	145,789	24.44
Estates of 500 acres and above	330	288,460	48.36
Total	112,822	596,445	100.00

Production

The total quantity of tea produced in Ceylon in 1966 was 490,115,425 pounds as compared with 503,174,339 pounds in 1965. Although production was down by 13 million pounds compared to 1965, yet the 1966 production is the second highest on record. The decrease in production was due to unfavourable weather conditions and labour problems in some estates. In addition, during the latter half of the year, due to the decline in tea prices, there was a gradual shift towards quality as against quantity, particularly by estates producing high grown and medium grown teas. The production figure for 1966 represents an average yield for all Ceylon's tea land of 823 pounds per acre as compared with 848 pounds per acre in 1965.

Exports

The total quantity of tea exported from Ceylon in 1966 was 441,415,844 pounds as compared with 472,479,697 pounds in 1965. Since 1958, Trincomalee and Galle have been steadily built up as alternative ports for the shipment of tea from Ceylon. The development of these ports was originally undertaken as a result of prolonged strikes in the tea export trade in April, 1958, and was continued thereafter in order to relieve the congestion in the port of Colombo. With a view to encouraging shipments through Trincomalee and Galle, a rebate of 2 cents a pound on the export duty of tea shipped through Trincomalee and Galle was allowed with effect from 17th December, 1957. As the tea export trade through Trincomalee and Galle had been substantially developed and because expanded facilities were made available in Colombo, the 2 cents rebate was withdrawn on 1st August, 1964. This naturally resulted in more tea going through Colombo. During the second half of 1966, shipments through Trincomalee were hampered as a result of labour disputes and tea shipments were switched over to Colombo. Shipments through Galle fell considerably as shippers found it more convenient to arrange shipments through Colombo. These factors contributed to Colombo once again regaining her position as the premier port of shipment for tea. The quantity of tea exported from each of the three ports of despatch are shown in the table below :—

<i>Port</i>	<i>Quantity exported lb.</i>
Colombo	257,017,800
Trincomalee	182,262,487
Galle	1,808,968

Subsidy Schemes

The Tea Rehabilitation Subsidy Scheme and the Tea Replanting Subsidy Scheme which were launched in 1959, were in operation in 1966 as well. Under these Schemes assistance is given to the owners of tea estates and small-holdings for—

- (a) rehabilitating estates and small-holdings by the adoption of improved agricultural methods in the application of fertilizer, adoption of soil conservation measures, supply of vacancies etc. ;
- (b) replanting uneconomic areas in tea with high-yielding strains of tea.

In addition to these two Schemes, the Government introduced a further scheme for the replanting of uneconomic rubber lands in tea where climatic and soil conditions favour the replanting of the land in tea rather than in rubber. This scheme, known as the Rubber into Tea Scheme, came into operation from 1st January, 1962. The funds required for this Scheme are met from the Rubber Subsidy Fund.

The Tea Rehabilitation Subsidy Scheme

The progress made under the Tea Rehabilitation Scheme up to the end of 1966 continued to be quite satisfactory. Up to the end of 1966, a total of 28,649 Rehabilitation Permits had been issued under

the Scheme on applications received during 1966 and earlier. These permits covered the rehabilitation of the following acreages :—

	A.	R.	P.
(a) For Supply of vacancies	59,277	1	06
(b) For soil conservation measures	69,538	0	11
(c) For application of fertilizer	85,384	1	23

In view of the fact that the target acreage for tea rehabilitation under the Tea Rehabilitation Subsidy Scheme was only 60,000 acres and the permits already issued exceeded this target, the issue of new Rehabilitation Permits was confined only to Government Colonization Schemes.

During the year 1966, 3,571 tons 03 cwt. of fertilizer were issued under this Scheme.

The Tea Replanting Subsidy Scheme

When the Tea Replanting Subsidy Scheme was originally introduced, the subsidy payable was Rs. 2,500 per acre replanted with approved varieties of vegetatively-propagated tea, i.e. tea propagated from cuttings obtained from clonal mother bushes and not from tea seed. In order to increase the pace of replanting, the Government decided to raise the subsidy from Rs. 2,500 per acre replanted with vegetatively-propagated tea to Rs. 3,750 per acre with effect from 1st January, 1963.

The total number of Replanting Permits issued in 1966 was 1,388 covering an extent of 6,258 acres.

The area uprooted for replanting during 1966 was 5,129 acres 2 roods 25 perches, while the area replanted during 1966 was 3,578 acres 0 roods 20 perches.

The Rubber into Tea Replanting Subsidy Scheme

This scheme envisages the replanting of about 8,000 acres of old rubber and the total cost of subsidies is estimated at Rs. 12 million.

The total number of replanting permits issued under this scheme in 1966 was 207, covering an extent of 491 acres 0 roods 33 perches.

New Planting

The planting of new areas in tea is prohibited except on the authority of licences issued by the Tea Controller under the Tea Control Act.

1,062 permits, covering an extent of 1,880 acres 0 roods 25 perches were issued during 1966.

Instructor/Inspectors of the Tea Control Department visit all small-holdings in respect of which New Planting Permits have been issued and advise and assist small-holders in adopting up-to-date methods of planting tea, proper soil conservation measures etc.

Tea Fertilizer Subsidy Scheme

In August, 1966, the Government introduced a modified subsidy scheme for the rehabilitation of tea lands, providing only for the issue of subsidised fertilizer. The subsidy, which amounted to half the cost of fertilizer subject to a limit of Rs. 80 per acre per year, is met from the Tea Subsidy Fund. This scheme is being operated on an annual basis for a period of 5 years commencing January, 1967.

Tea Factory Development Subsidy Scheme

In order to induce tea estate-owners to invest capital on Factory development, the Government introduced a scheme whereby the interest payable by estates and factory owners on loans obtained from approved Banks and credit institutions for factory development is subsidised out of the Tea

Subsidy Fund. This scheme came into operation from 7th October, 1966. Up to the end of 1966, loans amounting to Rs. 915,000 were approved as qualifying for benefits under the Tea Factory Development Subsidy Scheme.

Tea Export Duty Rebate Scheme

During the latter half of 1966, there was a slump in tea prices which adversely affected all tea producers and particularly producers of mid-grown and low-grown teas. As an immediate interim measure of assistance to small-holders, the Government decided to introduce a Rebate Scheme under which some or all of the export duty of 35 cents was refunded on low-priced teas. Under this Rebate Scheme, which was introduced with effect from the Colombo Tea Auction of 25th September, 1966, all first-hand teas which fetched a price of under Rs. 1.50 per pound was given a rebate amounting to the difference between Rs. 1.50 and the price fetched, subject to a maximum of 35 cents a pound. The Tea Export Duty Rebate Scheme is purely a temporary one and will be replaced after a more satisfactory long-term scheme is evolved.

Nurseries

Under the Tea Control Act, a permit is necessary for the establishment of a Tea Nursery. Nursery Permits have been issued for three different categories of nurseries, viz. :—

- (i) V. P. Nurseries (i.e. nurseries in which rooted vegetatively-propagated cuttings are raised before transplanting in the field) ;
- (ii) Seedling Nurseries (where tea seedlings are raised from tea seed before transplanting in the field) ; and
- (iii) Multiplication Nurseries (in which cuttings are obtained from selected mother bushes for planting out in V. P. Nurseries).

Blister Blight—The Analytical Control of Tea

Blister Blight, which was a serious threat to the Island's tea industry a few years ago, has now been brought well under control. This has been achieved by the regular copper-spraying and dusting programmes carried out by most estates. The excessive use of copper fungicides may, however, result in the tea produced containing a high percentage of copper. This would not only adversely affect the quality and flavour of the tea, but may even be detrimental to the health of those drinking it. In order to ensure that the copper content of Ceylon tea is well below the maximum limits prescribed by the consumer countries, the Tea Control Department regularly obtains samples from estates in different planting districts and has them analysed to determine their copper content.

Instant Tea

In 1959, the Tea Research Institute of Ceylon, in collaboration with the Ceylon Institute of Scientific and Industrial Research, began work on the development of a new type of Instant Tea in Ceylon. By 1961, they had succeeded in developing a product that had been favourably reported upon by tea tasters both in Ceylon and abroad. The Ceylon product was made direct from green leaf whereas other Instant Tea products had been manufactured from conventional black tea. In terms of the Agreement, signed on 15th January, 1962, it was decided that the Instant Tea be manufactured by the Cey Tea Company and the tea so manufactured be sold under the Trade Mark 'Cey Tea'. The total quantity of instant tea exported in 1966 was 71,923 pounds as compared with 26,305 pounds exported in 1965.

III—RUBBER CULTIVATION

General

Rubber is Ceylon's second largest foreign exchange earner. The Rubber Control Department, which functions under the Rubber Control Act, No. 11 of 1956, is responsible for the collection of statistics of acreage, production, consumption and exports of rubber ; for the issue of permits

for the planting of new areas in rubber and the replanting of worn out rubber areas ; for the registration of rubber lands and the owners thereof ; for the issue of licences to rubber dealers and for the performance of any other duties in furtherance of the interests of the rubber industry.

Acreage under Rubber

The total area under rubber in Ceylon on December 31, 1966, as registered under the Rubber Control Act was 672,592 acres as compared with 671,487 acres at the end of 1965. The increase was due to the fact that 1,105 acres of newly-planted rubber was registered during the year.

The Island's total registered rubber area of 672,592 acres was distributed between small-holdings and estates of different sizes as follows :—

	<i>No. of Holdings Registered</i>	<i>Total Extent Acres</i>	<i>Percentage</i>
Small-holdings (below 10 acres)	146,348	204,865	30.5
Estates 10 acres and above but below 100 acres	6,006	153,640	22.8
Estates 100 acres and above but below 500 acres	662	148,268	22.0
Estate 500 acres and above	181	165,819	24.7
Total	153,197	672,592	100.0

The distribution of these estates and small-holdings between the different Revenue Districts of the Island is shown in the table 7.1 below.

TABLE 7.1—RUBBER ACREAGE OF CEYLON AS AT DECEMBER 31, 1966, CLASSIFIED ACCORDING TO REVENUE DISTRICTS

<i>District</i>	<i>Estates (100 acres and over)</i>		<i>Estates (10 to 100 acres)</i>		<i>Small-Holdings (under 10 acres)</i>	
	<i>No. of Holdings</i>	<i>Acreage</i>	<i>No. of Holdings</i>	<i>Acreage</i>	<i>No. of Holdings</i>	<i>Acreage</i>
Colombo	38	15,506	656	14,167	24,387	36,097
Kalutara	139	58,561	974	25,142	47,779	45,931
Galle	72	32,155	856	18,916	18,749	24,546
Matara	38	8,301	478	12,550	4,380	8,494
Hambantota	—	—	6	142	22	79
Ratnapura	138	48,724	1,138	31,018	13,892	26,348
Kegalle	202	80,178	1,073	26,190	23,249	42,581
Kurunegala	28	11,102	178	5,342	1,073	2,237
Chilaw	—	—	2	32	15	45
Kandy	85	21,500	371	10,121	8,482	14,342
Matale	59	21,430	201	7,281	4,178	3,820
Nuwara Eliya	—	—	5	146	21	37
Badulla	44	16,630	68	2,593	121	308
Total	843	314,087	6,006	153,640	146,348	204,865

The following statement shows how the Island's registered rubber acreage was distributed between Ceylonese and alien owners in 1966 :—

<i>Ownership</i>	<i>Number</i>	<i>Acreage</i>	<i>Percentage on Total Acreage</i>
Rubber estates owned by Sterling Companies (i.e. Companies registered in United Kingdom)	133	80,863	12.02
Rubber estates owned by non-Ceylonese individuals	165	16,156	2.4
Rubber estates owned by Rupee Companies (i.e. Companies registered in Ceylon)	240	89,879	13.37
Rubber estates and small-holdings owned by Ceylonese individuals	152,659	485,694	72.21
Total	153,197	672,592	100.00

According to the records available in the Department 377,153 acres out of Ceylon's total registered rubber area of 672,592 acres have been planted with high-yielding material (clonal seedlings or budded stumps) while the balance has been planted with ordinary seedling rubber. The figure of 377,153 acres reported as planted with high-yielding material includes an area of about 40,000 acres planted during the war years (1939-45) on permits issued (principally to small-holders and middle-class colonists) under the Rubber (New-Planting) Ordinance, No. 38 of 1938. Most of these new rubber plantations though originally planted with high-yielding material have so deteriorated through neglect that they can no longer be classed as high-yielding units. The true acreage of high-yielding rubber in the Island is therefore in the region of 337,153 acres. The major part of this high-yielding rubber has been planted after the Government's Rubber Replanting Subsidy Scheme which came into operation in 1953.

Production

The total production of rubber in Ceylon in 1966 is estimated at 128,946 tons as compared with 116,443 tons in 1965. This is the highest recorded figure of rubber production in Ceylon. The steady increase in the rubber output reflects the success of the rubber replanting programme and this in turn is reflected in the improvement in the yields per acre.

The estimated production during each month of the year under review and corresponding 1965 figures are shown below :—

<i>Month</i>	<i>1965 Tons</i>	<i>1966 Tons</i>
January	9,586	11,882
February	8,769	9,566
March	8,062	10,184
April	8,726	8,106
May	9,079	10,091
June	9,622	9,694
July	9,831	12,490
August	9,755	9,430
September	9,931	9,647
October	10,670	9,638
November	10,874	13,719
December	11,538	14,499
Total	116,443	128,946

Local Consumption of Rubber

Returns furnished by local consumers of rubber showed that a total of 2,178 tons of rubber had been consumed locally in 1966 as compared with 1,846 tons in 1965.

Rubber consumed locally is used in the retreading of motor tyres, in the manufacture of rubber goods, such as cycle tyres and tubes, foam rubber cushions, rubber mats, surgical gloves, rubber soled-shoes and slippers and rubber toys including toy balloons. The following figures show the consumption of rubber during the last eleven years.

<i>Year</i>	<i>Tons</i>
1956	321
1957	324
1958	417
1959	678
1960	807
1961	985
1962	1,054
1963	1,398
1964	1,964
1965	1,846
1966	2,178

The increase consumption in 1966 has been mainly due to the large volume of tyres retreaded in the year under review.

Exports

The actual quantity of rubber exported during 1966 was 122,899 tons valued at Rs. 311,081,949 compared to 121,672 tons exported in 1965 valued at Rs. 310,701,619. The closing stock of rubber at the end of 1966 was 3,800 tons more than at the beginning of the year. In 1965 the closing stock was 7,000 tons less than at the beginning of that year, and this explains the fairly high level of exports during 1965.

The quantity of rubber exported each month during the year 1966 and the corresponding figures 1965 are shown below :—

QUANTITY OF RUBBER EXPORTED (ACTUAL SHIPMENTS)

	<i>1965</i>	<i>1966</i>
January	6,741	10,430
February	12,318	8,570
March	10,125	9,702
April	9,133	10,348
May	11,296	9,584
June	9,572	9,623
July	8,344	14,015
August	8,596	8,880
September	9,723	6,546
October	13,238	13,816
November	6,695	10,334
December	15,891	11,051
Total	121,672	122,899

The total quantity for which entries had been passed in 1966, according to Customs Returns, is 133,213 tons valued at Rs. 337,453,902. These figures are liable to adjustment as certain quantities may be shipped in the period following or preceding the periods specified.

According to the Customs entries, the People's Republic of China was once again Ceylon's best customer for rubber with purchases totalling 59,315 tons as compared with 45,090 tons in 1965. The Union of the Soviet Socialist Republic came second with purchases of 12,712 tons as compared with 14,139 tons in 1965. The United States of America came third with purchases totalling 9,447 tons as compared with 9,454 tons in 1965. Poland took fourth place with 8,851 tons as compared with 6,939 tons in 1965. The Federal Republic of Germany came next with purchases totalling 8,552 tons as compared with 8,401 tons in 1965, while Rumania took sixth place with purchases totalling 6,147 tons as compared with 5,985 tons in 1965. The annual production and exports of rubber since 1934 is given below.

PRODUCTION AND EXPORTS OF RUBBER: 1934-1966

<i>Year</i>	<i>Production Tons</i>	<i>Exports Tons</i>
1934	1,01,450	39,378
1935	98,799	54,229
1936	99,488	50,135
1937	97,600	70,054
1938	97,710	49,282
1939	106,165	61,569
1940	107,000	88,413
1941	109,415	102,350
1942	109,423	99,785
1943	110,622	—
1944	98,500	102,858
1945	97,500	95,183
1946	94,000	101,080
1947	89,000	82,503
1948	95,000	91,735
1949	89,500	90,489
1950	113,500	118,525
1951	105,000	103,633
1952	96,500	89,432
1953	98,610	96,679
1954	93,935	90,209
1955	93,830	97,393
1956	95,389	86,792
1957	98,164	93,961
1958	100,196	90,420
1959	91,695	92,013
1960	97,276	104,733
1961	96,047	88,102
1962	102,403	100,218
1963	103,097	93,520
1964	109,801	113,467
1965	116,443	121,672
1966	128,946	122,899

From 1965 onwards, the actual quantities shipped are shown as the export figures. Prior to 1965 figures recorded as "Exports" are those for which entries had been passed for shipment.

Rubber Prices

(i) *Sheet Rubber*.—The price of Sheet Rubber (RRS No. 1) in the Colombo Market stood at 94½ cents at the beginning of the year. Prices fluctuated between 91 cents to 94 cents during the

first quarter of the year. During the first week of May the market improved and reached 94½ cents the peak price for the year. Thereafter the values declined and on the 4th of September dropped to 83½ cents the lowest price recorded since 1954. Prices improved slightly thereafter till the end of November. On 20th December, the prices once again dropped to 87 cents. The decline in prices followed a similar pattern as in the major rubber markets of the world.

The average Colombo price of Sheet Rubber (RSS No. 1) during the whole of 1966 was 89 cents per lb. as compared with the average price of 91½ cents a lb. in 1965.

(ii) *Crepe Rubber*.—The price of Crepe Rubber (Latex Crepe No. 1) which had declined during the latter part of 1965, improved slightly in the first six months of 1966, and at the end of July the price reached Rs. 1.04 cents a lb. Thereafter demand slackened slightly and prices hovered round 97 to 90 cents.

The average price of crepe rubber during the entire year was 99 cents a lb. compared to 99½ cents a lb. during the year 1965.

International Trade Agreements Involving Rubber

The Second Five-Year Trade Agreement between the Governments of China and Ceylon came into effect on 1st January, 1958, and was in force up to the end of 1962. After the expiry of this agreement, a new Economic Aid Agreement between the Governments of China and Ceylon was signed on October 3, 1962 for a further period of five years (1963-67). This Agreement provides for the exchange of commodities between the two Governments subject to the price and terms of trade being negotiated annually.

Although the contract with the Government of China for 1966 was to supply 41,000 tons of sheet rubber, an additional 12,000 tons was shipped during 1966 by the Commissioner of Commodity Purchase to harmonize the trade balance between the two countries. The Ceylon Government also shipped, in pursuance of contracts, 6,000 tons of sheet rubber to Rumania and 3,200 tons to Poland.

The quantity of sheet rubber contracted for sale under the 1967 Sino-Ceylon Agreement signed on 29th November, 1966, is 48,000 metric tons.

Wages to Workers engaged in the Rubber Growing and Manufacturing Trades

The basic daily rate of wages payable to workers engaged in the Rubber growing and manufacturing Trades which remained unchanged during the year were at the following rates :—

	<i>Per day</i> <i>Rs. c.</i>
Male Worker	1 40
Female Worker	1 30
Child Worker	1 05

The special allowances payable to these workers under the Wages Boards Ordinance during each month of the year under review, are shown in Appendix 'E' of this Report.

Replanting

Practically all replanting of rubber in Ceylon is now done under the Government-sponsored Rubber Replanting Subsidy Scheme. A permit under Section 7 of the Rubber Control Act is necessary for the replanting of rubber. During 1966 no areas was replanted outside the Subsidy Scheme.

Rubber New-Planting

Planting of new areas in rubber can only be undertaken on the authority of permits issued under the Rubber Control Act. All areas authorised for planting under this Act must be planted with high-yielding varieties or rubber. Permission is however, given to plant areas with ordinary rubber provided such areas are budded within a specified period.

The Rubber Instructors of the Small-holdings Department of the Rubber Research Institute of Ceylon inspect the areas to be planted before the permits are issued, to determine the suitability of the land for growing high-yielding rubber. The rubber Instructors also visit these lands after the permits are issued and advise permit-holders on up-to-date methods of planting, soil conservation methods etc. They also report on these areas when planting is completed.

During 1966, 804 New-Planting Permits covering an extent of 1,398 acres were issued. The corresponding figures for 1965 was 1,103 permits covering an extent of 1,658 acres.

Completion Reports received show that an extent of 1,323 acres were actually newly planted in 1966 on permits issued in 1966 and earlier. The corresponding figures for 1965 was 991 acres.

New-Planting permit-holders are required to adopt on their permit areas soil conservation methods in terms of Regulation 11 of the Regulations published under the Rubber Control Act. The Chief Advisory Officer, Small-holdings continued to pay the peasant class of permit-holders and conservation grants on the following scales :—

- Type (i) Lands of near flat to a maximum of Rs. 50 per acre.
- (ii) Lands of gentle to moderate slope to a maximum of Rs. 80 per acre.
- (iii) Lands of strong slope to a maximum of Rs. 120 per acre.
- (iv) Lands of steep to very steep slope to a maximum of Rs. 240 per acre.

Nurseries

A permit under Section 7 of the Rubber Control Act is necessary for the establishment of a Rubber Nursery.

Four hundred and sixty-nine permits were issued in 1966 for the opening of new rubber nurseries covering an extent of 295 acres 3 roods 25½ perches as compared with 518 permits covering an extent of 396 acres 1 rood 03 perches issued in 1965.

In addition to these private nurseries, the Government Nurseries at Egal Oya and Hedigalla supplied high-grade planting material to small-holders participating in the Rubber Replanting Subsidy Scheme.

Oidium

Sulphur-dusting as an Oidium control measure is, subject to certain exceptions, compulsory for all rubber estates over 50 acres in extent. Oidium control measures have been applied by most large rubber estates particularly those containing blocks of high-yielding rubber.

The position on most small-holdings is less satisfactory. Small-holders cannot afford to purchase the expensive dusting machines which are required for effective oidium-control. Some measures of Government assistance is therefore necessary if sulphur-dusting against oidium is to be carried out successfully on small-holdings.

The Government-sponsored scheme for the co-operative sulphur-dusting of small-holdings and small estates was continued during 1965-66 dusting season. Owners of small-holdings and small estates who wished to have their holdings dusted were required to form themselves into co-operative Dusting Groups to each of which a sulphur dusting machine was made available. The members of each Group had to purchase the necessary sulphur and supply the labour necessary for carrying out the dusting operations under the supervision of the Rubber Instructors of the Rubber Research

Institute. Ninety-eight Dusting Groups were formed. 2,934 holdings comprising a total of 10,147½ acres were dusted under this Scheme as compared with 1,171 holdings comprising a total of 4,253½ acres dusted during the 1964-65 dusting season although arrangements had been made to treat 10,766½ acres for oidium control, dusting was done only on 10,147½ acres due to the failure of the contractor to supply in time the full quota of sulphur dust ordered.

Fragmentation of Estates

Statistics maintained by the Rubber and Tea Control Department revealed that since the end of the Second World War several sales or large rubber and tea estates had taken place after fragmentation of these estates into smaller units. This resulted in considerable loss of efficiency and yield. The total extent of estates so fragmented was in the region of 30,000 acres in the case of rubber and 10,000 acres in the case of tea. In order to halt this trend, the Government enacted the Tea and Rubber Estates (Control of Fragmentation) Act, No. 2 of 1958, under which no sale or transfer of any tea or rubber estates over 100 acres in extent or any portion thereof, is valid without the approval of the Fragmentation Control Board which has been set up under the Act. The Board (whose Chairman is the Land Commissioner and of which the Rubber and Tea Controller is a member), as a general rule, refuses its consent to the transfer of ownership of an estate if any fragmentation of the estate is involved. The Board however, agrees to the transfer :—

- (i) If the transfer of ownership does not involve the sub-division of the estate.
- (ii) If some of the lots into which the estate is to be sub-divided are to be used for any housing scheme or for the development of any township or for any industrial purpose ;
- (iii) If the lots into which the estate is to be sub-divided are to be merged in any adjoining rubber or tea estate so that the merger will result in the more efficient and economic management of the land ;
- (iv) Where the agricultural condition of the estate is already so poor that its sub-division into lots is not likely to affect its condition adversely.
- (v) Where each of the lots into which the estate is divided are over 500 acres in the case of tea estates and 250 acres in the case of rubber estates.

The Board held 14 meetings in 1966 and considered 167 applications for transfers of ownership of estate. Of these 149 applications falling into the categories (i) to (v) above were allowed, and the others were rejected by the Board.

Under Section 17 of the Tea and Rubber Estates (Control of Fragmentation) Act, all expenses incurred in the implementation of the Act, have to be met from the Tea and Rubber Control Funds. A sum of Rs. 5,863.17 was spent on this work from the Rubber Control Fund in 1966.

The Rubber Replanting Subsidy Scheme

The Rubber Replanting Subsidy Scheme was launched in May, 1953, shortly after the signing of the Rubber-Rice Trade Agreement between the Government of Ceylon and the Government of the People's Republic of China.

Under this Scheme, proprietors of uneconomic rubber lands, who are prepared to replant their lands with approved varieties of high-yielding rubber, are paid subsidies on a graded scale. The rates of subsidy were originally fixed as follows :—

- (i) If the area to be replanted forms part of an estate 100 acres or more in extent, the subsidy paid was Rs. 700 per acre.
- (ii) If the area to be replanted forms part of an estate between 10 acres and 100 acres in extent the subsidy paid was Rs. 900 per acre.
- (iii) In the case of small-holdings under 10 acres in extent, the subsidy paid was Rs. 1,000 per acre.

In view of the rise in costs since the Scheme was first introduced the rates of subsidy payable in respect of areas authorised for replanting as from 1.1.62 were increased as follows :—

- (i) If the area to be replanted forms part of an estate 100 acres or more in extent, the subsidy paid was Rs. 1,000 per acre.
- (ii) If the area to be replanted forms part of an estate between 10 acres and 100 acres in extent, the subsidy paid was Rs. 1,100 per acre.
- (iii) In the case of small-holdings under 10 acres in extent, the subsidy paid was Rs. 1,200 per acre.

These revised rates were further reviewed by Government in August, 1966, and it was decided in view of the enhanced costs of replanting etc., to increase the rates of subsidy under the 1966 Scheme and thereafter as follows :—

- (i) If the area to be replanted forms part of an estate 100 acres or more in extent, the subsidy payable is Rs. 1,400 per acre.
- (ii) In the case of holdings under 100 acres in extent, the subsidy payable is Rs. 1,500 per acre.

It takes about 6 years for budded rubber to come into bearing. In order to ensure that the plants are satisfactorily maintained after the replanting is completed, the subsidy is not paid in one lumpsum but is spread over 5 instalments in the case of estates over 100 acres in extent and 6 instalments in the case of small-holdings and small estates under 100 acres in extent. The first instalment is paid immediately after the old rubber has been uprooted. The second instalment is paid after the new rubber plants have been planted. The third and subsequent instalments of the subsidy are paid thereafter at yearly intervals, provided the replanted area is satisfactorily maintained.

The Rubber Replanting Scheme, as originally planned, aimed at the replanting of 65,000 acres of worn-out rubber lands with high-yielding varieties of rubber in the five-year period 1953–57. In 1955, the pace of replanting under the Scheme was stepped up and the target area to be replanted in the five-year period 1953–57 was increased from 65,000 to 90,000 acres. Even this revised target was exceeded. The actual area replanted in the first five years of the Scheme (i.e. by the end of 1957) was 90,206 acres.

At the end of 1962, the Government decided to continue the Rubber Replanting Subsidy Scheme for a further period of 5 years. It is expected that a total acreage of 75 to 90,000 acres of rubber land will be replanted during the five-year period 1963–67. When these areas come into bearing, it is estimated that Ceylon's total production of rubber would be increased by 80 per cent over the figure prior to the introduction of the Rubber Replanting Subsidy Scheme.

During the first five years of its operation (1953–57), the Rubber Replanting Subsidy Scheme was financed by the levy of a cess on exports of rubber. At the tail end of 1957, the levy of this cess was suspended owing to the severe depression in the rubber market and alternative arrangements were made for financing the Scheme from 1958 onwards. The cost of the Replanting Scheme is approximately 20 million rupees a year. Under the Economic Aid Agreement signed in Peking between the Government of China and Ceylon on 19th September, 1957, the Government of the People's Republic of China agreed to give Ceylon economic assistance to the value of 15 million rupees annually for a period of five years from 1958 to 1962 to meet a part of the cost of the Rubber Replanting Scheme. The Ceylon Government agreed to provide the balance of approximately 5 million rupees a year required to finance the Scheme.

After the expiry of the first Agreement, a new Economic Aid Agreement between the Government of China and Ceylon was signed on 3rd October, 1962, for a further period of 5 years (1963–1967). Under this Agreement, the Government of China agreed to give the Government of Ceylon a free grant of technical and economic aid valued at Rs. 50 million, i.e. at the rate of Rs. 10 million annually. The value of this Aid is not specifically directed to subsidizing the cost of the Rubber Replanting Subsidy Scheme, which is now financed by annual grants from the Consolidated Fund.

Progress made under the Scheme up to the end of 1966

The acreage replanted under the Rubber Replanting Subsidy Scheme up to the end of 1965 was 229,336 acres 1 rood 34 perches. The acreage replanted during 1966 was 11,583 acres 1 rood 14 perches, making the total acreage replanted under the Scheme up to the end of 1966 to 240,919 acres 3 roods 08 perches. The distribution of this acreage between the principal rubber growing districts of the Island is shown below :—

<i>District</i>	<i>Replanted up to the end of 1965</i>		<i>Replanted during 1966</i>		<i>Total Replanted up to the end of 1966</i>	
	<i>A.</i>	<i>R. P.</i>	<i>A.</i>	<i>R. P.</i>	<i>A.</i>	<i>R. P.</i>
Colombo	27,177	0 21	1,775	3 24	28,953	0 05
Kalutara	55,374	1 06	2,332	0 26	57,706	1 32
Galle	23,688	0 28	1,195	0 33	24,883	1 21
Matara	9,513	1 21	305	2 07	9,818	3 28
Hambantota	28	2 08	—		28	2 08
Kegalle	64,611	2 29	3,722	0 05	68,333	2 34
Ratnapura	36,464	0 06	1,617	3 03	38,081	3 09
Kurunegala	5,065	3 01	262	0 19	5,327	3 20
Kandy	2,665	1 13	107	1 11	2,762	2 24
Matale	2,683	2 24	119	3 01	2,803	1 25
Nuwara Eliya	171	1 21	—		171	1 21
Badulla	1,903	0 16	145	2 05	2,048	2 21
Total	229,336	1 34	11,583	1 14	240,919	3 08

Issue of 1967 Replanting Permits

Applications for Replanting Permits in respect of areas to be replanted in 1967, were invited by prominent advertisements inserted in the newspapers in the latter half of 1966.

The total number of applications received for replanting in 1967 was 7,747 covering an area of 21,148 acres 2 roods 39 perches, as against 6,461 for an area of 17,926 acres 1 rood 03 perches in the preceeding year.

The applications received are carefully examined by the Rubber Control Department before the Replanting Permits are issued. Particular care is taken to ensure that the total area under rubber given in the application form tallied with the extent of the estate or small-holding as registered in the records of the Rubber Control Department, so that Replanting Permits are not issued for extents in excess of the registered extents. The ownership of the lands in question is examined carefully to ensure that the applicant is the proprietor of the land in respect of which he had applied for a subsidy. In all cases where the applicant is not already registered in the Rubber Control Department as the proprietor of the estate or small-holding concerned, he is requested to produce his title deeds and have himself registered as the proprietor before a Replanting Permit is issued to him. Special difficulties arose in the case of lands jointly owned. In many cases several co-owners are required to send a joint application and to nominate one co-owner to receive the subsidy on behalf of all the co-owners.

Besides the extent and ownership of the land, its suitability for growing rubber is examined before a Replanting Permit is issued. In all cases where there is any doubt about the suitability of the land, an inspection by an experienced planter is arranged before the issue of a Replanting Permit is even considered. This preliminary inspection is carried out in the case of all low-lying lands which from the information given in the application form, appeared to be liable to flooding or waterlogging,

in the case of all lands situated at elevations of 1,000 feet or more above mean sea level, and also in a number of other cases. If the Inspecting Officer expressed any doubt about the suitability of a particular land the application is rejected.

The Area authorised for replanting on each application generally depended on the total rubber area in the estate of small-holding concerned. In some cases, the full extent applied for was allowed. In other cases, where the applicant had applied to replant an area which appeared unduly large in relation to the total extent of his estate or small-holding the area was sealed down.

Inspection Reports on Areas Replanting under the Scheme

The success of the Rubber Replanting Subsidy Scheme depends very largely on the quality of the officers who inspect and report on the lands replanted under the Scheme. As mentioned in previous Administration Reports, it was decided shortly after the Scheme was launched that the Department should not employ an army of full-time Inspectors to make these inspections and reports, as had been done in the case of Malayan Government's Rubber Replanting Scheme. It was decided instead, to invite experienced planters (who were generally the Superintendents of rubber estates over 300 acres in extent) to undertake these inspections. A panel of Visiting Agents has been formed in each D. R. O's Division, and planters from these panels are asked to inspect and report on the areas replanted under the Scheme.

An inspection of the land is carried out before each instalment of the subsidy is paid.

At the First Inspection, the Visiting Agent is asked to check the boundaries of the land against the survey plan or sketch sent to him and to report whether in his opinion, the acreage tallies with the area authorised. At this inspection he is also asked to report whether the uprooting of the old rubber trees on the land has been satisfactorily carried out, whether all crops interplanted with the old rubber have been removed, and, if the holing of the land is in progress at the time of his visit, whether the holding is being done satisfactorily. If the applicant has established his own nursery for supplying the planting material required for replanting of his land, the Visiting Agent is required to visit the nursery at the time of the first inspection and report on the general condition of the plants in it.

At the second Inspection (made shortly after the new rubber plants have been put in), the Visiting Agent is asked to furnish a detailed report on the manner in which the replating has been done and on the general condition of the replanted area. In particular, he is required to report whether the planting points have been suitably spaced, whether sufficient fertilizer has been used, whether the replanted area has been adequately fenced, drained and weeded and whether there are any catch crops interplanted with the new rubber. At this inspection, the Visiting Agent is also required to satisfy himself about the variety and source of the planting material used. For this purpose, the applicant is required to produce for inspection by the Visiting Agent a receipt from the estate or other source from which he purchased his clonal seedlings, budded stumps, budwood or clonal seed.

At the third and subsequent inspections made at yearly intervals after the replanting is completed, the Visiting Agent is required to report whether the replanted area has been satisfactorily maintained. He is required at these inspections to pay special attention to the size of the plants and to report whether their height and girth are appropriate for their age. He is also required to satisfy himself that the replanted area is free of weeds, that suitable cover crops have been established and that the fences, drains and terraces in the replanted area have been properly maintained.

Review of the Rubber Replanting Subsidy Scheme

The downward trend in the number of applications received for the Replanting Scheme continued in 1966. The comparative figures for the last decade is as follows :—

Year	Applications Received (Acreage covered)	Permits Issued (Acreage covered)	Areas replanted within the year (Acres)
1958	35,764	21,040	20,640
1959	34,311	22,818	18,532
1960	31,589	19,076	17,895
1961	31,357	18,611	18,687
1962	32,295	16,730	17,956
1963	24,623	16,487	15,595
1964	23,345	15,730	13,553
1965	21,925	15,136	12,502
1966	17,926	12,843	11,583

The increase in the rates of subsidy to :—

- (a) Rs. 1,400 per acre, if the area to be replanted forms part of an estate 100 acres or more in extent.
- (b) Rs. 1,500 per acre in the case of holdings under 100 acres in extent.

which was announced by Government in October, 1966 has to some extent arrested the trend. Up to the time of writing, applications have been received under the 1967 Scheme for approximately 22,186 acres and it is likely that replanting permits will be issued for about 17,500 acres. However the full benefit of the increased rates will be felt only in 1968 and thereafter as owners of rubber lands particularly estates, will have to lay down their nurseries and slaughter tap their rubber lands before embarking on replanting operations.

Approved Varieties of Planting Material

It is clearly a matter of the very highest importance that only the best strains of high-yielding rubber should be used for replanting under the Subsidy Scheme. The following varieties of planting material, which have been tested and found satisfactory under varying conditions in different parts of Ceylon, are approved for use under the Scheme :—

(a) *Budded Stumps*—If Budded Stumps are used as planting material for replanting under the Subsidy Scheme, the following clones can be used ; at least 160 budded stumps should be planted per acre.

The following clones are now recommended for general use, due consideration, however, will have to be given to the conditions for the growth of rubber in a particular district and the location of the land which is to be replanted :—

RRIC	45
RRIC	52
Wagga	6,278
PB	86

Although the clones mentioned above are recommended for general use, if any estates desire to use any of the new promising clones developed by the Rubber Research Institutes of Ceylon and Malaya they should apply to the Department for permission to do so.

Description of the Recommended Clones

Clone RRIC 45 is a high yielding clone with good secondary characters. It has not shown any serious susceptibility to leaf and bark diseases in the wet low-country districts. Clone RRIC 45 with 500 trees in test-tapping in Ceylon has yielded 8.9 lb. and 10.2 lb. dry rubber per tree per year in the 1st and 2nd years of tapping, respectively. It is, therefore, capable of yielding up to 1,000 lb. per acre in the first year of tapping at 100 per cent tapping intensity in a half spiral cut once in 2 days.

There are favourable reports on growth and yielding capacity of clone RRIC 45 from commercial estates in Ceylon where the clone has been grown on a moderate scale. Results from Malayan experimental replanting have confirmed these reports.

The clone can be grown on a proportion of a sizeable acreage of small and middle-class holdings.

Clone RRIC 52—This clone is the most vigorous growing clone we have at the present time ; it can be tapped in the 6th year of growth with a girth of 20 inches. The clone is also shade tolerant and appreciably resistant to bark diseases. The yield at the commencement of tapping are only moderately high but the clone is capable of giving high yields per acre in later years because of its fast growing habit, which gives a greater length of tapping cut compared with other high-yielding clones of similar age. The clone RRIC 52 is strongly recommended to small-holders owing to its virility and disease resistant qualities.

Clone Wagga 6278 is one of the older local clones which have been planted in commercial estates since 1943. The clone is comparatively free of bark disease and is capable of yielding up to 1,800 lb. per acre per year in the wet low-country districts. The clone does not do well in the drier districts, where clone PB 86 will be in the better choice.

Clone PB 86 still remains a good choice for planting in the drier rubber planting districts. A rainfall up to about 120 inches per year is suitable. Areas where there has been a previous history of serious bark diseases should not be planted with clone PB 86. In general, the clone should not be planted in the wet low-country districts.

The planting of ordinary unselected seedlings to be later budded in the field with approved clones is not permitted. The budding must be done in a nursery and the budded stupms transplanted in the field.

(b) *Clonal Seedlings*—If Clonal Seedlings are used to replant the land, seedlings must be grown from seed obtained from one of the seed gardens in the list of approved seed gardens prepared and published by the Rubber Controller on the advice of the Rubber Research Institute. A copy of the list of approved seed gardens is supplied to every applicant along with his application form. If clonal seedlings are used for replanting, the initial planting density must be at least 220 points per acre.

Estates which wish to use PBIG Gough Garden Clonal Seed obtained from Prang Besar Estate, Malaya, should apply to the Department for permission to do so.

While the list of approved varieties of planting material given above is used as the standard list, the department is always willing to consider applications, particularly from large estates, for permission to use other lesser known clones on small areas, usually on an experimental basis.

Although PB 86 continued to be the most widely used clone in the replanting of 1966, its popularity fell further from 53 per cent in 1965 to approximately 50 per cent in 1966. There was a marked shift towards the use of RRIC clones 45 and 52, both by small-holders and small estates. In the case of estates, particularly the over 100 acre category, there was a significant switch over from PB 86 to the RRIC Clones 45, 52 and other experimental clones during 1966. About 45 per cent of the estates and small-holding which replanted in 1966 used clones RRIC 45, 52 RRIM 623 and Wagga 6278 while, the balance holdings were replanted with Tjir. 1 Clonal Seedlings.

Departmental Survey of Clones used by Estates over 100 acres

The Department compiled figures, relating to the acreages replanted and varieties of clones used by estates over 100 acres since the inception of the Rubber Replanting Subsidy Scheme through a questionnaire which was sent out to 645 Estates over 100 acres registered in the Rubber Control

Department. Replies were received from 442 estates. The total acreage replanted by estates over 100 acres, since the inception of the Rubber Replanting Subsidy Scheme in 1953 was 101,895 acres as at the end of 1966. The acreage replanted by the estates which filled up the questionnaire was 70,429 acres and represented 69 per cent of the total area replanted in this category.

It is interesting to note, that although 69 per cent of the replanted area was established under the Clone PB 86, its popularity had declined substantially during the recent years. From a usage of 86 per cent in 1953, PB 86 had decreased to only 13 per cent in 1965 and 1966. PB 86 is now gradually being replaced by the newer varieties RRIC 45 and RRIC 52. This is in keeping with the recommendations made by the Rubber Research Institute and the Rubber Replanting Advisory Board.

The following information on yields of the 1953 to 1956 replanted areas, were obtained from the questionnaire :

<i>District</i>	<i>Year of Planting</i>	<i>Extent Replanted</i>			<i>Clone</i>	<i>Average Yield per acre per Year</i>
		A.	R.	P.		
Kalutara	1953	1,008	1	15	P.B. 86	1,231
	1954	1,008	3	05	"	1,210
	1955	866	2	16	"	1,060
	1956	991	1	33	"	1,191
Kegalla	1953	972	1	16	"	1,248
	1954	1,216	3	37	"	1,175
	1955	1,642	3	26	"	1,151
	1956	1,437	3	07	"	1,007
Ratnapura	1953	422	1	00	"	1,405
	1954	744	2	31	"	1,226
	1955	1,350	1	21	"	1,122
	1956	1,079	2	21	"	1,068
Colombo	1953	219	0	17	"	1,279
	1954	332	1	08	"	1,139
	1955	296	0	12	"	1,168
	1956	320	2	26	"	1,003
Galle	1953	118	0	20	"	1,575
	1954	397	1	12	"	1,227
	1955	562	0	00	"	1,106
	1956	565	3	21	"	949
Matara	1953	58	1	39	"	1,235
	1954	113	0	19	"	1,141
	1955	174	1	00	"	1,259
	1956	73	3	12	"	1,191
Kurunegala	1953	67	0	00	"	1,412
	1954	120	0	00	"	1,369
	1955	195	3	00	"	1,281
	1956	172	3	24	"	943
Matale	1953	27	0	00	"	867
	1954	—	—	—	—	—
	1955	7	3	14	P.B. 86	509
	1956	—	—	—	—	—
Badulla	1953	—	—	—	—	—
	1954	73	2	00	P.B. 86	792
	1955	—	—	—	—	—
	1956	50	1	00	P.B. 86	456

The questionnaire also recorded the maximum yields obtained in 1966 in the various districts in replanting of 10 acres and over. They are as follows :—

<i>District</i>	<i>Clone</i>	<i>Highest yield per acre per year</i>
Kalutara	P.B. 86	1,850
Kegalle	"	1,798
Ratnapura	"	1,762
Colombo	"	1,649
Galle	"	1,946
Matara	"	1,686
Kurunegala	"	1,629
Matale	"	940
Badulla	"	792
Kandy	"	975

Government Nurseries established for the Supply of Planting Material to Small-Holdings

When the Rubber Replanting Subsidy Scheme was launched in 1953, there was an acute shortage of high-grade planting material in the Island. Many applicants, particularly small-holders, were unable to secure their requirements of planting material for replanting under the Subsidy Scheme in 1953.

In order to relieve this shortage, it was decided to establish Government Nurseries to supply high-grade planting material to small-holders. The largest of these Nurseries is situated at Egal Oya in the Kalutara District. This Nursery covers an area of about 125 acres and is the largest single rubber nursery in the world. The second largest nursery, nearly 60 acres in extent has been established at Hedigalla, also in the Kalutara District. These two nurseries are run by the Rubber Control Department with the advice and assistance of the Rubber Research Institute.

During 1966 a total of 402,425 plants were issued by the Rubber Control Department to 1,622 persons participating in the Subsidy Scheme. (Of this total 398,415 plants were budded stumps made up as follows :—PB 86 : 120,579, RRIC 52 : 190,037, RRIC 45 : 87,799). The distribution of planting material to small-holders was effected through the network of Rubber Depots of the Commodity Purchase Department situated in the principal rubber-growing districts of the Island. The distribution was done in two stages, one during the South-West Monsoon planting season (May-June, 1966), and the other during the North-East Monsoon planting season (October-November, 1966).

The departmental distribution of high-grade planting material to small-holders has helped to reduce the price at which planting material is sold by private nurseries. When the Subsidy Scheme was originally started in 1953, private nurseries were charging prices as high as one rupee for a clonal seedling and Re. 1.25 for a budded stump. The price charged for planting material supplied by Government Nurseries was 60 cents for a clonal seedling and 75 cents for a budded stump up to the end of 1958. From 1959 onwards, the price of planting material supplied to small-holders from these Government Nurseries was further reduced to 40 cents for a clonal seedling and 60 cents for a budded stump. All private nurseries have now brought their prices into line with those charged for planting material supplied by the Department. Small-holders are not required to pay cash for the planting material issued to them by the Department. The cost is recovered from the second instalment of the subsidy payable to them.

Food Production

In view of the Government's programme to launch an extensive food drive, the Rubber Replanting Advisory Board at its meeting held on 26th January, 1966, approved the cultivation of food crops on 22 acres of surplus land available in the Egal Oya Government Rubber Nursery at Bulathsinhala.

The work on the vegetable cultivation was commenced towards the latter part of 1965, as it was intended to make use of the earlier rains and approximately an extent of 5 acres was planted in manioc and about 4 to 5 acres was planted in vegetables, papaw and pineapple suckers. In 1966 a further 10 acres was planted in manioc and a further extent of about 2 acres was planted in vegetables. In all an extent of about 15 acres was planted in manioc, 7 acres in vegetables and 0A. 1R. 00P. in papaw and pineapple suckers. In addition about 3A. 2R. 00P. was cultivated in paddy.

The approximate yield obtained from the areas cultivated is as follows :

Manioc 70 tons, vegetables 15 tons 13 cwt., paddy 153½ bushels.

The manioc and vegetables were sold to the nursery workers, Tea and Rubber Control Department employees, the Co-operative Union in Saunders Place, Colombo, the peasants in the neighbouring villages and in the local village fairs at nominal rates as the Rubber Replanting Advisory Board was of opinion that the Food Production Drive should not be made a profit making concern.

The paddy harvested during the Yala season was sold to the Co-operative Society in the District, which purchases paddy for the Government.

Issue of Fertilizer to Small-holders

Small-holders participating in the Replanting Scheme experienced great difficulty, not only in obtaining their requirements of highgrade planting material, but also in obtaining the fertilizer required for use on the areas replanted by them. Small-holders, particularly those living in the more remote areas, could not easily arrange for the transport and delivery of the comparatively small quantities of fertilizer required by them. To overcome this difficulty, the Rubber Control Department has made arrangements to supply fertilizer to small-holders through the network of Rubber Depots of the Commodity Purchase Department situated in the principal rubber-growing districts. The fertilizer is specially packed in small (45 lb.) bags to facilitate handling and to enable small-holders to obtain their requirements of fertilizer even for a fraction of an acre.

A total of 1,384,290 lbs. of fertilizer was distributed to 3,907 small-holders during 1966 as against 1,244,700 lbs. of fertilizer to 3,166 small-holders in 1965. There were two issues to fertilizer during the year, one at the beginning of the year (January-February, 1966) and the other later in the year, (July-August, 1966). The fertilizer issued was R. 4 : 6 : 3 Mgo. mixture recommended by the Rubber Research Institute. This mixture contains Ammonium Sulphate, Saphos Phosphate and Muriate of Potash in the ratio of 4 : 6 : 3 with 30 lbs. of Magnesium Sulphate (16 per cent. Mgo.) added to every 250 lbs. of the mixture. Each bag containing 45 lbs. of this mixture was sold at Rs. 8 (including cost of transport) during the January-February and July-August issues. Small-holders were not required to pay cash for the fertilizer issued to them by the Department, instead the cost of the fertilizer was deducted from the next instalment of the subsidy due to the small-holder concerned.

Advisory Services

With every Replanting Permit issued, a leaflet is sent to the applicant explaining to him in simple language how he should proceed with the replanting of his land in order to qualify for the payment of the subsidy. This leaflet, which is intended primarily for the guidance of small-holders and owners of small estates contain precise instructions on how the old rubber trees should be uprooted and cleared, how the land should be lined and the holes for the new plants cut and filled, how the necessary drains should be cut, how the fences should be constructed, what fertilizer should be used, what cover crops should be established and so forth. This leaflet is printed both in Sinhalese and English, Sinhalese copies of the leaflets are sent to all those applicants who apply for their Replanting Permits on Sinhalese application forms.

Besides the written advice in the leaflet referred to above, small-holders are helped by the corps of over 40 Rubber Instructors who visit them and give them practical advice and assistance in lining, holding and replanting their lands. A copy of every replanting Permit issued to a small-holder is sent to the nearest Rubber Instructor.

Further, the Department of Commodity Purchase too has sponsored a programme to improve the standard and percentage of sheet rubber produced by small-holders. Under this programme the small-holders were sold aluminium Coagulating Pans and Latex Strainers at subsidised rates. Grants were also made to small-holders who built Smoke Houses according to prescribed plans. As a part of this programme cash prizes were given to winners at Competitions.

This programme was culminated at the All-Island Sheet Competition held at the Dharamapala Vidyalaya, Pannipitiya on 9th March, 1967.

Thanks to the advice and assistance thus made available, the standard of the replanting on the majority of the small-holdings was, according to the reports of the Inspecting Officers, of a very high order and compared favourably with the standard of replanting on many large estates.

Prosecutions

Provision has been made in the Rubber Control Act (Section 34) and in the Rubber Replanting Subsidy Act (Section 8) respectively to enable the Department to enter into prosecution in respect of offences committed under these Acts. During the period under review no person has been prosecuted for dealing in rubber without the authority of a dealers licence.

Every applicant to whom a permit to replant under the Rubber Replanting Subsidy Act was issued and obtained a portion of the subsidy but failed to maintain the replanted area in accordance with the regulations framed under the Act was noticed to refund the subsidies paid to him. The majority of such permit-holders either refunded the money or improved the agricultural conditions as required by regulations when they were given sufficient time to do so. However there have been a few errant permit-holders who neither refunded the money nor improved their lands, although the Department was prepared to extend the validity of the permit and give such additional time as was necessary. In 1966 the Department had to institute action against 24 permit holders. Out of these cases one accused was convicted and out of the balance 23 cases, 13 cases are pending. The balance 10 cases have been referred to the Crown Lawyers for action. Judgement in 13 cases were given in 1966 and the accused were fined in 8 cases. In 4 of the balance 5 cases the subsidy obtained was refunded by the accused and in the case of one applicant the necessary items of work were completed and the replanting was brought up to standard by the applicant. One owner of a rubber land was prosecuted for furnishing a false declaration and he had been convicted.

Rubber Replanting Subsidy Fund

In terms of the Rubber Replanting Subsidy (Amendment) Act No. 5 of 1958, the Treasury makes advances totalling up to Rs. 20 million a year from the Consolidated Fund to the Rubber Replanting Subsidy Fund. These advances will be partly reimbursed from the proceeds of the economic assistance received from China under the Agreement referred to in section 1 above. The balance amount not so reimbursed will be treated as a charge on the Consolidated Fund.

The total income of the Rubber Subsidy Fund during 1966 was Rs. 18,678,945.7

The expenditure from the Fund during 1966 was Rs. 14,960,181.84.

As subsidies under the Scheme are paid in instalments spread over several years and as money for the payment of the subsequent instalments of subsidy has to be reserved as soon as a Replanting Permit is issued, there will always be a considerable surplus in the Fund over and above the amount required for immediate subsidy payments.

IV—COCONUT CULTIVATION (1966)

General

Apart from the fact that the history of the coconut palm in Ceylon goes back many centuries, it is seldom realised that of the three existing staple agricultural crops (excluding rice), coconut by far occupies the largest acreage. There has however been no recent expansion in the form of large scale new plantations. This has been confirmed by the Agricultural Census of 1962 where the extent under coconut is stated to be 1,152,428 acres. In other words, in terms of earlier estimates the increase in the area under coconut over the last 35 to 40 years has been less than 100,000 acres.

An all-time record in coconut production estimated at 3,148 million nuts was recorded in 1964. The estimated production for 1966 however is 2,621 million nuts representing a decrease of 16·7 per cent from 1964 and 9·5 per cent from the average production (of 2,895 million nuts) for the past 5 years.

The decrease in production during 1966 is also reflected in the steep decline in the volume of exports for the year. These represent decreases of 36·7 per cent and 26·8 per cent from 1964 and the average for the past 5 years respectively.

An interesting feature during 1965 was that increased demand coupled with low crops tended towards better prices for coconuts and coconut products. This was however not so in 1966. The value of exports during this year averaged only Rs. 193.66 per thousand nuts, representing a decrease of 11·0 per cent from 1965, and a decrease of 25·0 per cent from the previous record of Rs. 258.29 reached in 1951. In terms of the average value of exports for the past five years (Rs. 169.89) however, the figure for 1966 represents an increase of 14·0 per cent.

Coconut Fertilizer Subsidy Scheme

The supply of fertilizers under the Government Subsidy Scheme on permits issued by the Commissioner of Coconut Rehabilitation continued during 1966. Under this Scheme, as in previous years, estates (i.e. coconut lands over 20 acres in extent) received a Government grant amounting to one-third the cost of fertilizer, while Small-holdings (i.e. coconut lands 20 acres or less in extent) received a subsidy amounting to half the cost of fertilizer. Whilst all estate owners had to make application direct to the Commissioner, in the case of small-holders this was made optional, so that by choice they could obtain their fertilizer requirements through Co-operative Societies, Co-operative Agricultural Production Societies, Multi-Purpose Co-operative Societies or through Coconut Producers' Co-operative Societies.

Up to the end of 1963, fertilizer distributed under the Subsidy Scheme was obtainable from approved fertilizer firms in the private sector. With the setting up of the Ceylon Fertilizer Corporation in 1964 (under the State Industrial Corporation Act No. 49 of 1957) however, this body was made solely responsible for the distribution of fertilizer.

It is estimated that prior to 1956 (when the Subsidy Scheme was first launched), the quantity of fertilizer used on coconut lands was about 10 to 12 thousand tons. Actually, good progress has been made under this Scheme, and this is evidenced by the fact that fertilizer usage on these lands increased progressively to reach 50,100 tons in 1965 as against 47,406 tons in 1964.

Expanded Programme for Rehabilitation

With a view to increasing benefits to coconut growers, the views of the C. R. I. and all other organizations connected with the coconut industry were consolidated on the Cabinet Memorandum prepared by the Commissioner of Coconut Rehabilitation on the Expanded Programme for Coconut Rehabilitation. In this connection, a six-member Committee was appointed by the Minister of Agriculture and Food, to study the proposals and draw up a scheme of priorities for the measures to be implemented, apart from recommending any changes that would be desirable.

All-Island Coconut Survey

The Pilot Sample Survey (confined to the three principal coconut growing districts of Colombo, Kurunagala and Chilaw) initiated in 1961 under the aegis of the F.A.O. was completed in 1963.

Based on the information available from the Census of Agriculture (1962), action was initiated for conducting an All-Island Coconut Survey during 1966-67. The survey is to be carried out in the Colombo, Kalutara, Galle, Matara, Hambantota, Kurunegala, Puttalam and Kegalle Districts which account for about 89 per cent of the area under coconut. The content of the proposed survey however, is to be restricted to cover information relating to area, palm population (classified by age group and bearing status), yield levels along with seasonal variations and other factors directly referring to planting progress and the use of fertilizers.

Desiccated Coconut

Ceylon has achieved almost complete success in the elimination of Salmonella infection as regards desiccated coconut.

The Laboratories set up by the Ceylon Coconut Board for stepping up the scope of chemical and bacteriological control on desiccated coconut manufacture in Ceylon, continued to function effectively during 1966.

Bacteriology Laboratory.—11,163 samples of desiccated coconut were tested for salmonella contamination during 1966. Only one instance of contamination was reported to the Ceylon Coconut Board by the Liverpool Port Health Authority who gave the percentage of contamination for 1966 as 0.166.

Quality Laboratory.—10,692 samples of desiccated coconut were tested for moisture, colour and grading in the Quality Laboratory during 1966.

Fermentation Industry

The arrack industry is a Government Monopoly and it earns the largest Excise Revenue for Government. Arrack is produced by the distillation of fermented toddy at nine private distilleries in the Kalutara district and the State Distillery at Seeduwa in the Colombo district. The arrack produced by the private distilleries is purchased by Government annually under contract. The latest available figures for arrack production are as follows :

<i>Year</i>	<i>Private distilleries (Proof gallons)</i>	<i>State distillery (Proof gallons)</i>
1963-64	866,828	239,777
1964-65	842,012	138,291

Owing to inadequate supplies of raw material, the maturation of ordinary arrack was not carried out during 1964-65, but was bottled immediately after distillation.

Arrack consumption in 1964-65 was 3,031,505 gallons as against 2,788,023 gallons in 1963-64.

Owing to the serious shortage of tappers, the Rural Development Department continued the scheme for training unemployed youths in toddy tapping in the Chilaw and Kalutara Districts. It has been reported that the Scheme has been a success in Nattandiya and Wennappuwa Electorates of the Chilaw District. According to the scheme, 200 young men are being trained at six centres in these electorates, and 2,000 palms have been set apart for this purpose. About 25 trainees are attached to each centre to work on 250 palms. It is reckoned that a trainee could earn from Rs. 10 to Rs. 30 per day depending on his aptitude and skill.

The Department of Small Industries and Rural Development now proposes to recruit batches of 500 youths and train them at 20 centres in all.

RAINFALL (STATIONS IN COCONUT GROWING AREAS)

Station	1965	1966	Average (1954-65) (12 years)
Lunuwila	67.97	65.68	80.94
Madampe	46.70	36.68	64.25
Chilaw	57.23	47.44	63.76
Puttalam	39.18	36.35	48.26
Kurunegala	81.61	85.50	84.88

EXPORTS (BY VOLUME)

(a) Amount

	Nut Equivalent
1. Exports in 1966	1,028,821,000 nuts
2. Exports in 1965	1,278,472,000 „
3. Average last 5 years	1,406,171,000 „
4. Previous export record in 1964	1,625,806,000 „
5. Decrease from 1965	19.5%
6. Decrease from last 5 years Avr.	26.8%
7. Decrease from previous record	36.7%

(b) Distribution (Per cent)

	Coconut Oil	Copra	D.C.	Fresh Nuts	Total
1966	57.5%	10.1%	31.2%	1.2%	100.0
1965	55.2%	16.0%	28.1%	0.7%	100.0

(c) Distribution of coconut products by Export Value (Per cent)

	Coconut Oil	Copra	D.C.	Fresh Nuts	Poonac	Fibre	Total
1966	45.8%	10.4%	26.4%	1.5%	—	15.9%	100.0
1965	43.6%	14.6%	24.9%	0.9%	1.0%	15.0%	100.0

Copra and Poonac

	1965	1966
Total Copra Sales (Candies)	772,896	607,853
Total quantity of Poonac exported (Tons)	8,500 (11.61 of total)	Nil
Total estimated Poonac production (Tons)	73,500	Not available

Replanting

The Planting Division of the Coconut Research Institute maintained 12 nurseries during the year.

(a) *Seed-nuts*.—A total of 2,044,451 seed-nuts were planted for issue of seedlings during May/June and October/December, 1966. 566,120 seed-nuts were planted for issue of seedlings in May/June and 1,478,331 seed-nuts for October/December.

(b) *Seedlings*.—A total of 1,333,945 seedlings were booked for the two planting seasons during 1966. The actual figures for the corresponding seasons of 1965 and 1966 were as follows :

<i>Season</i>	<i>Number of Seedlings</i>	
	<i>1966</i>	<i>1965</i>
May/June	418,160	335,843
October/December	915,785	826,096
Total ...	1,333,945	1,161,939

Coconut Rehabilitation Scheme

To arrest the decline in the Island's coconut industry and to improve the conditions of the Island's coconut estates and small-holdings, the Government decided to launch a Coconut Rehabilitation Scheme in 1956.

This Scheme is divided into two parts : the first part aims at stepping up the pace of replanting of worn-out coconut lands by supplying high-grade coconut seedlings at subsidised rates, and the second part of the Scheme aims at improving the yields of coconut estates and small-holdings by the supply of fertilizer to the owners of these estates and small-holdings at subsidised prices.

Replanting with High-Yielding Seedlings

Most of the Island's coconut palms are over 50 years of age and only a very few estate owners and small-holders have regularly planted their worn-out coconut lands with young palms. The first part of the Rehabilitation Scheme, i.e. the Scheme for supplying subsidised seedlings or replanting worn-out areas, is aimed at remedying this defect. This part of the Scheme is operated by the Coconut Research Institute. To produce the necessary seedlings the Institute has set down a number of large coconut nurseries in the principal coconut growing districts in the Island. These nurseries are situated at Madampe, Hettipola, Batuluoya, Thorayaya, Vijithapura, Kotadeniyawa, Hiriwadunna, Habaraduwa, Wellayaya, Chenkaladi, Mullativu and Kilinochchi. The Institute distributed approximately 1,128,139 high-grade seedlings during 1966. However permits had been issued by the Coconut Research Institute for distribution of seedlings as follows :—

Seedlings issued to G.A.A's under Colonization Scheme	379,016
Seedlings issued to G.A.A's under Colonization Scheme under development Schemes	179,612
Seedlings issued to G.A.A's under Colonization Scheme issued to Small-holdings	434,619
Seedlings issued to G.A.A's under Colonization Scheme issued to Estates	342,253
	1,325,500

The seedlings distributed in 1966 were sufficient for the new planting or replanting of approximately 20,500 acres. It is hoped that anticipated production of seedlings in 1967 will be sufficient for new planting or replanting of approximately 23,000 acres.

The seedlings which cost the Institute about 75 cents each to produce, are sold to estate owners and small-holders at the subsidised rate of 25 cents each. The resulting loss is met by an annual grant from Parliament.

The second part of the Rehabilitation Scheme, i.e. the Scheme for supplying subsidised fertilizer for the use of coconut estates and small-holdings, is operated by the Coconut Rehabilitation Department.

During the year 1966, about 54,000 tons of fertilizer were distributed under the Scheme to estate and small-holdings covering about 331,100 acres in extent.

The total cost of fertilizer distributed during 1966 is in the region of Rs. 19.8 million and the subsidy paid thereon about Rs. 8.4 million. Of this amount Rs. 3.2 million was spent in subsidised fertilizer used on Estates and the balance Rs. 5.2 million on fertilizer used on small-holdings. The total quantity of fertilizer expected to be distributed in 1967 is likely to reach the target of 60,000 tons.

The Sole Distributor of Fertilizer—Ceylon Fertilizer Corporation

At the inception of the Fertilizer subsidy scheme the fertilizer firms in the private sector supplied the fertilizers on permits issued under the Scheme but since the establishment of the Ceylon Fertilizer Corporation in 1964 it has functioned as the sole distributor. The fertilizer issued in 1966 was generally restricted to the following fertilizer mixtures recommended by the Coconut Research Institute.

C.R.I. "A"

C.R.I. "B"

C.R.I. "C"

Applicants desirous of obtaining a fertilizer mixture other than one of the standard C.R.I. Mixtures mentioned above were at liberty to do so provided the Ceylon Fertilizer Corporation was agreeable to supply such mixtures. The subsidy payable on much special mixtures was limited to that payable on the highest priced standard C.R.I. Mixture.

The prices of fertilizers during the year 1966 were as follows :—

	Rs.
C.R.I. "A" Mixture	385 per ton
C.R.I. "B" Mixture	392 „
C.R.I. "C" Mixture	387 „

The Ceylon Fertilizer Corporation continues to allow a discount of 6 per cent of the total cost of fertilizer supplied to Co-operative Societies. Out of this, 1 per cent is appropriated by this Department and the balance 5 per cent is distributed equally between the Co-operative Societies and the applicants. In the case of Estates and small-holdings who draw fertilizer on permits obtained direct from this Department, the Ceylon Fertilizer Corporation gives a discount of 5 per cent to the permit-holders on their share of the cost on all purchases of 10 cwts. and over. The Corporation also allows this Department a discount of 5 per cent on the Government's share of such fertilizer.

Allocation from Government Cyclone Relief Fund

An allocation of Rs. 25,000 made to this Department from the Government Cyclone Relief Fund for rehabilitation of Cyclone affected areas was being utilized in issuing approximately 76,390 coconut seedlings to G.A.'s Jaffna, Vavuniya and Trincomalee. The distribution of seedlings was done by the Coconut Research Institute.

Scheme for Planting Uneconomic Citronella Lands with Coconut

The programme for planting about 22,000 acres of uneconomic citronella lands in the Matara, Hambantota Districts with selected varieties of coconut seedlings commenced in 1962 and was completed in 1965. The participants of the Scheme were issued with free coconut seedlings at the rate of 75 seedlings an acre from the nurseries of the Coconut Research Institute and until the palms come into bearing the following assistance to the owners of these lands will continue to be given.

- (1) Free fertilizer at the rate of half a hundred weight per acre in the year of planting, in subsequent years fertilizer is issued free of cost and transport expenses to those small-holdings which are 10 acres in extent and at half the cost of lands over 10 acres in extent. The quantity of fertilizer issued each year will depend on the age of the plants.
- (2) A cash subsidy of 50 cents per palm per annum paid by this Department provided the plants are satisfactorily planted and maintained.

V—RICE AND OTHER FOOD CROPS

Rice

Rice being the staple diet of the people of Ceylon it occupies the largest acreage under any crop. The major part of Departmental activity was, as in previous years, directed towards increasing the total production of rice through the use of improved seed, correct fertilizer mixtures, the control of pest and diseases by the use of suitable pesticides and weed control by the judicious use of herbicides. 131,000 bushels of certified seed paddy were issued from private seed farms organised by the Department as against 77,000 bushels last year. This exceeds the target set in the 5 year Agricultural Plan by 11,000 bushels. Rs. 350,000 worth of agro-chemicals, were issued through Agricultural Extension Centres recording an increase of Rs. 100,000 worth over last year. 20,000 acres of land were prepared for private farmers with departmental tractors, while over 40,000 tons of artificial fertilizer were issued.

Another new hybrid H-8 was released for trials in cultivators fields. Like H-4, it is the 4 month age class but has been found to be superior to H-4 in that it has a white testa and samba type grain ; is easier to thresh ; has a lower sterility percentage and higher milling percentage under parboiled conditions ; and greater resistance to Gall Fly attack. However, H-8 is slightly more susceptible to stem-borer attack than H-4.

The selection 63-53 in the 3 month age class was released for adaptability tests in different locations. It shows promise of replacing the standard 3-months variety Pachchaiperumal.

In the selection for upland rice, the hybrid 15-1 W in the 3-3½ month age group proved most promising while Pinulot (new variety) and H-4 in the 4-month age group were found to out-yield Dikwee 328 which is the variety presently recommended for the dry zone.

The use of the recently recommended N.P.K. combination on a Divisional Revenue Officer's Division basis continued to show very good increases in yield.

The following tables show the averages and yields of paddy in the different districts for Maha 1965-66 and Yala 1966 seasons respectively.

TABLE 7-2—PADDY STATISTICS—EXTENTS SOWN AND HARVESTED AND AVERAGE YIELD—MAHA 1965-66

District	Gross extent sown (Acres)			Gross extent Harvested (Acres)			Average yield for the Island, Yield per acre (Volume in Bushels per acre)
	Major Schemes	Minor Schemes	Total	Major Schemes	Minor Schemes	Total	
CEYLON	314,732	283,798	1,050,066	303,560	273,405	430,106	35.91
Colombo	5,015	3,197	54,318	4,994	3,197	45,975	32.93
Kalutara	—	4,860	38,362	—	4,790	32,420	27.73
Kandy	7,407	20,504	46,393	7,377	20,362	18,327	56.83
Matale	2,885	12,876	24,125	2,872	12,735	8,202	44.37
Nuwara Eliya	2,078	15,209	17,611	2,078	15,204	322	54.57
Galle	158	33,554	35,882	140	1,844	31,427	31.52
Matara	7,143	27,212	42,519	2,999	6,099	18,757	25.75
Hambantota	28,558	7,473	40,370	26,913	6,621	3,337	38.30
Jaffna	22,608	1,735	76,855	22,551	1,695	50,886	28.45
Mannar	23,646	6,147	36,185	22,951	5,939	5,628	40.37
Vavuniya	9,578	18,832	41,911	9,545	18,291	13,084	37.13
Batticaloa	31,980	1,718	79,042	30,746	1,675	44,843	32.25
Amparai	47,191	1,224	81,364	47,190	1,224	32,945	34.48
Trincomalee	16,876	4,672	35,045	16,378	4,214	12,360	33.88
Kurunegala	17,853	59,138	146,860	17,636	57,885	68,149	28.18
Puttalam	2,738	3,415	21,807	2,565	14,307	2,990	24.33
Anuradhapura	29,130	59,565	93,589	28,637	57,509	4,271	46.90
Polonnaruwa	44,916	2,398	52,001	43,054	1,961	4,111	44.98
Badulla	4,227	7,537	13,974	4,227	7,528	2,201	45.63
Moneragala	5,213	5,886	14,369	5,198	5,813	3,195	44.63
Ratnapura	5,532	17,360	30,407	5,509	17,137	7,371	30.30
Kegalla	—	7,479	27,077	—	7,375	19,305	39.33

Note.—(1) The nett area harvested is estimated to be 85 per cent of the gross area harvested. On this basis the nett acreage harvested was estimated to be 856,010 acres and the estimated production 30,739,000 bushels.

2. Wherever temporary difficulties have been experienced in the reporting system of certain areas where the Paddy Lands Act is in operation estimates have been built based on past records in respect of those areas. Figures in respect of Rajangane and Chandrikawewa are subject to further scrutiny to ascertain completeness in coverage.

3. Due to certain operational difficulties in the conduct of the survey for estimating the yield of paddy, it is likely that certain amount of basis of a non sampling nature may have entered into the result of this survey. It is therefore suggested that the trends indicated in these figures be treated with a measure of caution.

4. In the Badulla and Nuwara Eliya Districts the figures for Maha Season relates to the crop sown between July to December of each year irrespective of the period of harvesting.

Source: Department of Census and Statistics.

TABLE 7.3.—PADDY STATISTICS—EXTENTS SOWN AND HARVESTED AND AVERAGE YIELD—YALA 1965-66

District	Gross extent sown (Acres)			Gross extent harvested (Acres)			Average yield for the Island Yield per acre (Volume in Bushels per acre)
	Major Schemes	Minor Schemes	Total	Major Schemes	Minor Schemes	Total	
CEYLON	243,906	140,215	566,817	224,518	122,475	505,241	35.04
Colombo	65	838	21,350	65	816	21,303	29.52
Kalutara	—	4,023	34,479	—	3,945	33,571	26.10
Kandy	4,812	12,193	26,606	4,597	11,083	24,733	44.02
Matale	1,840	5,963	10,886	1,815	5,662	10,166	39.58
Nuwara Eliya	1,161	6,617	7,778	1,161	6,608	7,769	30.88
Galle	296	2,834	39,166	197	2,700	34,784	28.42
Matara	7,592	9,331	27,199	7,376	8,991	26,090	32.08
Hambantota	18,733	2,984	24,798	18,119	2,218	23,100	45.70
Jaffna	10,273	416	10,689	10,273	416	10,689	33.82
Mannar	4,897	230	5,127	4,897	201	5,098	40.20
Vavuniya	2,618	3,634	6,260	2,208	3,156	5,372	40.15
Batticaloa	18,365	3,260	22,119	17,169	3,173	20,907	38.20
Amparai	55,976	1,070	59,759	53,986	945	57,644	31.08
Trincomalee	20,240	1,279	21,862	19,622	1,223	21,099	45.60
Kurunegala	11,750	21,406	61,191	5,945	10,893	26,209	38.05
Puttalam	1,475	2,409	4,112	924	1,649	2,659	22.30
Anuradhapura	28,886	18,877	47,763	28,531	16,970	45,501	40.42
Polonnaruwa	39,609	4,233	44,229	36,049	3,740	40,164	39.18
Badulla	5,993	16,996	25,370	25,991	16,988	25,349	42.85
Moneragala	2,100	1,196	3,310	2,100	1,191	3,305	28.68
Ratnapura	2,225	15,225	27,908	3,393	14,804	23,522	34.20
Kegalle	—	5,201	17,933	—	5,103	16,943	27.38

Note.—

- (1) The nett area harvested is estimated to be 85 per cent of the gross area harvested. On this basis the nett acreage harvested was estimated to be 429,455 acres and the estimated production 15,048,000 bushels.
- (2) Wherever temporary difficulties have been experienced in the reporting system of certain areas where the Paddy Lands Act is in operation estimates have been built based on past records in the reporting system of these areas.
- (3) Due to certain operational difficulties in the conduct of the survey for estimating the yield of paddy, it is likely that certain amount of basis of a sampling nature may have entered into the result of this survey. It is therefore suggested that the trends indicated in these figures be treated with a measure of caution.
- (4) In the Badulla and Nuwara Eliya Districts the figures for Yala relates to the crop sown between January to June of each year irrespective of the period of harvesting.

Source : Department of Census and Statistics.

Subsidiary Food Crops

The demand for chilli seed, especially for the MI. 1 hybrid continued to rise. 18,000 lbs. of chilli seed, against 5,000 lbs last year, were issued to cultivators during the year. The purchase of dry chillies under the guaranteed price scheme was further stopped up to over 300 tons from 200 tons last year. Chilli seed was issued to cultivators at the subsidised rate of Re. 1 a lb.

There was a notable increase in the acreage under potato cultivation, particularly in the Udukinda area and Jaffna District. 3,100 acres were cultivated in the Island this year against 1,347 acres last year. Yields continued to compare favourably with that obtained in other countries. Requirements of seed potato were raised in Government Farms.

The acreage under Bombay onions in its second year of cultivation, continued to increase. It was possible to purchase nearly 50 tons under the guaranteed price scheme. 80 acres were planted this year against 20 acres last year.

Red onion production was maintained at a high level. Purchase during the year totalled 16,228 tons, bringing the country to near self-sufficiency.

(Note.—The purchases mentioned above are only those made under the guaranteed price scheme. A fair percentage is sold in the open market too).

A new variety of gingelly MI—3 was put out by the Department of Agriculture this year and has proved very popular.

Arlington Cowpea has begun to gain ground as a split pea substitute for dhal.

VI—COMMERCIAL CROPS

Tobacco production continued to make headway. 12,000 acres yielded 5·8 million lbs. of cigarette tobacco leaf while 10,000 acres under beedi tobacco yielded 4 million lbs. 75,000 lbs. of beedi wrapper leaf were also produced during the year.

VII—ANIMAL HUSBANDRY

The development of the milch cattle industry continued to receive very special attention. A scheme of upgrading unsuitable breeding stock through bull-calf exchange, castration of scrub animals, and the artificial insemination of local stock using semen from superior breeding animals maintained on departmental farms was supplemented by the purchase from Australia and sale to the public of 500 Ayreshire and Friesian heifer calves. Nearly 11,750 castrations, 8,500 artificial inseminations and 4,750 stud services were effected during the year.

The National Poultry Project, presently operating in only two Districts, continued to function satisfactorily. 57 co-operative poultry societies maintained a flock strength of 60,000 layers with a daily egg production of 40,000. Loans released to the societies amounted to Rs. 1,925,000.

VIII—AGRARIAN SERVICES

The Department of Agrarian Services was established on 1st October, 1957 to take charge of the institutional services required by farmers and farmers' organisations to increase agricultural production. Its main functions include :—

- (a) The implementation of the Paddy Lands Act. No. 1 of 1958.
- (b) The working of the Guaranteed Price Scheme for specified agricultural products and rice milling ;
- (c) The grant of loans to cultivators and agricultural Co-operatives for the production, storage and marketing of agricultural crops and livestock ;

- (d) The supply of agricultural requisites, such as fertilizer, agro-chemicals, and agricultural implements ;
- (e) The working of the subsidised fertilizer scheme for paddy and other crops ;
- (f) The planning and execution of minor irrigation works and the construction of irrigation wells for food production purposes ; and
- (g) The working of the Crop Insurance scheme which covers 200,000 acres.

Implementation of the Paddy Lands Act

The Paddy Lands Act No. 1 of 1958 was amended by the Paddy lands (Amendment) Act No. 30 of 1958, No. 61 of 1961, No. 11 of 1964 and No. 25 of 1966. Regulations framed under the Act are the Paddy Lands (No. 3) Regulations, 1964 as amended by Notification appearing in the Ceylon Government *Gazette* No. 14,261 of December, 7, 1964.

The main objectives of the Act are to provide incentives to increase production by giving security of tenure to tenant cultivators, regulating the rents payable by them, and providing at village level an organization composed of cultivators themselves which can take control of the communal aspects of cultivation and mobilises their energies for the development of paddy cultivation.

During the year under review, the Department was able to step up the pace regarding inquiry into complaints of eviction made by tenant cultivators, by the appointment of officers exclusively for holding eviction inquiries in the districts where such complaints were heavy.

Cultivation Committees set up under the Paddy Lands Act are bodies corporate with wide powers. Subsequent to the amending Act of 1964 they consist exclusively of actual cultivators, whether they be owner cultivators or tenant cultivators. With the extension of the Paddy Lands Act to the colony areas coming under the Land Development Ordinance, Cultivation Committees have now been set up to cover practically the entire paddy growing area of the island.

During the year, an effort was made to strengthen the Cultivation Committees. An intensive education and propaganda campaign has been set in motion. It is now a requirement that a substantial portion of the acreage levy collected by the Cultivation Committees should be utilised for the development of paddy cultivation in their respective areas.

Guaranteed Price Scheme

Government has accepted the policy of price support for selected items of agricultural produce in terms of the Agricultural Products (Guaranteed Prices and Control of Hulling and Milling) Act No. 33 of 1961 as amended by the Amending Act No. 17 of 1964. Under this Act, guaranteed prices and assured markets were offered for 19 items of local agricultural produce. About 56 per cent of the paddy produced locally is purchased under this scheme. The guaranteed price for paddy is Rs. 12 per bushel. The prices in force during 1966-67 are as follows :—

	Per Bushel
	Rs. c.
1. Paddy	12 0
	Per Cwt.
	Rs. c.
2. Maize	19 0
3. Kurakkan Grade I	15 0
Grade II	13 0
4. Sorghum	15 0
5. Toor Dhal (whole)	40 0
6. Cotton Grade I	60 0
Inter Grade	50 0
Grade II	45 0
Grade III	36 0

	<i>Per Cwt</i>
	<i>Rs. c.</i>
7. Mustard	54 0
8. Gingelly	38 0
9. Chillies Grade I	252 0
Grade II	196 0
Inferior Grade	112 0
10. Green Gram Grade I	49 92
Grade II	40 32
11. Tamarind	33 60
12. Black Pepper	140 0
13. Cow Pea	33 60
14. Ground Nuts	49 28
15. Turmeric	84 0
16. Coffee Grade I	224 0
Grade II	154 0
17. Potatoes	33 60
18. Red Onions	
January	34 72
February	31 36
March	25 76
April	28 0
May and June	31 36
July	22 40
August	25 76
September	29 12
October	31 36
November and December	34 72
19. Bombay Onions	35 84

In view of increasing imports being made from year to year of certain items which could be grown extensively in the country, an intensive campaign was started for the cultivation of subsidiary food crops such as maize, potatoes, chillies and red onions. Production was to be concentrated in suitable areas and additional facilities were provided for their cultivation by issue of seed, credit, weedicides and by extending marketing arrangements. The guaranteed prices for these items were fixed specially at higher levels than ever before, in order to make their cultivation more attractive and profitable to farmers. The prices paid in 1963-64 and 1966-67 are set out below :—

	1963-64	1966-67
	<i>Rs. c.</i>	<i>Rs. c.</i>
1. Maize	17 0	19 0
2. Potatoes	28 0	33 60
3. Dried Chillies—		
Grade I	168 0	252 0
Grade II	140 0	196 0
Inferior Grade	—	112 0
4. Red Onions	28 0	(Monthly prices see item 18 above)
(1st month after harvest)	21 28	
(next 6 weeks)	23 52	
(after 10 weeks)	25 75	
5. Bombay Onions	28 0	35 84

Produce is collected through 4,825 Multi-purpose Co-operative Societies and Unions which are appointed authorised purchases under the Act. The paddy collected is milled at 15 Government Mills and about 928 private mills and the rice produced is handed over to the Food Commissioner for issue to consumers under the Rationing Scheme. The quantities of the main items of produce collected during 1965-66 as compared with the previous year were as follows :—

	1964-65	1965-66
	<i>Bushels</i>	<i>Bushels</i>
Paddy	23,101,612	28,448,096
	<i>Cwts.</i>	<i>Cwts.</i>
Potatoes	6,898	27,150
Gingelly	196	649
Red Onions	285,753	324,554
Bombay Onions	419	959
Groundnuts	142	3,945
Maize	257	11,291
Dried Chillies	3,458	6,222
Cotton	3,793	12,003

In order to implement the price guarantee effectively the Department has increased the storage accommodation in the districts to 14.4 million bushels capacity by the end of 1966.

Though it is difficult to assess the precise effects of the price guarantee on production and on farmer's incomes, there is no doubt that production has substantially increased over the years in consequence of the scheme and the guaranteed price continues to benefit an increasing proportion of the farming community in the country.

Agricultural Credit

The revised Credit Scheme introduced in the year 1963-64 remained in operation. The amount of loans granted during 1965-66 was higher than what was granted in the previous year by one million rupees. A notable feature in the field of credit was the spectacular increase in the amount recovered from outstanding loans. Rupees 21.3 million was recovered during the year. This is the highest reached since the operation of the new credit scheme that came into operation in 1963-64. As all the provisions of the new Scheme were not implemented overdue loans increased to rupees 42 million and the outstanding loans to rupees 61 million.

The Cabinet has approved a scheme for the Bank of Ceylon, People's Bank and Co-operative Banks to grant agricultural loans with effect from 1.9.1967, hitherto granted by the Department of Agrarian Services. Under this Scheme agricultural Credit will be liberated to a very great extent and it is estimated that the volume of credit that would be granted under the scheme by the Banks would in the region of 45 to 65 million rupees.

Paddy Fertilizer Subsidy Scheme

Paddy Fertilizer was issued under the two subsidy Schemes, namely a subsidy of 50 per cent of the value of fertilizer on cash and 33 $\frac{1}{3}$ per cent on credit. The Government in the Five year Programme for development of Agriculture of the country had emphasised the need to increase paddy production per acre on the existing rice fields largely by a heavier and balanced application of chemical fertilizers.

On this basis the quantity of fertilizer to be applied to paddy lands has been estimated at 150,000 tons. The target of consumption for the year 1965-66 is 70,000 tons. The actual consumption during the year was 40,485 tons. One reason for the low consumption was found to be the inadequacy of both wholesale and retail distribution points. A scheme of granting loans to Co-operative Societies for the construction of village level fertilizer stores was put into operation during the year. Loans for the construction of 142 such stores were approved in 1965-66. As

a further step towards increasing retail distribution points the Government appointed private authorised dealers for the distribution of fertilizer in those areas where Co-operative Societies and Cultivation Committees were not adequately serving the farmer.

The Department of Agrarian Services also increased the number of distribution points to 67 with a storage capacity of 26,000 tons during the year.

Minor Irrigation

This Department is in charge of the maintenance and repairs of all Minor Irrigation works. The Department has a technical staff consisting of Engineers, Cultivation Superintendents and Village Cultivation Officers who have to attend to repairs and maintenance. At the village level maintenance is handled by the Cultivation Committee, which is in charge of paddy cultivation in its own area.

Irrigation works are constructed by the Cultivation Committees on contracts. This is done on items approved at the District Agricultural Committees.

During the financial year 1965-66 a total number of 1,164 Cultivation Committees have undertaken contracts covering 1902 items of work throughout the Island at a total cost of Rs. 6,050,491 while 385 works costing Rs. 1,360,199 have been given to other societies, and private contractors. Out of these, 1093 works have been completed during the financial year 1965-66. The acreage benefited is as follows :—

	<i>Acres</i>
(1) Newly benefited acreage	4,777
(2) Acreage cultivated during both seasons	2,737
(3) Acreage Improved	42,651
	<hr/>
	49,165
	<hr/>

Self-help Work

Under the Self-help Scheme of the Department, where assistance is given to the Cultivation Committees to attend to irrigation requirements with the assistance of the cultivators during the year 1965-66, 312 items of minor irrigation works have been undertaken. A sum of Rs. 72,517.93 has been spent.

Irrigation Wells

During the year, 23 wells have been constructed for irrigation purposes.

Crop Insurance

The seventh term of insurance commenced from Maha 1966-67 and the Scheme covered 200,000 acres of paddy in 16 districts. Both Maha and Yala crops are guaranteed insurance protection from damage due to specified causes, which are—(1) lack of water, (2) drought, (3) excessive water, (4) floods, (5) plant diseases, (6) insect infestation, (7) wild boar, (8) wild elephants and (9) adherence to the methods of farming approved by the Commissioner.

The amount of indemnities paid to those who suffered crop loss during the year was Rs. 1,374,317.06. The amount of premium collected from insureds was Rs. 880,370.28. The Agents appointed under the Crop Insurance Act were paid Rs. 21,211.80 as commission for having collected and remitted premium during 1966.

The seventh term of insurance ends with 1967 Yala season. Although it was proposed to expand the Scheme to cover 300,000 acres, this was not done.

IX—ACTIVITIES OF THE MILK BOARD

The year 1966 has been a period of consolidation. During the year, there was marked improvement in operational activities in Colombo and the outstations. The annual losses too, were reduced during the year under review. With the appointment of Dairy Development Officers and Extension

Officers in various zones, surveys of milch cattle and milk production were intensified, and advisory services were extended. Special mention must be made of the Dairy Husbandry Survey which was carried out in 21 areas. These surveys revealed that plenty of milk is available in the up-country areas, Gal-o-ya Valley and Thamankaduwa, and that there is much scope for development of Dairy Husbandry in these areas. Consequent to these surveys, steps were taken to establish new Chilling Centres at Haputale, Ragala, Giriulla, Muthugala and Dodangaslanda. These centres should be ready during the next year.

During the year under review, the Board purchased 18,583,016 pints of milk as against 17,165,046 pints purchased in 1965. This records an increase of 8 per cent compared with purchases of the previous year. During the early part of the year, the intake of milk suffered a set back due to the drought that prevailed and shortage of cattle food. However, towards the end of the year there was a marked upward trend in the purchases of milk.

68 per cent of the milk processed was in the Colombo Factory. It processed 12,609,303 pints of milk during the year under review. Polgahawela, Kundasale, and Galle were the other processing centres. These processing centres were supplemented by the collecting centres except Galle. Gampola, Kotagala, Nattandiya, Polonnaruwa, Ampitiya, Kurunegala, Minuwangoda and Meepe were maintained as collecting and chilling centres.

Distribution of pasteurised milk to households, hitherto handled by Board employees, was handed over to distribution agents. By the end of 1966, all Milk Bars in the Island were being run by Agents. Nine new bars were opened in the Colombo area by agents. At the end of the year under review, 152 selling points were in operation in Colombo and suburbs, and 125 in the outstations.

During the year 1966, marketing activities of the Board were given a fillip, and the impact of the refreshing advertising campaign and the all round improvemet of the quality of milk and milk products bore fruit in increased sales.

The production and sale of products such as yoghurt, milkpops, showed a remarkable increase. The demand for ice-cream, butter, curd, ghee, cream, and icy chocs was on the increase. In the case of butter, curd and ghee the supply could not meet the demand due to inadequacy of the machinery and the equipment. The provisions of larger and modern equipment is being activity pursued.

The Table 7.4 provides statistics of Milk and Milk Products during the years 1963-1966.

TABLE 7.4—MILK AND MILK PRODUCTS

MILK

<i>Year</i>	<i>Purchases Pints</i>	<i>Sales Pints</i>
1963	16,544,154	16,048,014
1964	16,938,048	16,095,613
1965	17,165,046	16,353,273
1966	18,583,016	17,203,040

MILK PRODUCTS

<i>Year</i>	<i>Purchase</i>					<i>Sales</i>				
	<i>Ice Cream Gallons</i>	<i>Milk Pops</i>	<i>Butter lbs.</i>	<i>Yoghurt Cups</i>	<i>Curd Pots</i>	<i>Ice Cream Gallons</i>	<i>Milk Pops</i>	<i>Butter lbs.</i>	<i>Yoghurt Cups</i>	<i>Curd Pots</i>
1963	5,787	1,978,391	112,815	Nil	139	5,005	1,971,350	112,417	Nil	139
1964	8,208	2,043,782	137,702	212,970	29,037	8,041	1,935,021	130,445	200,718	26,924
1965	13,587	2,418,489	142,256	438,637	33,520	13,547	2,309,436	143,910	412,288	32,104
1966	12,446	3,261,806	151,022	1,269,627	32,273	12,336	3,163,711	149,041	1,216,848	31,267

Source : Milk Board.

The work on the Condensed Milk Factory made good progress and construction of the factory building is nearing completion. It is hoped that production will commence by the end of 1967.

X—ACTIVITIES OF THE FOOD DEPARTMENT

World War II created a world shortage of food and as Ceylon depended mainly on foreign imports for her staple food rice, she was adversely affected. Therefore the Government set up the Food Department in 1942 to obtain the country's requirements of essential foodstuffs viz rice and flour and to organise a scheme of rationing. The quantum of the ration was decided by Government according to supplies available and this was reviewed from time to time.

The rationing scheme is worked through rice ration coupons. The principal function of the Food Department is to collect locally grown rice purchased under the Guaranteed Price Scheme and to import the balance as the local production is not sufficient and to distribute same among the people in a systematic manner. The Government has to incur a heavy subsidy to issue ration at 25 cents a measure and the subsidy increases with the increase in population. However to ascertain extent this is being compensated for by the issue of sugar at a price higher than the landed cost. From 19.12.1966 rationed rice was reduced from 2 measures to 1 measure per consumer from this date it was issued free.

The Food Commissioner is the sole importer of the following commodities and is also responsible for the fair distribution :—

1. Rice
2. Flour
3. Sugar
4. Dhall
5. Maldiv Fish
6. Wheat

Whole lentils are also imported, locally milled and the Grade II issued under ration and Grade I off ration. Below is a statement of quantities, value and sources of supply of rice, flour and sugar imported by the Food Commissioner during the period under review.

	<i>Source</i>	<i>Imported in tons</i>	<i>Cost and Freight Rs.</i>
Rice	Burma	183,018,223	99,406,316
	„ China on a/c	7,329,018	3,961,365
	China	185,652,143	96,817,530
	Thailand	99,368,714	55,576,491
	Cambodia	9,208,169	5,499,885
Flour	Australia	104,087,103	48,126,394
	Australian Gift	10,687,272	5,330,778
	Germany	9,504,220	4,001,031
	France	37,118,773	15,334,251
	America (PL 480)	39,590,960	21,112,259
	Canada (Col. Plan gift)	19,424,000	10,972,034
	Hong Kong	1,500,000	794,250
	Italian	38,699,723	14,884,973
	Singapore	3,444,720	1,825,432
Sugar—White	U. S. S. R.	34,545,472	11,911,449
	Holland	59,654,822	19,127,372
	Thailand	59,498,032	18,334,589
	Rumania	20,252,362	7,014,996
	China	58,586,433	18,803,911

Commodities like rice, dhall and maldive fish are distributed to the consumers through the Co-operative Unions who serve as wholesale distributors and through the Co-operative Societies and Authorised Distributors who serve as retailers.

Through a price control system the Food Department has taken various measures to ensure the distribution of these essential foodstuffs among the people at reasonable controlled prices. Through a team of Food and Price Control Inspectors the Department sees that there is no profiteering, illicit transport and hoarding of foodstuffs and violation of Food and Price Control Regulations.

Utility Co-operative Wholesale Establishment textiles too have been distributed from 1964 through a rationing scheme. For this purpose specific coupons were validated from time to time by the Director of Commerce.

IX—ACTIVITIES OF THE MARKETING DEPARTMENT

The main activities of the Marketing Department are as follows :—

1. Sale of vegetables and fruits.
2. Fruit canning and processing of other fruit products.
3. Storage of vegetables and fruits in cold rooms.
4. Maintenance of Public Marketing stalls.
5. Supply of foodstuff to hospitals.
6. Sale of Eggs.
7. Running the Kitchen and Bakery.

Sale of vegetables and fruits

In order to help the principal producers and the societies to market their produce at reasonable prices, the department purchased through its 33 collecting centre set up for this purpose in the various parts of the island, the fruits and vegetables grown in those areas.

Guaranteed prices were fixed for certain items of produce with a view to encourage the producers of fruits and vegetables. These are cabbages, carrots, beetroots, tomatoes, ash pumpkins, oranges and pineapples. The guaranteed prices helped the producers of these crops to sell everything they produce without difficulty.

Some items of food collected under the guaranteed price scheme were kept in the cold stores with other items which cannot be kept in the cold stores processed into some other forms. By doing this the department was successful in arresting falling prices which occurs when all the produce of a season reaches the market.

An important measure that was implemented during the year was the recommendation of the Minister of Agriculture and Food to set up a central marketing Advisory Board to obtain advice for a systematic programme of work for the production and marketing of vegetables.

Fruit canning and processing of other fruit products

Fruits and vegetables collected during the season were processed in the factory and jams, cordials and sauces etc., were manufactured. 72,000 tins of pineapple processed were exported to the U. K. and Austria which not only became popular in these countries but also earned a considerable amount of foreign exchange. Various powdered condiments prepared in the fruit factory were also exported in small quantities.

Storage of Vegetable and Fruits in Cold-rooms

The Cold Stores constructed at Kandy were used chiefly to store vegetables and fruits etc., on an experimental basis. The large amount of tomatoes collected by the department under the guaranteed price scheme during the tomato season was also stored in this cold store to be processed later at the factory. This measure helped to maintain the price of tomatoes during the season.

After major repairs when the department's largest cold store situated in Colombo are completed, it will be possible to store fruits and vegetables for a longer period by adjusting the humidity in the cold-rooms according to requirements.

Maintenance of public marketing stalls

The department has opened up several stalls at various places in the island. With the two new stalls opened recently at Rajangana and Mahiyangana there are 46 public marketing stalls in the island. These marketing stalls not only enabled the public to obtain their foodstuffs at reasonable prices but also helped to maintain the level of prices of local produce.

The temporary marketing stalls opened at sacred places such as Kataragama, Seruwavila and Madu Road rendered a considerable service to the pilgrims who visited these places during the festival seasons.

Supply of food-stuff to hospitals

The department supplied raw food-stuff to 107 large hospitals in the island. This activity has a special significance for the in-patients of the hospitals this time as food-stuffs were generally scarce during this year.

Sales of eggs

The department purchased the eggs produced at Government farms including those produced by co-operative poultry societies and the eggs offered for sale by private producers. 95 Multi-Purpose Co-operative Societies in Negombo, Chilaw and Hettipola represented the department for the purchase of eggs produced in those areas. An increase in the production of eggs was observed during the latter part of the year 1966.

Guaranteed prices were fixed for the eggs supplied to branch offices of the department at Colombo and Kandy. Since Cold Storage facilities were available in these places the eggs obtained at guaranteed prices were stored in the cold rooms.

The Kitchen and the Bakery

The department's Kitchen which is maintained for the purpose of supplying meals to workers in the Colombo Port Commission and other Government departments, was used to supply food for the flood victims during the recent floods. The bread and other varieties of food produced in the bakery were supplied to hospitals, flood victims and to the general public.

CHAPTER VIII

INDUSTRY

I—INDUSTRIAL DEVELOPMENT—PRIVATE SECTOR

In spite of the strain caused by the shortage of foreign exchange on the expansion of the industrial sector, the estimated gross value of output for 1967 appears to have increased substantially, compared to the value of output recorded for 1966. More significant, however, than the increase in total output is the relative increase in output between sub-sectors which indicate, even though in a limited way, a change in the structure of output, a change in emphasis from food and similar basic consumer items to light engineering consumer products and investment goods.

The structure of industry in 1967 continued to be dominated by the food beverage and tobacco sector which accounted for about 38 per cent of the total output. Output of this sector had been increasing at a rapid rate over the past few years. The estimated output of this sector in 1967 compared to the previous year has however increased moderately whereas electrical machinery and equipment, non-metallic mineral products and base metal industries have shown very high increases in output between 1966 and 1967.

The increase in output of these sectors in particular and of the industrial sector in general was mainly due to the increase in foreign exchange allocation granted to the industrial sector for the import of much needed raw materials and machinery and parts. Total allocation for the private sector has increased by about 15 per cent. The increase in allocation for the above mentioned sectors was between 30 to 40 per cent. The high rate of increase in output of these sectors is also an indication of the high rate of utilisation of installed capacities encouraged by the pressure of demand resulting from the increased purchasing power especially among middle groups and peasantry.

Side by side with the efforts taken to consolidate and rationalise existing capacities positive measures were taken during the year under review to widen the productive capacity of the industrial sector. Expansions to the existing capacities of a number of plants especially in the light engineering sector were allowed and made possible during the year. Further nearly 100 new industrial units were approved towards the end of the year. The estimated total investment of these new units amounts to nearly Rs. 150 million. The majority of the new units approved were in the following sectors—manufacture of machinery and transport equipment, manufacture of textiles and wearing apparel, food and beverages (mainly for export) manufacture of rubber, wood and paper, non-metallic mineral products and the manufacture of chemicals and chemical products. However many of these new projects may not commence production at reasonable levels of capacity till the end of 1968.

Of the 100 odd new industries approved about 20 were investments with foreign participation. The total investment of these projects is estimated at Rs. 125 million, 30 per cent of which is expected to be supplied by the foreign collaborators. Ceylon's position, like that of any developing country in the region is such, that the availability of foreign exchange or in other words the position of the balance of payments, determines both the level of output and the expansion of productive capacity of the industrial sector, for nearly 50 per cent of the raw materials feeding the factories and almost all the capital equipment and in most cases the services of skilled personnel have to be obtained from abroad. Encouragement of foreign participation is considered one of the most effective ways of solving this problem, especially the question of supplying the fixed capital which involves foreign exchange. Indeed it is the most advantageous method of obtaining foreign capital for the in-flow of such capital is generally accompanied by know-how. The main sectors in which such investments were sought during 1967 are : textile and garments, electrical machinery and appliances manufacture of machinery and transport equipment and metal and glass industries.

With a view to increasing the rate of investment in the manufacturing sector the Ministry of Industries has offered many concessions and incentives to the industrialists. The concessions in brief are a 5 year tax holiday on profits and incomes of an individual undertaking, tax relief on investments in approved manufacturing industries, imposition of reduced or concessionary rates of duty on the import of machinery and equipment and duty free import of certain categories of raw materials. A 100 per cent rebate of the customs duty paid on all raw materials imported for an export order, preferential issue of all licences for the import of raw materials required for the manufacture of products for export and granting of foreign exchange bonus of 20 per cent of the f.o.b. value of export provided at least 25 per cent of the f.o.b. value represents net foreign exchange earnings, inter-alia are the special incentives offered to the industrialists striving to gain a firm foot hold in the external markets for our manufactured products.

II—STATE SPONSORED CORPORATIONS

Ceylon Cement Corporation

Completion of the Ruhunu Cement Works—the Terminal Gringing and Packing Plant, Galle and the first stage of the expansion of the Kankesan Cement Works, were the main achievements of the Ceylon Cement Corporation during the year 1966. Construction work on the Second Cement Factory in Puttalam, too commenced during the year.

Commissioning of the new rotary kiln established under the Kankesan Cement Works Expansion Scheme was completed during the year and the Kankesan Cement Works was producing 165,000 tons as against the annual production of 80,000 tons until 1965. The old kiln was shut down for modernisation to increase its capacity to 110,000 tons per annum. The additional 110,000 tons will be available by late 1968.

Ruhunu Cement Works, due to be in full production in the early part of 1967, has a capacity of over 100,000 tons per annum. "Ruhunu Cement" produced at this plant would be available for distribution in the Southern Sector of the island.

The original plan for coastal transport by steamer, of clinker for grinding at Ruhunu Cement Works, Galle from the expanded plant at Kankasanturai, has not materialised due to the lack of harbour facilities. Until arrangements are finalised for the transport of Clinker from KKS to Galle by special rail wagons, on a large scale, arrangements were made for the import of clinker for use at this plant.

A subsidiary activity that is being organised at the Ruhunu Cement Works, is the manufacture of prefabricated concrete products, including low-cost housing units, for which the fine and coarse aggregate, namely river sand and granite metal are available in the area.

Construction of the Puttalam Cement Works, with an initial capacity of 220,000 tons per annum, commenced in 1966. The first stage of this plant is due to be completed in 1969.

In terms of the recommendation that the Second Stage of the Puttalam Cement Works, be commenced even before the first stage is completed, made by the World Bank Industrial Adviser, Mr. G. W. Naylor, plans are now being made to increase its capacity to 440,000 tons per annum, by the addition of a second kiln and accessory equipment.

Sri Lanka Sugar Corporation

During the year 1966 an extent of 1,148 acres was prepared and planted with Sugar Cane. An extent of 3,313 acres consisting of cane planted and crop ratooned in 1966 will be harvested for crushing during the 1967 season.

During the 1966 harvesting season 2,483 acres were harvested and the production of sugar was as follows :—

	<i>Metric tons</i>
(1) Cane crushed	40,670.1
(2) Sugar manufactured from cane	2,552.8
(3) Sugar produced from sweepings	4,559.2
(4) Molasses from cane	2,200.0
(5) Molasses from sweeping	508.0

The Sugar Cane crushing lasted a period of 116 days at the average rate of 446 tons per day, and the average yield of cane per acre was 16.38 Metric tons.

The Corporation also continued the refining of Sugar Sweepings obtained from the Food Commissioner.

The distillation of Molasses also continued during the year. 824,942.7 Proof gallons of Rectified Spirits were sold to the Excise Commissioner bringing a total income of Rs. 15,257,432.84.

The Paranthan Chemicals Corporation

The Paranthan Chemicals Corporation was instituted under the State Industrial Corporations Act No. 49 of 1957. The Corporation manufactures Caustic Soda, Chlorine and Table salt.

The capital of the Corporation is subscribed wholly by Government.

The Corporation is administered by a five-member Board of Directors appointed by the Honourable Minister of Industries and Fisheries. The factory at Paranthan is now in regular commercial production. The production figures for the calendar year 1966 are as follows :—

	<i>Tons</i>
Caustic Soda	1,048.5
Chlorine	360.5
Table Salt	68.5

Caustic Soda is used chiefly in the manufacture of soap. Chlorine is used for water treatment purposes and for the bleaching of paper pulp.

The production of Caustic Soda is about one-third of the country's requirements. The shortfall is made up by imports which are now handled exclusively by the Corporation.

The Corporation meets the country's entire requirements of Chlorine.

The factory at Paranthan provides employment for about 200 persons. Labour-Management relations during the year have been good. The operation results in an annual foreign exchange saving of about half a million rupees.

The Industrial Estates Corporation

The Industrial Estates Corporation, a fully corporate body established under the provisions of the State Industrial Corporation's Act No. 49 of 1957 brought with it wider investment opportunities to small and medium scale industry.

Industrial entrepreneurs who moved into the factory units in the first stage development of the Ekala Industrial Estate continued to make progress during the year, in spite of the severe restrictions on foreign exchange they experienced. Yet a few of the Ekala entrepreneurs have been able to conserve foreign exchange, small though it may be through the export of their products. Had the overall conditions been better, it would have been possible for these industrialists to increase their earnings from abroad.

Judging from the present demand for ready made factory units and the experience gained from the primary development of the Ekala Industrial Estate, the second stage is designed to consist of twentythree factory units of five varying sizes. These will be made available to small and medium scale industrialists. A special feature in this development is the construction of the "A Minor" unit with a floor space of 1,500 sq. ft. to cater to the smallest possible industrialist. Though at the time of the commencement of the second stage construction, fourteen factory units were reserved by prospective industrialists, various restrictions imposed on industries mainly due to foreign exchange short-comings had its repercussions on the Industrial Estate which necessarily depends for its success on an expanding and prosperous industrial community. In addition, the Government's decision to suspend new approvals slowed down the flow of new investment into industry.

In view of the promotional activity of the Corporation, it has been keeping its rental figures at a minimum, approximately at 13 cents per sq. ft. of covered space per mensem. It is expected that with the completion of the other two stages of the industrial estate, Ekala will be a fully developed model industrial community with over eighty industrial units catering to small and medium scale industry. Judging from the present experience, in full development, the Ekala Industrial Estate will have the potential of providing employment directly and otherwise for a number exceeding 5,000 persons.

The success of Industrial Estates in many developing countries has been due to the special facilities offered to industrial entrepreneurs located therein. Through the newly established Industrial Development Board with its wider powers for the promotion of local industries, it is believed the State could offer a high level of assistance and co-operation, to industrial undertakings. The Industrial Estates Corporation, will be brought under the statutory framework of the Industrial Development Board, in keeping with the State decision in the industrialization effort. The decision made by the Ministry of Industries for the establishment of three regional estates in Jaffna, Galle and Kandy has taken shape and the Corporation is now actively engaged in the preliminary work of setting up the three regional estates in these cities. This would undoubtedly encourage both the location of new industry and the expansion of industrial activity by local entrepreneurs. Through this process it makes possible to create an expanded level of industrial activity, and reduce the island's present level of unemployment.

Eastern Paper Mills Corporation

The Eastern Paper Mills Corporation operates a Pulp and Paper Mill at Valaichchenai in the Eastern Province of Ceylon. The Corporation which was incorporated in 1956 under the State Sponsored Corporations Act took over the Paper Factory from the Department of Industries. The initial capital of the Corporation was Rs. 22 million. The Corporation was later reconstituted under the State Industrial Corporations Act, No. 49 of 1957. The installed capacity of the machinery was 12½ tons of paper per day. A programme of rationalization and diversification was initiated in 1960 and the capital of the Corporation was increased by Rs. 7 million based on the proposals outlined by the Corporation's Consultants—Messrs. Sandwells & Co. Ltd. of Canada. The scheme provided for the expansion of the capacity of 3,750 tons per annum to 9,000 tons per annum. The scheme was completed in the early part of 1966, and a gross production of 9,921 tons was reached during that year. This figure is 2,497 tons more than the production for 1965, which was 7,424 tons. The value of the annual output is approximately 20 million rupees.

The main raw materials are paddy straw, and waste paper. In addition to this about 35-40 per cent of imported pulp is also being used in the manufacture of paper. Power supply is obtained from the River Valleys Development Board. A good proportion of chlorine output of Paranthan Chemicals Corporation is being utilized in the production of paper and water treatment. Kaolin powder (China clay) is supplied by the Ceylon Ceramics Corporation. A considerable portion of foreign exchange amounting to about Rs. 7 million is saved by the use of indigenous raw materials

and chemicals. In addition to paper and paper boards, the Corporation manufactures Empty Cement bags for the use of Ceylon Cement Corporation, Paper rolls for accounting machines and Exercise Books of various rulings as a subsidiary activity.

The total production is still only about 1/3 of the country's requirements of various grades of paper. The Government approved the installation of a Board Mill at an additional cost of Rs. 19.5 million with a capacity of producing 9,000 tons of paper boards. Details of the project have been finalised and tenders will be called for in early 1967. This Mill will be integrated with the existing paper mill at Valaichchenai, and is expected to go into production by the early part of 1969. The Corporation with the assistance of the Consultants from Canada conducted a preliminary study for a Newsprint Mill to be established in the Nuwara Eliya district situated in the Central Province of Ceylon. Investigations revealed that Eucalyptus Grandis is suitable for the manufacture of Newsprint. To perpetuate the supply of this raw material—namely pulpwood from Eucalyptus, in addition to the 3,800 acres of plantation already available, a further 4,000 acres has to be brought under plantation over a period of 15 years at an average of 270 acres per annum. The annual capacity of this Mill will be about 15,000 tons. Water and ample land within the state forest reserves are available and the areas are well served with roads and rails. A further study on the erection of a second fine paper mill is being conducted and the report will be available soon.

Foreign exchange allocation of Rs. 14.8 million was made available during 1966 to import and distribute various grades of paper not manufactured by the Corporation. This allocation was utilized to import 12,773 tons of various grades of paper to satisfy the needs of all classes of consumers, and distributed along with 9,081 tons of paper produced locally, through the net work of approved merchants and Co-op. Unions. Exercise books are manufactured locally and sold at subsidised controlled prices.

For the first time after the imposition of import control the Corporation has been able to establish an equitable distribution at reasonable prices by registering all printers and publishers, paper converters and the actual users, and allowing monthly allocations to meet their requirements. The quantities handled by the Corporation represent over 60 per cent of the Country's total requirements of all grades of paper. The nett sales turnover of both imported and locally manufactured paper is in the region of Rs. 35 million.

The Ceylon Mineral Sands Corporation

During the calendar year 1966, the Ceylon Mineral Sands Corporation produced 51,274 tons of Ilmenite. Out of this 40,350 tons were exported to one of our leading buyers. The foreign exchange earned on this deal was Rs. 1,049,100.

As a result of investigation conducted by the United States Carpc Research and Engineering Incorporation, a by-product plant to produce Rutile and Zircon was installed at Trincomalee. Up to September 1967 a sum of Rs. 3,158,029 has been expended for the import of machinery for this project. Experiments on the production of Rutile and Zircon are now being carried out and the Corporation hopes to export these two commodities by the end of this year.

4,500 tons of Rutile and 5,250 tons of Zircon are expected to be produced, and the Corporation hopes to earn a sum of Rs. 3,117,000 as foreign exchange by the export of Ilmenite, Rutile and Zircon.

Ceylon Leather Products Corporation

GENERAL

The Ceylon Leather Products Corporation was established as a State owned Industrial venture on 1st April 1956. The running of the Corporation is vested by the Honourable Minister of Industries and Fisheries in a Board of Directors headed by a Chairman/Managing Director. The Corporation has three main Units namely, Shoe Factory, Tannery and the Leather Goods Department.

SHOE FACTORY

There is a Works Manager in charge of the Shoe Factory and the Leather Goods Department. Also there is an Assistant Works Manager and a Works Assistant. Footwear of several different manufacturing processes are produced for the local market and for most of the Government Departments.

The production of the Shoe Factory for 1966 was 235,188 pairs valued Rs. 3,647,111.

TANNERY

The Tannery is in charge of a Works Manager, as Assistant Works Manager and three Supervisors. Most of the leather required for the Shoe Factory is produced by the Tannery. The chief items of production are Chrome Leather, Bark Tanned Leather, Miscellaneous leather and split leather. The production figures of the Tannery in 1966 are as follows :—

	<i>Unit</i>	<i>Quantity</i>	<i>Value Rs.</i>
Chrome Leather	Sq.ft.	616,864	937,687
Bark Tanned Leather	lbs.	261,392	488,090
Miscellaneous Leather	lbs.	19,200	63,261
Split Leather Chrome tanned	lbs.	9,394	23,823

LEATHER GOODS DEPARTMENT

The Leather Goods Department manufactures Volley Balls, Foot Balls, Net Balls, Suit Cases, Attache Cases, Brief Bags, Leather Straps, Leather Belts, Leather Gloves and many other items on special orders.

The production figures for the year 1966 are as follows :—

	<i>Unit</i>	<i>Quantity</i>	<i>Value Rs.</i>
Volley Balls	Nos.	3,199	45,839
Foot Balls	Nos.	476	10,557
Net Balls	Nos.	478	6,937
Attache Cases etc.	Nos.	2,660	127,579
Belts and Straps	Nos.	32,585	22,962

Ceylon Petroleum Corporation

The Ceylon Petroleum Corporation was formed in 1961 under the Ceylon Petroleum Corporation Act, No. 28 of 1961. The Corporation commenced business on 28th April, 1962.

INITIAL CAPITAL

The only initial contribution made by the Central Government to the Corporation was Rs. 10 millions in 1961-62. The entire balance capital requirements for the Corporation's marketing activities have been financed by the Corporation itself out of its own resources.

SALES

The Corporation's sales income has progressively increased from 1962 onwards as shown below :—

	<i>Rs. Million</i>
1962	63
1963	99
1964	263
1965	265
1966	298

PROFITS

The total profits of the Corporation before Income Tax too have progressively increased during the last few years as shown below :—

	<i>Rs. Million</i>
1962	5.9
1963	9.9
1964	30.3
1965	20.7 (after absorbing Customs Duties of about Rs. 14 Million)
1966	23 (after absorbing Customs Duties of about Rs. 14 Million)

FOREIGN EXCHANGE SAVINGS

The total Foreign Exchange savings made by the Corporation from the commencement of business till the end of 1966 resulting from cheaper prices paid for imports of fuels amount to about Rs. 50 millions.

PRICE REDUCTION

Price reductions made by the Corporation cost the Corporation annually about Rs. 7.8 millions. This is a direct benefit to the consumers of petroleum products. In addition, the Corporation absorbs annually about Rs. 14 millions customs duties.

CASH RESOURCES

As against the original contribution of Rs. 10 m. made by the Central Government the Petroleum Corporation has up the end of 1966 provided funds to the tune of about Rs. 90 millions.

INVESTMENTS

During the year 1966 the Corporation further consolidated its activities and finalised plans for large scale investments in the petroleum industry for the first time in Ceylon. The investments amounting to nearly Rs. 150 millions covers a Seismic Survey in the North Western sector of Ceylon—the construction of the Petroleum Refinery at Hapugaskanda, Kelaniya and the setting up of a Lubricating Oil Blending Plant at Kolonnawa. Work on these three projects has already commenced. A major portion of the capital investment for the projects is being provided from the earnings of the Ceylon Petroleum Corporation.

SEISMIC SURVEY

Work on the Seismic Survey Commenced in the Northern Peninsula in May 1967 and is expected to be carried out through the next 12 months. This survey is being carried out in conjunction with the Department of Geological Survey.

REFINERY

A sum of nearly Rs. 145 millions will be spent on the Petroleum Refinery and the contract for its construction was awarded to Messrs SNAM PROJETTI of Milano, Italy. Work on this project was inaugurated in May this year, and is expected to be completed within 24 months. The Refinery will have a capacity of 1.7 million tons of crude oil and when it goes on stream the Refinery will meet the full product requirements of the country for at least 5 years. This includes the requirements of fuel oil as ships' bunkers. It will also produce all the Naptha required by the projected Fertilizer Plant and also all the Asphalts required for our roads. Aviation fuel for aircraft and Liquid Petroleum Gas for domestic use are also in the Corporation's future plans to diversify production.

BLENDING PLANT

The contract for the construction of the Lubricating Oil Blending Plant at Kolonnawa and for the supply of base oils for a period of 5 years was signed on 26th May 1967 between the Ceylon Petroleum Corporation and the International Co-operative Petroleum Association. The cost of the Plant will be approximately Rs. 3.8 millions. The Plant is expected to be commissioned within 15 months from now.

CADRE

The total cadre strength of the Corporation at the end of 1966 was 2,129 which is an increase of 379 on that of the previous year.

Ceylon State Flour Milling Corporation

Under the Soviet-Ceylon Economic Aid Agreement of 1958, provision was made for the establishment of a Flour Milling Plant in Ceylon. In accordance with the terms of the Agreement, the Soviet loan will finance the external capital cost of the project which is estimated to be in the region of Rs. 8,621,390. The local cost amounting to an estimated Rs. 9,240,360 will be met by the Ceylon Government.

The Corporation was established on 12th March, 1964 under the State Industrial Corporations Act, No. 49 of 1957 with a directorate consisting of a Chairman and six Directors.

The civil construction works and the installation of the machinery were handed over to the State Engineering Corporation. Work in the following buildings were in progress at the end of the year under review :—

- (1) Working House
- (2) Silo Block
- (3) Water Tank
- (4) Water Supply and Sewerage System
- (5) Conveyor Trestle and Gangtres
- (6) Pneumatic Intake Plant
- (7) Finished Product Storage and Administration Block,

At the end of December, 1966, the State Engineering Corporation was paid a sum of Rs. 3,869,841.01 as advances for work done. The Engineering Corporation was assisted by the Soviet Specialists in construction and installation work.

Ceylon Hardboard Corporation

The Ceylon Hardboard Corporation was established on 18th November, 1959, under the State Industrial Corporation Act, No. 49 of 1957.

The activities of the Corporation had been suspended during the period September, 1962, to September, 1964. During this period the Ministry of Rural and Industrial Development had, on behalf of the Corporation, taken the following steps :—

- (1) Carried out investigations regarding the feasibility of using hardboard for the manufacture of tea chests ;
- (2) Called for world-wide Tenders for the supply, erection and commissioning of complete plant and machinery for the manufacture of hardboard ;
- (3) Acquired the site for the hardboard Mill at Horana.

The Board of the Ceylon Hardboard Corporation was re-constituted as from 24th September, 1964. Since then the Corporation has—

- (1) Carried out preliminary work connected with site development ;
- (2) Planned for Civil Engineering works ;

- (3) Collaborated with the Ministry Tender Board in the evaluation of the tenders received.
- (4) Selected a tenderer and finalised terms and conditions of contract prior to signing of an agreement.
- (5) Carried out extensive investigations in regard to the suitability of hardboard for packing tea.

The Government has now decided to wind up the Corporation.

State Fertilizer Manufacturing Corporation

Though Ceylon's economy is predominantly dependent on Agricultural products, the entire requirements of chemical fertilizers necessary to sustain and develop the agricultural crops, still continue to be imported. Ceylon is one of the very few countries in South-East Asia which has not so far established an industry for the local manufacture of chemical fertilizer. Taiwan, India, North Korea, South Korea, Philippines, Thailand and Malaysia have all established chemical fertilizer plants or are engaged in building such plants.

The State Fertilizer Manufacturing Corporation was established on the 10th May 1966, with the publication of the Incorporation Order under Section 2(1) of the State Industrial Corporations Act, No. 49 of 1957, for the purposes of manufacture, processing and sale of all types of fertilizers. The Initial Capital was specified in the Incorporation Order as Rs. 190 million.

Site

It is proposed to locate the fertilizer plant adjacent to the Petroleum Refinery site at Hapugaskande and steps are being taken to acquire approximately 140 acres in this area.

Raw Material

The Fertilizer Project is based on the utilisation of naphtha as the basic raw material for the production of ammonia. This raw material is to be made available from the Petroleum Refinery.

Capacity and End-products

In order to fix the capacity of the project, the future demand for Nitrogen fertilisers has been examined bearing in mind that a project with a major investment such as this should fulfil the requirements through at least 1976. The planned ammonia capacity of the factory will be in the region of 540 metric tons per day, equivalent to approximately 146,000 tons of nitrogen per annum. The end-product will be urea, of which the total daily output will be of the order of 900 tons. Technical and economic studies were made in regard to the possible manufacture of other products, such as, Calcium Ammonium Nitrate, Ammonium Sulphate and Ammonium Chloride. The production of urea alone appeared to be the most favourable alternative, since it is the most concentrated solid nitrogen fertiliser and could be manufactured without the importation of any raw materials.

The plant is expected to be commissioned towards the latter part of 1970. It will provide employment to about 400-500 persons and is expected to save the country between Rs. 40-50 million in foreign exchange.

Ceylon State Hardware Corporation

The year 1966 was one of intense activity for the Ceylon State Hardware Corporation. All Civil Engineering construction works were completed ; all the machinery that had arrived were installed and depending on the availability of dies and special tools, trial production was done. The Cold Forming Department which was commissioned in late 1965 turned out limited quantities of Builder's Hardware items such as hinges, tower bolts, hasps and staples. These were released to the market from March 1966 onwards, and by the end of the year the Corporation had successfully completed trial production of several other items such as stainless steel spoons, chisels, water taps and most important of all the production of mammites on the rolling process. In November, this process was demonstrated by the Ceylonese as well as the Russian Technical Personnel to the members of

the Board at an informal taking-over of the machinery from the supplier. The production line is capable of producing 10 mammoties every 6 minutes. On 9.11.1966 the Corporation released 50 mammoties to the State Engineering Corporation, and in late November 1966 another 1,000 to the Department of Agriculture from its first batches of production.

During this year the Harware Corporation provided employment for 163 personnel of which 80 were in the Skilled and Semi-Skilled Operative Grades, 54 in unskilled Grades, and the balance consisted of Executives and Supervisory and other office and Factory personnel.

The Corporation also made its first Project evaluation when the Corporation evaluated the offers received for the establishment of a cast-iron Foundry capable of producing 6,000 tons of castings per annum on a single shift basis. Suppliers were selected and the matter was referred to the Ministry of Industries and Fisheries and the Department of Foreign Aid for obtaining necessary financing for the Project.

Investigations were carried out on the feasibility of the establishment of a Training School for Operatives, an integrated Tool Steel Plant and a Factory for the manufacture of fractional horsepower and industrial electric motors.

Ceylon Steel Corporation

During the Financial Year 1965-66 there was a gradual transition in the activities of the Corporation from civil engineering construction to the installation of machinery.

The Rolling Mill building was substantially completed. The machinery foundations of the wire rod group, the cooling bed and finishing group was completed in 1964-65. The foundations for the checkered group ; oils cellar group 1 ; basement of motor room No. 4 and billet heating furnace were also completed during the current year.

A substantial part of the wire mill building was completed and installation of wire drawing and wire products machinery was begun. A substantial part of the auxilliary buildings viz. main step-down sub-station, laboratory building, central stores, compressor station and water tower were also completed.

Machinery installation on the finishing group and wire rod group in the Rolling Mill was also completed towards the end of 1965 and machinery installation on the cooling bed and the checkered group was well in progress.

The outside water supply scheme from the Kelani river was completed and taken over in February, 1966 and the step-down sub-station tested and energised in March.

With the shift in emphasis in the activities of the Corporation from civil engineering to machinery installation corresponding changes were made in the organisation structure which was earlier geared for servicing civil engineering construction. This was now modified for machinery installation, testing, commissioning and the final operation of the works.

The Corporation also prepared, with I.L.O. assistance, the outlines for an integrated financial and cost accounting system for the operational state.

National Textile Corporation

The National Textile Corporation was established by Incorporation Order published in the *Government Gazette* No. 11,237 of 10th January, 1958. On establishment, the Corporation's capital was fixed at Rs. 6 million for the purpose of establishing a cotton Spinning Mill located at Veyangoda. Subsequently, it was decided that the National Textile Corporation should set up a further unit on the same site to increase the Spinning capacity of the original Mill and also set up a complete weaving and finishing Mill. For this purpose, the initial capital was increased to Rs. 41.1 million.

This capital of the Corporation was increased by a sum of Rs. 53 million for the setting up of a second textile project which is expected to be located in the Galle District. Therefore, the present total capital of the Corporation is 94.1 million.

Veyangoda Project

The Corporation's first Spinning Mill at Veyangoda with 12,880 spindles was established and declared open for commercial production in April, 1961. Simultaneously, the Corporation took in hand work connected with the Spinning Mill extension with an additional 13,800 spindles. The work connected with the Weaving and Finishing Mill at the same site was also started at the same time.

The entire Spinning Mill at Veyangoda has a potential capacity of 3.4 million lbs. of cotton yarn per annum on a three shift working. This output would supply the needs of the Weaving Section, leaving a surplus of about 1 million lbs. of yarn per annum for sale to the hosiery, handloom and powerloom units.

The Weaving and Finishing Mill was commissioned in January 1967. This section is equipped with 504 automatic powerlooms with a capacity of 10 million yards of cloth per annum on a two shift operation and 14 million yards on three shifts. The Finishing Section has a capacity of 34 million yards.

The Mills at Veyangoda produces cotton yarn of counts ranging from 1/20s to 1/60s and textiles such as poplins, cambrics and ladies dress materials.

The excess yarn produced at Veyangoda is sold to handloom and hosiery manufacturers. The textiles are distributed through Salu Sala, Laksala and Co-operative Societies and Unions. Textiles are also issued to garment manufacturers on allocations made to them.

There is a housing scheme for technical staff who are required to reside in close proximity to the Mills, with all the necessary auxiliary services. The Mill itself provides other amenities for workers. This Mill provides employment for about 1,500 persons.

Integrated Textile Mill at Thulhiriya

This Mill is being set up with machinery and equipment from the G.D.R. under the Economic Co-operation Agreement with that country. This Mill will have 113,000 spindles and 560 looms with the following annual production capacities :—

Spinning—17.4 million lbs. of cotton yarn per annum working on three shifts.

14 million yards of cloth working on three shifts.

40 million yards finishing working on three shifts.

This Mill is expected to be commissioned by sections from the beginning of 1970.

The Civil Engineering Works of this Mill has been entrusted to the State Engineering Corporation of Ceylon. The main factory building alone covering an area of about 13 acres is expected to be the biggest in the island. The entire factory will be air-conditioned.

A housing scheme with about 350 houses for the accommodation of key technical staff will also be built.

The water used for finishing will be chemically treated and purified before discharge back to the river running close to the factory.

The key technical staff will be trained in the German Democratic Republic and the foreman grade technical staff will also be trained abroad. This Mill will provide employment for about 4,000 persons.

The Third Textile Project

The third textile project estimated to cost about Rs. 53 million is expected to be set up in the Galle District. A tentative site has already been selected. This Mill will be equipped with spinning and weaving machinery from the People's Republic of China. Finishing equipment for this Mill will be obtained from other sources.

The capacities of this Mill will be as follows :—

1 million lbs. of cotton yarn for sale after meeting the needs of the Weaving Section.

10 million yards of cloth working on two shifts and a finishing capacity of approximately 40,000 yards.

Additional Finishing Capacities

The Corporation has in its programme the establishment of two additional finishing plants to undertake the finishing of grey material produced by local handloom and powerloom units.

Cotton Yarn

In keeping with a Cabinet decision in 1964, the Corporation has undertaken the importation, sale and distribution of the total requirements of cotton yarn. The volume of business of this activity is in the region of about Rs. 30 million per annum.

The Ceylon Tyre Corporation

The Ceylon Tyre Corporation was established in January 1962 under the Economic and Technical Aid agreement signed between Ceylon and U. S. S. R.

Capital Expenses

The estimated capital cost of the project is Rs. 67.5 millions.

The factory is designed to go into production in two stages. During the first stage 250,000 tyres and an equal number of tubes will be manufactured in the factory. The target for the second stage will be 360,000 tyres and an equal number of tubes.

The Tyre factory will provide work for 600 persons in the first stage and 700 in the second stage. Like in any other new industry this factory will provide indirect employment to more persons than are actually employed.

During the year 1966, the work in the main production building and in the various auxiliary units was completed. Installation work was also completed during this year. The last batch of the technical staff to be trained in U. S. S. R. in tyre manufacture returned to the island at the end of this year to start work in the preliminary stage of the tyre factory. The work in the housing scheme started for the benefit of the factory staff is nearing completion. It is expected to commence tyre and tube production during the first half of 1967.

National Small Industries Corporation

The Corporation continued the manufacture of furniture and mechanised fishing boats during the year 1966. 4 out of the 5 tile factories which were under construction were brought into production namely Bangadeniya, Yatiyana, Anuradhapura and Weuda tile factories while the tile factory constructed by the Land Development Department at Mahiyangana was taken over by the Corporation. The factories at Bangadeiya and Yatiyana have generally achieved budgeted targets during the year while the other factories brought into production were faced with certain technological problems and failed to achieve budgeted targets. The Mullaitivu tile factory was nearing completion and was expected to go into test production during 1967.

The total output of roofing tiles of the Corporation in all the tile factories which were in production was expected to be in the region of 13 million tiles per annum. During the year tiles were sold to Government Departments and to the general public at Bangadeniya, Yatiyana, Mahaiyangana, Anuradhapura and Weuda. These factories in addition have produced and sold during the year special machine moulded bricks, hollow bricks and a wide range of miscellaneous clay products. The tile project at full capacity was expected to employ over 450 persons.

The Carpentry Section produced and supplied approximately Rs. 5 million worth of furniture to various Government Departments while 60 mechanised fishing boats were delivered to allottees selected by the Department of Fisheries. The Carpentry Department employs a workforce of approximately 1,100 persons in 6 workshops situated at Colombo, Moratuwa, Kandy, Jaffna, Batticaloa, Bandarawela and Koggala. The Boat Yard run by the Corporation is situated at Mattakkuliya.

The Ayurvedic Drug Factory at Nawinna which was under construction was brought into production during 1966. During this year it produced 61 standard drugs which were supplied to the hospitals of Indigenous Medicine, Colombo, Anuradhapura and Ratnapura and several dispensaries run by Local Authorities in all parts of the country. The output of the Drugs Factory for the year was valued at approximately Rs. 400,000.

The total output of the National Small Industries Corporation for the year 1966 in all its Departments exceeded the production of the previous year by over Rs. 2 million. This increase was mainly due to the bringing into commission of the factories which were under construction during the previous years.

Ceylon Plywoods Corporation

The year under review was one of industrial peace and its impact is reflected in production and profit. 19,649,375 sq. ft. of plywood in 3 ply equivalent was produced in the year as against 13,672,680 sq. ft. in the preceding year and 15,323,052 sq. ft. in the year 1964/65.

This was also due to the installation of the new machinery under the Expansion Programme, Stage I. The full impact of the Expansion Programme was not felt in the year under review as the vital link for the supply of steam to operate the new Schilde Dryer installed in the year could not be made available as the new Osaka Multi-tubular Boiler was commissioned only after the end of the period under review. Substantial increase in production could be anticipated in the current year.

Supplies of timber aggregated to 658,250 cu. ft. as against 567,381 cu. ft. in the preceding year ; an increase of nearly 100,000 cu. ft. This supply is still far from satisfactory when viewed in the context of the overall requirements of timber for the full production that is expected to be achieved under the Expansion Programme. This would be in the neighbourhood of 1.2 million cu. ft. per year. This is one aspect which will have to be given very serious consideration if the Factory is to operate at optimum levels of production.

Price paid for timber also showed an increase, the average being Rs. 3.55 per cu. ft. delivered factory as against Rs. 3.40 per cu. ft. in the preceding year. In order to arrest this unhealthy trend in progressive increase in cost of principal raw-material more efficient and modern methods and organisational set up will be required for logging and extraction of timber.

Tea chests continued to be the main line of production. 527,151 full chests and 457,048 half chests were delivered in the year aggregating nearly 1 million tea chests as against the total estimated annual requirements of the tea trade of 4 million tea chests. In other words the Gintota output in the year represented 25 per cent of the Island's requirements. It is hoped to step up this output to 40 per cent in the current year.

Flush doors continued to gain unprecedented popularity and the Factory was faced with a problem of setting up its manufacturing schedules to meet this demand. In the year under review orders for 5,180 doors were executed and arrangements made to progressively increase the output to 800 doors per month and thereafter by the middle of the current year to 1,200 doors per month.

Block boards and veneers were supplied to the Sewing Machine Companies with increasing demand from them for both items.

The sales turn over was Rs. 6,662,202 as against Rs. 5,067,443 in the preceding year ; an increase of approximately Rupees one million.

Manufacture of ply boards showed a substantial increase from 832,496 sq. ft. in 3 ply equivalent in the preceding year to 1,508,515 sq. ft. in the year under review ; an increase of nearly 100 per cent.

The veneer yield average works out to 138 sq. ft. as against 135 sq. ft. per cu. ft. of timber in the log in the preceding year. .

The strength on the pay roll at the close of the year under review was 769 and it was with maintenance of good labour relations and a period of industrial peace coupled with the erection of new machinery that the Corporation was able to secure a record production and a record anticipated profit of Rupees 9 lakhs as per the integrated cost and financial reports prepared monthly.

The Corporation is now actively engaged in further expansion of the industry with the establishment of a 2nd integrated plywood and Particle Board plant with a view to maximum utilisation of waste and meet the Island's requirements of tea chests and plywood boards resulting in a foreign exchange saving of approximately Rupees 15 million. This 2nd Factory will be established in Avissawella as the Gintota plant in terms of floor space, machinery layout etc. has reached saturation point with the anticipated increase in the current year to 40 per cent of the Island's requirements of tea chests.

National Salt Corporation

The year marked a welcome milestone in the history of the solar salt industry of Ceylon. This was of particular importance to the National Salt Corporation, which so far managed only the Hambantota group of salterns. With the merger of the Salt Department with the Corporation in July 1966, vast possibilities for the expansion of the industry throughout the island came within the scope of an institution set up under the State Industrial Corporation's Act and better fitted as a medium to make Ceylon at this time more than self-sufficient in salt supplies. Interests so far divided came to be unified in the Corporation and the salt production figures for the year paid a handsome tribute to the wisdom of the change.

The total production of 63,488 tons in 1966 was the nearest approach in recent years to the annual consumption figure of 70,000 tons for salt in Ceylon. Sales during the year were 71,975 tons for human consumption, 1,441 tons for fish-curing purposes, 50 tons for agricultural uses and 2,954 tons for industries, totalling 76,420 tons for the year. The balance stock of salt at the end of the year was 30,820 tons.

During the year under review the Corporation set itself to the task of reorganization by placing a Regional Manager in charge of each of three Regions, consisting of salterns in the North, the South and the West. Development works earlier set in motion by the Department were kept in satisfactory progress. A large-scale project for the establishment of a modern mechanised saltern at Chavakachcheri is under active consideration. The Corporation expects to substantially increase the yield in 1967, if weather conditions prove favourable. When all the development work, including the Chavakachcheri project is complete, within the next few years, the Corporation expects as estimated annual yield of up to 300,000 tons of salt.

III—INDUSTRIAL PRODUCTS ACT, No. 18 OF 1949

The release granted by the General Agreement of Trades and Traffs for Textiles continues up to 27th August, 1968, but protection for this industry was withdrawn administratively with effect from 12th November, 1966.

As no other industry is afforded protection under the Industrial Products Act, this activity has come to a standstill.

IV—COCONUT INDUSTRIES

Copra

Copra is manufactured in Ceylon by sun-drying, artificial drying (using kilns) or a combination of both. Observations confirm that if copra is dried to 6-7 per cent moisture content and stored in well-ventilated dry stores at an even temperature it will not seriously deteriorate. No variations in oil content of Ceylon estate copra with the time of plucking, normal fertilizer treatments, or situation of the estates have been observed. About 68 per cent of oil (dry weight) could be regarded as a representative average figure for the oil content of Ceylon Estate Copra. The usual grade of copra recognised in Ceylon are Edible white, estate No. 1, No. 2, No. 3 and mixed (fms).

Copra exports in 1966 amounted to 20,869 tons as against 40,946 tons in 1965.

Desiccated Coconut

This is manufactured in Ceylon primarily for export. It is usually sent in plywood chests, (holding about 130 lbs.) or Kraft paper bags. The chests are lined with grease-proof paper (usually of the Kraft type) and sometimes packed with light baling pressure. In the presence of more than a minimum amount of moisture (about 3 per cent) desiccated coconut is very susceptible to the attack of moulds. By reason of its oil content (over 70 per cent) desiccated coconut is also liable to rancidity on prolonged storage, or exposure to light.

Good desiccated coconut as exported from Ceylon is pure white in colour and crisp and has the fresh taste of the nut. It contains from 68-72 per cent oil and the free fatty acid of the oil is usually below 0.2 per cent. Exports of desiccated coconut in 1966 amounted to 46,534 tons as against 52,037 tons in 1965.

The organization set up by the Ceylon Coconut Board for the control of Salmonella and the inspection of shipments and factories has worked with acceptance. The laboratory set up by the Board for examination of D.C. samples for Salmonella has been working satisfactorily and is rendering a great service to the Industry. The Ceylon Coconut Board has received information from the health authorities in England, Australia and West Germany (three of Ceylon's biggest importers of D. C.), that they have now decided to discontinue routine sampling of desiccated coconut at their end, as they are now completely satisfied with the control measures adopted in Ceylon.

Coconut Oil

As ordinarily prepared in Ceylon, coconut oil is a colourless to pale brownish yellow oil having (unless refined) a more or less pronounced odour of the coconut. The vegetable oil is characterised by the presence of high percentages of lauric and myristic acids and notable proportions of the lower saturated fatty acids.

Coconut Oil prepared from copra, or refined coconut oil, keeps well of a fair length of time.

The coconut oil milling of industry the Island is extensive and the bulk of the commercial oil is produced using screw expellers and hydraulic presses. The chekku mill is also employed but the oil pressed in this way is used mostly for domestic and culinary purposes and the process is much less efficient. Various grades of oil (depending mostly on the quality of copra used) are produced and are classed as "Edible White" "Commercial" and "Mill" oils on the basis of their free fatty acid contents and colour. Beside the oil used for edible purpose, the local soap industry also makes use of a fair quantity of coconut oil. Exports of coconut oil were 72,867 tons in 1966 as compared with 86,898 tons in the previous year.

Fibre

Two kinds of coir fibre bristle and mattress, can be produced from the husk of the coconut. There are nearly three hundred Fibre Mills in the Island for which the husk are obtained from surrounding estates and small-holdings. A few decorticating plants for the dry milling of fibre are also now in operation in certain parts of the Island. The chief advantage of these appears to be the elimination of the retting process, so that the resulting fibre is of a lighter colour.

Mattress fibre is used for making coir yarn, ropes and matting and for certain classes of upholstery. Bristle Fibre is widely used for brush making 75,771 tons of coir fibre were exported in 1966 compared to 87,125 tons in 1965.

Coconut Poonac

In view of the ban imposed, no coconut poonac was exported in 1966. The exports in 1965 amounted to 9,349 tons.

The Coconut Board's policy regarding poonac is that the millers should have one month's production in stock. Anything in excess of this, should be bought by a purchasing organisation such as the Oils and Fats Corporation for extraction. The extracted meal which could be stored, could be released as and when necessary to meet any shortages during the low cropping months and prevent the poonac market rising to uneconomic levels.

Toddy

Toddy is mainly obtained from the coconut palm which thrives in the Maritime provinces of Ceylon. When the flowering stalks or spadices, which contain a large quantity of saccharine juice supplied by the tree for the formation of coconuts are tapped before they open out, a juicy liquid known as sweet toddy is obtained, which by process of fermentation is converted into fermented toddy. Toddy is also similarly obtained from the palmyrah palm which grows in the Northern and Eastern Provinces and from the Kitul Palm which grows in the hill country. Sale of toddy is controlled by Government licences and a considerable industry depends on the sale of toddy.

The average price per gallon of toddy is Rs. 3.60 for coconut toddy and Rs. 3 for palmyrah or kitul toddy. Consumption during 1965-66 was 5,025,241 gallons as against 4,850,791 gallons in 1964-65. This figure excludes approximately 4,556,565 gallons of toddy consumed under the Tree Tax System in the Jaffna District. Under the tree tax system a person can tap up to a maximum of 20 trees on payment of a tax at Rs. 2.50 per male palmyrah tree and Rs. 10 for a female palmyrah or coconut tree. Under this system toddy is sold at the foot of the tree.

Sweet Toddy

Toddy is kept sweet (unfermented) by lime coating of pots daily with fresh slaked lime. Sweet toddy drawn from coconut, palmyrah and kitul palm is converted into treacle or jaggery by boiling. A permit is necessary to tap coconut and palmyrah palms for sweet toddy.

Arrack Manufacture

Arrack is a product of toddy. This industry is a Government Monopoly, and it earns a very large Excise revenue to Government. During 1965-66 arrack was produced by distillation of toddy in seven distilleries in Kalutara District under Government supervision. Arrack was also produced by the State Distillery, Seeduwa, in Colombo District.

Quantities of arrack produced the last three years are as follows :

<i>Year</i>	<i>Private Distilleries (Proof Gallons)</i>	<i>State owned Distillery (Proof Gallons)</i>
1963-64	866,828	239 777
1964-65	842,012	138 291
1965-66	779,630	104,379

The arrack distilled at the private distilleries is purchased by Government under contracts with the Distillers. The price paid to the private distillers for a proof gallon of arrack during 1966 was Rs. 10.81 as against Rs. 10.41 per proof gallon in 1965. But the Co-operative Distillery was paid a contract rate of Rs. 10.69 per proof gallon in 1966 as against Rs. 10.29 in 1965. The arrack so purchased is normally stored in wooden vats as long as possible for maturation, but due to the heavy consumption during the year, this was not possible.

The arrack purchased by Government is then issued to renters in bottles and in bulk at fixed Wholesale prices for sale at fixed retail prices. By this the renter makes a profit of Rs. 6 per gallon of bulk arrack and Rs. 3.80 per gallon of bottled arrack. The taverns are sold annually by tender and the highest bidder gets the exclusive privilege to sell arrack within the local area of the taverns.

Arrack consumption during 1965-66 was 3,028,924 gallons as against 3,031,505 gallons during 1964-65.

Processed Arrack

With a view to encouraging private enterprises to improve the quality of arrack, provision has been made for private enterprise to purchase Government arrack and issue to the general public through arrack after processing. One licence has been issued for processing arrack and the firm has issued 10,587 gallons during 1965-66.

Vinegar Manufacture

Vinegar is produced by acetifying toddy and it takes 10 to 14 weeks to complete the process. There are 10 licences in this industry and they have marketed 137,038 gallons of Vinegar in 1965-66.

Malt Liquor, etc.

Liquors of Foreign type are also manufactured in Ceylon. The Ceylon Brewery Ltd. Nuwara Eliya and McCallum Breweries, Meegoda, manufactured 1,678,289 gallons of Malt Liquor during 1965-66, while Rockland and Mestiya Distilleries and the Gal-Oya distillery produced 30,519 gallons and 21,143 gallons of Gin respectively.

There are ten licences issued for the manufacture of Eau-de-Cologne. Messrs. Pfizer Ltd., Glaxo Laboratories, Messrs. Warner Hudnut (Lanka) Ltd., Mr. A. A. Cader and International Pharmaceutical Co., have also been issued licences for the manufacture of tincture and medicinal preparations.

Rockland, Mestiya, Gal-Oya and Kantalai Distilleries also manufacture Rectified Spirits.

V—SMALL INDUSTRIES

The promotion of small industries occupies a central place in the government's programme as an effective means of providing additional employment opportunities and of conserving foreign exchange through import substitution. Several important steps were taken by the government during the year in the furtherance of these objectives. Chief among these were the establishment of one thousand handloom textile centres to provide employment to 35,000 persons and to produce an additional 22 million yards of textiles, the further restriction of imports of textiles, the provision of increased facilities to cottage industrial workers to market their products through the establishment of more Lak Salas and the training of 1,000 toddy tappers. Government also approved towards the end of the year a scheme to set up a needle work training centre in every electorate.

The Handloom Industry

The estimated total production of all textiles for 1967, both cotton and synthetics is 90.5 million yards made up as follows :—

	<i>Million yards</i>
Handlooms	50.0
Powerlooms (Rural Development & Small Industries)	5.5
Powerlooms (Weavers Co-operatives)	2.0
National Textile Corporation	20.0
Wellawatta Mills	13.0
Other Private sector powerlooms including synthetics	10.0
	<hr/>
Total ..	90.5
	<hr/>

It will be seen that the handlooms are responsible for over fifty per cent of current local production. At the end of the year under review there were 63,000 handlooms in the country providing full time and part time employment to approximately 78,000 weavers and helpers. Of these 63,000 handlooms, 55 per cent are in the co-operative sector and the balance 45 per cent are privately managed. With the completion of the new one thousand handloom centres this year, the total loomage will increase by 25,000 to 88,500 and the number of weavers will increase by a like manner to over a lakh. Handloom production will also increase by a further 22 million yards. The chief items produced by handlooms are sarongs and sarees which together account for 40 million yards. The balance 10 million yards are made up of Verties, Camboys, Furnishing materials, Laides' dress materials, shirtings, dusters and towels. With the Co-operative Wholesale Establishment becoming the sole importer of textiles, the protection given to the handloom sarongs industry under the Industrial Products Act was withdrawn at the end of 1966. The handloom weavers however were given every assistance to market their products to the Co-operative Wholesale Establishment, Multipurpose Co-operatives, Lak Salas and the private trade. Government has already banned the import of the following items of textiles as a measure of assistance to the local industry and in keeping with the policy of import substitution :—

Sarongs including pyjama and batik sarongs

Camboys

Verties and shawls

Towels

Bed sheets

Sarees in length of 5 to 6 yds.

All other textiles not specified above and which are woven on handlooms.

Proposals are now before the government for the complete ban of all saree materials, bed spreads and counterpanes, furnishing materials, tabling and servietes. At present the import of these items have been restricted, if not altogether stopped by administrative action. Handlooms are being assisted to diversify production, the emphasis being on art line textiles. Arrangements have also been made for the production on handlooms of plain sarongs and sarees material for issue to the local printing industry. The estimated current annual requirements of textiles is 200 million yards including the needs of the garment and printing industries. There should therefore be no problem to dispose of the current total production of 90 million yards by handlooms, powerlooms and mills provided there is effective co-ordination and planning in respect of both local production and imports. The creation of suitable machinery to undertake these co-ordinate and regulatory functions for the textile industry as a whole is now receiving the active consideration of the ministries concerned.

The Powerloom Industry

The fourteen decentralised powerloom workshops run by the department with 458 powerlooms in the districts of Kandy, Matale, Kegalle, Chilaw, Kalutara, Kurunegala, Galle and Badulla produced 3.5 million yards of textiles during the year. The chief items produced were drills, long cloth, poplins, shirting, voiles and shirting, the bulk of which were supplied to the government stores department. Satisfactory progress was made during the year in the work connected with the establishment of 25 more such powerloom textile workshops with 1,200 looms supplied by China on the Ceylon China Economic Aid Agreement. The total capital of this scheme is Rs. 12 million of which the cost of local construction works is Rs. 5 million. Five of these workshops in the districts of Anuradhapura and Polonnaruwa were commissioned at the end of last year and are now in production. Seven more workshops in the districts of Kegalle, Kandy, Nuwara Eliya and Ratnapura will be commissioned during the current financial year. Arrangements have also been made to obtain a further 1,200 looms under the Aid Agreement to establish another 25 such workshops and the necessary preliminary work, including the selection of sites, is now in progress. All work connected with this Rs. 10 million building programme, including the inspection of sites, preparation of plans, bills of quantities and tender documents and the field supervision of

construction works is in charge of a single Civil Engineer released by the Public Works Department and assisted by one Industrial Assistant and 9 Inspectors. The question of appointing additional staff on a contract basis to expedite the construction programme, is under consideration.

The Weavers Co-operative Unions and Societies are also being assisted by the department of set up their own powerloom workshops, particularly in those areas where government powerloom workshops are not being established. Already these Co-operatives have established 8 workshops comprising 338 looms in the districts of Chilaw, Galle and Matara and 7 more such workshop comprising 240 looms are coming up in the districts of Colombo and Hambantota. Government is conducting negotiations with China with a view to obtaining a further 480 looms under the Aid Agreement for supply to Weavers Co-operatives. When all these departmental and co-operative workshops are in operation within the next two years, the total production in the decentralised powerloom sector will increase to 40 million yards on a two shift basis. The total employment in this sector will then be 4,000.

Coir Spinning and Weaving

Approximately 40,000 persons including women and children are engaged in coir spinning and weaving chiefly along the southern coastal belt. The fibre extracted out of the retted coconut husk and commonly known as "white fibre" is the raw material used in the south, while mill fibre or "broom fibre" is also used for spinning of coir yarn and rope in Colombo, Chilaw and Kurunegala districts. The department of Rural Development and small Industries has sponsored three co-operative coir societies unions at Katunayake, Galle and Matara to which are affiliated 108 primary workers societies. The department provides financial and marketing assistance to this industry chiefly through these co-operatives. Every year the department purchases coir yarn, coir rope and coir mat bags from these co-operatives for supply to government departments. The total value of coir goods so supplied to government departments during the year under review was Rs. 689,452. The coir workshops set up by the department at Balapitiya, Dodanduwa and Matara purchased another Rs. 100,000 worth of coir yarn from these Societies. These workshops manufacture coir mats and mattings out of this yarn for sale through Lak Salas.

Carpentry

Fifty two government carpentry schools of which 32 are mechanised and 12 private schools assisted by the department provide a regular training in carpentry to over 1,000 boys in various parts of the country. The more promising students from these trainees are given an advanced course of training in wood work at the Central Wood Working Institute at Velona. These trained young men have no difficulty in finding employment in either government institutions or private establishments. Some of them set up their own workshops with assistance by this department, yet others join existing carpentry societies sponsored by the department. At the end of the year there were 235 carpentry societies located throughout the country. These societies are provided both financial and marketing assistance by the department. During the last financial year these societies and schools executed government orders for school and office furniture to the value of Rs. 2,037,068.

Needlework

The department now conducts 68 full time needlework centres and 22 part time centres in 90 D.R.OO's Divisions. Each centre trains a group of 25 girls for a period of one year after which it is shifted to another village in the same division. As there is a growing demand for more full time centres, the government recently approved the establishment of a needlework centre for every electorate. These additional centres will be established during the current financial year no sooner the supplementary funds are released and the staff recruited.

Pottery

At the end of the financial year there were 77 pottery co-operatives sponsored by the department. These societies are given financial, technical and marketing assistance by the department. The chief items of production are household earthen ware, curd pots and toddy pots. One of the main

problems of the village potter is the difficulty of obtaining the raw material, clay. The department has assisted many of these societies by acquiring clay fields and leasing them out to the societies. The department also conducts demonstration centres in or around traditional pottery villages. Some of these centres have been mechanised for the production of utility and ornamental ceramic ware. There are 18 such demonstration centres run by the department and their products find a ready sale both locally and in the departmental shops.

Training of Toddy Tappers

Towards the end of the financial year the department of Rural Development and Small Industries was entrusted with the task of training 1,000 toddy tappers as an initial measure to overcome the current shortage of tappers. The training scheme that was earlier operated by the Labour Department was modified by government by increasing the daily stipend to the trainees from Rs. 2.50 to Rs. 3.50 and by reducing the period of training from 4 to 3 months. All preliminary steps such as selection of training centres, the leasing out of coconut trees, the procurement of training equipment such as rope, pots and knives etc. and the selection of trainees and instructors were finalised before the end of the financial year. The training of the first batch of 500 tappers commenced in early October at 20 centres in the districts of Puttalam, Colombo and Kalutara. By the end of December 480 tappers successfully completed this training and a further batch of 500 who started their training in January this year will complete their training by March. With the assistance of the Excise Commissioner and the renters, Contractors and Distillers engaged in this industry, arrangements have been made for the employment of the tappers already trained.

Other Industries

Chief among other cottage and handicraft industries assisted by this department are Smithy work, Jewellery, Brass and Silver ware, Wood carving, Toys, Gem cutting and polishing, reed and basket ware, Brick and Tiles, Textile Printing and Lace work. Technical advice and training, raw material supply, marketing and financial assistance are the main ways in which the department assisted these industries during the year.

Raw Materials, Tools and Accessories

Cottage and handicraft industries were assisted by the department during the year to obtain their essential requirements of imported raw materials, tools and accessories. While the National Textile Corporation now imports the full requirements of Cotton yarn for the textile industry, the department issued "actual user permits" to producers for the import of synthetic yarn and textile accessories. Gold and silver used in the Jewellery industry are imported by the Central Bank and Bank of Ceylon respectively and distributed to craftsmen through the Bank of Ceylon branches, on permits issued by the department.

Credit Facilities

Under the scheme granting financial assistance to Industrial co-operatives and individual craftsmen, the department has granted loans to the value of Rs. 18,889,532 during the period October 1965 to 30th September, 1966. The bulk of these loans amounting to Rs. 17,858,122 were granted to industrial co-operatives and the balance Rs. 1,041,410 to individual craftsmen. Industrial co-operatives are given short term, medium term and long term loans up to their authorised credit limits at 2 per cent interest. Individual craftsmen are granted loans to a maximum of Rs. 3,000 at 4 per cent interest on surety bonds. A statements of loans granted during the last financial year is given below :—

	Rs.
(a) Co-operative Industrial Unions at 2 per cent interest	2,217,888
(b) Co-operative Industrial Societies at 2 per cent interest	199,542
(c) Individual Craftsmen at 4 per cent interest	33,450
Total	2,450,880

Marketing Assistance

During the year the department ran branch shops in Colombo Jetty, Bambalapitiya, Kandy, Katunayake Air Port and Galle. Except for the Jetty shop which will be shortly moved to the new premises of the Ceylon Tourist Board, all other shops recorded good sales. The sales recorded at these shops during the past two years are given below :—

	1964-65	1965-66
	Rs.	Rs.
Laksala, Colombo	2,427,398	3,482,427
Laksala, Galle	—	248,477
Bambalapitiya	35,536	118,087
Colombo Jetty	20,729	12,272
Katunayake Air Port	—	93,029
Queens Hotel, Kandy	47,236	52,257
New Central Market, Kandy	112,309	97,774
	<hr/> 2,643,208	<hr/> 4,104,293

Government Stores Purchases

As a measure of assistance to Small Industries, all government departments and State Corporations are required to give preference to cottage industrial products in obtaining their stores requirements. Under this scheme the department supplied various cottage and industry products to the value of Rs. 5.9 million during the year.

Industrial Products Act

Under this act, all importers were required to purchase a quota of local sarongs against imports of textiles. During the year the department sold 2,560,843 handloom sarongs valued at Rs. 20,742,800 to the trade under this Act. The protection to the handloom sarong industry under the industrial Products Act was first introduced in October 1952 when the local industry was in its infancy with barely 5,000 handlooms in the country. The guaranteed market offered to the weaver under this Act and steps taken by government to expand the handloom industry through the establishment of more handloom centres have resulted in a rapid expansion of the industry. At the end of the last financial year there were 63,500 handlooms in the country, with an annual capacity of 50 million yards. Ceylon is now self sufficient in sarongs and their imports have been banned. The I. P. Act has served its purpose and the protection given to this industry under this act was withdrawn at end of last year.

Co-operative Development of Small Industries

A separate industrial co-operative division has been functioning within this department for the past five years under an Assistant Commissioner of Co-operative Development released by the Co-operative Department. He is assisted by 64 Inspectors in the field. This division is in charge of the organisation, Supervision and audit of all industrial co-operatives in the island except those in the districts of Jaffna, Mannar, Vavuniya, Trincomalee, Batticaloa, Amparai, Moneragala and Nuwara Eliya. Work connected with the above eight districts are attended to by the Assistant Commissioners of the Co-operative Department stationed in these districts. At the end of the year there were 1,112 industrial co-operatives in the whole island with a total membership of 71,784.

CHAPTER IX

SCIENTIFIC RESEARCH

I—AGRICULTURAL RESEARCH

TEA RESEARCH INSTITUTE

General

The Tea Research Institute was established in 1925 and is maintained and financed by the tea Industry. It has its headquarters at St. Coombs Estate, Talawekelle. The work of the Institute is divided among the following divisions.

Research

AGRICULTURAL CHEMISTRY

An attempt was made to find some connexion between quality and fertilizer applications. Blind testing of miniature manufacture samples from fertilizer plots showed no effect on quality by even the most extreme treatments. Yields for the last five years in a comparative nitrogen experiment indicated no significant difference between sulphate of ammonia and urea. This is a most important finding because if urea is made in Ceylon then it will prove the cheapest source of fertilizer nitrogen.

AGRONOMY (LOW-COUNTRY)

Considerable expansion of activities in the Morawaka Korale district was the result of the appointment of a field officer to Deniyaya. The long term experiments in the Low-Country gave results similar to last year but it is too soon to assess those from the extension experiments.

PLANT PHYSIOLOGY

Results obtained from studies during the year supported an earlier suggestion that factors inhibiting flush shoot growth were present in leaves. The indication of dormancy of shoots by heavy shading was confirmed.

PLANT PROPAGATION

Shading new clearings with dadaps or gliricidias appear to be unnecessary but shelter may be an advantage. Progenies of biclonal seedlings from the highest yielding parents have not yet proved as good as their parents.

ENTOMOLOGY

Recommendations concerning dieldrin for shot-hole borer were revised because of severe side-effects and estates were advised to restrict dieldrin spraying to new clearings. Heptachlor in preliminary experiments gave good shot-hole borer control with negligible side effects. Studies of the ecology of shot-borer beetle were continued and certain clones were found to be tolerant if not resistant to this pest. The control of looper and twig caterpillars was satisfactorily worked out using DDT and Sandoz 6538. DDT also proved the best insecticide for tea tortrix control.

PLANT PATHOLOGY

An accurate means of prediction of the incidence of blister blight was developed ; nickel sulphate showed good promise as a fungicide and it was demonstrated that loss in yield from blister blight would only occur if infection increased above 35 per cent. Methyl bromide was confirmed as the best treatment for *Poria* and it had the additional advantage of controlling eelworm and weeds and also acted indirectly as a growth stimulant.

NEMATOLOGY

The method for extracting nematodes from soils was greatly improved. Of the high yielding 2,020 series, clone 2,025 proved resistant to moderate eelworm populations. In a survey of nursery soils, 60 per cent were found to be infested. Methyl bromide gave the best control of eelworms in nursery soil and it also improved percentage of rooting and subsequent growth.

BIOCHEMISTRY

Advances in this subject are really too academic to publish here in detail but they were so spectacular that it was possible to apply them to the improvement of quality and flavour in the factory and to work out the blue-print for a "Super Instant" tea. Low Country teas will particularly benefit from these discoveries.

TECHNOLOGY

In collaboration with the Biochemistry division the Technologist was able to improve the values of St. Joachim tea from Rs. 1.20 to Rs. 3.00 per pound. It was also demonstrated that a very black CTC tea could be made from low-country leaf.

STATISTICS

As in previous years this division was a mainstay of most of the experimental work of the Institute.

ADVISORY

An intermediate staff officer was appointed to Hantane Sub-station and field operations were begun at the new Agratenne Sub-station. Fifty five extension experiments concerning fertilizers are being run by the Advisory Officers usually in collaboration with officers from other divisions. A valuable set of results from these will be discussed at the Centenary Conference in May. Yields from the first half year of plucking in three shade-nitrogen experiments all tend to favour the no shade treatments.

RUBBER RESEARCH INSTITUTE**General**

The Rubber Research Institute of Ceylon is constituted under the Rubber Research Ordinance (Cap 502) and is financed by the rubber industry. It has its headquarters at Dartonfield Estate, Agalawatta.

The total rubber production for 1966 is expected to hit an all high record of 130,000 tons. This is mainly the fruits of an enlightened replanting subsidy programme which has been in operation since 1953 and in which high yielding planting materials as recommended by this Institute have been used.

With the new research findings at the Natural Rubber Producers' Research Association in England that Oil Extended Natural Rubber (OENR) is in no way inferior to Oil Extended Styrene Butadiene Rubber (OESBR) in passenger car tyre treads, preliminary experiments were initiated locally with a view to producing oil-extended rubber sheets on a commercial basis for use in tyre retreads.

A journal on rubber in which recent research findings are communicated to the layman—the natural rubber producer in simple non-technical language has been a long-felt need. A Bulletin has now been introduced to serve this purpose and also to provide a forum for the exchange of views and information on natural rubber. It is hoped that the small owners too will benefit by reading the Bulletin as it is proposed to reproduce, in addition to summarised research findings, the advisory circulars on various aspects of natural rubber production and manufacture. The Bulletin will be distributed free of charge to all estate owners, superintendents as well as smallholders who register their names with the Institute.

Research

BOTANY

Clone RRIC 45 continues to perform well in yield trials. It is a vigorous grower and although a few clones may outyield RRIC 45, it offers a satisfactory combination of yield, growth and relative freedom from leaf and panel diseases. In trial plots under dry climatic conditions in Kurunegala and Moneragala districts, it has maintained its growth, vigour and relative freedom from leaf diseases. In the wet districts this clone should yield around 500 lbs. per acre in the first year of tapping and exceed 1,000 lbs. per acre in the 4th year of tapping. Among the RRIC clones under test, 86, 88, 89, 90, 91 are performing well and at least one clone is expected to yield over 2,000 lbs. per acre.

RRIC 36 is a very high yielder but owing to its extreme susceptibility to bark-rot should be suitable only for the drier districts.

Owing to unavailability of suitable clonal materials at the Institute's estates, investigations on yield stimulants have been limited. An appeal has been made again to estates to offer us 10 acres or large blocks in which to carry out trials. Results of a small scale experiment at Dartonfield confirm the findings elsewhere that the response to stimulation of virgin bark is poor. A small scale experiment started in August 1966 on clone Tjir 1 has so far shown that the yield response to application of RRIC Mixture I was better than to injection of Copper Sulphate.

A programme for the setting down on yield trials of the most promising clones on commercial estates was initiated in 1964. These yield trials are designed to assess the comparative performance of clones as well as to test their suitability for planting in the different districts in Ceylon. So far trials have been successfully set down at Hanwella, Matugama, Deraniyagala, Nivitigala, Yatiyantota, Kegalle, Matale and Moneragala.

Genetics and Plant Breeding

A method for the rapid determination of the latex content of *Hevea* tissues as a possible means of assessing the potentialities of newly bred varieties at an early stage in growth was evolved.

Hand pollination programmes were carried out on a wider range of material than in previous years and with a reasonable degree of success.

Twenty clones of hand pollinated origin were seeded for successful tapping at $4\frac{1}{2}$ years of age at Kuruwita. These were especially bred for favourable secondary characters including vigour to enable early exploitation. Girth measurements taken after one year's tapping confirmed that although the trees were brought into tapping at this early age there was no appreciable set-back to growth.

Favourable yield indices in the Kalutara District were noted for clones previously found tolerant to Oidium at higher elevations in the Matale District.

Pathology

The incidence of Oidium leaf disease was the lowest on record for a number of years. Some Oidium spores became available in April which enabled further studies on spore germination.

The effect of temperature and relative humidity on the sporulation of *Gloeosporium alborubrum* on immature rubber leaves is being studied to establish the correlation between weather and the incidence and spread of this disease. Studies on the intensity of sporulation of *Gloeosporium* under field conditions at different times of the year were continued. In these studies a record is being made of the number of spores produced on a unit weight of rubber leaf, at regular intervals throughout the year. Further laboratory studies were carried out on the susceptibility of different clones to *Gloeosporium* leaf disease by inoculating the leaves of these clones under laboratory conditions.

Studies on the growth of *Phytophthora* on media of known composition were continued with the assessment of the requirements of this fungus for nitrogen and vitamins. The sexual compatibility of *Phytophthora* isolates obtained from pods and petioles of the same tree were studied. The 4th and 5th series of inoculations of plants of different clones maintained in shaded nurseries was carried

out with different clones maintained in shaded nurseries was carried out with different isolates of the fungus to find out whether physiologic specialization occurs in this fungus. In investigations on the epidemiology of phytophthora leaf disease, critical studies have shown that pods become infected readily in the presence of little inoculum and that leaves are generally infected by the inoculum splashed from infected sporulating pods.

The bark of PB 86 trees were inoculated at frequent intervals, under varying conditions of weather, in order to establish the relationship between weather and the incidence of Bark rot. As a further refinement of the above experiment, the size of the lesions produced by the infection was measured 5 days after inoculation, in order to establish whether Bark rot infections are prone to spread at different rates in relation to the weather conditions prevalent at the time of inoculation and soon afterwards.

Soil Chemistry

Results obtained from field trials now provide sufficient experimental evidence to indicate that application of NPK fertilizers at rates presently recommended by the Institute for clonal rubber during the immature as well as early productive phase would result in increased yields that would economically be worth while even under conditions of an assumed unfavourable cost-price situation.

There is now definite evidence that direct beneficial response to fertilizer application in the mature phase can be obtained only from rubber which has received balanced nutrition in NPK form during the juvenile phase.

A trial laid down in 1963 to determine whether the more vigorous clones that have been recommended for large-scale planting in recent years such as RRIC 45 and 52 would benefit from higher levels of fertilizer applications indicates that application of an NPK + Mg fertilizer mixture at higher rates than presently recommended in our standard mixtures will not increase the rate of growth of the more vigorous materials any more than that of the control PB 86.

In an experiment laid down to study the effect of reduced levels of N, P and K on the incidence of wind damage, there was no significant difference in wind losses due to treatment differences.

The two new herbicides, Tordon 22 K and Tordon 101, tested for effectiveness in eradicating ferns such as Bracken and *Nehrolepis* and other pernicious weeds such as Illuk, Lantana and rogue rubber seedlings, have been found to be more effective than herbicides that have been tested in the past. This was found to be so even at the rate of 1.5 lb. per 30 gallons of water.

The rubber growing areas covered by the 1 " tope sheets and covering a total area of about 2,300 sq. miles has now been soil-surveyed at a semi-detailed reconnaissance level.

Instances of an unusual form of necrosis encountered in young re-plantings have been diagnosed either Boron toxicity and/or Calcium deficiency. Since the remedial measure for Boron toxicity as well as Calcium deficiency is the application of lime and since no Dolomite had been applied in all instances where the symptoms were observed, application of Dolomite was recommended as the remedial measure.

Rubber Chemistry

The Rubber Research Institute in collaboration with Lever Brothers worked on the economics of collection and processing of rubber seed. About nine commercial estates participated in this experimental project. This experiment will be continued in 1967.

Assistance was given to the P.W.D. in the addition of latex to bitumen in road surfacings. Assistance was also given to Nakiadeniya Group, Nakiadeniya, to carry out dirt content and volatile matter content determinations.

Samples of scrap from Ceylon Trading Co., Colombo, are being regularly tested for conformity to Technical Specifications and with a view to improving these grades.

Experiments were carried out to detect the substance which is responsible for the natural resistance of some clones to Bark rot and Bark cracking. Preliminary experiments indicate that clones susceptible to Bark rot may contain low concentrations of tannins and those resistant, higher concentrations.

Experiments were continued to determine the factors which affect the plasticity retention index of natural rubber.

Preliminary experiments were carried out with a view to producing oil extended sheet rubber on a commercial basis.

The Rubber Research Institute continued to send monthly samples of latex from certain specific clones to the Natural Rubber Producers' Research Association, England, for purposes of research.

Estates Advisory Service

A new Department for extension work designated the Estates Advisory Department came into operation with effect from January 1966. Already there is an encouraging response particularly from the small and medium size estates which had not been catered for previously.

Small-holdings Advisory Service

The Small-holdings Department continues to provide small-owners with an efficient advisory service. As in previous years assistance to small-holders was in the form of general advisory visits, lining for planting holes and soil conservation works, organisation of sulphur dusting groups, advice on the construction of approved type-plan smoke house and the marking of trees for correct tapping.

A Publicity Unit to disseminate information to small-holders by visual aids was in operation throughout the year.

A crash programme was initiated to step up the standard of manufacture of small-holders sheet. The percentage of RSS I produced by small-owners has generally been very low as compared with bigger estates. This is due to various difficulties which are specific to small-holdings. Nevertheless it is essential from the stand point of the national economy to improve the quality of sheet produced by small owners. Already as a result of this drive, an increase in the output of RSS I as well as an improvement in the general standard of sheet rubber manufacture has been noticed.

COCONUT RESEARCH INSTITUTE

General

A Scheme for research on Coconut was initiated in 1929 under Ordinance No. 29 of 1928. This Scheme which was originally called the Coconut Research Scheme was subsequently renamed Coconut Research Institute.

As it functions at the present time, the Coconut Research Institute is organised mainly for agricultural research. Limited facilities however exist for laboratory scale investigations on the chemistry and technology of coconut products. In other words, the Institute is not strictly engaged in applied research for industry, though it does to some extent assist in the solution of process and production problems encountered in the coconut industry.

Research

CHEMISTRY DIVISION

(i) *Desiccated Coconut*.—Laboratory investigations were carried out on good and poor samples of desiccated coconut with a view to evolving a method (based on PH values) for testing deterioration consequent on delays on processing time.

Comparative studies were made on Ceylon and Phillippine desiccated coconut to determine their range of composition in respect of protein and sugar contents.

(ii) *The Standard Ceylon Copra Kiln*.—Work in connection with the Standard Ceylon Kiln was continued during the year. Contraptions for maximising fuel economy and minimising fire-chamber disturbances have been incorporated in the improved design. A kiln plan suitable for water-logged sites has also been prepared.

(iii) Chemical work in connection with the Sand Pot-culture experiments, studies on the coconut endosperm and arrack were continued during the year.

BOTANY DIVISION

8,091 Tall \times Tall and 28,449 Dwarf \times Tall seed-nuts were harvested from Bandirippuwa, Ratmalagara, Marandawila and Kirimetiya Estates and the Isolated Seed Garden. 11,853 Tall \times Tall (open-pollinated), Tall \times Dwarf and Dwarf \times Tall seedlings were issued to the industry. Twelve private estates were assisted in carrying out their own controlled pollination.

Field trials on planting techniques and progeny testing were maintained throughout the year.

1,484,776 seed-nuts from mother palms were supplied to the Planting Division.

Soil Chemistry Division

(i) The eight long-term field experiments on the NPK requirements of young and adult palms, fertilizer placement, frequency of manuring, liming acid soils, ploughing and the efficiency of different sources of N and P were continued in 1966.

The observation trials on the problems of leaf scorch, immature nut-fall and yellowing palms were maintained.

(ii) All experiments at Bandirippuwa, Ratmalagara and Pothukulama continued to show significant responses to each of the nutrients N, P and K.

(iii) Analyses of leaf samples from yellowing palms at Iranaville Estate gave indications of sulphur deficiency.

(iv) Soil surveys of the Galle and Ambalantota 1" sheets were completed during the year. Some special surveys were conducted in Naula, Matale and Kaduwella.

AGROSTOLOGY DIVISION

(i) Soil fertility studies in respect of three soil types were completed.

In continuation of previous work, changes in soil pH consequent on the use of urea and sulphate of ammonia on coconut soils were studied.

(ii) Considerable attention was focussed on the possibility of growing food crops such as paddy, maize, sorghum, cowpea, ground-nuts, chillies and pine-apples under coconut.

(iii) With the gift of two Jersey stud bulls by the Department of Agriculture, the artificial insemination trials were discontinued. In general, it has been concluded that the Jersey would be the most suitable animal for crossing with the Sinhala.

CROP PROTECTION

(i) *Pests*.—Work on the control of the Red Weevil, the Coconut Caterpillar and the Coconut Scale was continued during the year.

Although the red weevil is the most destructive pest, the observation has been made that it could be kept under control by phyto-sanitary methods and/or metasystox injections.

In general, the records indicate that caterpillar infestations were not extensive or serious enough to warrant explorations for fresh parasites.

(ii) *Diseases*.—The annual survey conducted in the Galle district revealed that the incidence of "Leaf Scorch Decline" was lower than in previous years.

The fungicidal trials with mercurial sprays commenced in 1965 to control Bud Rot disease was continued during the year.

BIOMETRY

The Division continued to assist all the Research Divisions, in the design of experiments, statistical analyses and the interpretation of experimental data.

ADVISORY DIVISION

During the year 13,691 visits were made by the field staff to coconut lands for advice, and demonstrations on planting, soil conservation, draining, manuring, cultivation, pests and diseases control and for inspections under the Fertilizer Subsidy Scheme.

CITRONELLA SUBSIDY SCHEME

The main items of work for the year under this Scheme, comprised inspection of lands for the payment of cash subsidy and the issue of free fertilizer.

PLANTING DIVISION

The Planting Division maintained 12 nurseries during the year. A total of 2,044,451 seednuts were planted for issue of seedlings in May/June and October/December Seasons.

A total of 1,333,945 seedlings were booked for the two planting seasons.

II—INDUSTRIAL RESEARCH

Since 1955, the principal organisation for general industrial research, technical development and advisory services to industry has been the Ceylon Institute of Scientific and Industrial Research, familiarly known as the C. I. S. I. R.

The C. I. S. I. R. was established by an Act of Parliament dated 12th April, 1955, and the aims and functions have been defined therein.

Among these are —

- (a) To undertake testing, investigations and researches with the object of improving the technical processes and methods used in industry, of discovering processes and methods which may promote the expansion of existing or the development of new industries ;
- (b) To foster the training of research workers ;
- (c) To undertake or to collaborate in the preparation, publication and dissemination of useful technical information ;
- (d) To co-operate with departments of Government, Universities, Technical Colleges and other bodies in order to promote scientific and industrial research and the training of investigators in pure and applied science and of technical experts, craftsmen and technicians.

Besides industrial research directed towards improvements in manufacturing technologies, investigation of raw materials and waste products under local conditions applicable in Ceylon, the Institute undertakes a wide range of testing and advisory activities to both Public and Private Sectors.

The work of the Institute is carried out at present under the following Divisions :—

- (a) General Chemical Technology
- (b) Process Engineering
- (c) Applied Physics
- (d) Rubber Technology
- (e) Natural Products, and
- (f) Physical Chemistry

III—GOVERNMENT ANALYST'S DEPARTMENT

The Government Analyst's Department carries out analytical work for Hospitals, Police, Courts and various other Government Departments. In certain special cases, services are rendered with the permission of the Ministry of Justice to private parties and Corporations.

The Department also acts as Scientific advisor to other Government Departments and is represented on various Committees dealing with subjects coming within the purview of the Food and Drugs Act, the Explosive Act, the Opium and Dangerous Drugs Act and on the different committees appointed by the Ceylon Bureau of Standards for fixing standards for various locally manufactured products and on the Committee appointed by the Water Resources Board.

The Government Analyst also functions as the approved Public Analyst for 32 Local Authorities under the Food and Drugs Act.

CHAPTER X

MINERAL RESOURCES

I—ECONOMIC MINERALS

The major economic minerals of the Island at present being utilized are graphite, gemstones, mineral sands (ilmenite, monazite and silica sands), industrial clays, limestones, feldspar and quartz. Other minerals found as large deposits but not being worked at present are iron ore, peat, garnet sand, rutile and zircon.

Graphite

Graphite mining is the largest and most important mining industry in the Island, and the three large mechanised mines as well as a few of the smaller ones worked continuously throughout the year 1966. The entire production of graphite comes from vein deposits in the South West sector of the Island, the majority of which are seen to occur in certain well marked zones or belts. The present working are mainly in the mechanised deep mines which go down to depths between 500 and 1,850 ft. below the surface. Larger quantities of ground graphite are now being exported from Ceylon after being dressed and graded. 9,867 long tons of graphite valued at Rs. 6.2 million were exported in 1966. The U. S. A. took 44 per cent while the U.K. and Japan took 20 per cent each of the total exports.

Gemstones

Precious and semi-precious stones in large variety occur within layers of older alluvium and river gravels of Quaternary age in the valleys of the Ratnapura District in the south-west of the Island, and have been derived mainly from the weathering of numerous pegmatites which occur in the Pre-Cambrian crystalline granulites, gneiss and schists of the area.

The most important gemstones are delicately coloured varieties of the minerals corundum (sapphire and ruby), chrysoberyl (alexandrite and cat's eye), beryl (aquamarine), topaz, spinel, garnet, zircon and tourmaline. Moonstone (a variety of feldspar) is mined from a decomposed pegmatite near Meetiyagoda in the Ambalangoda area.

The mining of gemstones in Ceylon is carried out in the traditional age old methods of sinking pits and panning the gem bearing gravels extracted from these pits. Gem mining is, however, a risky enterprise since the occurrence of the gem bearing formations is extremely erratic and inconsistent. Some new areas in the valley of the Kalu Ganga in the Matale North and Polonnaruwa Districts were worked.

Production figures are not available for this industry. The exports of gemstones both precious and semi-precious in 1966 was 61,119 carats valued Rs. 3.9 million. Japan, Australia, U. S. A., U.K., France and the Federal Republic of Germany were the principal buyers.

Mineral Sands

The extensive beach deposit of ilmenite at Pulmoddai, north of Trincomalee, is worked by the Ceylon Mineral Sands Corporation. The exports of ilmenite in 1966 amounted to 40,549 tons valued at Rs. 1.1 million. The bulk of the exports went to Japan. Plant for the treating of tailings from the Pulmoddai Factory is being erected at Trincomalee. When this Plant is in operation the production of rutile, zircon and small amounts of monazite will be undertaken.

Monazite

Monazite occurs as a constituent of the beach sands at certain points along the west coast, especially at Beruwela and Induruwa where it is concentrated by wave action during the period of the south-west monsoon.

The production of Monazite in 1966 was 35 tons recovered from a collection of 280 tons of concentrates assaying 7.6 per cent monazite and from previous year's tailings.

Quartz

Extensive reserves of pure, white silica sand suitable for glass making are present as surface deposits in the Marawila-Nattandiya-Madampe area, east of the Negombo-Chilaw road. During 1966 the Ceylon Glass Company used 5,222 tons of silica sands at their factory at Nattandiya. The Lanka Glass Factory at Uppuveli near Trincomalee used 104 tons of silica sand in the second half of 1966 from a source near the factory.

Industrial Clays

No figures are available of the amount of clays used in local kilns for the manufacture of bricks and tiles. These alluvial clays occur in the flood plains of all the major rivers of the Island, the most extensive deposits being found in the valleys of the Maha Oya, the Kelani Ganga and the Kalu Ganga. It is in these valleys that the greatest concentration of brick and tile works occurs, but the industry is spread over the whole Island wherever suitable clays are found. The systematic survey of the clay fields in the Island was continued during the year 1966.

Extensive deposits of kaolin are found at Boralesgamuwa, near Colombo, and at Meetiyyagoda in the Galle District. The Boralesgamuwa kaolin deposit is of a pure, high grade clay, formed by the decomposition of feldspar rich rocks like granite and pegmatite. The Refinery established by the Ceramic Corporation at Boralesgamuwa produced 1,591 tons during the year 1966.

A third type of industrial clay is that suitable for the manufacture of cement, large deposits of which are found at Murunkan and Ralmadu (north of Puttalam). The clay from Murunkan is used in the Cement Factory at Kankasanturai and 34,985 tons valued at Rs. 484,192 were produced in 1966.

Limestone

Almost inexhaustible reserves of sedimentary limestone of Miocene age occur in the Jaffna Peninsula and this limestone is the raw material for the manufacture of cement by the Ceylon Cement Corporation in its factory at Kankasanturai. 146,301 tons valued at Rs. 1,261,115 were mined in 1966.

Work on the Second Cement Factory at Puttalam is making satisfactory progress. The factory will also use sedimentary limestones of the same age and exposed at Arukalu, 20 miles north of Puttalam. The railway line has now been opened to Puttalam and a spur line to the factory completed.

The purer crystalline limestones as well as coral deposits are burnt extensively for the manufacture of lime, crushed dolomitic limestones are used with fertilizers on magnesia deficient soils. Some 13,170 tons of dolomite were used by the fertilizer industry in 1966.

Refractory Minerals

Pure feldspar and crystalline quartz are used by the Ceylon Ceramic Corporation and other private industries. During 1965, 412 tons of feldspar valued at Rs. 70,440 were used by the Ceramic Factory and the private sector.

637 tons massive quartz valued at Rs. 31,594 were used by the Ceramic Factory.

Large deposits of dolomitic limestone and some magnesite suitable for the manufacture of foundry bricks are available, but these have not been exploited so far.

Iron Ore

The Iron ore deposits of the Island are of two main types namely, (a) surface lateritic ores, and (b) banded ironstones. The surface ores are mainly composed of limonite and goethite and are invariably lateritic. They occur as large boulders and surface cappings and are mainly confined

to the south-west sector of the Island. About two to three million tons of easily accessible ore are present, the higher grades averaging 54 per cent metallic iron, while the lower grades average 30 to 40 percent iron.

The banded ironstone deposits are found in the Wilagedera-Panirendawa-Bingiriya area of the North-west Province and consists of bands of magnetite, 5 to 20 feet thick, interbanded with calc, granulites, quartzites, and basic rocks. About five to six million tons of ore with a metallic content of 65 per cent iron have been proved by drilling at depths ranging from 70 to 500 feet below the surface.

Peat

Nearly four million tons of peat are known to occur at Muthurajawela, just north of Colombo, in an area of 3,000 acres. The peat occurs as a bed with an average thickness of 12 to 15 feet, but the deposit is poorly drained, the normal water level being at the surface during the dry season and 6 inches to 1 foot above it during the rainy season.

II—GEOLOGICAL SURVEY DEPARTMENT

The functions of the Geological Survey Department formerly known as the Department of Mineralogy are :—

- (1) the systematic mapping of the geology of the Island and the publication of geological maps and other relevant data acquired during this work ;
- (2) the evaluation of known mineral deposits and exploration for new mineral occurrences; and
- (3) geological investigations for engineering projects and water supply problems.

Geological Mapping

Very satisfactory progress has been made in the geological mapping during the past few years particularly in the South-west sector of the Island. Considerable importance is attached to basic geological mapping as mineral occurrences are related to their geological environment and a knowledge of basic geology is essential to the proper assessment of mineral resources of a country.

The systematic geological mapping on the scale of 2 inches to a mile of the Galle, Matara and Wariyapola, Sheets was completed and the mapping of the Hatton, Sheet was continued. Altogether about 525 square miles were mapped on the scale of 2 inches to a mile during this period.

The third descriptive memoir on the ' Geology of the area around Aluthgama ' has been published

Five-Year Plan

A Five-Year Plan was drawn up by the Department and received approval of the Ministry of Industries early in 1966. The main objectives of the Plan are the compilation of a geological map of the Island on the quarter inch scale and the preparation of a mineral resources inventory.

A rapid reconnaissance mapping of approximately 7,000 square miles forming the South-east sector of the Island on the scale of 1 inch=1 mile was undertaken as a part of this project. Work on this survey commenced and up to the end of 1966, 850 square miles were mapped.

Mineral Exploration

Extensions to the earlier ground magnetometer surveys at Panirendawa where a deposit of high grade magnetite has been proved were undertaken during this period. A Jalander magnetometer reconnaissance survey was also carried out. A detailed magnetometer survey of the Ratgama area was completed.

Clay investigations were carried out in various parts of the Island in order to locate suitable deposits for use by the State Tile Factories.

Engineering Geology and Water Supply Investigations

Foundation investigations at the following sites were carried out during the year 1966 :—

- (i) Hapugaskanda site for the proposed oil refinery ;
- (ii) Site for the proposed Tourist Hotel at Galle Face ;
- (iii) The site for the Fertilizer Project at Mattakkuliya.

Geological investigations were also carried out for the Pitipana Fisheries Harbour and at the water intake site and pipe line crossing for the oil refinery at Hapugaskanda.

Investigations were carried out to explore the possibility of augmenting the water supply for the second stage of the Ekala Industrial Estate, and to determine the yield capacities and the possibility of water near the Mattakkuliya Leather Factory.

A joint project by the Geological Survey, the Irrigation and Water Supply and Drainage Department to study the problem of salinity developed in the underground fresh water resources in the Jaffna Peninsula was continued during the year 1966.

Publications

- *1. Professional Paper No. 1 (1943), containing —
 - (a) Rare Earth Mineral of Ceylon
 - (b) Origin of the Graphite Deposits of Ceylon
 - (c) The Three Superposed Peneplains of Ceylon
 - (d) Bibliography of the Geology of Ceylon, by D. N. Wadia.
- *2. Professional Paper No. 2 (1944), containing —
 - (a) Ilmenite, Monazite and Zircon
 - (b) Gems and Semi-precious Stones of Ceylon, by D. N. Wadia and L. J. D. Fernando.
- *3. The Geology and Mineral Deposits of Ceylon (1950), by L. J. D. Fernando.
- *4. Geology of the area around Polonnaruwa, by P. W. Vithanage, Memoir No. 1, 1959.
- *5. Geology of the area around Rangala, by P. G. Cooray, Memoir No. 2, 1961.
- *6. Geology of the area around Aluthgama, by P. G. Cooray, Memoir No. 3.

* Out of print.

CHAPTER XI

FORESTS, BOTANIC GARDENS AND WILD LIFE PROTECTION

I—FORESTRY

Extent

In the last inventory of the Island's forests it was estimated that of the total land area of 16,228,230 acres, 7,164,710 acres were forest. This estimate was based on aerial photographs taken in 1956. In the decade 1956 to 1966 it is estimated that there has been a 10 to 15 per cent reduction in the forest area due to village expansion and agricultural extension. Most of the forest alienation was from the "other Crown Forests" of the Dry Zone.

The forest area as at 1966 can then be assumed to be 35 to 40 per cent of the area. Of this extent; 40 per cent consists of Forest Reserves and Proposed Reserves while the balance comprises other Crown Forests.

Management

In the Dry Zone is situated over 80 per cent of the forest area. The main management activity in this region is the replacement of natural forests with plantations, mainly of Teak because of the poor stocking of utilizable species in the natural forests of this region. The most common species, Wira, accounts for over 20 per cent of the total standing volume and this species is fit for nothing other than fuel. Valuable species like Satin, Palu and Ebony are becoming more and more scarce with continued exploitation. Due to difficulties of regenerating the valuable indigenous species replanting with Teak which has a faster growth rate than any of the comparable local species is the only practicable means of improving the Dry Zone Forest.

In 1965/66 the area planted with Teak was 7,087 acres which exceeds the previous year's target by 30 per cent. With the possibilities of using *Eucalyptus camaldulensis* for paper pulps, dry zone plantations of this variety will be started from this year. Experiments carried out during the past few years have shown that this species grows well in the Dry Zone.

The natural forests of the Wet Zone are better stocked with utilizable species and the increments are much higher than in the Dry Zone. But one serious drawback to proper management is that the major part of the Wet Zone forests being situated in mountaneous country is inaccessible. The opening up of roads into these forests is engaging the attention of the Forest Department.

The forests of the Wet Zone are managed on a type of selection felling system where trees are felled down to a prescribed girth limit. Degraded forests are under-planted with Mahogany. This is an ideal species for enriching the natural forests of the Wet and Intermediate Zones as it requires a minimum of maintenance work and furthermore it regenerates profusely.

In the montane zone patana afforestation and the reforestation of degraded forests continued as in the past. The main species planted in *Eucalyptus grandis*. This species originally raised for providing fuel wood is now found suitable for pulp, and plans are now being made to establish a News print Mill in Ambawela to use the forest department plantation as a source of raw material.

Timber Supplies

The demand for timber for industrial and building purposes continued to increase and the Department was taxed to the utmost to meet the increased demands. As an incentive to step up production the revision of the basic rate of supply was finalised and given effect to. The impact was disappointing mainly due to the acute shortage of motor spare parts and tyres. The frequent breakdown in transport under these circumstances was inevitable and detrimental to the Timber Supply Scheme.

The total volume of timber extracted from Crown Forest amounted to 6,493,355.5 cubic feet, and firewood from the same source to 8,886,986.9 cubic feet. The willing patronage extended by the Public, Government Departments and Government-sponsored Corporations facilitated the

disposal of timber. The drop in sleeper supplies is due to the unfortunate breakdown of the Impregnation Plant. With the installation of the second plant it is expected to make good this loss and to increase supplies further.

The sale rates too were revised to take up the increased supply rate. The marginal increase has had no adverse effects as it is considered to be far below the prevalent rates in the open market.

Research

SILVICULTURAL RESEARCH

One aspect of Silvicultural Research which received the greatest attention is the introduction of new species—particularly various kinds of Pines into Ceylon. The emphasis has now shifted from fundamental research to applied research. The timber requirements of industry have to be met and ways and means of doing this have to be found. This is the reason why so much attention is being paid to Pines. The paper industry at present imports all its requirements of long fibred pulp. If Pines could be successfully grown on a large enough scale, the long fibre pulp can be produced in Ceylon. Already it is known that certain species of Pines can be grown in the wet montane zone. Trials are now being carried out in the other zones.

Timber Utilization Research

While on one hand investigations are continuing on meeting specific timber needs, it is no less important to learn to use what is already available in the forests of the Island. This is the aim of Timber Utilization Research.

Comprehensive tests on mechanical properties, saw milling properties, wood working properties, shrinkage during seasoning, material durability and so on are being conducted on various species of timber. With the knowledge gained it is possible to recommend uses of timber which have so far been neglected.

Research is also carried out on wood preservation, different methods of wood preservation and the reaction of different species of timber which are subject to conditions of high decay hazard, such as transmission poles, to wood preservative.

In this field also specific industrial needs are not neglected. Certain studies were made on rubber wood at the request of the Harboard Corporation and on furniture manufactured by the National Small Industries Corporation. Tests have also been conducted to find out species of timber suitable for manufacture of battens for use in Plywood Tea Chests.

II—BOTANIC GARDENS

The three Botanic Gardens of Ceylon, namely ; Royal Botanic Gardens, Peradeniya, Botanic Gardens, Hakgala, and Botanic Gardens, Henerathgoda, Gampaha, are administered by the Department of Agriculture. They are supervised by a Superintendent of Gardens who has his Head Quarters at Peradeniya. These Botanical Gardens primarily established for purpose of investigating into the flora of the island and the introduction of economic crops such as Tea, Rubber, Cocoa and Cinchona have now become centres of Botanical research. They give representative collections of tropical plants from different parts of the world to enable students of Botany to study them conveniently. The Royal Botanic Garden, Peradeniya, especially enjoys world wide reputation for its wealth of tropical vegetation.

Royal Botanic Gardens, Peradeniya

The history of these gardens dates as far back as 1371 when King Wickrema Bahu ascended the throne and held court at Peradeniya. The present gardens were established in 1821 for the accommodation and acclimatization of exotic plants and enjoy a world wide reputation for the wealth of tropical plants.

These gardens situated 68 miles from Colombo along the Colombo-Kandy road at an elevation of 1,500 feet above sea level occupy an area of 146 acres with the Mahaweli Ganga flowing two thirds the way around it. It enjoys a mild climate with an average rainfall of over 80 inches a year. The species of plants represented therein coming from different parts of the world, are of much interest to Botanists and Horticulturists. Exchange of plant material with other Botanic Gardens abroad and supplying of research material to other institutions are being conducted on an appreciable scale.

In the Orchid Breeding Programme the following new hybrids were registered at the Royal Horticultural Society of London :—

Houlttumara Nazim Auranzeb
Vanda Somalatha Amarasinghe
Vanda Parvisande
Vanda waitellata
Vanda Ranmenika
Phalaenopsis Dunhinda
Phalaenopsis Pink Cascade

A single fruit of the Sacred Bo-tree, Anuradhapura, produced 87 seedlings which were handed over to Rev. Rewatha, Chief High Priest of Atamasthana Society, for distribution to other temples.

Breeding and Research

For the first time a hybrid between two species of flowering trees was produced in Ceylon. *Tabebuia guayacan* was crossed successfully with *Tabebuia serratifolia* and 40 hybrid seedlings raised. The double *Mussaenda* (*mussaenda philippica* var *Aurorae*) was also crossed successfully with the red *mussaenda* (*mussaenda erythrophylla*) and with a semi-double form of the local *mussaenda frondosa*.

The total number of visitors to the gardens, during the year 1966 was 194,338. Two of the distinguished visitors were Gen. Ne Win, Chairman, Revolutionary Council of Burma, and Hon. Lee K. Yew, the Prime Minister of Singapore. Gen. Ne Win planted a tree of *Amherstia nobilis* and Hon. Yew a tree of the new *Tabebuia* (hybrid) to commemorate their visits.

Botanic Gardens, Hakgala

These gardens 55 acres in extent are situated in the hills six miles from Nuwara-Eliya at an elevation 5,381 feet above sea level and enjoy a more or less temperate climate. They were first established as a cinchona experiment station in 1861. The vegetation here is predominantly sub-tropical and many plants introduced from the temperate climates thrive here. Special features in these gardens are the rose collection, the fernery and the Rock Garden.

Two species of sequoia namely *S. gigantea* and *S. semperivirens* introduced during the year are of much interest.

Botanic Gardens, Gampaha

These gardens were established in 1878 for the reception of the original seedlings of Para Rubber from Kew Gardens. It is situated in the low country 17 miles from Colombo at an elevation of 35 feet above sea level and occupy an area of 35 acres. The original plantation of rubber is still alive.

Two patches of original jungle on either side of the entrance, the collection of *Taratogenus* and flowering plants suitable for the low country are of interest to visitors.

Publications

Jayaweera, Don M. A.—*A new species of Mussaenda from North Burma*. Journal of Arnold Arboretum 46 ; 366-369. 1965.

Jayaweera, Don M. A.—*The Genus Duabanga*. Journal of Arnold Arboretum. 1966.

Thanikaimoni G. & D. M. A. Jayaweera—*Pollen morphology of the Sonneraceae*. Journ. Inst. Francais de Pondicherry, Tranvauc de la Section Scientifique at Technique 5(3) ; 1-12. 1966.

III—WILD LIFE PROTECTION

The Wild Life of any country is a rich national asset which should be preserved for posterity for its cultural, aesthetic and scientific value. Besides, all animals irrespective of their size, colour, behaviour, in a broad sense, are useful and have their role to play in the balance of nature. Ceylon in that regard and in proportion to its size, has a wide range of wild life not only to serve our recreational and scientific needs but also to contribute substantially towards the promotion of the tourist industry of this country.

The functions of the Department of Wild Life continue to be the enforcement of the Fauna & Flora Protection Ordinance (Chap. 469) and the implementation of the Government Policy on all matters pertaining to the fauna and flora of the Island.

The National Reserves and Sanctuaries in existence are as follows :—

- (i) Strict Natural Reserves, 234.4 square miles in total extent, are areas into which entry is strictly prohibited, except for scientific research. Here wild life is allowed to remain completely undisturbed from interference by man. Such areas are also declared for the protection of any species whose survival from possible extinction is in danger.
- (ii) National Parks, 440 square miles, are areas into which the public are allowed freely on payment of a fee for the observation and study of wild life.
- (iii) Intermediate Zone, 487 square miles in total extent, are areas in which controlled shooting was permitted in the past during the open season between November 1st and April 29th each year on payment of a licence fee. This has now been stopped and it is proposed to convert these zones into national parks.
- (iv) Sanctuaries, 668.08 square miles, are merely areas in which any form of human activity except hunting and firing of guns is permitted. Sanctuaries could include, besides crown forests, private land as well. In all there are thirty-three sanctuaries. Sanctuaries are being declared to serve three purposes of (a) protecting bird life, (b) protecting wild life having religious or historical association, (c) buffer to national park or an intermediate zone.

The total extent of land set aside by Government for the protection of wild life is now 1,832.37 square miles or 2,972,917 acres which is approximately 1/14 of the total land area of Ceylon.

National Parks

The two national parks with Yala (Ruhuna) National Park on the south-east and Wilpattu National Park on the north-west of this island, cover a total extent of 340 sq. miles. Ruhuna National Park due to its easier accessibility is more popular than the Wilpattu National Park. Ruhuna National Park abounds in elephants, has many herds of deer and numerous peafowl but leopard are rarely seen. Topographically, both parks are strikingly different but equally picturesque and attractive. The Ruhuna park includes large extents of parklands, rocks of fantastic shapes, rich in ancient ruins. Wilpattu, in contrast, has few rock outcrops and hills. Its characteristic feature is sand but in it are several natural lakes of varying size and beauty. Both parks abound in a variety of aquatic bird life of which some are the painted storks, spoonbills, pelican, ibis, rare whistling teal. A total number of 47,958 visitors entered national parks.

The total length of jeep roads within the parks is now 192 miles. Park bungalows of which there are five, two in Ruhuna and three in Wilpattu, offer accommodation to visitors. All bungalows are fully equipped and bungalow keepers can cook. Aluminium tents are also available in both parks for large parties including school children.

Casual visitors could enter the parks for the day on permits obtained from Palatupana in the Yala (Ruhuna) National Park and Maradanmaduwa in the Wilpattu National Park. All reservations for park bungalows are made in the head office of which the present address is Echelon Square, Colombo 1. Under the new system bookings are acceptable only if the bungalows are vacant within

a period of three months in advance and on the minimum payment for 5 persons. Watchers are assigned to every party and they are required to remain with it for the duration of its stay in the park. Now an additional fee, is levied for every motor vehicle entering the park.

<i>Vehicle</i>	<i>Rate Rs. c.</i>
Cars	2 50
Jeeps and Land Rovers	3 50
Buses and Lorries	5 00

A new park bungalow in place of the temporary bungalow at Yala has been strategically sited on the right bank of the Menik Ganga near Yala. The bungalow is double storeyed, spacious and is to be equipped with modern amenities to cater to the needs of both tourist and resident. The upper storey with its wide balcony running almost right round it, throws a panoramic view of the vast plains on both sides of the meandering river which attract many forms of wild life. Blue prints for two additional bungalows with provision for all amenities and an appearance to match the jungle surroundings is under preparation. One bungalow is to be built close to the sea on the left bank of the Moderagam Aru in the Wilpattu National Park and the other at Yala National Park. Human traffic into the two parks have in recent years increased and more and more forests have yielded to development. In order to meet these exigencies, at least in part, the intermediate zones are to be converted into national parks.

Gal Oya National Park

The Gal Oya National Park, approximately 100 square miles in total extent, undoubtedly has a high tourists potential. It was taken over by the department about two years ago and plans for its development are being prepared. For the present, the park is accessible only by boat, but this prospect alone is a new experience in viewing wild life. Those visitors who do this trip when in the Gal Oya Valley, using a lunch, invariably see elephant, buffalo, deer and plenty of bird life. There is also the possibility of reaching the National Park from Bibile, but this road is practically impassable after even a short spell of rain. As a result the little circuit bungalow at Nilgala is difficult to reach for perhaps seven months of the year. Wild life staff is stationed at Nilgala and at Inginiyagala.

Strict Natural Reserves

Hakgala and Ritigala Strict National Reserves are two small reserves with a distinct floristic Composition of the highest mountain zone and the other vegetation of a mixed and unusual type characteristic of the dry zone. The two reserves flourish in rare medicinal herbs and offer excellent scope for botanical research.

Yala Strict Natural Reserve

This Reserve lies on the south-east coast and consists of chiefly parkland with few rock outcrops and hills. The northern part of it remains largely unknown but is believed to be high-forest.

Wasgomuwa Strict Natural Reserve

This area is mostly inaccessible and consists of soil that is most fertile. The reserve in itself now stands in the centre of a large scale development scheme and consequently its existence is very much in the balance in no distant future.

Yala East Intermediate Zone

This is by far the most attractive, popular and important of all the Intermediate Zones. It is the one which most resembles a true National Park and one that can benefit by developing it for vehicular traffic. Unfortunately, owing to the presence of the Kumana village at one end, such a proposition cannot yet be accommodated.

It is picturesque with the sea on one side, fabulous deer-riddled plains (Bagura), a wilderness of rock (Leanama) and the Kumbukkan Oya as its Northern Limit. It is an animal paradise.

Elephant, bear and leopard are present in very satisfying numbers, deer as already stated abound and the bird life is incredibly rich. Flamingoes in Yakala and Black-necked Storks at Thunmulla lend a strange sancity to this place.

With the suspension of shooting in both Bagura and Kumana blocks, the animals are now less shy.

The Unprotected Areas

Into this category fall the various areas which are neither National Reserves nor Sanctuaries. It is true that they are rapidly diminishing as vast expanses come under cultivation, but there are still some isolated patches in which harassed animals eke out a precarious existence. The commercial exploitation of fauna is highest in these places.

IV—ZOOLOGICAL GARDENS

The Zoological Gardens of Ceylon, or more familiarly the Zoo is owned by the Government. It is situated 6 miles from the city of Colombo. Beautifully laid out in 42 acres of undulating land and possessing a rich and varied collection of animals which is advantageously displayed in a colourful setting the Zoo is now a premier attraction to foreigners and local residents alike.

Nearly 900,000 persons visited the Zoo during 1965, proving once again that its popularity does not wane. An increase in attendance encourages improvement and in this direction too, much was achieved. The development of the Children's Zoo with funds collected by the Colombo Jaycees on July 4th, 1965, needs special mention.

A wide variety of new and interesting animals made a good impression on visitors and resulted in a tremendous increase in gate receipts. Among the larger animals in this category were the female Rhinoceros, Sumatran Tigers, Malayan Tapirs, North China Leopards and Blue Sheep—a collection any Zoo will envy.

For the first time the successful breeding of Ostriches and Gibbons were recorded while Lion, Jaguars, several species of monkeys, etc., bred as in previous years. At the Industrial Exhibition held in Colombo, the Zoo's Aquarium exhibit was one of the chief attractions.

The number of the orphaned baby elephants sent to the Zoo for rearing has increased and the Veterinarians with considerable experience now, are able to save many from certain death. Some interesting information on the hand rearing of baby elephants has been gathered and will be of use of Veterinary Science in the future.

As regards installations, two barless cages costing Rs. 36,000 and a pool for Sea Lions costing Rs. 16,000 were the major improvement works undertaken and completed this year. Visitors to the Zoo during the last two or three years could not have failed to notice the change that has taken place within the Zoo premises. The conventional old type cages have been gradually replaced with modern enclosures that afford maximum comfort to animals and afford an unobstructed view of them.

CHAPTER XII

FISHERIES

I—GENERAL

Ceylon is an island and has a coastline of nearly 1,100 miles. Rivers, artificial lakes, irrigation tanks and reservoirs form the inland waters of the island. The coastal waters teem with fish of many kinds. The best known perhaps are the Thora, Paraw, Blood fish, sharks, Skates, Rock fish, Kumbala, Bolla, Harrings, Sardines and sprats. However, there are also many other kinds. The best known varieties of fish found in the inland water bodies are the Tilapia, the carp and the giant Gourami. But the fresh water fisheries of the island are negligible when compared with the operations on the coasts. However, the country's fish resources have not been exploited fully.

Catch statistics of landings of the island excluding trawler landings are shown below according to the provinces :—

	Cwt.
Western Province	243,342
Southern Province	217,026
Eastern Province	385,645
North-western Province	222,040
Northern Province	712,949

Catch statistics of landings of the Island excluding Trawler fishing are shown below according to different species* :—

	Cwt.
Seer	42,874
Paraw	127,674
Blood fish	153,908
Mullet	232,040
Shore Seine Varieties—	
Group 1	
Kumbala, Bolla, Katuwalla, etc.	169,070
Group 2	
Herrings, Sardines, Halmessa, etc.	720,814
Other varieties	191,771

* (Difference between the Provincial Total and the species. Total amounts to 142,851 cwt. and the period of catch presumably the calendar year 1966.)

II—DEVELOPMENT AND EXTENSION OF FISHERIES RESEARCH

The Staff of the Research Section was depleted by the fact that the Research Chemist left the Department to join the Ceylon Fisheries Corporation and 3 Research Officers were seconded for service in the Corporation. The Research programme had consequently to be curtailed in a number of aspects.

Fishery Biology

Studies in the biology of the species mackerel were continued, data being obtained from market samples. Studies on skipjack (Balaya) which commenced last year are in progress and studies on the following are being conducted :—

- (a) its food ;
- (b) the live bait suitable for the pole and line fishing ;

- (c) its spawning season and grounds ; and
- (d) identification of sub-populations off the East and West Coasts of Ceylon.

Behaviour studies on the smaller sized tuna species (Alagoduwa, Atawella and Balaya) were begun with a view to determining more efficient methods of capture.

Methods to improve the survival of live bait in tanks were also examined.

Bacteriology

The study of the bacterial flora present on ice produced at three of the largest ice plants in Ceylon was completed. This flora was found to consist mainly of grampositive organisms. Experiments on the effect of freezing, pathogenic organisms including clostridia on marketed fish were in progress. The results obtained so far showed that some forms (plavobacterium and salmonella) were markedly resistant to destruction by freezing.

Fresh water and salt water fisheries

FRESH WATER FISHERY

3 ponds stocked with fish were harvested during the year. At this harvest a total of about 4,000 lbs. of fish consisting of Chanos, Grey Mullet, Tilapia and Keeli was obtained.

About 25 tanks situated in different areas of the Island were stocked with about 103,500 fingerlings of common carp and giant gouramy which were produced at the Fisheries Station, Polonnaruwa. Year round fishing, mainly with gill nets, was observed in many tanks of the North-central and Southern Provinces. Of these, the Parakrama Samudra and the Karapalavillu in the North-central Province are the main tanks where fishing is extensively carried on.

SALT WATER FISHERY

Detailed studies on the total landings, species composition and the size of fish captured and the fishing effort expended on beach seine operations were made at two cetnres (Lunawa and Kepungoda). Data collected on beach seine fisheries at 4 other centres (Batticaloa, Mullaitivu, Jaffna and Kalpitiya) through officers of the Extension Service, are being analysed.

III—COMMERCIAL ACTIVITIES

Pearl Fishery

The Pearl Banks were not surveyed during the year since the last survey held in March, 1965, which showed an almost complete absence of cysters, even of very young spot on the Banks.

Chank and Beche-de-mer Fisheries

There were no exports of chanks from Ceylon in 1965/66 due to restrictions placed on import of Ceylon chanks by importing countries. The entire export of beche-de-mer produced in Ceylon was handled exclusively by the Northern Province Fishermen's Co-operative Societies' Union Ltd. Beche-de-mer is marketed only in the cured form and there is no local market for this commodity. Exports were made to Singapore. The Union continued its effort to organise more Co-operatives to undertake the production of beche-de-mer. As a result of these efforts, Co-operative Societies are engaged in this fishery in most of the areas where beche-de-mer is known to be available. There are fourteen registered Co-operative Societies at Navanthurai, Alaipiddy, Columbuthurai, Chavatkadu, Navatkuli-Kaithadu, Pungudutivu, Velanai, Iranaitivu, Nainativu, Erukilampiddy, Vidataltivu and Pallimunai, while four societies are under organization at Karainagar, Maruthankerny, Natchikadah and Talaimannar.

Due mainly to the efforts made by these Co-operative Societies, the production and export of beche-de-mer continued to increase, reaching the figures of 2,225 cwts. valued at Rs. 380,528 for 1965-66.

IV—SOCIO-ECONOMICS

Housing for Fishermen

In 1965/66 a sum of Rs. 700,000 was provided for the construction of houses for fishermen. Delays in acquisition of land was the main factor which impeded the progress of the housing programme.

The progress of construction work in the year under review was as follows :—

Udappuwa, Mullativu and Kattankudy—148 houses have been completed. Efforts are being made to get the balance 30 houses completed.

Vakarai —5 houses have been completed and 8 houses are in various stages of construction.

Hikkaduwa —21 houses with attached latrines and 2 wells were completed.

Usmudulawa —25 houses and 2 wells were completed.

5 twin houses with individual latrines at Ginigasmulla, 11 twin houses with attached latrines at Dondra and 11 twin houses with individual latrines at Magalle were completed.

Tenders were called for the construction of houses at Mirissa, Induruwa, Kalpitiya and Panadura. Proceedings are under way for the acquisition of land at Kalpitiya, Panadura and Point Pedro. Applications were made for the acquisition of lands for the construction of fishermen's houses at Kudawella, Kapparotota, Talwila and Negombo.

Fishermen's Co-operative Societies

Technical assistance as well as loans for the purchase and repair of fishing equipment are provided to Fishermen's Co-operative Societies. Loans amounting to Rs. 333,253.40 were issued to 18 primary societies and the Northern Province Fishermen's Co-operative Societies Union Ltd. during the Financial year 1965/66 as against Rs. 224,874.28 issued to 12 primary societies during the previous financial year. This sum of Rs. 333,253.40 was issued for the following purposes :—

	Rs. c.
Purchase of equipment*	256,753 40
Repairs	1,500 00
Marketing of beche-de-mer	75,000 00
	<hr/>
	333,253 40

Coastal Navigation Aids, Air Sea Rescue, Fishery Roads and Beaching Grounds

A beacon light was installed at Ulhitiyawa, Wennappuwa. Work on the installation of a beacon light at Angulana is in progress. Funds were allocated to the Port Commission for an inspection in connection with a request for the removal of submerged rocks at Pitipana, Negombo.

Acquisition proceedings in respect of the beaching grounds at Nilwella and Periakallar continued during 1965/66.

It is unfortunate that information about a missing boat is often given too late and that no accurate information is available as regards its location. Even where the information available is reasonably accurate, the drift that takes place between the time of reporting and the time that an aircraft sets out is so great that the large area that has to be scanned militates against the success of the operation.

In 1965-66 a sum of Rs. 300,000 was provided in the votes of the Commissioner of Local Government for Fishery Roads. These roads are meant to provide access to fishing centres in order to facilitate the transport of fish. Allocations were made as follows :—

	Rs.
Northern Province	41,500
North-Western Province	68,000
Southern Province	78,000
Eastern Province	64,500
Western Province	31,000

Relief to fishermen in distress and Fishermen's Accident Compensation Scheme

The Scheme of Relief to fishermen in distress is administered by the Director of Social Services with the assistance of the field staff of this Department and of Government Agents. The scheme provide for the grant of relief to fishermen who are rendered destitute as a result of fire, storm, accident or other similar cause which adversely affects their occupation. The maximum amount granted in respect of damage or loss to fishing equipment is Rs. 300. There is also provision for the grant of a temporary allowance of Rs. 20 and Rs. 10 per month to persons with or without dependents respectively.

265 applications for relief under this scheme were investigated and reported on during the year.

This scheme which is non-contributory and is financed entirely by the Government provides for the payment of compensation to fishermen in respect of injuries resulting in death and permanent or temporary disablement while engaged in fishing operation. The compensation paid in 1965-66 includes an amount of Rs. 150,817.94 in respect of 135 cases of death consequent on the cyclone of December, 1964. The following is a summary of the compensation paid :—

Type of Compensation	No. of Cases	Amount of Compensation
		Rs. c.
Death	151	168,067 94
Disablement	15	4,943 75
		<hr/> 173,011 69 <hr/>

Loans for mechanization

87 mechanized boats of the 3½ ton class were issued on hire-purchase terms during the year. With the delivery of 150 marine diesel engines during the period April to July, it was possible to make further progress in clearing the backlog in issues to fishermen hirers selected in 1963-64 and to those fishermen whose boats were lost or damaged beyond repair in the cyclone of December, 1964. The fact that the marine engines imported in 1965-66 were of one make facilitated the training of fishermen hirers in maintenance and simple repairs to engines. Marine engines which were earlier being imported at a concessionary rate of duty are now being imported free of duty with effect from January, 1966.

The total number of mechanized boats issued since the inception of the scheme is 1,558. Some of these boats are now not in operating condition due to deterioration of the hull of engines.

259 Out-board engines were issued during the year, under the scheme of loans for the purchase of out-board engines, bringing the numbers of out board engines issued under this scheme to 824.

Loans to Fishermen

Six loans amounting to Rs. 2,608 were issued during the financial year as compared with ten loans amounting to Rs. 9,525 issued during the previous year.

Loans are issued under this scheme only to those fishermen who are able to provide security in the form of movable or immovable property. The loans were issued for the following purpose :—

	Rs.
Purchase of fishing gear	1,000
Purchase of fishing craft	600
Repairs to fishing craft and gear	1,008

V—OTHER FISHERY ACTIVITIES

Fisheries Advisory Board

Four ordinary meetings of the Board were held during the year. The subjects discussed at these meetings were : Cyclone relief to fishermen, policy followed by the Ceylon Fisheries Corporation in regard to purchase and sale of fish, assistance from the World Bank for the fishing industry, assistance to fishery co-operatives, the teaching of " Fisheries " as a subject in schools, admission of trainees to the Fisheries Training Centre, Negombo, establishment of a factory for the manufacture of fishing equipment, allocation of 3½ ton mechanized boats and sale of second-hand boats.

Fishing Disputes and Regulations

The inquiry into the Talawila-Moderawella fishing dispute under section 20 of the Fisheries Ordinance was completed. Regulations relating to Tangalle Waraya were amended to provide for fishing turned to three new Co-operative Fishing Societies, consequent to the inquiry into the Tangalle Waraya Fishing Dispute. The consolidated set of regulations which has been drafted to control erection and operation of fish Kreels and Atholias in inland water awaits the approval of Parliament. Regulations to control the operation of drag-nets in inland waters, regulations for Talwila consequent to the inquiry into the Talwila Fishing Dispute, regulations for Kudawa Waraya, Maggona consequent to the inquiry into the Kudawa Waraya Fishing Dispute and amendments to the Sally port Fishing Regulations, Trincomalee consequent to the inquiry into the Sally port Fishing Dispute are being drafted.

Dynamiting of Fish and Patrol Boats

During this year, twenty-one cases of dynamiting of fish were detected and complaints filed in respect of thirteen. Convictions were obtained in three cases while one failed. No cases are pending. Of the twenty-one cases detected, five were in Mannar, eleven in Trincomalee, two in Chenkaladi and three in Jaffna.

The patrol boats previously owned by the Department are now vested in the Corporation. Though the services of the patrol boats were required by the Department for anti-dynamiting work in the Jaffna and Mannar areas, it was not possible to hire any of these boats as most of them were being overhauled.

Registration of Fishing Craft and Issue of Fishing Licences

The initial registration of 1,863 fishing craft was effected during this year. The registrations of 7,426 boats were renewed and the registrations of 475 boats cancelled during the year.

17 licences for the erection and operation of fish kreels in the Kudakalapu Ganga and Madu Ganga were issued. The total amount collected as licence fees was Rs. 425. 14 licences under the Galle Fishing Regulations, 203 licences under the Vattuwalal Fishing Regulations and 69 licences under the Hikkaduwa Fishing Regulations in respect of which no charges are made were issued.

Statistics

The Statistics Branch, staffed by officers provided by the Director of Census and Statistics, working in collaboration with the Research Section carried out analytical work.

In addition to the normal statistical work of the section, a major part of the time was spent on analysis of tabulation of data on the operation and the results thereon of mechanized boats and mechanized local craft, the fishermen's prices and the market prices of fish. The F.A.O. Regional Fisheries Statistician visited the Department during March/April, 1966. He toured the northern division and had discussions on methods of improving the collection of catch statistics.

VI—COLOMBO PLAN AND OTHER ASSISTANCE AND INTERNATIONAL COLLABORATION

The fisheries Training Centre at Negombo was operated entirely by the Ceylonese Staff during the year. The Teaching Staff at the Training Centre consists of 4 Engine Instructors and 4 Gear Instructors who have been trained in their respective fields in Ceylon as well as in Japan. The Government of Japan provided the services of two fishing Experts and one Engineering Expert to work as Advisers to the Ceylonese staff for a period of 18 months from November, 1965.

Two training courses are conducted at the Centre, the Repair mechanics training course and the Fishermen's training course—the former is a 1-year course and the latter a 6-month course. The courses are conducted alternately in the Sinhala and Tamil media.

Four training boats consisting of two 5-ton training boats, named Puhunu Maru I and the Phunu Maru II and two small Japanese mechanized boats named Nippon Maru and Ceylon Maru are attached to the Centre and used for training demonstrations. The training centre is fully equipped to teach modern fishing techniques applicable to the Coastal fishery and also possesses a well-equipped workshop for the training of repair mechanics.

The Sinhala medium Repair Mechanics Course with eight trainees participating and which commenced in January, 1965, was completed in December, 1965. Fifteen trainees completed the Sinhala medium Fishermen's Course which commenced in July, 1965. Fifteen trainees completed the Tamil medium Fishermen's Course which was conducted from January to June, 1966. Ten trainees are undergoing training in the Tamil medium repair mechanics training course which commenced in January, 1966. 113 fishermen trainees and 26 repair mechanic trainees have so far been trained at the Centre. A Research Officer of this Department participated in a Training Course in Oceanography conducted by the UNESCO in collaboration with the International Indian Ocean Expedition.

The Superintendent of Fresh Water Fisheries of this Department participated in a Training Course in Fresh Water Fish Culture Research in Japan under the Colombo Plan.

VII—PAPERS AND PUBLICATIONS

The Bulletin of the Fisheries Research Station is being published twice a year. This increases its publicational value and will lead to more research work.

The papers shown below were read before Section D (Biological Sciences) of the Ceylon Association for the advancement of science at its 21st Annual Sessions:—

- (1) Introductory Address by Mr. S. S. H. Silva
- (2) Resources of the Wadge and Pedro Banks by Mr. A. S. Mendis
- (3) Coastal Fishery by Dr. P. Gnanagaratnam
- (4) Exploration of Tuna in Ceylon Coastal Waters by Dr. K. Sivasubramaniam
- (5) Brackish Water Fishery Resources by Mr. T. G. Pillai
- (6) Fresh Water Resources by Mr. H. H. A. Indrasena
- (7) The Processing of Fish and other Marine Resources by Mr. C. E. St. C. Gunasekera.

- (8) "Isolation of a Pathogenic halophilic bacterium from fish in Ceylon" by Dr. N. N. de Silva
"Supplementaion with Fish Flour of a rice Diet fed to convalescent children" by Dr. N. N. de Silva (Co-author) published in the journal of Tropical Paediatrics and African Child Health, Vol. 12, No. 1, pp. 7-14.
"Predators and competitors of Tuna in the Indian and Pacific Oceans" by Dr. K. Sivasubramaniam.

(A paper read at the International Symposium of Tunas to Sharks, organised by the Pacific Science Congress and held in Toyko from 22nd to 27th August, 1966.)

VIII—CEYLON FISHERIES CORPORATION

The trading activities of the Corporation commenced on 1st August, 1965, with the purchase and sale of wet fish supplied both by Beach Consigners and fishermen organised into Purchase Schemes and by the sale of the Corporation's own production through Trawlers.

The Government voted a sum of Rs. 39 million as contribution to the capital of the Corporation in 1965/66. This was reduced under the general economy cut to Rs. 31.59 million. A sum of Rs. 39.15 million was voted in 1966-67 and reduced to Rs. 34.06 million. The capital contributions made by the Government are being utilised to establish fishing harbours, shore facilities, a gear factory, the purchase of boats and transport vehicles, construction of markets and cold storage facilities, and for expenditure incidental to training. In addition, the Government had vested in the Corporation certain buildings, plant and machinery, boats and vehicles which had hitherto been used by the Department of Fisheries. The activities of the Ceylon Co-operative Fish Sales Union Ltd. were, by consent, taken over by the Corporation and the assets owned by the Union were acquired out of funds provided by the Government.

The Corporation also extended its trading activities to the import and sale of fishing gear by the establishment of stores and sales points in close proximity to fishermen in coastal towns.

Much of the work done during the year was in the nature of development and the expenditure incurred therefore was out of proportion to the income derived from the trading activities of the Corporation. The Corporation established a fixed sale price scheme for fish at all its outlets and at the sales points of its appointed Agents, with a view to making available to the consumer popular varieties of fish at fair prices, irrespective of normal market price fluctuations. Improving thil service to the public, the Corporation had to abandon the profit-motive which would, in the normal course, have been the prime concern of a commercial venture.

The total supply of fish was 8,617,230 lbs. (3,847 tons) during the year 1966. Out of this total quantity 2,748,323 lbs. (1,227 tons) were supplied by the private sector, while the vessels owned by the Corporation produced 5,868,907 lbs. (2,620 tons).

The Corporation established 81 fish distribution points which were mainly fed from the Fish Terminal in Colombo. In addition, two other Fish Terminals, namely, Kandy and Kurunegala, fed 16 and 4 distribution points respectively, in the interior parts of the island. All these distribution points supplied fish to the consumers at a pre-determined price.

In addition to the sales made by distributors, the Corporation used its refrigerated trucks and conducted distribution of fish in the inland areas where fish was scarce due to the long distances from the fish producing centres. The Corporation marketed a total of approximately 3,000 tons of fish during the year under review.

The Corporation produced and marketed 15.1 tons of shark liver oil and 45.4 tons of Fish Meal during the year. It also produced and marketed 2,330.5 tons of ice produced from six ice plants. The Corporation also exported 5.3 tons of Shark Fins during the year.

The total cadre strength of the Corporation as at 31.12.66 was 991 made up as follows : Permanent 749, Temporary 201 and Casual 41. This represents an over-all increase of 178 over the number in employment on 31.12.65, excluding retirements, resignations, etc., during the year 1966. Two

officers were granted duty-leave for purposes of undertaking study tours held in the U. S. S. R. under the auspices of the F. A. O. One tour was on Inland Fisheries, Research Management and Fish Culture and the other was on Fisheries Biology and Oceanography. In addition, four other officers attended a short-term study course on 'Selecting the right candidate' conducted by the Institute of Personnel Management, Ceylon.

The Fishing Gear Division of the Corporation commenced its activities in September, 1965. The stock-in-trade of the Ceylon Co-operative Fish Sales Union Ltd., which amounted to Rs. 1,335,283 was taken over in August, 1965. Earlier the Union sold the bulk of the fishing gear to fishermen from its central depot in Colombo and also through a few Co-operative organisations at outstations. The Corporation decided that a equitable distribution of fishing gear handled by it can best be achieved by establishing retail gear depots to serve fishermen direct at important fishing centres and accordingly 15 depots were established at Colombo (Mutwal), Negombo, Chilaw, Kalpitiya, Mannar, Jaffna, Mullaitivu, Trincomalee, Batticaloa, Kalmunai, Hambantota, Tangalle, Matara, Galle and Kalutara. All these depots are directly supervised by the Assistant Managers of the respective districts. The Central Stores is located at 505, Darley Road, Colombo 10.

During the year under review the Corporation imported Fishing Gear to the value of Rs. 3,782,088. Actual requirements of the industry is nearly double this figure, but due to limitations imposed on foreign exchange the supplies had to be restricted, resulting in a scheme of rationing of these items.

In addition to sales conducted from the Corporation's own depots, Fishing Gear is also sold in bulk to a few Co-operative Fishing Unions and Societies to serve their members.

In all cases care is taken to ensure that Gear is issued only to genuine Fishermen on production of their craft licence or in cases where no craft is owned, on a recommendation from the D. R. O. or the Grama Sevaka of the area.

The sales during the year have been very encouraging and a sum of Rs. 3,040,098.80 has been realised in 1966.

During the year under review the operational activities of the Corporation were expanding rapidly due to the increase of the trawler fleet and the other fishing vessels of the Corporation.

Only two trawlers namely 'Gandara' and the 'Maple Leaf' were in operation when the activities hitherto performed by the Director of Fisheries in the Fisheries Factory, Mutwal were taken over by the Corporation in July, 1965. Trawlers 'Beruwela', 'Pesalai', 'Meegamuwa' and 'Myliddy' arrived during the year and commenced operations thereby increasing the trawler fleet to six.

CHAPTER XIII

FOREIGN TRADE

I—GENERAL REVIEW

Ceylon's overall trading position showed signs of a slight downward trend as the Financial Year covering the period 1st October, 1965 to 30th September, 1966, ended with a Trade Deficit of Rs. 59·5 million. A Trade Surplus of Rs. 412·3 million had been recorded during the same period in 1964/65 in contrast to a Trade Deficit of Rs. 202·1 million in 1963/64.

The main reason for this shortfall in the Trade Balance was a 7·2 per cent drop in the value of exports during 1965/66 as compared with 1964/65. The value of exports was Rs. 1,790·2 million in 1965-66 as compared with Rs. 1,929·4 million in 1964/65 and Rs. 1,868·5 million in 1963/64. A contributory cause of the Trade Deficit was the increase of 21·9 per cent in the value of Total Imports in 1965/66 as compared with 1964/65. The value of Total Imports stood at Rs. 1,849·7 million in 1965/66 whilst in 1964/65, the value was Rs. 1,517·0 million and it was Rs. 2,070·6 in 1963/64. The total Trade Turnover during the period 1st October, 1965 to 30th September, 1966, was Rs. 3,639·9 million which was an increase of 6·6 per cent as compared with the total Trade Turnover of Rs. 3,446·5 million in 1964/65. The Total Trade Turnover in 1963/64 was Rs. 3,439·0 million.

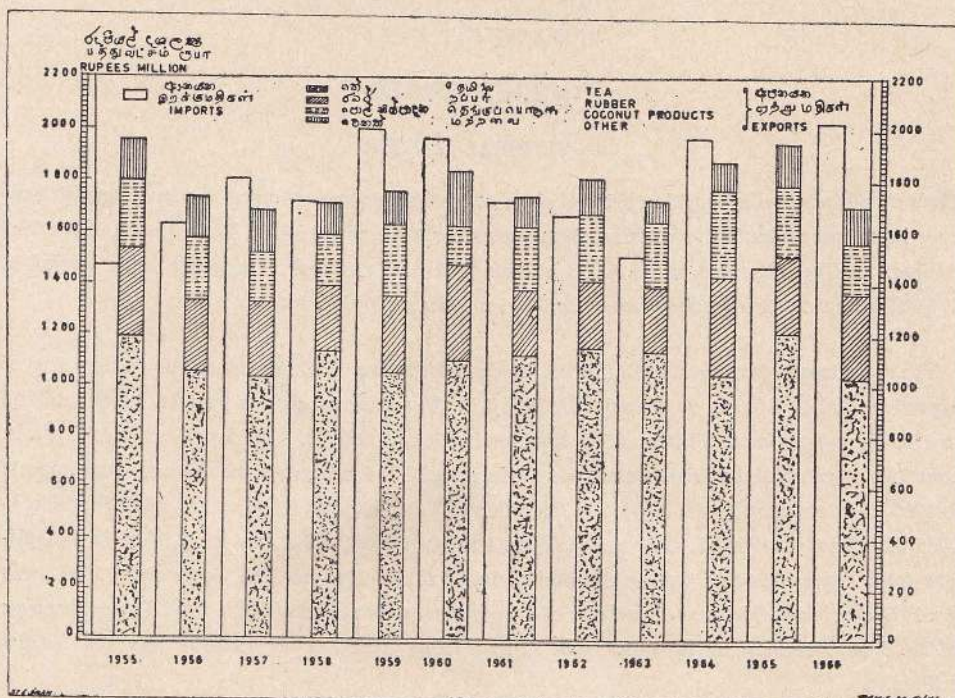
Table 13·1 below gives the summary of principal trends in Ceylon's Foreign Trade for the Financial Years 1963/64, 1964/65 and 1965/66.

TABLE 13·1—SUMMARY OF STATISTICS OF CEYLON'S FOREIGN TRADE FOR THE PERIOD
1ST OCTOBER TO 30TH SEPTEMBER

	(Rs. million)		
	1963-64	1964-65	1965-66
Total Exports	1,868·5	1,929·4	1,790·2
Domestic Exports	1,838·5	1,893·1	1,766·5
Re-exports	30·0	36·3	23·7
Imports	2,070·6	1,517·1	1,849·7
Total Trade	3,939·1	3,446·5	3,639·9
Trade Balance	- 202·1	+ 412·3	- 59·5

Source : Ceylon Customs Returns.

CHART No. 5—BALANCE OF TRADE, 1955-1966



Terms of Trade

A statement showing the movements of the Trade Index Numbers prepared by the Central Bank, during the Financial Years under review is given in Table 13-2 below. The Base is 1958 = 100. It will be observed that the average monthly Export Volume Index which was 119.0 during the 1963/64 Financial Year had risen to 121.0 in 1964/65 and declined by 3.3 per cent to 117.0 in 1965/66. The average Monthly Import Volume Index for the Financial Year 1963/64 was 110.0 and in 1964/65 it dropped to 82.0. In 1965/66 it rose by 23.2 per cent to 101.0. The Average Monthly Export Price Index which stood at 92.5 during the 1963/64 Financial Year rose to 95.0 in 1964/65 and decreased by 3.2 per cent in 1965/66 to 92.0. The average Monthly Import Price Index which was at 110.0 in 1963/64 moved up to 111.0 in 1964/65 and rose by 7.2 per cent to a figure of 119.0 in 1965/66. The average Monthly Terms of Trade which stood at Rs. 84.0 million in the 1963/64 Financial Year moved up to 86.0 in 1964/65 and declined by 9.9 per cent in 1965/66 to 77.5.

TABLE 13-2—MONTHLY AVERAGE OF INDEX NUMBERS OF TRADE FOR
FINANCIAL YEAR—1ST OCTOBER TO 30TH SEPTEMBER

Index Number	Monthly Average 1963/64	Monthly Average 1964/65	Monthly Average 1965/66
Base : 1958 = 100			
A. Price Index—Exports	92.5	95.0	92.0
Imports	110.0	111.0	119.0
*Terms Trade	84.0	86.0	77.5
B. Volume Index—Exports	119.0	121.0	117.0
Imports	110.0	82.0	101.0

$$*N. B.—\text{Terms of Trade} = \frac{\text{Export Price Index}}{\text{Import Price Index}} \times 100$$

Source : Central Bank of Ceylon.

TABLE 13.3—COMPOSITION OF DOMESTIC EXPORTS (1ST OCTOBER TO 30TH SEPTEMBER)

Commodity	Unit	Quantity		Value Rs.		% to Total value	
		1964/65	1965/66	1964/65	1965/66	1964/65	1965/66
Tea	lbs.	477,942,962	474,271,109	1178,559,460	1125,816,047	62.3	63.7
Rubber	„	255,960,010	279,334,072	291,885,026	315,575,419	15.4	17.9
Coconut oil	cwt.	2,076,953	1,397,809	164,311,533	106,596,763	8.7	6.0
Copra	ton	44,884	26,349	49,581,046	30,282,429	2.6	1.7
Desiccated coconut	cwt.	1,030,349	951,524	76,779,260	68,567,040	4.1	3.9
Other coconut products	—	—	—	65,613,546	46,841,031	3.5	2.6
Cocoa raw (beans)	cwt.	31,314	39,355	5,079,458	5,360,387	0.3	0.3
Cinnamon quills	„	43,398	48,305	24,728,591	29,690,120	1.3	1.7
Plumbago	„	193,312	183,208	6,023,761	5,701,322	0.3	0.3
Arecanuts	„	6,865	25,005	156,414	684,680	—	—
Papain	„	1,574	912	2,444,074	1,046,602	0.1	0.1
Others	—	—	—	27,901,661	30,313,560	1.5	1.7
Total	—	—	—	1893,063,830	1766,475,400	100.0	100.0

Source : Ceylon Customs Returns.

Prepared by Statistics Division, Department of Commerce.

CHART NO. 6—INDICES OF EXPORTS (QUANTUM AND PRICE) BASE 1934-38 = 100, 1950-1966

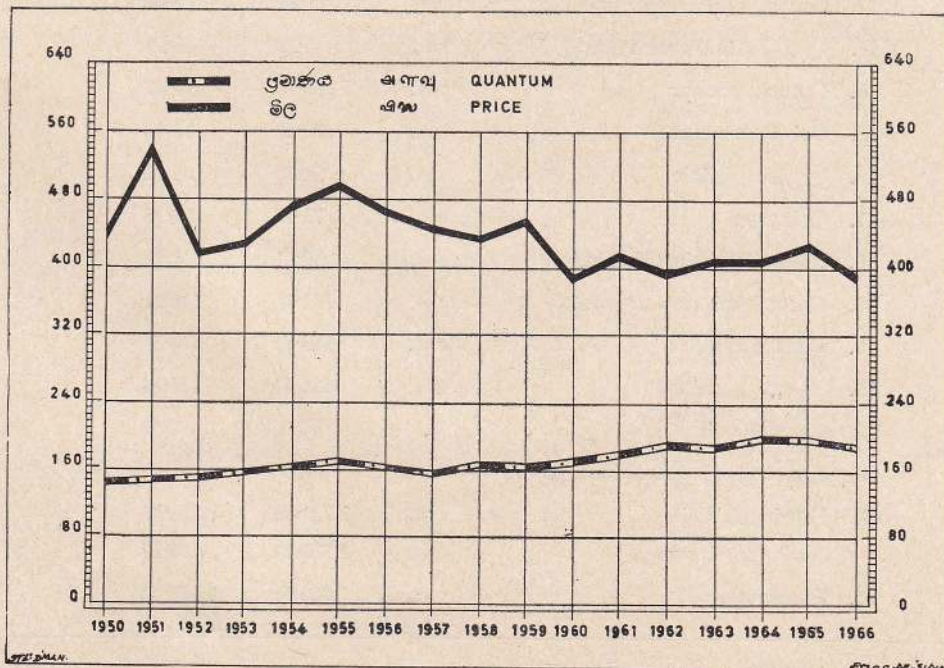


TABLE 13·3A—AVERAGE F.O.B. PRICES OF PRINCIPAL EXPORTS FOR THE PERIOD 1ST OCTOBER
TO 30TH SEPTEMBER—FINANCIAL YEARS 1964/65 AND 1965/66

EXPORTS

<i>Commodity</i>	<i>Unit</i>	<i>F.O.B. Prices 1964/65</i>	<i>F.O.B. Prices 1965/66</i>
1. Tea (Black) in bulk & packets	lb.	2·47	2·37
2. Natural Rubber (Hevea) sole	lb.	1·49	1·66
3. „ crepe	lb.	1·13	1·12
4. „ latex crepe	lb.	1·11	1·12
5. „ scrap crepe	lb.	0·87	0·85
6. „ sheet	lb.	1·21	1·19
7. „ latex	lb.	10·3	1·10
8. Coconut (copra) oil processed	cwt.	81·33	86·78
9. „ raw (in Bulk)	cwt.	73·30	71·81
10. „ raw (in drums)	cwt.	87·69	85·41
11. Copra (except flour & meals)	tons	1,104·65	1,149·28
12. Coconuts desiccated (shredded)	cwt.	74·52	72·06
13. „ in the shell (fresh)	No.	0·33	0·32
14. Coconut poonac	cwt.	15·94	17·47
15. Coir fibre mattress	cwt.	28·32	18·18
16. „ bristle	cwt.	54·79	45·21
17. Coir yarn	cwt.	72·15	72·38
18. Natural graphite (Plumbago)	cwt.	30·61	31·12
19. Cocoa beans (raw or roasted)	cwt.	162·21	136·21
20. Cinnamon quills	cwt.	569·81	614·64
21. „ chips	cwt.	135·51	151·14
22. Citronella oil	lb.	4·10	2·69
23. Kapok fibre prepared for spinning	cwt.	90·97	83·05
24. Papain (a) White	cwt.	1,721·73	1,145·48
(b) Brown	cwt.	1,398·21	889·37
25. Cardamoms	cwt.	1,546·76	1,987·52

Source : Ceylon Customs Returns.

Prepared by Statistics Division, Department of Commerce.

Composition of Trade

(a) DOMESTIC EXPORTS

A statement showing composition of Domestic Exports during 1964/65 and 1965/66 and the average F.O.B. Prices of selected export commodities is given in Tables 13.3 and 13.3A respectively. It will be observed that Tea Exports which comprised 64 per cent of total Domestic Exports continued to be the chief export earner. The value of Tea Exports during 1965/66 was Rs. 1,126 million as compared with Rs. 1,179 million in 1965/66. The decline of 4.5 per cent in the value was mainly due to the drop in the F.O.B. Price from Rs. 2.47 per lb. in 1964/65 to Rs. 2.37 per lb. in 1965/66. The quantity exported in 1965/66 was 474 million lbs. as compared with 478 million lbs. in 1964/65.

Exports of Rubber comprised 17.9 per cent of total Domestic Exports in 1965/66. The total value of exports of Rubber which was Rs. 316 million in 1965/66, showed an increase of 8.1 per cent as compared with the total value of Rs. 292 million exported in 1964/65. This increase in value was largely due to an increase of 9.1 per cent on the quantity exported, which rose from 256 million lbs. in 1965/66 to 279 million lbs. in 1965/66. The F.O.B. Price of Rubber all grades was Rs. 1.13 per lb. in 1965/66 as compared with Rs. 1.14 per lb. in 1964/65. Exports of Coconut Oil, Copra and Desiccated Coconut showed a marked decline during the period under review.

Exports of Coconut Oil which was 2.1 million cwt. in quantity in 1964/65 declined by 32.7 per cent to 1.4 million cwts. in 1965/66. The value of Coconut Oil exports declined from Rs. 164.3 million in 1964/65 to Rs. 106.6 million in 1965/66. The average F.O.B. Price per cwt. of Coconut Oil was Rs. 76.26 per cwt. in 1965/66 as compared with Rs. 79.11 in 1964/65. The exports of Copra declined in quantity from 44,884 tons in 1964/65 to 26,349 tons in 1965/66. The value of Copra exports too dropped from Rs. 50.0 million in 1964/65 to Rs. 30.3 million in 1965/66. This decline of 38.9 per cent in value was as a result of a drop of 41.3 per cent in the quantity of Copra exported. The average F.O.B. Price of Copra in 1965/66 was Rs. 1,149.28 per ton as compared with Rs. 1,104.65 per ton in 1964/65. The quantity of exports of Desiccated Coconut declined by 7.7 per cent from 1,030,349 cwt. in 1964/65 to 951,524 cwt. in 1965/66. The value of exports of Desiccated Coconut in 1965/66 was Rs. 69 million, as compared with Rs. 77 million in 1964/65.

Among the minor export commodities significant increases were noted in the exports of Cinnamon Quills and Arecanuts. The value of Cinnamon quills exported was Rs. 30.0 million in 1965/66 as compared with Rs. 25.0 million in 1964/65. The value of Arecanuts exported rose by 337.7 per cent as a result of the increase in value of Arecanut exported from Rs. 156,000 in 1964/65 to Rs. 684,680 in 1965/66.

(b) IMPORTS

A statement showing the quantity and value of important groups of Imports, and C.I.F. Prices for the period 1964/65 and 1965/66 is given below in Table 13.4.

TABLE 13-4—COMPOSITION OF IMPORTS (OCTOBER 1ST TO SEPTEMBER 30TH)

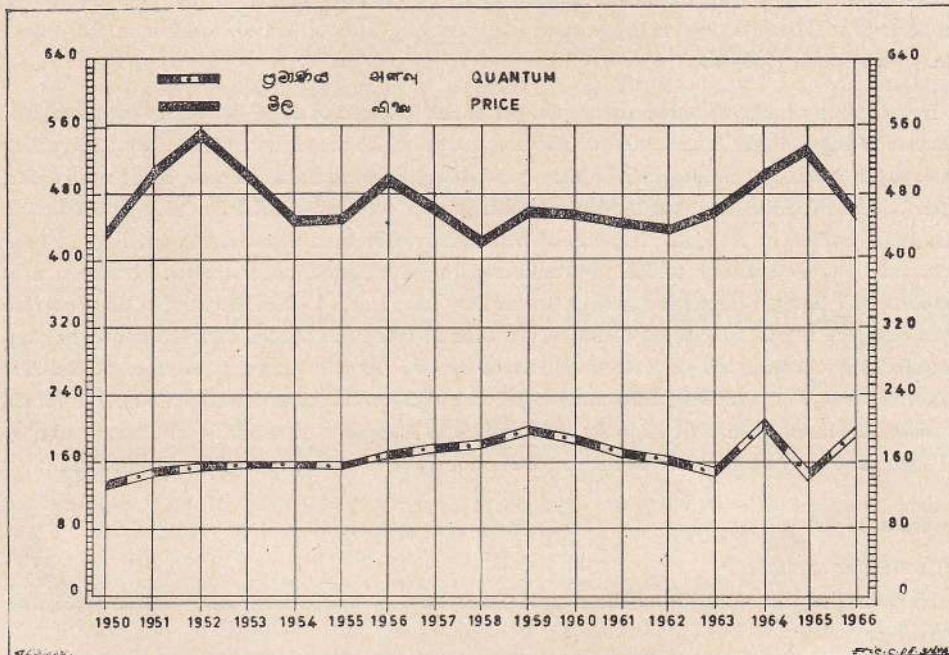
Commodity	Unit	Quantity		Value Rs.		% to Total Value		Average C.I.F. Value	
		1964/65	1965/66	1964/65	1965/66	1964/65	1965/66	1964/65	1965/66
Dairy products	—	—	—	76,380,411	81,267,382	5.0	4.4	—	—
Fish & fish preparations	—	—	—	56,558,898	82,708,175	3.7	4.5	—	—
•Rice	cwt.	7,286,676	14,057,894	188,389,760	377,505,988	12.4	20.4	25.85	26.85
•Wheat flour	cwt.	5,182,259	4,083,849	122,136,725	96,368,322	8.1	5.2	23.57	23.58
Fruits & vegetables	—	—	—	94,803,562	123,927,373	6.3	6.7	—	—
•Sugar refined other sorts	cwt.	3,519,419	5,007,714	76,602,608	86,580,930	5.1	4.7	21.77	17.29
Beverage & tobacco	—	—	—	4,892,393	5,789,941	0.3	0.3	—	—
Coal	ton	142,377	62,997	9,523,945	4,797,832	0.6	0.3	66.89	76.16
Motor spirits & Kerosene oil	Gal.	103,763,983	103,257,207	43,097,471	45,352,715	2.8	2.5	0.42	0.44
Gas, Diesel, furnace & Fuel oil	Gal.	180,260,256	134,335,811	58,750,777	42,563,876	3.9	2.3	0.33	0.32
Fertilizers	cwt.	6,367,391	6,152,385	89,031,604	86,305,756	5.9	4.7	13.98	14.03
Chemical (other than fertilizers, n.e.s.)	—	—	—	78,144,304	87,307,992	5.2	4.7	—	—
Rubber mfrs., n.e.s.	—	—	—	30,368,410	26,709,220	2.0	1.4	—	—
Textile, yarn, fabric (made-up articles and related products)	—	—	—	127,507,813	183,094,027	8.4	9.9	—	—
Paper, paper-board & mfrs. thereof	—	—	—	23,516,280	50,056,243	1.6	2.7	—	—
Non-metallic mineral mfrs., n.e.s.	—	—	—	27,638,577	39,911,628	1.8	2.2	—	—
Iron & steel	—	—	—	43,319,677	48,601,414	2.9	2.6	—	—
Mfrs. of metal	—	—	—	23,395,188	30,643,977	1.5	1.7	—	—
Machinery other than electric	—	—	—	68,993,120	91,645,582	4.6	5.0	—	—
Electric machinery, apparatus and appliances	—	—	—	29,420,579	31,450,873	1.9	1.7	—	—
Transport equipment	—	—	—	76,370,815	94,265,170	5.0	5.1	—	—
Miscellaneous mfrd. articles	—	—	—	41,123,772	33,904,168	2.7	1.8	—	—
Others	—	—	—	124,605,931	96,725,179	8.2	5.2	—	—
Total	—	—	—	1,514,592,620	1,847,483,763	100.0	100.0	—	—

* These figures are subject to revision on the basis of Food Commissioner's Import figures.

Source.—Ceylon Customs Returns.

Prepared by Statistics Division, Department of Commerce.

CHART No. 7—INDICES OF IMPORTS (QUANTUM AND PRICE)
BASE 1934-38 = 100, 1950-1966



As stated earlier there were general increases in the value and volume of imports during 1965/66 as compared with the Financial Year 1964/65. The most significant increases were in the Food and Drink Group. Imports of rice increased from 7.3 million cwt. valued at Rs. 188.4 million in 1964/65 to 14.1 million cwts. valued at Rs. 377.5 million in 1965/66. During the same period the C. I. F. Price of rice rose from Rs. 25.85 per cwt. to Rs. 26.85 per cwt. The imports of Sugar too increased from 3.5 million cwt. in 1964/65 valued at Rs. 76.6 million to 5.0 million cwts. valued at Rs. 86.6 million in 1965/66. There was a marked decline in the C. I. F. Prices of Sugar from Rs. 21.77 per cwt. in 1964/65 to Rs. 17.29 in 1965/66. The imports of wheat flour declined rather sharply from a quantity of 5.2 million cwt. in 1964/65 valued at Rs. 122.1 million to 4.1 million cwt. in 1964/65 valued at Rs. 96.4 million. Imports of Fish and Fish Preparations increased in value by 46.2 per cent from a total value of Rs. 56.6 million in 1964/65 to Rs. 82.7 million in 1965/66. Imports of Fruits and Vegetables increased by 30.7 per cent from a total value of Rs. 94.8 million in 1964/65 to Rs. 123.9 million in 1965/66. Imports of Dairy Products increased in values by 6.4 per cent during the period under review, whilst Imports of Beverages and Tobacco increased by 18.3 per cent during the same period.

In the group of Raw Materials and Semi Manufactured Products the value of Imports of Motor Spirits and Kerosene Oil rose by 5.2 per cent from a value of Rs. 43.0 million in 1964/65 to Rs. 54.4 million in 1965/66 the volume of Imports remaining nearly the same. In the case of Fertilisers too whilst the volume of Imports remained nearly the same, the value declined by 3.1 per cent from Rs. 89.0 million in 1964/65 to Rs. 86.3 million in 1965/66. Chemicals (other than fertilisers) increased in value by 11.7 per cent from value of Rs. 78.1 million to Rs. 87.3 million during the

period under review. Imports of Gas, Diesel, Furnance and Fuel Oil, declined in value by 27.6 per cent, the value of imports in 1964/65 being Rs. 58.8 million dropping to Rs. 42.5 million in 1965-66. The quantity imported too declined from 180.2 million gallons to 134.3 million gallons. Imports of coal declined by 46.6 per cent from a total value of Rs. 9.5 million in 1964/65 to Rs. 4.8 million in 1965-66.

In the group of manufactured articles the percentage increase of 112.9 per cent was recorded in the case of Paper, Paper Board and Manufactures thereof which rose from a value of Rs. 23.5 million in 1964/65 to Rs. 50.1 million in 1965/66. The Group, Textiles, Yarn, Fabrics, Made up Articles, and Related Products increased by 43.6 per cent from a value of Rs. 127.5 million in 1964/65 to Rs. 183.1 million in 1965/66. Imports of Machinery other then Electric, increased by 32.8 per cent from Rs. 69.0 million to Rs. 91.6 million during the period under review. In the case of Imports of Transport Equipment an increase of 23.4 was recorded when the value of Imports rose from Rs. 76.4 million in 1964/65 to Rs. 94.3 million in 1965/66. In the case of Imports of Non-Metallic Manufactures the value of Imports rose by 44.3 per cent from a total value of Rs. 27.7 million in 1964/65 to Rs. 39.9 million in 1965/66, whilst imports of Manufactures of Metal increased from Rs. 23.4 million in 1964/65 to Rs. 30.6 million in 1965/66. Iron and steel Imports rose by 12.2 per cent from a total value of Rs. 43.3 million in 1964/65 to Rs. 46.6 million in 1965/66.

Direction of Trade

(a) DOMESTIC EXPORTS

Table 13.5 gives the direction of the Export Trade country-wise during the period 1964/65 and 1965/66.

TABLE 13.5—DIRECTION OF TRADE

(a) DOMESTIC EXPORTS (1ST OCTOBER TO 30TH SEPTEMBER)

	1964/65		1965/66	
	Value in Million	% to Total	Value in Million	% to Total
	Rs.		Rs.	
<i>Commonwealth Countries</i>				
United Kingdom	510.3	27.0	462.6	26.2
Australia	84.5	4.5	82.7	4.7
Canada	59.6	3.1	56.5	3.2
India Republic of	49.3	2.6	21.5	1.2
New Zealand	43.5	2.3	35.7	2.0
Pakistan	35.4	1.9	34.3	1.9
Other Commonwealth countries	44.8	2.4	49.1	2.9
Total Commonwealth Countries	827.4	43.7	742.3	42.0

TABLE 13.5—DIRECTION OF TRADE—(Contd.)

(a) DOMESTIC EXPORTS (1ST OCTOBER TO 30TH SEPTEMBER)—(Contd.)

	1964/65		1965/66	
	Value in	% to	Value in	% to
	Million	Total	Million	Total
	Rs.		Rs.	
<i>Foreign Countries</i>				
Belgium	6.4	0.3	5.1	0.3
Burma, Union of	12.9	0.7	1.1	0.1
China, Peoples Republic of	167.6	8.9	158.2	9.0
Czechoslovakia	2.4	0.1	5.1	0.3
Denmark	5.3	0.3	4.1	0.2
United Arab Republic of	23.0	1.2	3.5	0.2
France	14.9	0.8	14.8	0.8
Germany Democratic Republic of	18.3	1.0	20.9	1.2
Germany Federal Republic of	66.7	3.5	51.5	2.9
Ireland, Republic of	10.7	0.6	11.1	0.6
Italy	37.3	2.0	33.1	1.9
Japan	39.9	2.1	41.2	2.3
Mexico	7.7	0.4	14.8	0.8
Netherlands	42.2	2.2	33.7	1.9
Poland	26.8	1.4	20.8	1.2
Rumania	16.1	0.9	16.1	0.9
Spain	9.0	0.5	7.1	0.4
Union of South Africa	93.1	4.9	83.7	4.7
U. S. A.	144.1	7.6	146.0	8.3
U. S. S. R.	109.5	5.8	88.5	5.0
Yugoslavia	5.7	0.3	3.1	0.2
Other Foreign Countries	205.2	10.8	259.0	14.6
Total Foreign Countries	1,064.8	56.2	1,022.5	57.9
Ships Stores	0.9	0.1	1.6	0.1
Grand Total	1,893.1	100.0	1,766.5	100.0

Source: Ceylon Customs Returns.

Prepared by Statistics Division, Department of Commerce.

The total value of the Export Trade with the Commonwealth Countries declined from Rs. 827.4 million in 1964/65 to Rs. 742.3 million in 1965/66. The value of exports to the United Kingdom declined from a total value of Rs. 510.3 million in 1964/65 to Rs. 462.6 million in 1965/66. There was a sharp decline in the exports to the Republic of India when the value of total exports to that country which stood at Rs. 49.3 million in 1964/65 dropped to Rs. 21.5 million in 1965/66. In the case of New Zealand too there was a significant decrease when the value of total exports dropped from Rs. 43.5 million to Rs. 35.7 million during the period under review.

In the case of the Non-Commonwealth countries the total value of exports declined slightly from Rs. 1,064.8 million in 1964/65 to Rs. 1,022.5 million in 1965/66. The value of exports to the Union of Burma declined from 12.9 million in 1964/65 to Rs. 1.1 million in 1965/66. There was also a significant decrease in the Exports to the United Arab Republic when the value of exports to that country declined from Rs. 23.00 million in 1964/65 to Rs. 3.5 million in 1965/66. The value of exports to the Federal Republic of Germany declined from a value of Rs. 66.7 million in 1964/65 to Rs. 51.5 million in 1965/66. In the case of the value of exports to the Union of Soviet Socialist Republics the figure declined from Rs. 109.5 million in 1964/65 to Rs. 88.5 million in 1965/66. A slight increase in the value of exports to Japan was recorded when the value of exports increased from Rs. 39.9 million in 1964/65 to Rs. 41.2 million in 1965/66. In the case of the United States of America the value of exports in 1964/65 was Rs. 144.1 million, and in 1965/66 the value increased to Rs. 146.0 million. In the case of Czechoslovakia the value of exports which stood at Rs. 2.4 million in 1964/65 increased to Rs. 5.1 million in 1965/66. An increase from a value of Rs. 7.7 million in 1964/65 to Rs. 14.8 million in 1965/66 was recorded in the case of value of exports to Mexico. In the case of the Peoples Republic of China the value of exports which stood at Rs. 167.6 million in 1964/65 declined slightly to Rs. 158.2 million in 1965/66. In the case of the Netherlands the value of exports declined from Rs. 42.2 million to Rs. 33.7 million during the period under review.

CHART NO. 8—EXPORTS OF TEA, RUBBER AND COCONUT PRODUCTS (BY VALUE)
1950-1966

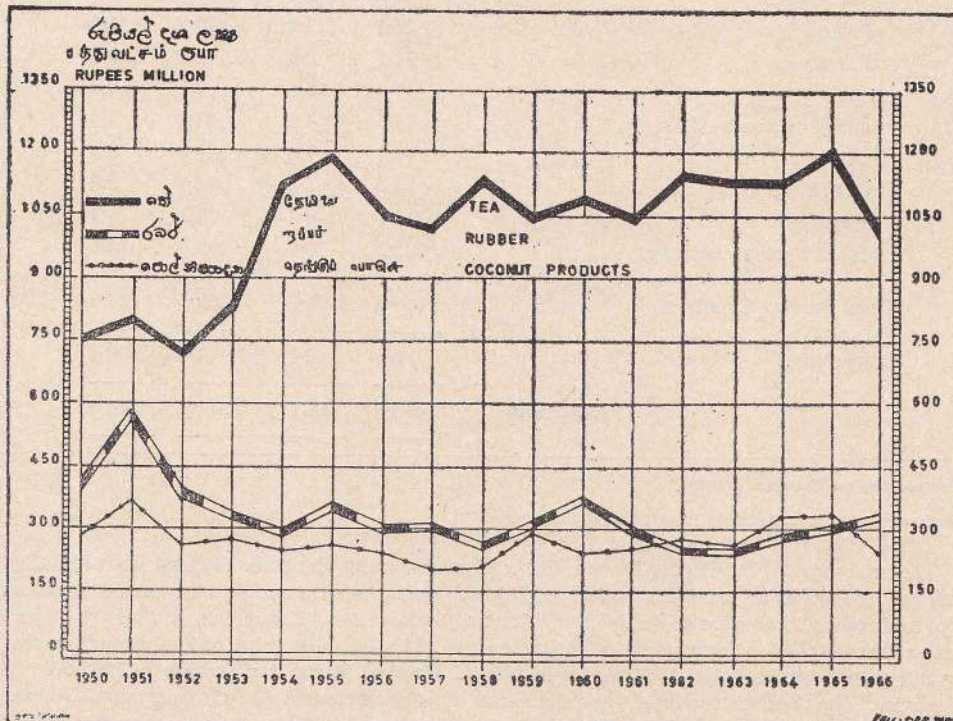


CHART No. 9—EXPORTS OF TEA AND RUBBER (BY VOLUME) 1950-1966

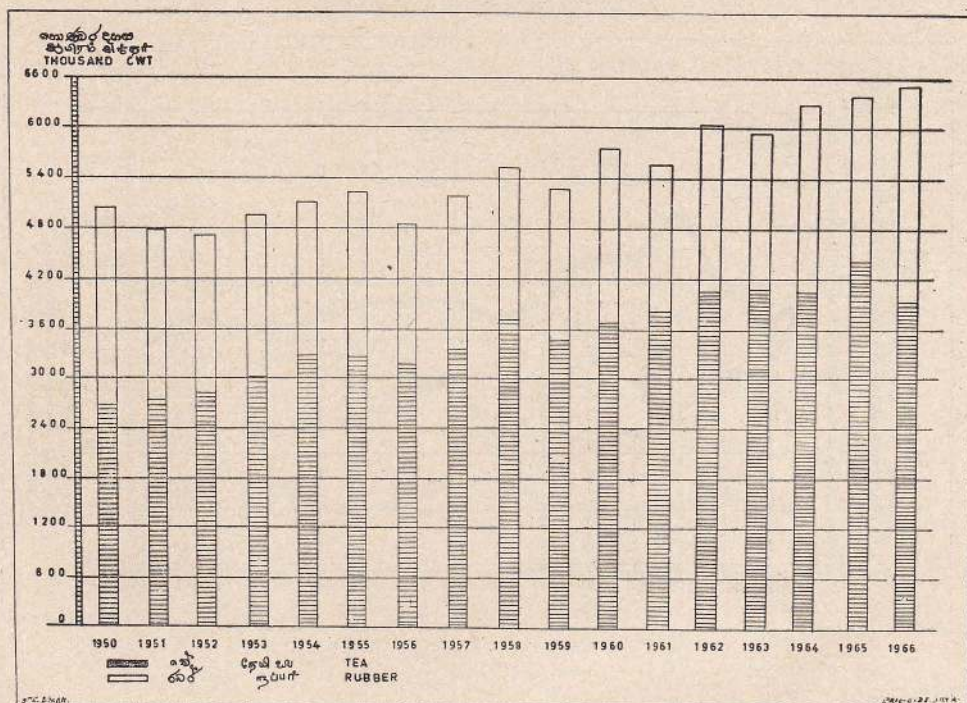


CHART No. 10—EXPORTS OF COCONUT PRODUCTS (BY VOLUME) 1949-1966

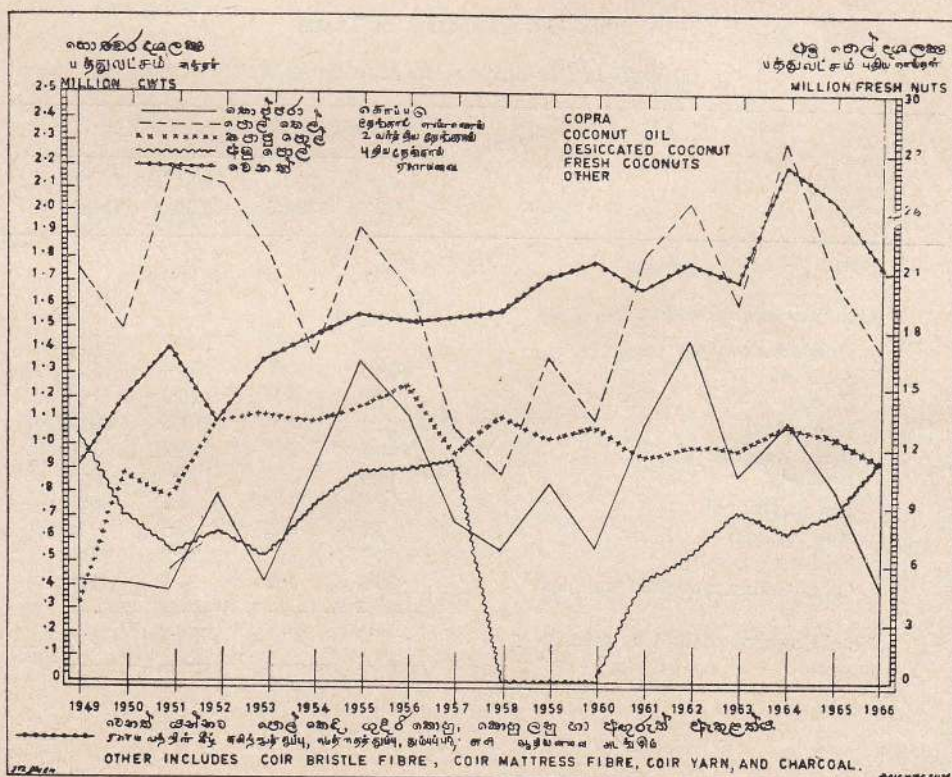
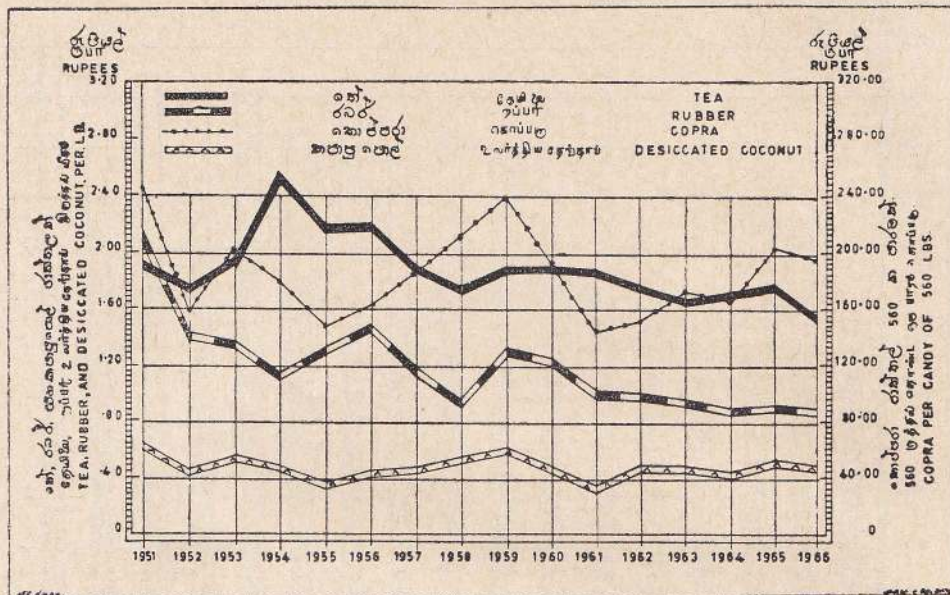


CHART NO. 11—ANNUAL AVERAGE MARKET PRICES OF TEA, RUBBER, COPRA AND DESICCATED COCONUT 1951-1966



(b) IMPORTS

Table 13-6 gives direction of the Import Trade country-wise during 1964/65 and 1965/66.

TABLE 13-6—DIRECTION OF TRADE

(b) IMPORTS (1ST OCTOBER TO 30TH SEPTEMBER)

	1964/65		1965/66	
	Value in	% to	Value in	% to
	Million	Total	Million	Total
	Rs.		Rs.	
<i>Commonwealth Countries</i>				
United Kingdom	262.0	17.2	324.1	17.5
Australia	103.5	6.8	98.4	5.3
Canada	7.0	0.5	20.2	1.1
Hong Kong	8.1	0.5	7.6	0.4
India, Republic of	140.6	9.2	138.8	7.5
Malaysia	8.9	0.6	13.7	0.7
Maldiv Islands	9.6	0.6	8.6	0.5
New Zealand	3.8	0.2	4.0	0.2
Pakistan	44.1	2.9	70.2	3.8
Other Commonwealth Countries	23.3	1.5	21.1	1.2
Total Commonwealth Countries	611.0	40.0	706.7	38.3

TABLE 13·6—DIRECTION OF TRADE—(Contd.)
(b) IMPORTS (1ST OCTOBER TO 30TH SEPTEMBER)—(Contd.)

	1964/65		1965/66	
	Value in Million	% to Total	Value in Million	% to Total
	Rs.		Rs.	
<i>Foreign Countries</i>				
Belgium	19·7	1·3	17·1	0·9
Burma Union of	91·0	6·0	150·2	8·1
Czechoslovakia	10·6	0·7	10·7	0·6
China Peoples Republic of	124·5	8·2	176·3	9·5
Denmark	7·1	0·5	10·5	0·6
United Arab Republic	14·6	1·0	15·5	0·8
France	44·0	2·9	38·8	2·1
Germany Democratic Republic of	11·4	0·8	8·3	0·5
Germany Federal Republic	45·6	3·0	66·2	3·6
Indonesia Republic of	8·0	0·5	2·4	0·1
Iran	28·1	1·8	23·3	1·3
Italy	28·0	1·8	33·9	1·8
Japan	103·6	6·8	125·9	6·8
Netherlands	49·1	3·2	46·8	2·5
Poland	35·3	2·3	30·5	1·7
Rumania	15·9	1·0	24·7	1·3
Switzerland	6·8	0·4	9·8	0·5
Thailand	27·9	1·8	70·2	3·8
Union of South Africa	10·9	0·7	7·4	0·4
U. S. A.	60·9	4·0	52·7	2·9
U. S. S. R.	104·4	6·8	92·4	5·0
Other Foreign Countries	69·3	4·5	127·2	6·9
Total Foreign Countries	916·7	60·0	1,140·8	61·7
Grand Total	1,527·7	100·0	1,847·5	100·0

Source : Ceylon Customs Returns.

Prepared by Statistics Division, Department of Commerce.

There was a general increase in the Value of Imports during 1965/66 as compared with 1964/65. The value of imports from Commonwealth countries which was Rs. 611·0 million in 1964/65 increased to Rs. 706·7 million in 1965/66. The value of imports from the United Kingdom increased from Rs. 262·0 million in 1964/65 to Rs. 324·1 million in 1965/66. In the case of Imports from Canada the value of imports increased from Rs. 7·0 million to Rs. 20·2 million during the period under review. Imports from Malaysia increased from a value of Rs. 8·9 million in 1964/65 to Rs. 13·7 million in 1965/66. Imports from Pakistan also showed a marked increase when the value of imports which stood at Rs. 44·0 million in 1964/65 rose to Rs. 70·2 million in 1965/66. The Import Trade with India remained at about the same level, the figures for 1964/65 and 1965/66 being Rs. 140·6 million and Rs. 138·8 million respectively.

In the case of the Non-Commonwealth Countries the total value of Import Trade increased from Rs. 916.7 million in 1964/65 to Rs. 1,140.8 million in 1965/66. The Import Trade with the Union of Burma increased from Rs. 91.0 million in 1964/65 to Rs. 150.2 million in 1965/66. The value of imports from the People's Republic of China increased from Rs. 124.5 million to Rs. 176.8 million during the period under review. The value of imports from Thailand increased from Rs. 27.9 million in 1964/65 to Rs. 70.2 million in 1964/65. In the case of the Federal Republic of Germany the value of imports which stood at Rs. 45.6 million in 1964/65 moved up to Rs. 66.2 million in 1965/66. The Import Trade with Japan increased from a figure of Rs. 103.6 million in 1964/65 to Rs. 125.9 million in 1965/66. The Imports from Rumania which stood at a value of Rs. 15.9 million in 1964/65 increased to Rs. 24.7 million in 1965/66. A slight decrease was recorded in the imports with the Union of Soviet Socialist Republics when the value of imports dropped from Rs. 104.4 million in 1964/65 to Rs. 92.4 million in 1965/66. In the case of the United States of America too there was a slight decline in value of imports when the figures dropped from Rs. 60.9 million in 1964/65 to Rs. 52.9 million in 1965/66. The value of imports from France declined from Rs. 44.0 million to Rs. 38.8 million during the period under review.

II—IMPORT AND EXPORT CONTROL

Import Control

The marked decline in the external assets of the country in 1962 made it necessary to introduce a system of import licensing covering a wide range of imports. This was the quickest means of achieving economy in the use of scarce foreign exchange which had to be utilised according to an accepted scheme of priorities in the interests of the national economy. The extent of the control thus introduced was gradually widened during the intervening years and in 1965 foodstuffs and drugs by the private trade, the import of which had hitherto been permitted under the system of the Open General licence was brought under it and by 1966, the impact of import control affected in a marked degree all aspects of the national economy as it came to embrace all import commodities. Import control has in fact become the most pervasive form of exchange control and its policy has been dictated by the need to use exchange for essential items and to reduce imports in terms of local production of import substitutes. In the latter direction the department worked in close liaison with the Director of Development of the Ministry of Industries and Fisheries, and the Director of Rural Development and Small Industries who are in the best position to advise on local industrial development.

The bulk of the control work handled by the Department consisted of the issue of import licences to the private sector, both for the trade as well as for industrial purposes. Licences for trade were issued as in the previous year on the basis of best year imports made by importers, generally during the period 1959-1961.

Since allocation of import quotas was determined by the amount of foreign exchange that could be spared for a particular line of import in terms of national priorities, it was of prime importance that as large a volume of goods as possible within available exchange allocations should be imported without serious detriment to quality. For this purpose in 1966, c.i.f. ceilings were imposed on a number of commodities and encouragement given to imports at the lowest c.i.f. value, consistent with comparable quality.

Ceylonisation of Import Trade

In the course of the issue of allocations for 1966, steps were taken towards the furtherance of Ceylonisation of the import trade. On a policy directive from the Ministry of Commerce and Trade, there was a transformation of the pattern of quota holders involving selected commodities. The transformation involved the reduction of quotas enjoyed by non-Ceylonese and those who had what appeared to be monopoly quotas and the re-allocation of the amounts so reduced among Ceylonese importers. This did not however involve the admission of new comers to the importers lists as the re-allocation of quotas was made among those already in the lists for the particular items on the basis of past imports.

Investigations

As indicated earlier, trade quota licences were issued to those with past imports in the base years in respect of a particular commodity. When import control was first introduced, it was not feasible to have full scale investigations made of the authenticity of the documents and claims made by importers in regard to past imports. An Investigation Unit had, therefore, been set up in May 1964 to examine these. While the main provocation for investigations was the receipt of petitions and complaints against various importers, a more systematic investigation of documents submitted in respect of past imports was commenced in 1966.

Penalties

Many cases occur in the course of a year in which importers contravene the import control regulations and conditions on import licences in various ways. In 1966 they numbered 627. Reports on such infringements were made by the respective Units to the Controller who personally scrutinised the reports and made order with regard to the release without penalty or the quantum of penalty to be recommended in each such case to the P. C. C. depending on the circumstances of each case. The Controller has no penal powers and, therefore, in all such cases he is merely a recommending authority to the P. C. C. who alone is a statutorily empowered to impose penalties for infringements of the Customs Ordinance which has to be read with Import Control legislation.

Export Control

Export Control is maintained for the purpose of restricting the export of imported goods, the enforcement of minimum prices for certain exported commodities, the enforcement of standards of quality on certain products, e.g., Papain and to place more of the export trade in the hands of its own citizens.

Tea Export Control

The Department of Tea Export Control was merged with the Import and Export Control from October, 1962. The main functions of this section are the registration of the exporters of tea, the collection of ad-valorem tax on tea and the issue of permits for the export of tea.

Tea Exports—Colombo Auctions

The comparative figures of tea sold at the Colombo Auctions during 1965 and 1966 according to elevational categories are—

<i>Year</i>	<i>High Grown</i>	<i>Medium Grown</i>	<i>Low Grown</i>	<i>Total in lbs.</i>
1965	127,701,600	133,049,700	103,453,700	364,205,000
1966	123,254,900	120,087,200	109,481,200	352,823,300

The quantity of tea sold through the Colombo Auctions for which permits were issued for export in 1966 after collection of taxes was less by about 34.5 million lb., i.e. 370,862,142 lb. in 1965 as against 336,363,882 lb. in 1966.

CHART No. 12—QUARTERLY INDICES OF SHARE PRICES (RUPEE COMPANIES)
(BASE 1939 = 100.) 1955-1966

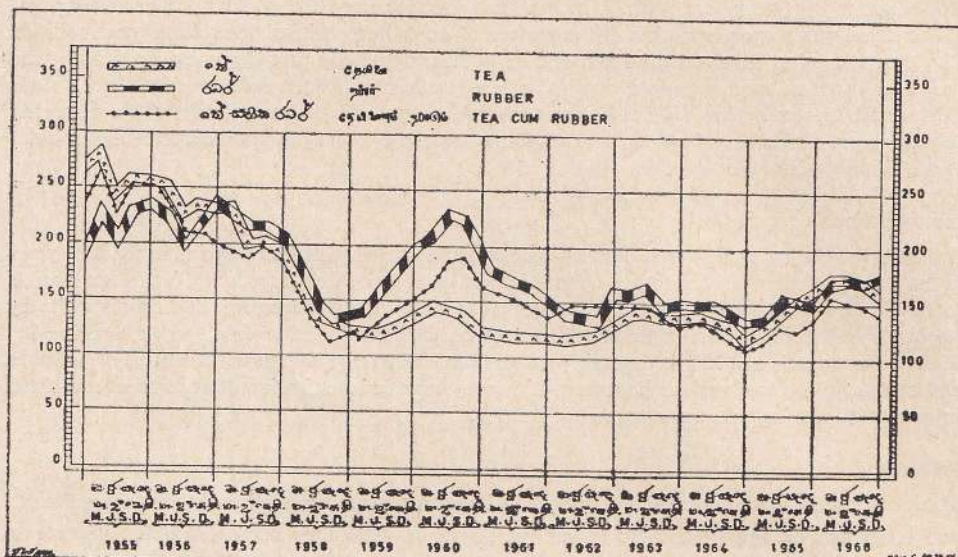
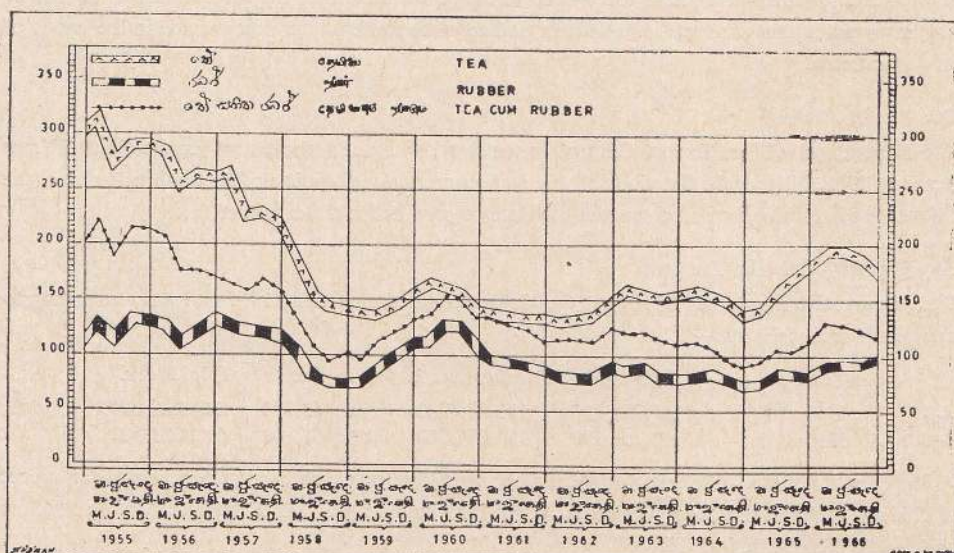


CHART No. 13—QUARTERLY INDICES OF SHARE PRICES (RUPEE COMPANIES)
(PAR VALUE = 100.) 1955-1966



Tea Exports—London Auctions

Permits were issued for the following quantities of tea to be sent to the London Tea Auctions :—

<i>High Grown</i>	<i>Medium Grown</i>	<i>Low Grown</i>	<i>Total in lbs.</i>
56,159,285	45,491,127	6,348,497	107,998,909

The total of 107,998,909 lbs. represents a shortfall of about 16·5 million lbs. when compared with the 1965 total of 124,531,119 lbs.

III—EXPORT PROMOTION—THE CEYLON TEA PROPAGANDA BOARD**Overseas Campaigns**

The continued decline in the auction values of tea, both in Ceylon and abroad, during the course of the year, focussed a great deal of attention on the work of the Ceylon Tea Propaganda Board, since it led to a realisation of the importance of the role played by tea promotion in maintaining and expanding the consumption of Ceylon tea. The Board itself, when drawing up its budget for the year, had planned to expand the scope of its activities in 1966 and budgetted for a substantial deficit on the basis that the Government would authorise in the course of the year, an increase in the cess for tea promotion, which would enable it to maintain operations at the intensified level. Although the Government agreed to increase the cess for tea promotion, the amending legislation was not passed until the latter part of October and the increased cess itself did not come into effect before the close of the year—ultimately the cess was increased to Rs. 4.00 per 100 pounds from the existing level of Rs. 2.20 per 100 pounds with effect from 15th February, 1967. Consequently, the Board had to resort to an overdraft to maintain its overseas operations.

In Western Europe, there was a sharp increase in the tempo of the Board's activities in the entire area. In the United Kingdom—still by far the world's largest consumer of tea accounting for over 40 per cent of world exports—a media advertising campaign to project the Ceylon 'Lion' as the identity mark of Ceylon tea, has been embarked upon for the first time. The campaign will cost £ 500,000 spread over a three-year period. Previously, Ceylon's activities in this market have been primarily concentrated at the merchandising level. Regional tea promotion continued through the Ceylon Tea Centres and the Tea Centres themselves increased in popularity with the public. Total sales of cups of tea were nearly three million and increased by 65,000 as compared with the sales in 1965. The 'Four Fine Ceylon Teas' continued their rapid growth and were introduced into several new overseas markets.

On the Continent, vigorous campaigns were operated in Denmark and Italy through the Ceylon Tea Bureaux in Rome and Copenhagen. Ceylon gained a further 3 per cent of the Danish market. The Copenhagen Tea Centre has established itself as part of the life of the city and has become extremely popular with tourists. The scope of Ceylon activities in France—Ceylon holds two-thirds of the market—was sharply expanded during the year and received enthusiastic support from the French Tea Trade, who introduced a number of pure Ceylon packs to take advantage of it. The 'Lion' symbol has been well established in this market. A team of three Ceylon girls gave demonstrations in support of Ceylon packs in France and the neighbouring countries and these proved very popular with the trade. Ceylon tea was also boosted in Fairs in France, Holland and Western Germany. Although there was no promotion work in Spain during the year, several trade enquiries stemming from the work done there in 1965 were received and dealt with.

In South Africa, the Government of that country shows an increasing interest in channelling its import trade to countries who are prepared to buy more South African products. To date, this trend has not affected exports of Ceylon tea to this market but the position has to be kept under close watch, as South Africa buys some of the best Ceylon teas and total purchases are around 30 million pounds a year. Promotion activities for Ceylon tea in 1966 continued unabated and the indications are that tea consumption in this country will continue to increase.

Work in the Middle East area was stepped up with four additional countries—Ethiopia, Lebanon, Libya and Saudi Arabia—being brought into the ambit of the Board's operations in this area. Activities continued in Iraq and the U. A. R. where major campaigns for Ceylon tea are carried out, in addition to work in Kuwait, Iran and Syria. Promotion work in the Middle East countries has to be done in accordance with prevailing conditions and the approach varies from country to country. An interesting development during the year was the decision by the Iraqi Government Purchasing Board to place an order for a million pounds of packetted tea in order to give consumers in Iraq a better quality pack. The Board has supported this step by a special promotion campaign to popularise the new pack with the public.

In Australia, a Ceylon Tea Centre was opened in Brisbane in July. There is now a promotion point for Ceylon tea in each of the State capitals as there are Tea Centres in Sydney and Melbourne, and Tea Corners in Adelaide, Perth and Hobart. Ceylon tea faces heavy competition in the Australian market from Indonesia and India and our competitive position has been affected by labour troubles and shipping problems at this end.

New Zealand remained a basically Ceylon tea market. A Tea Council was established in July, making the seventh such council in the world. In New Zealand, as in the older tea markets, tea is under increasing pressure from competing beverages and it is hoped that the Council will play an effective role in meeting this challenge.

In addition to the promotion of Ceylon tea on an uninational basis, the Board continued to promote tea as tea through joint Tea Councils composed of India, Ceylon and the tea trade in the country concerned. Besides the newly formed New Zealand council, Tea Councils function in the U. S. A., Canada, the Federal Republic of Germany, Australia, France and the United Kingdom. In view of the criticism sometimes made of Ceylon's participation in joint councils, it is noteworthy that in countries where there are only joint campaigns and no Ceylon campaigns as such, Ceylon's interests have not suffered by comparison with those of other producing countries. For instance, in the oldest Tea Council area, the U. S. A., imports for consumption increased from 103 to 128 million pounds between 1955 and 1965 and Ceylon's share rose from 38.6 to 52 million pounds. Ceylon thus obtained the major portion of the increased volume of imports.

Ceylon

The static units at Laksala, Horagolla, Maha Illuppalama and Amparai and the mobile caravan continued in operation throughout the year. Tea brewing demonstrations were conducted and dry tea was supplied to selected schools to be brewed by the children themselves on the correct lines. Cartoon films were shown in cinemas and posters featuring the Golden Rules for tea brewing were displayed on Ceylon Transport Board buses. An advisory service for institutions where liquid tea is served and the distribution of literature of Ceylon tea teacher-trainees were subsidiary measures. The Board's special high quality blend of pure Ceylon tea was made available to the public through its counters at the Colombo Jetty and the Katunayake and Ratmalana Airports. An increasing volume of tea was sent abroad by post in the form of gift parcels.

General

The Centenary of the Ceylon Tea Industry will be celebrated in 1967 and the Board has made arrangements to commemorate the centenary in an appropriate manner, both at home and abroad. A Centenary volume, tracing the history of the Ceylon Tea Industry from its inception is being published and an exhibition representative of various aspects of the Industry will be staged in the United Kingdom and in Ceylon.

The first meeting of the Indo-Ceylon Joint Tea Commission was held in Colombo in May. The Commission consists of officials from India and Ceylon and it will consider those areas and subjects where the interests of both countries will be better served and better results achieved by joint rather than individual action. Several matters relating to overseas tea promotion were discussed at the inaugural meeting. The Director of the Board is one of the Ceylon members of the Commission.

IV—DEPARTMENT OF COMMODITY PURCHASE

The main function of this Department is the purchase and shipment of Sheet Rubber to China, Poland, Rumania and the U. S. S. R. under the contracts entered into each year. The greater portion of this rubber is purchased through 24 shippers registered by this Department.

The Department maintains twenty-eight Purchasing Depots in the principal rubber-growing areas to serve as "Check Depots" to ensure that the producer gets a fair price. Rubber so purchased is transported to the Stores in Colombo where it is sorted, baled and shipped to China. The daily price payable to producers is fixed by the Department on the basis of the daily Singapore closing price after deducting the duty, cesses and shippers handling charges and is published in the daily newspapers.

A Contract was signed with the Government of the People's Republic of China for the supply of 41,000 metric tons of Sheet Rubber of the grades RSS 1, 2, 3 and 4 in 1966. This quantity was purchased during the year and 34,707 tons were shipped, the balance being shipped in the first quarter of 1967. A supplementary Contract for the supply of an additional 10,000 metric tons was signed in August against which 9,789 metric tons were shipped by 31st December, 1966.

Contracts were also signed with the Governments of Rumania and Poland for the supply of 6,120 long tons and 3,200 tons respectively. The Rubber purchased against these Contracts was shipped during 1966.

The prices paid for the rubber supplied under these Contracts were based on the weekly average of the Singapore market prices during the actual week of purchase plus 5 Ceylon Cents per lb. to cover the handling charges of the Department.

The Department has taken the initiative in improving the quality of our sheet production. An incentive of 2 Cents per lb. over and above the Singapore price for RSS 1 has been offered to the producer, the percentage of RSS 1 production has shown an appreciable increase since this incentive was offered.

In the latter part of the year, this Department was entrusted with the working of the New Export Incentive Scheme. The Scheme is in two parts—viz, (i) Incentive for Industrial Exports in the form of an Import Quota voucher valued at 20 per cent of f.o.b. value provided there is a nett foreign exchange earning of over 25 per cent of such f.o.b. value and (ii) Incentive for non-industrial items to be approved by the Minister of Commerce and Trade. The 1st part was put into effect from 1st December, 1966 and all industrial exports from 1st October, 1966 were made eligible for the Import Quota voucher.

Regarding the second part of the Scheme, representations were called in respect of non-industrial export items which should be made eligible for the Import Quota voucher. These representations were received up to 31st December, 1966 and some items such as Tobacco, Mica, Brushes, Brooms and Wood Carvings have already been made eligible for an Import Quota voucher valued at 30 per cent of the f.o.b. value of exports. Inclusion of other items are under consideration.

V—DEPARTMENT OF THE REGISTRAR OF COMPANIES

The Department of the Registrar of Companies deals with the administration of the Companies Ordinance—Cap. 145, Trade Marks Ordinance—Cap.150, Business Names Ordinance—Cap. 149, Mutual Societies Ordinance—Cap. 123, Cheetu Ordinance—Cap. 159, Designs Ordinance—Cap. 153 and the Patents Ordinance—Cap. 152.

Companies

There were 3,108 companies on the register as at 31.12.66. This includes local companies, foreign companies and companies registered under the Joint Stock Companies Ordinance. The total amount of capital issued during the year by the local companies was Rs. 18,555,762. The particular of share capital of companies functioning on 31.12.66 were as follows :—

<i>Nominal Capital</i> Rs.	<i>Issued Capital</i> Rs.	<i>Paid up Capital</i> Rs.
3,496,977,669	834,367,673	752,802,463

Statistics of Companies

The number of local companies incorporated in Ceylon during the last 27 years and the total amount of their nominal capital are as follows :—

<i>Year</i>	<i>Total No. registered</i>	<i>No. registered without a share capital</i>	<i>No. registered with a share capital</i>	<i>Total amount of nominal capital</i>
1939	19	—	19	3,630,000
1940	26	1	25	8,565,000
1941	33	—	33	4,630,000
1942	46	1	45	16,875,000
1943	79	1	78	23,030,000
1944	48	1	47	13,585,000
1945	138	—	138	89,910,000
1946	213	1	212	160,961,000
1947	176	—	176	117,940,000
1948	114	—	114	85,375,000
1949	109	1	108	117,955,000
1950	116	1	115	91,535,000
1951	182	3	179	179,625,000
1952	161	2	159	194,815,000
1953	145	—	145	179,245,000
1954	131	3	128	144,474,000
1955	130	3	127	1 77,653,000
1956	126	1	125	232,267,000
1957	112	1	111	117,850,000
1958	87	5	82	216,297,000
1959	90	1	89	219,905,000
1960	64	1	63	117,858,500
1961	74	2	72	27,525,000
1962	107	3	104	58,407,000
1963	103	1	102	60,905,000
1964	106	1	105	65,515,000
1965	124	4	120	60,716,500
1966	181	2	179	148,336,000

Registration of Companies 1966

Particulars of Companies registered during the year 1966 are as follows :

<i>Type of Company</i>	<i>Public</i>	<i>Private</i>	<i>Total Nominal Capital</i>
(a) Local—			
Companies limited by shares	46	133	} 148,336,000
Companies limited by guarantee	—	—	
Unlimited Companies	—	—	
Associations (limited by guarantee)	2	—	
Insurance	—	—	
(b) Foreign—			
Banks	—	—	} 35,910,200 francs
Insurance Companies	—	—	
Others	1	—	

Liquidation

During the year 5 companies went into liquidation. Three companies which had completed its liquidation proceedings were dissolved and the names of 13 companies were struck off the register pursuant to Section 277 of the Companies Ordinance.

Prosecution

A total of 119 cases were filed during the year under Sections 108, 110, 111 and 121 of the Companies Ordinance.

There were 168 convictions.

Registration of Business Names—1966

Statistics relating to the Registration of Business Names during the year 1966 are as follows :—

	<i>Applications received</i>	<i>New registrations</i>	<i>Changes</i>	<i>Removals</i>
Western Province	3,334	2,489	1,268	205
Other Provinces	2,855	2,072	771	252

Registration of Patents

Statistics relating to the registration of Patents during the year 1966 are as follows :

	<i>Ordinary applications received</i>	<i>Convention applications received</i>	<i>Certificate of registration of British patents received</i>	<i>Total</i>
By Ceylon residents	25	—	—	25
By British	5	19	17	41
By others	14	52	35	101
				167
No. of patents accepted and sealed				33
No. of patents void				2
No. of patents pending at the end of the year				151
Renewals				750

Registrations of Trade Marks

Statistics relating to the registration of Trade Marks during the year 1966 are as follows :

No. of Trade Marks on the register at the beginning of the year	13,627
No. of Trade Marks registered during the year	708
No. of Trade Marks renewed during the year	502
No. of Trade Marks removed during the year	252
No. of Trade Marks on the register at the end of the year	14,083

Registration of Designs

Applications for registration of 17 Designs were received during the year 1966 and 8 have been registered. The copy right of 6 was extended for a further period of five years. The total number of Designs on the register as at 31.12.1966 was 65.

Registration of Societies

Four societies were registered during the year 1966 as specially authorised Societies under Section 3 (b) of the Societies Ordinance—Cap. 123.

Registration of Cheetus

During the year 1966 four Cheetus were registered. Two Cheetus were terminated during the year. The number of Cheetus that were in existence at the end of the year 1966 was 7.

CHAPTER XIV
MONEY, BANKING AND INSURANCE

I—GENERAL

The banking and financial institutions in Ceylon may be classified as follows :—

- (1) Banking Institutions (a) The Central Bank of Ceylon
(b) Commercial banks
- (2) State-sponsored long-term credit institutions, viz. The State Mortgage Bank, the Agricultural and Industrial Credit Corporation and the Development Finance Corporation.
- (3) Savings institutions, viz. Post Office Savings Bank, Ceylon Savings Bank, Insurance Corporation of Ceylon and the Employees' Provident Fund.

II—BANKING INSTITUTIONS

(a) **The Central Bank of Ceylon**

The Central Bank of Ceylon which was established on August 28, 1950, under the Monetary Law Act No. 58 of 1949, with a capital of Rs. 15 million, is the authority responsible for the administration and regulation of the monetary and banking system of Ceylon.

The overall responsibility for the management, operation and administration of the Central Bank rests with the Monetary Board which consists of the Governor of the Central Bank (Chairman), the Permanent Secretary to the Ministry of Finance and a third member appointed by the Governor-General on the recommendation of the Prime Minister.

The Central Bank is statutorily charged with the duty, *inter alia*, of so regulating the supply, availability, cost and international exchange of money as to secure the following objects :—

- (a) the stabilization of domestic monetary values,
- (b) the preservation of the par-value of the Ceylon Rupee and the free use of the Rupee for current international transactions,
- (c) the promotion and maintenance of a high level of production, employment and real income in Ceylon ; and
- (d) the encouragement and promotion of the full-development of the productive resources of Ceylon.

The Central Bank has the sole right and authority to issue currency in Ceylon. It acts as a bankers' bank and lender of last resort to the banking system and is empowered to carry out the continuous supervision and periodical examination of banking business in Ceylon. The Central Bank also conducts economic research in money and banking and other economic subjects for guidance in formulating, implementing, and executing its policies and measures and for the information of the general public. Other functions performed by the Central Bank are the management of public debt, the administration of exchange control and the financial management of the Employees' Provident Fund.

For the purpose of performing the functions enjoined on it by statute, the Central Bank is equipped with a wide array of monetary weapons, such as the power to vary statutory reserve ratios and minimum capital-assets ratios of banks, to vary the Bank Rate, to conduct open market operations and to impose margin requirements on letters of credit opened by commercial banks.

Central Banking in 1966

The total assets/liabilities of the Central Bank, which amounted to Rs. 1,726.0 million at the end of December, 1965, increased to Rs. 1,892.0 million at the end of December, 1966. The international reserve of the Central Bank which stood at Rs. 282.2 million at the end of December, 1965, declined steadily in 1966, to a level of Rs. 143.0 million in December, 1966. The domestic assets of the Central Bank increased by Rs. 305.2 million or 21.1 per cent as compared to the decline of 0.4 per cent in 1965. The increase in 1966 was made up of increases in the following items : loans to Government (Rs. 26.5 million) loans to commercial banks (Rs. 36.4 million), Government and Government guaranteed securities (Rs. 155.9 million).

The currency issue of the Central Bank declined from Rs. 1,002.8 million at the end of December, 1965 to Rs. 993.7 million at the end of December, 1966. The Deposit Liabilities of the Central Bank rose by Rs. 114.8 million from Rs. 535.9 million at the end of December, 1966.

The credit control measures taken in 1965 continued to be in force in 1966 also. Bank Rate remained at 5 per cent as fixed on 28th May, 1965 ; ceilings on bank credit imposed in 1965 continued to be in force.

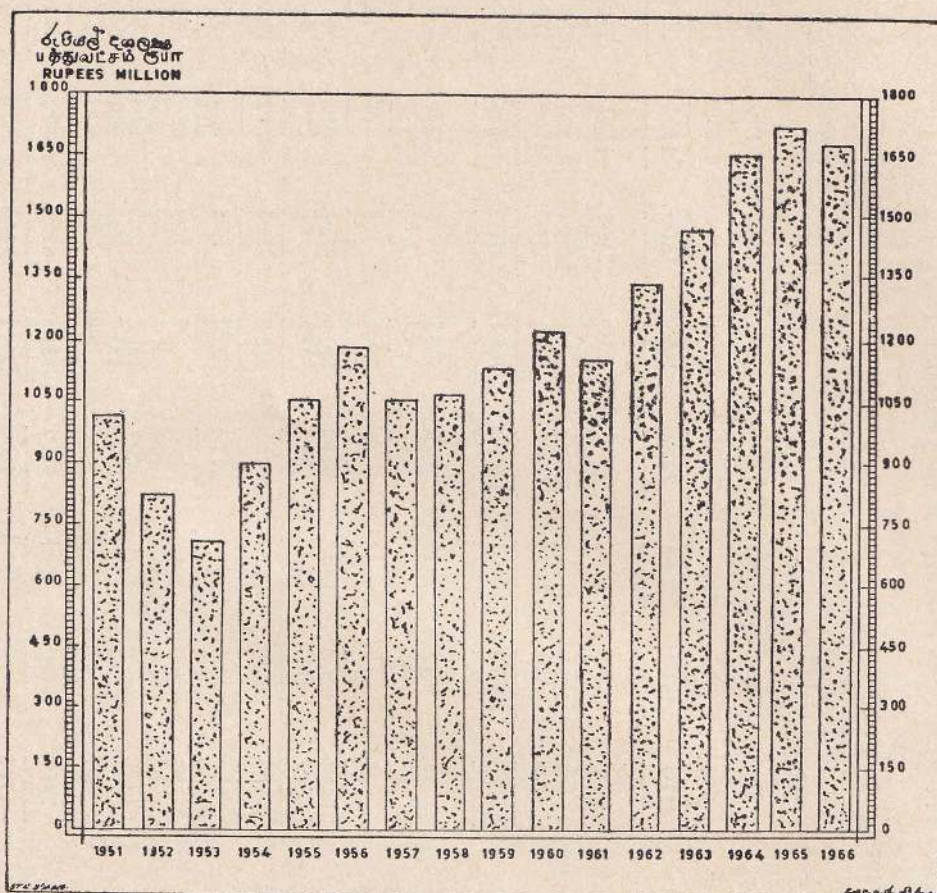
The Central Bank established the 'Medium and Long-term Credit Fund' in July, 1964. The intention was to encourage lending by credit institutions for productive purposes by making available re-finance facilities. In 1966, the interest rate charged on certain re-finance loans to credit institutions was reduced. A relaxation of procedures under the Re-financing Scheme was also effected during the year.

Table 14.1 gives the assets and liabilities of the Central Bank in 1965 and 1966.

TABLE 14.1—ASSETS AND LIABILITIES OF THE CENTRAL BANK
(Rs. Million)

	1965				1966			
	March	June	September	December	March	June	September	December
Assets								
<i>International Reserves</i>								
1. Cash and Balances abroad including Treasury Bills	43.4	65.7	210.7	180.5	133.2	79.6	55.3	42.7
2. Foreign Bills discounted	68.3	97.5	94.1	101.6	101.4	101.4	100.5	100.3
3. Foreign Government Securities	111.7	163.2	304.8	282.2	234.6	181.0	155.8	143.0
Total								
<i>Domestic Assets</i>								
1. Loans and Advances to Government	185.6	219.5	213.1	237.9	226.2	233.5	262.6	264.4
2. Loans and Advances to others	75.1	27.5	—	6.3	10.3	16.9	31.4	42.7
3. Government and Government Guaranteed Securities	1167.7	1150.6	1115.4	1109.4	1147.4	1229.3	1246.1	1265.3
4. Other Assets a/c	93.8	104.2	109.8	90.2	148.2	151.7	176.3	176.6
Total Assets or Liabilities	1633.8	1665.0	1743.1	1726.0	1766.8	1812.4	1872.2	1892.0
Liabilities								
<i>Capital Accounts :</i>								
1. Capital	15	15	15	15	15	15	15	15
2. Surplus	53	53	53	53	53	53	53	53
Total	68	68	68	68	68	68	68	68
<i>Currency Issue :</i>								
1. Notes in Circulation	893.1	926.9	920.2	944.4	893.9	916.0	902.8	934.1
2. Coins in Circulation	54.7	56.0	56.8	58.4	58.9	58.8	58.4	59.6
Total	947.8	982.9	977.0	1002.8	952.7	974.8	961.2	993.7
<i>Deposits :</i>								
1. Government	53.4	53.4	53.4	53.4	53.4	53.4	53.4	28.4
2. Government Agencies and Institutions	51.2	4.8	—	—	—	—	—	—
Commercial Banks	1.9	3.0	1.6	1.3	3.9	15.9	38.7	92.2
International Organizations	2.2	6.1	5.8	10.7	7.3	4.9	6.8	5.5
Others	137.2	138.4	162.2	140.1	156.2	159.9	154.8	89.6
	191.1	220.6	285.7	264.5	285.7	290.3	290.1	343.1
	3.7	4.0	4.0	4.5	5.4	5.3	9.4	5.4
Total	336.2	372.1	459.3	421.1	458.5	476.4	499.9	535.9
<i>Other Liabilities and A/cs.</i>	177.3	183.8	185.4	180.8	234.1	239.8	245.6	266.0

CHART No. 14—COMMERCIAL BANK DEPOSITS—1951-1966

**(b) Commercial Banks**

The commercial banking system in Ceylon consists of three Ceylonese banks—the Bank of Ceylon, the People's Bank and the Hatton Bank—and nine foreign-owned banks.

BANK OF CEYLON

The Bank of Ceylon was established in 1939 by the Bank of Ceylon Ordinance, No. 53 of 1938 in consequence of a recommendation of the Banking Commission of 1934. In 1949 the Bank functioned with a network of eleven branches in Ceylon and in the same year the Bank opened its foreign office in London. By the Finance Act, No. 65 of 1961 the Bank of Ceylon was nationalised in 1961. The Bank maintained a network of 33 branches throughout the Island in 1966.

The Bank of Ceylon held the largest share of deposits at the end of December, 1965. Total deposits increased from over Rs. 700 million as at 31st December, 1964 to nearly Rs. 825 million as at 31st December, 1965. Advances increased from Rs. 303 million to Rs. 384 million. The total assets of the bank increased from Rs. 1,071,761,186 to Rs. 1,342,699,385.

PEOPLE'S BANK

The People's Bank commenced operations on 1st July, 1961, replacing the Co-operative Federal Bank and has a considerably wider scope and range of functions as compared with the latter, including the provision of short, medium and long-term credit to agriculture and industry in rural and other

sectors. The purposes of the People's Bank according to the People's Bank Act No. 29 of 1961 is to develop the co-operative movement of Ceylon, rural banking and agricultural credit, by furnishing financial and other assistance to co-operative societies, approved societies, Cultivation Committees and other persons.

The Branch network of the People's Bank expanded rapidly since its inception, and by the end of 1966, it had established 55 branches, many of which were in areas which had no banking facilities previously. Thus, the People's Bank had become the second largest commercial bank in Ceylon.

The foreign banks which continued to do business in 1966 were the Chartered Bank, the Eastern Bank, the Hongkong and Shanghai Banking Corporation, the State Bank of India, the Indian Bank Ltd., the Indian Overseas Bank Ltd., the Mercantile Bank, the National and Grindlays Bank Ltd., and the Habib Bank (Overseas) Ltd.

Table 14.2 shows the steady increase of total deposits of the commercial banks during the years 1950 to 1966. Tables 14.3 and 14.4 give statistical information with regard to assets and liabilities of commercial banks and bank clearings.

TABLE 14.2—COMMERCIAL BANK DEPOSITS

	<i>Rs. Million</i>
1950	811
1951	828
1952	725
1953	650
1954	796
1955	911
1956	1,021
1957	942
1958	947
1959	993
1960	1,057
1961	1,021
1962	1,182
1963	1,301
1964	1,447
1965	1,54
1966	1,502

TABLE 14.3—SELECTED ASSETS AND LIABILITIES OF COMMERCIAL BANKS

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
<i>(Rs. Million)</i>													
Assets													
Cash in hand and deposits at Central Bank	132	170	184	121	126	136	176	141	171	170	214	233	192
Foreign Balances	73	156	98	56	49	51	56	46	41	33	54	45	60
Loans and Advances	307	324	407	453	502	509	544	563	564	709	783	850	858
Investments*	310	284	346	339	299	329	335	357	428	423	423	456	441
Liabilities													
Demand deposits	649	745	793	696	662	674	685	657	756	802	896	939	899
Time and Savings Deposits	147	165	228	246	285	319	372	364	426	499	551	607	603
Total Assets/Liabilities	866	1,000	1,124	1,060	1,089	1,134	1,197	1,262	1,380	1,528	1,658	1,814	1,846

* Investments including Treasury bills.

TABLE 14.4—BANK CLEARINGS 1940–1966

Monthly Averages (in Rs. Million)

<i>Year</i>	
1940	134.7
1941	151.2
1942	183.8
1943	225.4
1944	279.3
1945	331.4
1946	305.2
1947	349.3
1948	390.7
1949	418.0
1950	549.4
1951	691.4
1952	687.2
1953	670.6
1954	684.4
1955	757.7
1956	734.8
1957	730.4
1958	661.4
1959	713.8
1960	742.9
1961	742.8
1962	711.6
1963	786.4
1964	835.7
1965	889.6
1966	928.5

Money Supply

The total money supply comprising currency and demand deposits held by the public amounted to Rs. 1,658.9 million at the end of 1966. This figure represented a decline of Rs. 56.8 million or 3.3 per cent during the year. The principal factor affecting the money supply during the year was the decline in external assets of the banking system. Table 14.5 shows the money supply for the years 1954–1966.

TABLE 14.5—MONEY SUPPLY—1954-1966

End of period	Currency					Demand Deposits					(Rs. Million)
	I Total	II Held by Government	III Held by Banks	IV Held by Public	V Total	VI Held by Government	VII Held by Banks	VIII Held by Public	IX Money Supply (IV+V+VIII)	X VIII as % of IX	
1954	376.2	7.5	26.9	341.8	778.2	51.0	111.9	615.3	957.1	64.3	
1955	425.0	9.0	31.5	384.5	930.6	93.5	148.7	688.4	1,072.9	64.2	
1956	443.4	8.4	33.9	401.1	1,011.1	127.8	157.6	725.7	1,126.8	64.4	
1957	475.1	9.8	30.4	434.9	804.1	87.2	111.6	605.2	1,040.1	58.2	
1958	578.3	17.7	30.8	529.8	812.0	122.6	142.5	546.9	1,076.8	50.8	
1959	621.3	12.7	43.5	565.0	853.4	67.7	173.0	612.7	1,177.7	52.0	
1960	644.6	10.0	39.3	595.3	892.7	73.4	205.7	613.6	1,208.9	50.8	
1961	763.8	14.2	57.4	692.2	873.6	58.9	218.3	596.4	1,288.6	46.2	
1962	789.4	10.0	66.8	712.6	1,053.9	126.8	297.0	630.0	1,342.7	46.9	
1963	900.9	8.8	63.7	828.4	1,124.2	126.9	319.7	677.7	1,506.0	45.0	
1964	932.1	8.2	70.9	853.0	1,265.4	131.0	365.5	768.8	1,621.8	47.4	
1965	1,002.8	6.6	94.7	901.4	1,355.7	133.9	407.6	814.3	1,715.7	47.5	
1966 January	961.0	7.4	89.7	863.9	1,415.8	137.5	449.0	829.3	1,693.2	49.0	
February	929.4	6.9	70.5	851.9	1,449.6	150.0	477.0	822.6	1,674.5	49.1	
March	952.7	7.1	78.1	867.6	1,393.8	151.4	443.6	798.8	1,666.3	47.9	
April	958.7	6.3	83.8	868.6	1,404.7	150.4	448.0	806.4	1,674.9	48.1	
May	963.6	7.2	87.2	869.2	1,421.6	152.8	440.1	828.7	1,697.9	48.8	
June	974.8	7.9	77.0	890.0	1,419.0	165.2	452.0	801.7	1,691.7	47.4	
July	1,010.3	14.2	104.4	891.7	1,507.2	209.7	432.4	865.1	1,756.9	49.2	
August	973.1	10.1	87.8	875.2	1,395.5	145.7	423.4	826.5	1,701.8	48.6	
September	961.2	6.7	78.2	876.2	1,460.7	208.1	447.7	804.9	1,681.2	47.9	
October	955.8	7.9	75.2	872.7	1,420.6	168.6	442.6	809.3	1,682.1	48.1	
November	956.0	8.2	81.8	865.9	1,394.5	159.8	444.5	789.3	1,655.2	47.7	
December	993.7	6.7	104.5	882.5	1,429.6	218.2	435.0	776.4	1,658.9	46.8	

CHART NO. 17—NOTE CIRCULATION (ACTIVE) 1951-1966

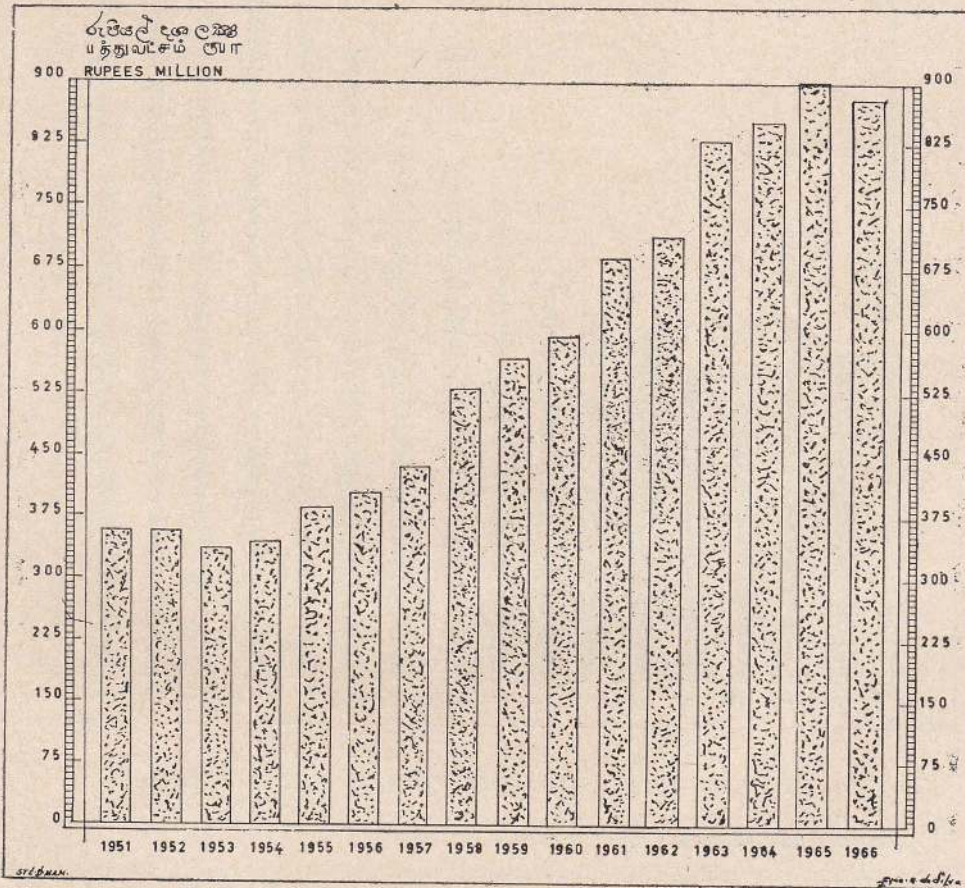
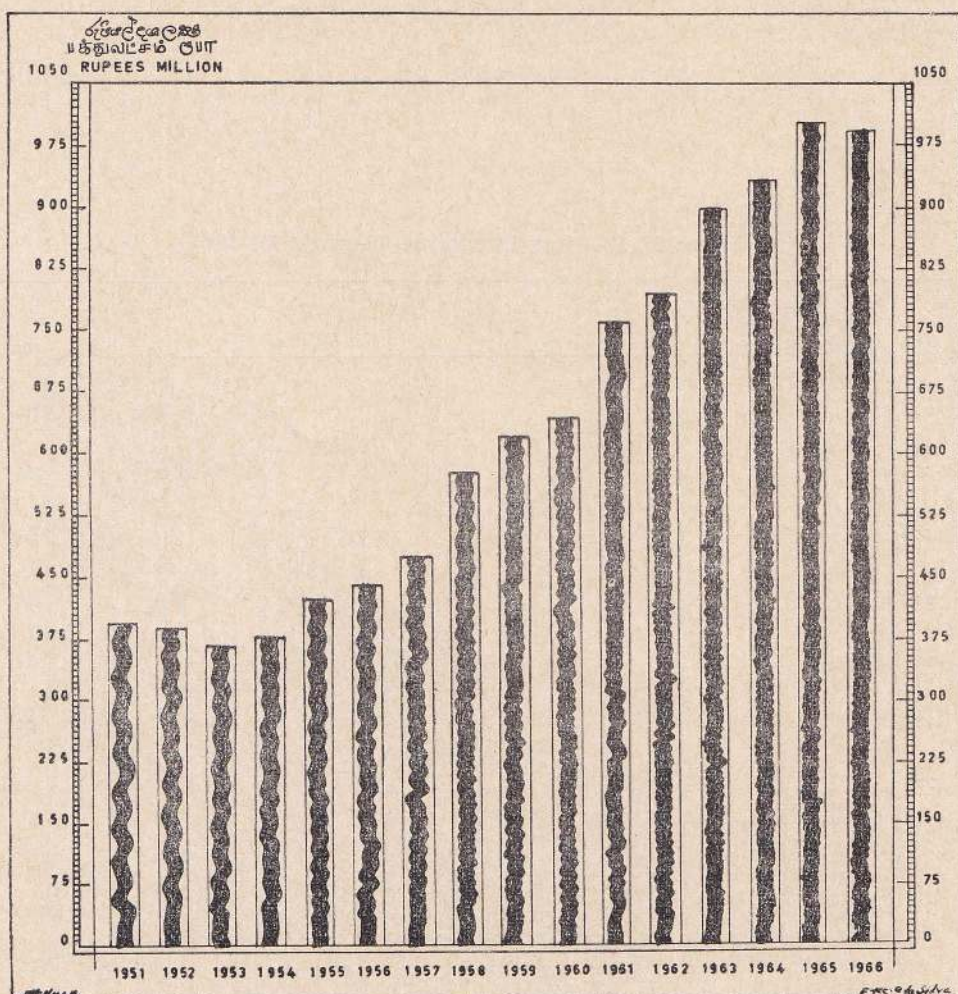


CHART NO. 18.—NOTE CIRCULATION (GROSS) 1951–1966



III—STATE-SPONSORED LONG-TERM CREDIT INSTITUTIONS

(i) Agricultural and Industrial Credit Corporation of Ceylon

The Agricultural and Industrial Credit Corporation of Ceylon was established in December, 1943 for the purpose of financing agricultural and industrial enterprises, and for the redemption of debts incurred by such enterprises by the provision of long-term credit facilities.

Financial assistance is provided by way of loans on primary mortgage of immovable property situated in any part of the Island. Loans are also granted on the security of plant and machinery provided they are permanently installed in suitable buildings and provided the land on which such buildings stand are also tendered as security. The title of property must be valid in the opinion of the Board of Directors. Generally speaking, documentary title without a defect for about 40 years would be acceptable. The rate of interest on loans in 1966 varied from $6\frac{1}{2}$ per cent to $7\frac{1}{2}$ per cent. The minimum loan that may be granted to any applicant is Rs. 500. The repayment period for any

loan may not exceed 25 years. In the year ending September 30, 1965, 172 loans amounting to Rs. 5,310,549 were granted and the profit for the year amounted to Rs. 695,881.40 before taxation. Table 14.6 shows the position regarding the loans granted during the period 1952/53 to 1965/66.

TABLE 14.6—AGRICULTURAL AND INDUSTRIAL CREDIT CORPORATION LOANS GRANTED, REPAID AND OUTSTANDING

(Rs. Thousand)

	<i>Loans granted during the period</i>	<i>Capital Repay- ments received during the period</i>	<i>Total loans outstanding at the end of the period</i>
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
1952-53	8,872	5,946	28,989
1953-54	5,518	5,025	29,485
1954-55	5,926	4,667	30,745
1955-56	6,305	5,069	31,981
1956-57	4,018	5,368	30,631
1957-58	3,590	4,022	30,199
1958-59	4,538	3,831	30,906
1959-60	5,111	4,250	31,766
1960-61	3,202	4,010	30,958
1961-62	2,347	3,377	29,929
1962-63	3,449	3,789	29,589
1963-64	4,777	4,168	30,198
1964-65	5,311	3,427	32,082
1965-66*	3,940	3,968	32,021

* Provisional.

(ii) State Mortgage Bank

The Ceylon State Mortgage Bank was established on December 5, 1931, under Ordinance No. 16 of 1931 for the purpose of providing long-term credit for agricultural and other prescribed purposes, on the primary mortgage of immovable property situated in Ceylon, including the granting of loans to enable people to purchase land and erect buildings on them.

Funds for the issue of loans are raised by means of debentures guaranteed by Government, the rate of interest being determined by the Board. The total indebtedness of the Bank on debentures cannot at any time exceed the total sum loaned on mortgages and remaining unpaid. The maximum loan granted to an individual continued to remain at Rs. 25,000 in 1965.

Loans granted, repaid and outstanding are shown below :

TABLE 14.7—CEYLON STATE MORTGAGE BANK LOANS GRANTED, REPAID AND OUTSTANDING
(Rs. Thousand)

	<i>Loans granted during the period</i>	<i>Capital Repay- ments received during the period</i>	<i>Total loans outstanding at the end of the period</i>
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
1952-53	4,225	1,425	16,187
1953-54	4,935	1,358	19,763
1954-55	5,380	2,541	22,602
1955-56	5,586	2,060	26,128
1956-57	12,605	2,833	35,900
1957-58	9,403	2,536	42,767
1958-59	8,628	3,016	48,380
1959-60	11,797	4,040	56,135
1960-61	4,284	4,147	56,272
1961-62	2,670	3,851	55,359
1962-63	2,900	3,782	54,477
1963-64	3,653	4,095	55,558
1964-65	3,596	3,986	53,645
1965-66*	4,477	4,123	54,739

* Provisional.

(iii) Development Finance Corporation

The Development Finance Corporation which came into existence by Act No. 35 of 1955 is a banking institution established with the financial support of the Government. The purpose of the Development Finance Corporation was to encourage the productive sectors of the economy by granting long-term credit facilities for specific agricultural and industrial projects. Up to March 1966 the Development Finance Corporation had participated in financing private industrial and agricultural ventures to the extent of Rs. 42.42 million. During the year 1966, its new participation amounted to Rs. 4.42 million. Table 14.8 shows the loans granted by the Development Finance Corporation during the period 1956 to March, 1966.

TABLE 14.8—DEVELOPMENT FINANCE CORPORATION OF CEYLON FINANCIAL OPERATION
(Rs. Thousand)

	<i>Loans granted during the period</i>	<i>Equity Invest- ments in deve- lopment projects</i>	<i>Capital Repay- ments during the period</i>	<i>Total loans and equities outstanding at the end of the period</i>
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
May 1956-March 1957*	560	441	—	1,001
April 1957-March, 1958	5,275	304	185	6,395
April 1958-March, 1959	3,206	913	531	9,983
April 1959-March, 1960	5,342	1,030	835	15,520
April 1960-March, 1961	4,293	463	917	19,359
April 1961-March, 1962	2,884	400	1,672	20,971
April 1962-March, 1963	3,481	400	1,686	23,166
April 1963-March, 1964	3,175	350	2,375	24,316
April 1964-March, 1965	4,775	1,300	2,894	27,497
April 1965-March, 1966	3,725	200	3,598	27,824

* The Corporation commenced business on 9th May, 1956.

IV—OTHER FINANCIAL INSTITUTIONS

(i) Insurance Corporation of Ceylon

The Insurance Corporation of Ceylon which was established by the Parliamentary Act, No. 2 of 1961 started functioning in January 1962, as the sole insurer transacting Life Business in the country. The Finance Act, No. 11 of 1963, vested with the Corporation the sole right of transacting General Insurance as from 1st January, 1964.

The total business income on 31st December, 1964, amounted to Rs. 323.5 million assured under 69,902 policies. The Life Assurance fund increased by Rs. 9.15 million reaching Rs. 14,108,050 on 31st December, 1964. The premium income for the year was Rs. 14,458,747. Claims for the year amounted to Rs. 482,076. The overall expense ratio for the year was 45.3 per cent, the corresponding figure for the previous year being 58.2 per cent.

The Corporation's total investments as at 31st December, 1964, stood at Rs. 62,237,570. The investments during the year amounted to Rs. 41,732,650 as against Rs. 12,400,000 in the previous year.

The profit of the Corporation for the year 1964 amounted to Rs. 7,728,738.

(ii) The Post Office Savings Bank

The purpose of the Post Office Savings Bank is to promote the savings habit of the low income groups. It pays up to 2.4 per cent interest on every complete sum of Rs. 10. The Post Office Savings Bank receives deposits from Re. 1 up to a maximum of Rs. 4,000 per year provided the total amount standing to the credit of the depositor does not exceed Rs. 10,000.

(iii) Ceylon Savings Bank

The Ceylon Savings Bank which is the oldest saving and lending institution in Ceylon lends money on the primary mortgage of house properties situated in municipal and urban areas. Loans for house building are granted within the Municipal Council limits of Colombo, Dehiwala/Mount Lavinia and the Urban Council limits of Kotte, Wattala and Kolonnawa. According to the Annual Reports of the Director of the Ceylon Savings Bank "the Bank has done valuable work in the encouragement of thrift in all classes of the community and no effort has been spared in bringing the services afforded by the Bank to the notice of all classes in all parts of the Island". The total amount lying to the credit of depositors stood at Rs. 91,245,217 on December 31, 1966. The total amount of loans granted by the Ceylon Savings Bank during the calendar year 1966 was Rs. 2,249,202 and the amount of loans outstanding on 31st December, 1966 was Rs. 16,371,614. The lending rates of the Savings Bank for the year 1966 were as follows : Rs. 2,000 up to Rs. 10,000—5 per cent per annum, over 10,000—5½ per cent per annum. The interest rate paid on deposits was 3 per cent in 1966. The maximum loan that the Savings Bank may grant is Rs. 75,000.

(iv) Employees' Provident Fund

The Employees' Provident Fund is an important institutional device to mobilize savings and channel them to government investment. The total collection received by the Employees' Provident Fund during the year 1966 amounted to Rs. 68.1 million.

CHAPTER XV

PUBLIC FINANCE AND TAXATION

I—FISCAL AND MONETARY MEASURES

Budget 1965-1966

The fiscal plan for 1965-66 as approved by Parliament was as follows :—

	<i>Rs. Million</i>
Recurrent Expenditure (Votes 1, 2, 4 and 6)	1,924.0
Less 2½ per cent Under Expenditure*	45.7
	<hr/> 1,878.3
Capital Expenditure (Votes 3, 5 and 7)	578.1
	<hr/>
Total	2,456.4
Less Revenue	1,897.8
	<hr/>
	558.6
Less Contribution to Sinking Fund and Direct payment of Public Debt	97.2
	<hr/>
Estimated net cash operating deficit	461.4
	<hr/>

* 2½ per cent of Rs. 1,826.8 million being the amount after deducting Sinking Fund Contributions and Direct Repayments of Public Debt from revenue (Rs. 97.2 million) from recurrent expenditure.

It was proposed to finance the budget deficit of Rs. 558.6 million as follows :—

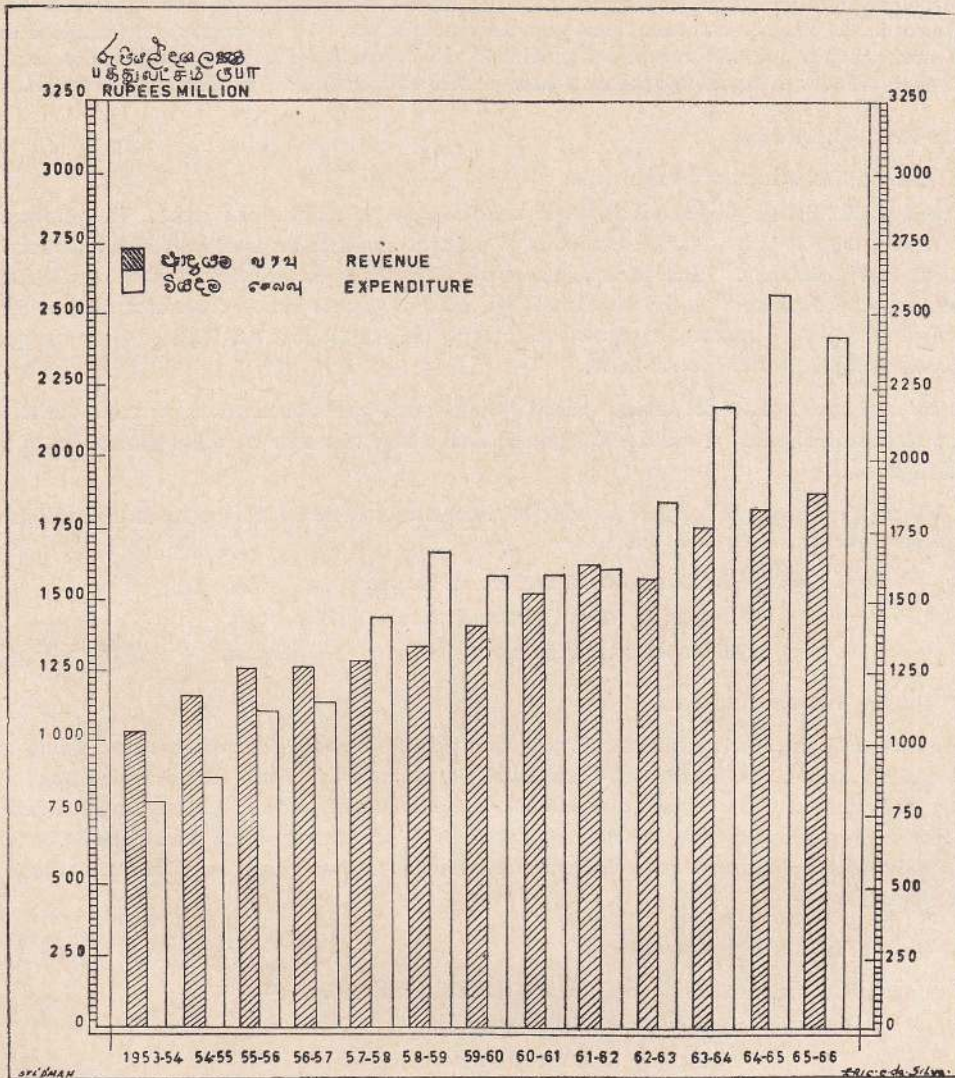
	<i>Rs. Million</i>
(a) Market Borrowing	275.0
(b) Foreign Aid	175.0
(c) Administrative Borrowing	25.0

Thus the total amount of funds to be raised by borrowing and foreign aid added up to Rs. 475 million. This left an unfinanced gap of Rs. 83.6 million.

Revenue

Government's revenue for the financial year 1965-66 was estimated at Rs. 1,897.8 million or Rs. 76.5 million higher than the revenue estimates for 1964-65 which was Rs. 1,821.3 million.

CHART NO. 19—REVENUE AND EXPENDITURE 1953-1954, 1964-1965, 1965-1966



The Finance Minister expected to derive this additional revenue, mainly from customs duties and excise.

He proposed to bridge the gap of Rs. 83.6 million by adopting the following revenue measures :—

	<i>Rs. Million</i>
(1) Increase in import duties and increase in import duty collections	47.0
(2) Effective assessment and speedier collection of tax	20.0
(3) Amnesty	15.0
(4) Philatelic Bureau	1.4
	<hr/> 83.4 <hr/>

Changes in Tax Structure

The Government proposed to make certain changes in the tax structure, to achieve rapid economic growth in the country in collaboration with the private sector. These changes were designed to stimulate savings and investments, and provide incentives within the framework of taxation so as to direct the flow of capital into the most essential and desirable fields of economic development.

The New Tax Measures

(1) INCOME TAX RESIDENT INDIVIDUALS

The Finance Minister proposed a change in taxable income of resident individuals. He proposed to replace the first slab of taxable income at 15 per cent by two slabs taxable at 10 per cent and 15 per cent respectively. Hitherto all tax payers whose assessable income did not exceed Rs. 15,000 were taxed at 5 per cent on the first slab of Rs. 1,000 of taxable income ; but according to the revised schedule this concessionary rate was to apply only to the first Rs. 1,000 of those taxable income which did not exceed Rs. 2,000.

The highest marginal rate of tax applied to individuals was reduced to 45 per cent. But this was to be supplemented in the case of higher income groups with a surtax which was subject to a rebate on savings.

The surtax in respect of persons with taxable income chargeable for income tax at the marginal rate of 45 per cent was to be as follows :—

First Rs. 10,000 of that taxable income	Nil
Next Rs. 15,000 of that taxable income	20 per cent
Balance of taxable income	35 per cent

(2) INCOME TAX ON COMPANIES

The Finance Minister declared that the tax rates on companies were very high and tended to discourage Capital Formation. He further said that these high taxes made the climate for private investments very unfavourable. To safeguard the interests of the entrepreneur and to stimulate further investments he proposed to reduce the Company Tax from 57 per cent to 50 per cent. The Minister fervently hoped that this measure would enable the companies to retain profits and promote economic development.

(3) INCOME TAX ON NON-RESIDENTS

The rates of tax applicable to non-resident individuals were as follows :—

First Rs. 15,000 at 20 per cent
Next Rs. 5,000 at 25 per cent
Next Rs. 5,000 at 35 per cent
Next Rs. 5,000 at 40 per cent
Next Rs. 10,000 at 45 per cent
Next Rs. 10,000 at 65 per cent
Balance at 80 per cent

Wealth Tax

The Minister of Finance stated that the wealth tax rates that were applicable for the year of assessment 1964/65 went up to a maximum of 5 per cent. In actual effect this maximum rate of 5 per cent was equivalent to the rate of income tax of 50 per cent or even more which when added to the highest marginal rate of income tax, namely 80 per cent, resulted in raising this rate to 130 per cent

of income at that level. As a remedial measure the Hon. Minister of Finance proposed the following new schedule of rates of Wealth Tax which were appropriate to the Income Tax rates proposed by him :—

- The first Rs. 100,000 of assessable wealth to be exempted
- On the next Rs. 200,000 of taxable wealth— $\frac{1}{2}$ per cent
- On the next Rs. 500,000 of taxable wealth— $\frac{3}{4}$ per cent
- On the next Rs. 1,000,000 of taxable wealth—1 per cent
- On the balance of taxable wealth—2 per cent.

Customs Duties

A 10 per cent surcharge was imposed on the existing rate of import duties and the additional revenue expected from this was estimated at Rs. 22.0 million. Further the Minister of Finance anticipated an increase of revenue of Rs. 25.0 million from import duties. The addition to revenue from these two measures were expected to be Rs. 47.0 million.

The loss to revenue from the abolition of import duties on kerosene oil, chillies, potatoes, Bombay onions, red onions, dhal, gram peas, small agricultural implements such as mamoties, alavangoes, etc., sports goods and spares was estimated at Rs. 18.4 million and the net gain to revenue from customs duties was therefore estimated at Rs. 28.6 million.

Rebates in Respect of Savings

In respect of savings it was proposed to grant from the amount of tax chargeable at 65 per cent and 80 per cent a rebate equal to 50 per cent of the amount saved out of the income which was liable to tax at 80 per cent. If the savings were in excess of the income tax at 80 per cent a rebate of $33\frac{1}{3}$ per cent was to be granted in respect of the amount taxable at 65 per cent. If a tax payer was only liable to income tax at 65 per cent and not at 80 per cent the relief would be $\frac{1}{3}$ of the amount saved out of the income liable to tax at 65 per cent. However this rebate was to be granted only if the income saved was invested in the following specified forms :—

- (1) Money deposited in a Special Account or Accounts to be created in the Central Bank or Appropriate Agencies.
- (2) Investment in Government Securities.
- (3) Premia paid for life and annuity insurances in excess of the limits now fixed for relief.
- (4) The amount of wealth tax payable in respect of that year of assessment.
- (5) Amounts utilised during the preceding year for repayment of any loan which had been raised for the purpose of creating an asset or has been secured by an asset.

Apart from this any receipts by the sale or disposal of any investment during the year was to be deducted in determining the amount saved.

Capital Gains Tax

The Minister proposed a reduction in the Capital Gains Tax. He declared that the rate of 45 per cent was an extra-ordinarily high rate without parallel, and such a high rate without differentiation for inflationary values or for short-term and long gains makes it unrealistic. As a remedial measure the Capital Gains Tax was reduced from the previous maximum of 45 per cent to 25 per cent.

Current Expenditure

The total of recurrent expenditure was estimated at Rs. 1,924.0 million. When items of a capital nature under recurrent expenditure and provisions for sinking fund contributions were deducted from this figure the recurrent expenditure was expected to be Rs. 1,762.8 million. The corresponding outlay for 1964/65 was Rs. 1,731.9 million. Administrative Services, Social Services and Economic Services were to account for a greater part of this additional expenditure. The Net Food Subsidy Bill showed a decrease of Rs. 18.5 million in 1965/66 and the gross subsidy rose by Rs. 15.0 million

in 1965/66. The decrease in the net food subsidy was due to a rise in the profits from the sale of sugar by 22.3 million and the rise in the gross food subsidy was due to an expected increase in this subsidy on imported as well as locally produced rice.

Capital Expenditure

The Government had increased the capital expenditure for 1965/66 to Rs. 578.1 million, which was about 23 per cent of the total estimated expenditure with a firm determination to improve performance. This figure did not represent the total capital investment in the public sector for 1965/66. To this was to be added the capital expenditure of State Corporations out of their own funds or borrowings from banks amounting to about Rs. 80 million and an allocation of Rs. 97 million for contributions to sinking funds and repayment of loans.

The figure allocated for capital expenditure for 1965/66 was much higher than in earlier years and the Finance Minister in his Budget Speech expressed a firm resolve to ensure a substantial reduction in under expenditure on this account.

II—GOVERNMENT FINANCE

The Financial Year 1965-66

The main features of budgetary operations were as follows :

- (a) Governments actual revenue for the financial year 1965/66 was Rs. 1,877.6 million, where as the total estimated revenue was Rs. 1,897.8 million. The fall in revenue was due to a marked decrease in revenue from import duties (Rs. 80.2 million), export duties (Rs. 11.8 million) and tax on heavy oil motor vehicles (Rs. 18.7 million). But when compared with the year 1964/65 the actual revenue had increased by Rs. 60.8 million or 3.4 per cent higher than the corresponding figure for 1964/65 (Rs. 1,816.8 million). The increase in revenue was mainly from customs duties, excise and miscellaneous receipts. The customs duties increased by Rs. 9.2 million excise by Rs. 18.3 million, and miscellaneous receipts by Rs. 69.4 million. The imposition of higher import duties by the Government led to the increase in revenue from customs duties, while the profits accrued from the sale of arrack was responsible for the increase in revenue on excise. However, there was a decline in revenue from income tax, estate duty and stamps by Rs. 11.5 million and licences and internal revenue by Rs. 31.4 million. The decline in income tax revenue could be attributed to a fall in prices of Ceylon's principal exports, tea, rubber and coconut.
- (b) The total actual expenditure was Rs. 2,422.4 million as compared to Rs. 2,570.7 million in 1964/65. The total expenditure for 1965/66 decreased when compared to the expenditure of the previous financial year by Rs. 148.3 million or 6.1 per cent compared with an increase of Rs. 58.0 million or 2.3 per cent in 1964/65. This increase was the combined result of an increase in both current and capital expenditure. Recurrent expenditure for the year 1965/66. decreased by Rs. 199.5 million. The most satisfactory feature of Government fiscal operations was the increase in expenditure chargeable to capital votes by as much as Rs. 51.1 million to Rs. 446.0 million.

The actual expenditure of that year indicated a short fall of Rs. 248.5 million when compared to the estimates of voted expenditure which included the supplementary provision as well. This was due to an under expenditure on capital votes of Rs. 132.1 million (22.9 per cent) offset in part by an increase of Rs. 52.4 million (2.7 per cent) on recurrent votes. The most significant feature was that there was a decline in under expenditure on capital votes. For the year 1963/64 it was 35.0 per cent as compared with 29.2 per cent in 1964/65 and this declined further to 22.9 per cent in 1965/66.

- (c) Operations on advance accounts during 1965/66 resulted in a net payment of Rs. 11.2 million in contrast to a net receipt of Rs. 27.9 million on these operations in 1964/65. This net payment was mainly due to a build up of stocks held by the Government Stores Department.

The rubber/rice agreement concluded with the Peoples Republic of China brought about an increase in the balance in favour of Ceylon, but this was offset in part by a repayment of advances made to Government Departments.

- (d) The estimated net cash operating deficit for the year 1965/66 was the highest ever recorded and the deficit reached Rs. 461.4 million. When compared with the estimated net cash operating deficit of the previous financial year it indicated an increase of Rs. 20.7 million (or 4.7 per cent). This was due to an increase of Rs. 44.6 million in recurrent expenditure Rs. 20.1 million in expenditure chargeable to capital votes and an increase of Rs. 39.1 million in payments from advance account operations. This was offset in part by an increase of Rs. 16.4 million in revenue.
- (e) The Government financed the net cash deficit by borrowing Rs. 255.9 million from domestic market non-bank sources, borrowing Rs. 162.3 million from the banking system, obtaining Rs. 118 million by way of foreign assistance and Rs. 112.1 million from domestic non-market sources. Thus cash balances including (counterpart funds) increased by Rs. 82.4 million as a result of these transactions.

The net cash operating deficit when compared with the previous year had increased by Rs. 20.7 million. In short, the net cash operating deficit rose from 5.4 per cent in 1964/65 to 10.4 per cent in 1965/66. This was largely due to a greatly increased reliance on borrowing from the banking system offset in part by the building up of cash balances and counterpart funds.

- (f) The expansionary impact of the net cash deficit, when adjusted for the change in U. S. Aid Counterpart Funds was Rs. 122.4 million as compared with Rs. 34.7 million in 1964/65 and Rs. 162.9 million in 1963/64.

CHART No. 20—NATIONAL REVENUE 1964/1965, 1965/1966, 1966/1967

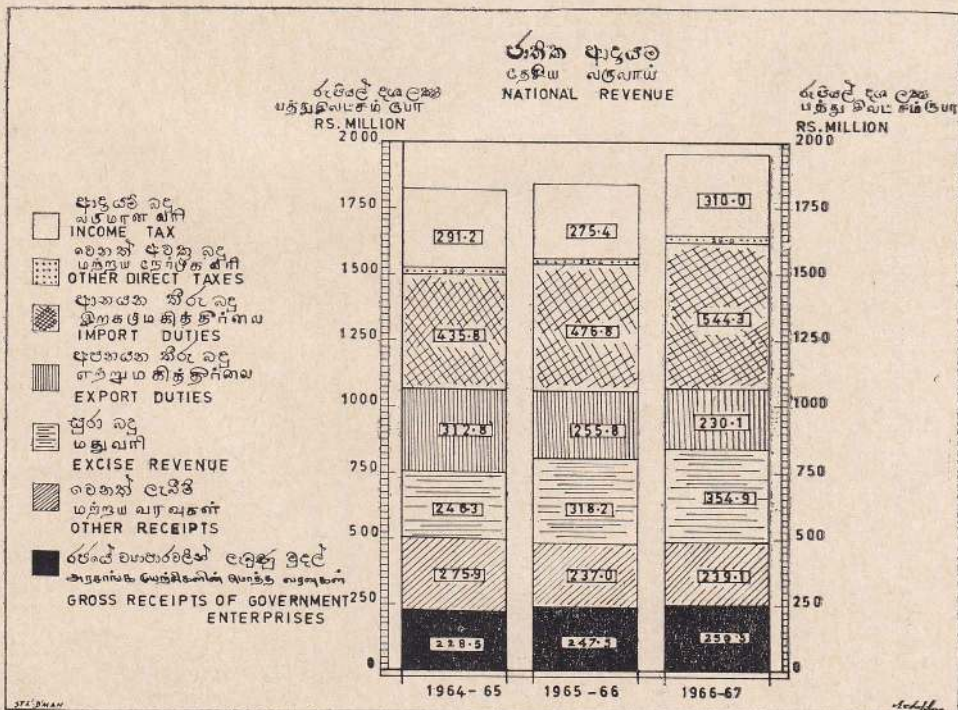


TABLE 15.1—REVENUE 1962/63 TO 1965/66

The following is an analysis of the revenue under broad heads ; Direct Taxes, Indirect Taxes and Other Revenues :—

	1962/63		1963/64		1964/65		1965/66	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Direct Taxes	323.8	20.6	335.7	19.6	349.3	20.0	322.2	17.2
Taxes on income	220.0	14.0	282.2	16.6	293.0	16.9	275.4	14.7
Other direct Taxes	103.8	6.6	53.5	3.0	56.3	3.1	46.8	2.5
Indirect Taxes	877.6	55.7	982.2	56.0	1,009.0	55.5	1,036.5	55.2
Import duties	389.2	24.7	471.3	26.9	423.2	23.3	463.7	24.7
Export duties	216.4	13.8	214.9	12.2	249.1	13.7	217.8	11.6
Excise duties	272.0	17.2	296.0	16.9	336.7	18.5	355.0	18.9
Receipts from Government Enterprises	209.6	13.2	226.6	12.9	228.4	12.6	247.7	13.2
Other Receipts	167.8	10.7	213.1	12.1	230.1	12.7	271.5	14.5
Total	1,578.8	100.0	1,757.6	100.0	1,816.8	100.0	1,877.6	100.0

Source : Accounts of Government of Ceylon.

TABLE 15.2—SOURCE OF FINANCE FOR CAPITAL EXPENDITURE*

	1962/63		1963/64		1964/65		1965/66	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage (Provisional)
1. Current Account surplus †	59.4	12.1	5.4	1.0	88.0	15.2	—	—
2. Net foreign borrowing	60.9	12.5	63.5	12.3	75.6	13.0	76.5	12.1
3. Foreign grants ‡	31.1	6.4	31.9	6.2	24.1	4.1	41.5	6.6
(i) Colombo Plan	8.2	1.7	6.0	1.2	9.3	1.5	25.9	4.1
(ii) U. S.	0.9	0.2	1.4	0.3	—	—	12.1	1.9
(iii) China	19.7	4.0	24.5	4.7	15.1	2.6	2.5	0.4
(iv) West Germany	2.3	0.5	—	—	—	—	—	—
4. Net domestic borrowing §	305.2	62.4	325.5	62.9	317.4	54.7	536.6	84.8
5. Reduction in cash balances (including balances of extra budgetary reserve funds)	32.1	6.6	91.4	17.7	78.4	13.5	63.7	10.1
6. Total Capital Expenditure	489.0	100.0	517.6	100.0	580.2	100.0	632.4	100.0

Source : Central Bank of Ceylon.

* Capital expenditure includes expenditure on the creation, acquisition and maintenance of real assets whose useful life exceeds one year, and expenditure on the acquisition of financial assets, mainly loans (for capital purposes) to the C. T. B., Port (Cargo) Corporation, A.I.C.C., L.L.D.F., etc. Capital expenditure according to this classification is not synonymous with development expenditure as it includes certain items of a non-development character and excludes certain items of development expenditure.

† Current account surplus is the excess of revenue over expenditure.

‡ Figures do not include value of equipment received as statistics on this item are not available.

§ Borrowing through the issue of securities, Treasury Bills, tax reserve certificates and receipts from the Central Bank advances and miscellaneous trust funds. The figures are net of contributions to sinking funds and direct repayments of public debt from revenue.

|| The reserves are the Electrical Department's reserves and the rubber and tea replanting subsidy funds.

TABLE 15.3.—RECEIPTS AND PAYMENTS OF THE GOVERNMENT OF CEYLON

	Receipts		Payments	
	1963/64	1964/64	1963/64	1965/66*
1. Import Duties	471.4	423.2	643.7	
2. Export Duties	215.6	250.3	219.0	
3. Income Tax	281.3	291.2	275.5	257.7
4. Estate Duty	8.4	7.1	10.6	500.6
5. Personal Tax	12.7	18.9	12.0	124.1
6. Profit from Sale of arrack	88.0	90.0	118.0	259.2
7. Duty on Country made Liquor	11.1	11.5	14.4	652.4
8. Tobacco Tax	92.3	110.3	120.0	
9. National Lottery	2.7	5.3	9.5	
10. Turnover Tax	16.0	34.8	29.1	290.0
11. Bank debits Tax	11.1	11.3	1.8	123.1
12. Tax on heavy oil motor vehicles	14.5	41.9	10.9	141.4
13. Gross Receipts of Trading Enterprises.	226.6	228.4	247.4	47.5
14. Other Revenue	305.9	292.6	335.8	5.0
Total Revenue (1 to 14)	1,757.6	1,816.8	1,877.6	4.8
15. Grants	31.9	24.1	41.5	38.3
16. Direct Borrowing :				1,731.9
(a) Domestic Borrowing (net)	325.5	317.4	536.6	580.2
(b) Foreign Borrowing	63.5	75.6	76.5	
17. Decline in cash balances & reserves	75.3	50.5	-52.8	
Total Receipts	2,253.8	2,284.4	2,479.4	
18. Purchases of Goods & Service				
(a) Administrative				238.0
(b) Social Services				465.2
(c) Economic Services				116.1
(d) Govt. Enterprises				234.1
19. Transfer payments :				700.2
(a) To Private Current accounts :				
(i) Food subsidies				375.4
(ii) Interest on public debt				113.7
(iii) Pensions				130.2
(iv) Direct relief				37.3
(v) Other				3.8
(b) Grants-in-aid to local authorities				39.8
20. Total current payments (18+19)(a)				1,753.6
21. Total capital expenditure (22+23)(b)				517.6
22. Acquisition, construction & maintenance of real assets (Expenditure on Capital maintenance)				
(a) Administrative				488.5
(b) Social Services				17.5
(c) Economic Service				94.8
(d) Govt. Enterprises				285.4
23. Acquisition of financial assets(c)				90.8
24. Net payments on account operations financed through advance accounts				29.1
25. Total Payments (d)				-17.5
Total Payments	2,253.8	2,284.4	2,479.4	-65.0

Source : 1. General Treasury.
2. Central Bank.

*Provisional.

(a) Current Expenditure is derived by deducting the value of Sinking Fund contributions and Direct Repayments of Public Debt and expenditure of a capital nature (such as maintenance expenditure and purchase of durable goods) from the total of the recurrent expenditure notes (votes 1, 2, 4 & 6).

(Contd.)

- (b) Capital expenditure includes expenditure on the creation, acquisition and maintenance of real assets whose useful life exceeds one year and the expenditure on the acquisition of financial assets, mainly loans to Govt. agencies. Capital expenditure according to this definition is not synonymous with development expenditure as it includes certain capital items of a non development nature and excludes certain current items of development expenditure. Capital expenditure is made of the expenditure under the capital expenditure vote (Votes 3, 5 & 7) expenditure chargeable to foreign trade both loans and grants, capital items in the recurrent expenditure votes, and extra budgetary outlays such as the Tea and Rubber replanting subsidy expenditure, Electrical Department reserves expenditure, etc.
- (c) Loans from the Consolidated Fund to Govt. Corporations and agencies, mainly the Ceylon Development Finance Corporation, the Local Loans and Development Fund, the Lady Lochore Fund, the National Housing Fund, the Ceylon Transport Board and the Port (Cargo) Corporation. Also includes extra budgetary loans to the Agricultural and Industrial Credit Corporation, Local Loans and Development Fund, etc.
- (d) Comprises expenditure chargeable to the Consolidated Fund (Less Sinking Fund Contributions and repayments of Foreign Loans, Foreign Grants, National Development Reserve, the Electrical Departments Reserve, Extension and Renewals Fund, the Rubber Replanting Subsidy Fund, the Tea Replanting and Rehabilitation Subsidy Fund, the Hospital Lotteries Fund, and net payments on advance accounts activities.

TABLE 15.4—BALANCE OF PAYMENTS, 1963/66

The total Current Account Payments for 1966 should be a deficit of Rs. 304.6 millions as compared to a surplus of Rs. 58.9 millions in 1965. The non-monetary sector payments in 1966 should be a surplus of Rs. 66.1 millions as compared to Rs. 93.2 millions in 1965. The monetary sector payments should be a surplus of Rs. 238.3 millions in 1966 as compared to a deficit of Rs. 146.2 millions in 1965.

Items	1963			1964			1965			1966		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
<i>Goods Services</i>												
1. Merchandise	1,707.8	1,868.8	- 161.0	1,766.8	1,960.1	- 193.3	1,909.4	1,922.1	- 12.7	1,673.9	2,022.5	- 348.6
2. Non-monetary gold	—	1.9	- 1.9	—	1.6	- 1.6	—	1.8	- 1.8	—	1.8	- 1.8
3. Freight and merchandise insurance	4.2	4.4	- 0.2	3.3	2.1	+ 1.2	6.0	2.2	+ 3.8	4.1	0.6	+ 3.5
4. Other transportation	104.1	28.7	+ 75.4	99.2	31.8	+ 67.4	110.4	23.4	+ 87.0	112.5	25.8	+ 86.7
4.1 Passenger fares	3.2	16.8	- 13.6	1.1	14.8	- 13.7	0.4	9.5	- 9.1	0.3	10.0	- 9.7
4.2 Port expenditure	91.3	3.6	+ 87.7	88.5	4.7	+ 83.8	99.5	3.4	+ 96.1	106.2	3.0	+ 103.2
4.3 Other	9.6	8.3	+ 1.3	9.6	12.3	- 2.7	10.5	10.5	—	6.0	12.8	- 6.8
5. Travel	5.9	22.0	- 16.1	5.5	14.3	- 8.8	5.7	12.6	- 6.9	6.5	15.9	- 9.4
6. Investment income	15.7	68.2	- 52.5	11.6	47.3	- 35.7	13.4	28.8	- 15.4	12.4	54.5	- 42.1
6.1 Direct investment	0.4	47.4	- 47.0	1.0	26.9	- 25.9	1.1	4.3	- 3.2	1.6	30.0	- 28.4
6.2 Other	15.3	20.8	- 5.5	10.6	20.4	- 9.8	12.3	24.5	- 12.2	10.8	24.5	- 13.7
7. Government expenditure n.i.e.	25.8	25.4	+ 0.4	26.0	25.2	+ 0.8	29.7	25.3	+ 4.4	26.6	21.3	+ 5.3*
8. Other services	54.8	79.7	- 24.9	36.3	66.8	- 30.5	33.3	73.5	- 40.2	38.1	73.3	- 35.2
8.1 Non-merchandise insurance	4.0	13.8	- 9.8	2.6	9.2	- 6.6	2.3	10.3	- 8.0	2.5	8.4	- 5.9
8.2 Other	50.8	60.9	- 14.9	33.7	57.6	- 23.9	31.0	63.2	- 32.2	35.6	64.9	- 29.3
Total goods and services	1,918.3	2,099.1	- 180.8	1,948.7	2,149.2	- 200.5	2,107.9	2,089.7	+ 18.2	1,874.1	2,215.7	- 341.6
<i>Transfer Payments</i>												
9. Private	5.9	36.3	- 30.4	6.4	42.7	- 36.3	7.6	31.3	- 23.7	6.2	32.1	- 25.9
10. Official	43.6	—	- 43.6	76.4	—	+ 76.4	64.4	—	+ 64.4	62.9	—	+ 62.9
Total current account	1,967.8	2,135.4	- 167.6	2,031.5	2,101.9	- 160.4	2,179.9	2,121.0	+ 58.9	1,943.2	2,247.8	- 304.6

Capital and monetary Gold

Non-monetary sector	94.7	16.5	+	78.2	252.5	85.9	+	166.6	157.8	64.6	+	93.2	189.6	123.5	+	66.1
11. Direct investment	7.4	2.4	+	5.0	3.8	4.9	-	1.1	0.1	0.6	-	0.5	4.9	18.3	-	13.4
12. Other private long-term	1.3	1.4	-	0.1	3.0	0.8	+	2.2	2.3	5.6	-	3.3	1.3	3.4	-	2.1
13. Other private short-term	-	3.6	-	3.6	0.2	9.1	-	8.9	-	17.7	-	17.7	-	30.2	-	30.2
14. Central Government	86.0	9.1	+	76.9	245.5	71.1	+	174.4	155.4	40.7	+	114.7	183.4	71.6	+	111.8
14.1 Loans received	81.7	6.3	+	75.4	87.4	71.1	+	7.3	77.2	40.7	+	36.5	183.4	30.1	+	153.3
14.2 Short-term liabilities	4.3	-	+	4.3	34.7	-	-	34.7	26.1	-	+	26.1	-	37.2	-	37.2
14.3 Assets	-	2.8	-	2.8	132.4	-	+	132.4	52.1	-	+	52.1	-	4.3	-	4.3
Monetary Sector	89.6	3.8	+	85.8	24.9	23.3	+	1.4	135.2	281.4	-	146.2	331.7	93.4	+	238.3
15. Commercial Banks—Liabilities	1.6	-	+	1.6	0.3	-	+	0.3	8.7	-	+	8.7	5.5	-	+	5.5
16. Commercial Banks—Assets	-	3.8	-	3.8	-	1.9	-	1.9	15.6	-	+	15.6	-	20.7	-	20.7
17. Central Bank—Liabilities	41.8	-	+	41.8	23.0	-	+	23.0	-	69.6	-	69.6	32.5	-	+	32.3
18. Central Bank—Assets	45.2	-	+	45.2	-	21.6	-	21.6	-	156.5	-	156.5	146.4	-	+	146.4
19. I. M. F. Accounts	1.0	-	+	1.0	1.6	-	+	1.6	110.9	55.3	+	55.6	147.5	72.7	+	74.8
20. Monetary Gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21. Errors and Omissions	3.7	-	+	3.7	-	7.6	-	7.6	-	5.9	-	5.9	0.2	-	+	0.2

Statistics are based on Exchange Control records.

The above presentation conforms as far as possible to international practice as followed by the International Monetary Fund in their Balance of Payments Year Books and International Financial Statistics.

Item 1.—Exports are recorded f.o.b. imports c.i.f.*Item 5.*—Include educational remittances and official travel, passage collections of foreign shipping and air lines are included in item 4.1—Passenger fares.*Item 9.*—Private transfer payments—Private-Migrants' transfers are based on actual cash remittances, they do not include migrants' assets left in Ceylon.*Item 10.*—Includes gifts in cash and amounts released from counterpart funds of U.S. Disbursing Officer under U.S. Public Law 480. Other gifts in kinds are excluded.*Items 15–19.*—The change in capital of the monetary sector is based on local records.*Items 17–18.*—Central Bank—Liabilities and Assets—Include change in balance due from Ceylon (Liabilities) or due to Ceylon (Assets) under payments agreement account with China.

III—PUBLIC DEBT

Public debt figures for the calendar years 1956 to 1966 (inclusive) are given in the tables that follow :

TABLE 15.5—TOTAL PUBLIC DEBT, 1956–1966

(Rs. Million)

<i>End of December</i>	<i>Gross</i>	<i>Nett</i>
1956	1,186.7	961.4
1957	1,354.4	1,105.6
1958	1,551.9	1,259.9
1959	2,008.6	1,700.0
1960	2,390.0	2,105.8
1961	2,741.3	2,409.3
1962	3,137.6	2,801.0
1963	3,547.3	3,163.3
1964	3,896.9	3,544.4
1965	4,267.9	3,855.2
1966	4,909.8	4,414.8

Source : Central Bank of Ceylon.

Funded Debt

In the calendar year 1966 gross funded debt increased by Rs. 558.5 million while the nett funded debt increased by Rs. 495.7 million. Domestic borrowing of the funded debt showed an increase of Rs. 325 million and its counterpart in foreign borrowing has decreased by Rs. 24.6 million. The proportion of gross funded debt to the total debt (gross) was 73.3 per cent at the end of 1966. In 1965 it was 72.7 per cent.

TABLE 15.6—FUNDED DEBT

(Rs. Million)

Year	FOREIGN DEBT					DOMESTIC DEBT			TOTAL	
	Sterling Loans			IBRD Other		Rupee Loans				
	Gross	Sinking	Net	Loans	Foreign	Gross	Sinking	Net	Gross	Net
	Fund				Loans		Fund			
1956	192.1	67.4	124.7	19.3	—	881.8	151.3	730.7	1,161.3	942.7
1957	192.1	72.8	119.3	39.6	—	961.8	167.8	794.0	1,363.9	1,123.3
1958	192.1	82.7	109.4	57.4	8.3	1,006.8	200.6	806.2	1,495.4	1,212.1
1959	178.6	77.8	100.8	60.9	38.0	1,101.8	234.6	867.3	1,837.0	1,524.7
1960	167.9	70.9	97.0	67.2	58.6	1,216.8	246.6	970.1	2,230.4	1,912.8
1961	167.9	76.4	91.5	76.4	62.7	1,396.6	241.9	1,154.7	2,651.0	2,332.7
1962	167.9	86.1	81.8	102.1	75.2	1,515.3	263.9	1,251.4	3,038.9	2,688.9
1963	167.9	95.6	72.3	123.3	115.9	1,683.6	276.3	1,407.3	3,437.3	3,065.4
1964	107.9	38.6	69.3	137.7	169.5	1,909.4	312.8	1,596.6	3,787.4	3,436.0
1965	107.9	42.7	65.2	139.7	241.7	2,149.6	370.2	1,779.4	4,184.8	3,771.9
1966*	83.3	27.7	55.6	138.4	327.1	2,474.6	448.0	2,026.6	4,743.3	4,267.6

* Provisional.

Source : Central Bank of Ceylon.

Floating Debt

There was an increase of Rs. 145.4 million in the floating debt in 1966 as against an increase of Rs. 58.7 million in 1965. The proportion of floating debt to total gross debt decreased from 40.9 per cent in 1965 to 39.0 per cent in 1966. Central Bank advance stood at Rs. 264.4 million and Treasury Bills at Rs. 1,425.0 million representing increase of Rs. 26.5 million in Central Bank advance and Rs. 125.0 million in Treasury Bills issued over the year. The amount of Tax Reserve Certificates outstanding at the end of the commercial year 1966 was Rs. 31.4 million which showed a decrease Rs. 6.1 million over the previous year.

TABLE 15.7—FLOATING DEBT

End of December	Treasury Bills	Tax Reserve Certificates	Advance from Central Bank	Total	Total Floating Debt as per cent of	
					Total Debt	Total Gross Rupee Debt
1956	60.0	—	—	60.0	6.2	5.1
1957	80.0	16.9	32.6	129.5	11.6	9.6
1958	165.0	11.3	107.6	283.9	22.0	18.3
1959	420.0	14.8	169.4	604.2	34.9	30.1
1960	625.0	10.0	191.3	826.3	39.5	34.6
1961	775.0	19.5	193.2	987.7	40.7	36.0
1962	1,000.0	18.3	196.2	1,214.5	43.7	38.7
1963	1,150.0	27.1	203.2	1,380.3	44.2	38.9
1964	1,265.0	41.7	210.0	1,516.7	43.6	38.9
1965	1,300.0	37.5	237.9	1,575.4	40.9	36.9
1966	1,425.0	31.4	264.4	1,720.8	39.0	35.0

IV—NATIONAL SAVINGS MOVEMENT

The function of the National Savings Movement is two fold. It seeks to inculcate the habit of thrift among the people while encouraging them to invest their savings in Government securities which consist of—

Ceylon Savings Bank
Post Office Savings Bank
Ceylon Savings Certificates and the
Ceylon Government Loans.

The investments in the first three are known as small savings as the minimum deposit is as low as 50 cts. in the two banks and the lowest denomination of the savings certificates is available for purchase at Rs. 5 for an individual.

The Ceylon Government loans are floated from time to time and the minimum investment is Rs. 100.

The National Savings Movement is a publicity department and on the first day of every financial year a savings campaign is launched with a monetary target for the whole Island. The campaign is conducted on the district basis under the direction of the Government Agents who function as Chairmen of the District Savings Committees.

The general publicity media are Press advertising, Radio, Savings Weeks, Savings Drives, Savings Rallies, Savings Competitions, Savings stalls at exhibitions and the distribution of numerous savings literature.

Besides the main functions of publicity and propaganda, the National Savings Movement has its own scheme of work for promoting regular savings in schools, estates, institutions and the Government Departments. This is done by the formation and supervision of Savings Groups and the sale of savings stamps by authorised sellers.

Under pay-rolls deduction scheme, savings become automatic and entails no work at all on the part of the members of savings groups as the Hony. Group Secretaries do all the work of collecting and investing the savings on behalf of the members. The total number of savings groups in operation in the Island at the end of 1966 was 14,233 under the following classification :—

<i>Schools</i>	<i>Govt. Depts.</i>	<i>Estates</i>	<i>Local Bodies</i>	<i>Industrial Centres</i>	<i>R. D. Societies</i>	<i>Community Centres</i>	<i>Mahila Samities</i>	<i>Misc.</i>
7,472	619	836	850	797	2,237	51	485	1,086

The authorised sellers of savings stamps bring savings stamps to the door of the villager, saving time and the trouble for the buyer. In this connection there is a special scheme of door-to-door sale of Savings Stamps by trained women Volunteers known as the Kadawata Scheme. This scheme is rapidly expanding every year in the D. R. O.O.'s Divisions of many districts. The total sale of savings stamps in the Island during the year 1966 was Rs. 1,036,465.

The investments in Savings Certificates had recorded a sharp increase in 1966, with the removal of the upper limit of investment and with these investments becoming approved savings for savings relief under Section 69A of the Inland Revenue Act No. 4 of 1963 (as amended by Section 31 of the Inland Revenue (Amendment) Act No. 18 of 1965).

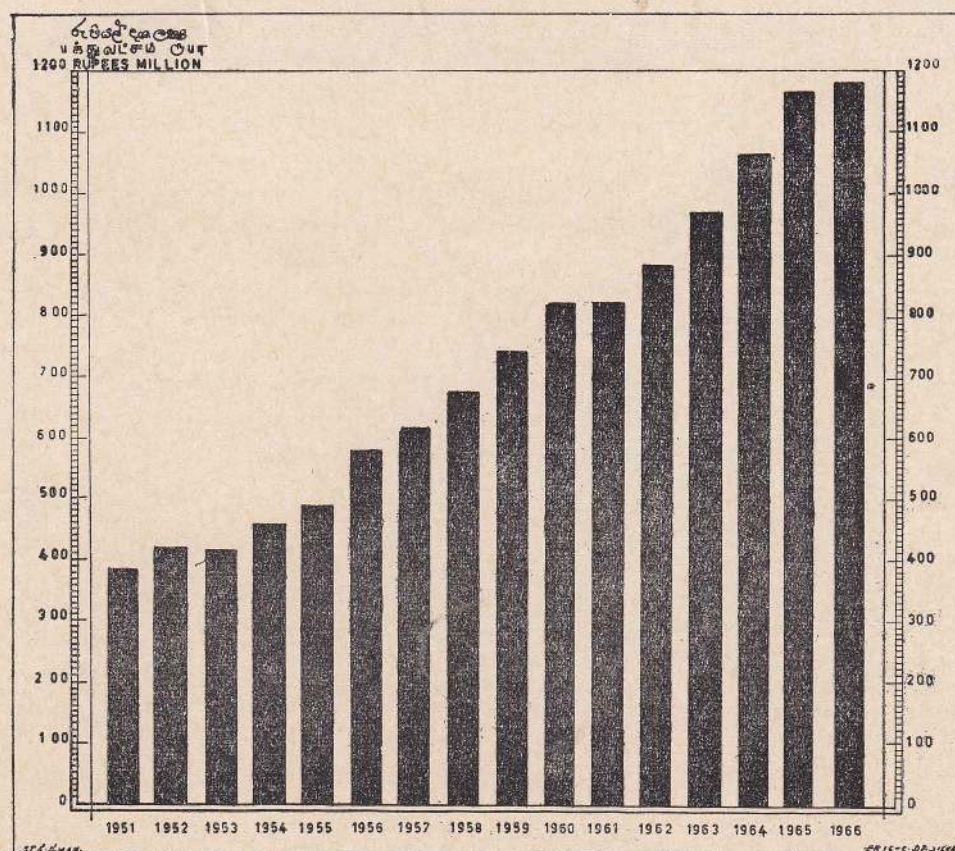
The total investments in small savings during the financial year ending 30th September 1966 is as follows :

	Rs.
Ceylon Savings Bank	108,213,352
Post Office Savings Bank	18,829,547
Ceylon Savings Certificates	18,654,721
Total	145,697,620

The target for the Savings Campaign during this year was Rs. 135,000,000.

The target set for 1966/67 is Rs. 140,000,000 in small savings.

CHART NO. 21—SAVINGS DEPOSITS, 1951/1966



V—FOREIGN AID

During the financial year of 1965/66 a sum of Rs. 83,019,729 was received by Ceylon by way of foreign aid. Of this sum Rs. 17,709,306 and Rs. 17,779,452 worth of equipment, &c. constituted grants to Ceylon while the balance Rs. 47,530,971 formed loans repayable in instalments to the foreign organizations granting them.

Grants

Source of Aid	Particulars	Amount		Total	
		Rs.	c.	Rs.	c.
New Zealand	Maha Illuppallama Dry Farm Research Station	42,853.36			
	Dental Nurses Training School and Hostel		2.08		
	Akkarayankulam Irrigation Tank	99,812.75			
				142,668.19	
Australia	Establishment of a Central Rice Research Institute	46,351.05			
	For the Institute of Hygiene	294,992.78			
	For the Murapola Ela Widening Scheme	3,944.08			
	For the Madugange Drainage and Removal of Tide Water Scheme	362,075.34			
				707,363.25	
Canada	For Rural Road Construction	975.32			
	Fisheries Co-operative Education	5,325.26			
	Construction of a Traders School at Colombo	612.86			
	Purchase of Cobalt Therapy Unit	91.83			
	For the purchases of Colombo Port Equipment	670,490.96			
	For expenditure on Village Works Projects	14,043.81			
	For Minneriya Kantalai Yoda Ela Project	442,834.38			
	For Katunayake Air Port Development Scheme	789,677.03			
	Extension and Improvement to Modera Fish Processing Plant	297,772.39			
	For Anuradhapura Junior Technical School	55,425.54			
	For Kurunegala Junior Technical School	2,468.10			
	For Dehiwala Junior Technical School	32,484.28			
				2,312,201.76	
U. S. A.	Project Agreement No. CEY 66-1 Economic Development	31,579.00			
	Project Agreement No. 83-51-015 Malaria Eradication	377,428.15			
	Project Agreement No. 83-49-024 Labour Training	55,973.27			
	Project Agreement No. 83-31-022 Highway and Rail Traffic Survey and Planning	121,000.00			
	Project Agreement No. CEY 66-1 Economic Development	11,991,598.00			
				12,577,578.42	
China	Textile Weaving Machinery and accessories for the Dept. of Rural Development and Small Industries	1,964,935.58			
	Textiles, mild steel bars, mammoties, &c. for the Govt. Stores Department	4,559.00			
				1,969,494.58	
				17,709,306.20	
Aid received from Foreign Governments by way of equipment, &c.				17,779,452.22	

Loans

The loans received during the period were as follows :—

<i>Source of Aid</i>	<i>Particulars</i>	<i>Amount</i> <i>Rs. c.</i>	<i>Total</i> <i>Rs. c.</i>
U. S. A.	I.C.A. Loan No. 3—Irrigation and land development	8,253,594.66	
			8,253,594.66
U. S. S. R.	Kantalai sugar cane plantation	10,306.30	
	Tyre and Tube Factory	6,609,816.41	
	Iron and Steel Works	1,263,432.00	
	Cold storage plant	4,064.44	
	Flour Milling plant and grain elevation	1,477,981.42	
	Plantation of cotton at Hambantota	56,517.95	
			9,422,118.52
Great Britain	Telephone Equipment	4,733,333.33	4,733,333.33
West Germany	Extension of the Kankesan Cement Works and for the construction of a grinding and packing plant in Galle	6,687,075.00	
			6,687,075.00
Yugoslavia	For the purchase of stern Trawlers	1,701,751.44	
			1,701,751.44
Canada	Maskeliya Oya Power Project	5,141,809.35	
			5,141,809.35
China	Supply of complete sets of equipment machine and farm implements	6,272,841.00	
			6,272,841.00
I. B. R. D.	Hydro Electric Scheme, Stage 2B—1st Thermal set	650,004.44	
	Hydro Electric Scheme Stage 2B—Hydro Project and 2nd Steam Division Alternator Set at Grandpass	4,668,443.58	
			5,318,448.02
			47,530,971.32

Source : Accounts of the Government of Ceylon.

CHAPTER XVI

LABOUR AND EMPLOYMENT

The Department of Labour functions under the Ministry of Labour, Employment and Housing. This Department for administrative purposes falls broadly into four divisions namely, the Administration, Employees' Provident Fund and Enforcement, the Industrial Relations and the Employment Divisions. Each Division is under the overall charge of a Deputy Commissioner of Labour. Besides these, there are two other technical Divisions : namely, Factories Division under the Chief Inspector of Factories and the Division of Occupational Health and Research under the Labour Medical Officer.

The work of this Department is conducted through 14 District Offices and 12 Sub-Offices which are manned by Assistant Commissioners of Labour and Labour Officers respectively.

I—EMPLOYEES' PROVIDENT FUND SCHEME

The appointment of the Social Service Commission in the nineteen forties was the first step on the road to social security in our land. This commission studied the question of Pension and Provident Fund Scheme and recommended the establishment of a contributory Provident Fund Scheme.

The National Provident Fund Scheme was thereafter established and is jointly administered by the Employees' Provident Fund Division of the Labour Department and the Monetary Board of the Central Bank of Ceylon. This scheme has been progressively extended by Ministerial Order under Section 10 (3) to cover about 1,325,000 employees working with about 23,476 employers. Under this scheme the employee contributes 4 per cent of his total income, exclusive of overtime earnings and bonuses paid, while the employer contributes 6 per cent of a like amount to the Fund. Contributions up to the end of September 1966 amounted to Rs. 413,885,146.14 and the total monies lying to the credit of the Fund inclusive of monies realised from investments amounted to Rs. 439,907,194.94.

When a member dies, all monies due to him will be paid to the person nominated by him when he originally became a contributor to the fund, or if there had not been such nomination, to his legal heirs.

When a claimant accepts his benefits he also signs a declaration to the effect that he is satisfied that his claim has been correctly determined. There is also provision under the E.P.F. Act for a claimant to appeal to the Tribunal of Appeal. The decision of this Tribunal is final.

There is provision under the Act to grant approval to Provident Fund Schemes and Pensions Schemes established prior to the date of the Employees' Provident Fund. By September 1966 273 such funds had been approved. According to the Balance Sheets made available so far there is a total amount of Rs. 296,348,109.38 to the credit of these funds.

II—WAGES BOARDS ORDINANCE

In Ceylon, as in other developing countries, Wages Boards have been set up in various trades for the purpose of ensuring at least minimum conditions of employment to workers in such trades, and the law now covers practically every industry in the Island.

An important amendment to the Wages Boards Ordinance was introduced in 1966, namely, the Wages Boards (Amendment) Act, No. 22 of 1966, which provides—

First, for severe penalties on employers who fail to pay the workers at the proper time as required by law ; and secondly, in the event of any delay, in the payment of such wages, for the workers to be entitled to an additional 10 per cent of the amount due to them. These provisions have already had the desired effect and fewer employers now fail to fulfil their legal obligations regarding payment of wages to their employees in time.

Another important amendment to this Ordinance was the Wages Boards (Amendment) Act, No. 24 of 1966 which provided for the regulation, and if necessary prohibition of employment of workers by employers through independent contractors. When such independent contractors fail to fulfil their obligations as regards payment of wages to workers, the employer who employs an independent contractor is also now made liable for the wages and other dues of the workers. To enable the Poya day and the Pre-Poya day to be allowed by the respective Wages Boards, as the weekly full holiday and half holiday to workers governed by decisions of the Wages Boards, necessary amendments to the law were effected at the end of 1966.

Establishment of new Wages Boards

A new Wages Board for the workers in the Biscuit and Confectionery Manufacturing Trade (including Chocolate Manufacturing) has been set up and action has been taken to fix minimum wages and other terms of remuneration to all workers engaged in that trade.

Workers in the (a) Garments Manufactory (b) Hosiery Manufactory and (c) Tobacco Trade also benefited for the first time by minimum wages and other terms and conditions of employment being guaranteed to them.

New Wages Boards for workers in the Rice Milling and Textile Manufacturing Trade will also be functioning within the next few months.

The Labour Department is already conducting surveys in order to set up other Wages Boards for workers engaged in the following Trades :

- (a) Leather Goods Manufacturing Trade.
- (b) Tyre Rebuilding.
- (c) Rubber and Plastic Goods Manufacturing Trade.
- (d) Asbestos Manufacturing Trade.

New decisions of the Wages Boards

Some of the recent decisions of the Wages Boards benefitting the worker, include two paid Public holidays to workers in the Coconut Growing Trade, improvements of conditions of service in the Tobacco and Garments Manufacturing Trade, shorter working week in the Cinema Trade and increased rates of wages in the Printing Trade.

A sum of over Rs. 82,000 was detected as short payments to workers at the end of 1965 and this amount is expected to be even bigger in respect of the year 1966.

III—THE SHOP AND OFFICE EMPLOYEES (REGULATION OF EMPLOYMENT AND REMUNERATION) ACT

Remuneration Tribunals will be established shortly under the Shop and Office Employees Act to fix minimum rates of wages for workers employed in—

- (a) Textile Shops,
- (b) Laundry,

- (c) Barber Saloons,
- (d) Chemists Shops.

The Shop and Office Employees Act was also amended to enable employees covered by this Act to observe Poya and Pre-Poya Day as weekly holidays.

Inspections

Inspections of shops and offices by the Labour Department in 1966 resulted in the detection of a total sum of Rs. 99,616.93 as short payments to 1,898 employees. This has exceeded the previous year's figure by over Rs. 40,000.

IV—EMPLOYMENT OF WOMEN, YOUNG PERSONS AND CHILDREN'S ACT

A new unit has been set up in the Labour Department for the enforcement of the above-mentioned Act. Action is being taken to prosecute employers who contravene the provisions of this Act, in so far as it relates to the employment of children under 12 years of age. The provisions regarding the employment of persons between 12 and 14 years of age who are employed in domestic service, street trading, wayside garages, eating houses and industrial and agricultural undertakings will also be enforced. Certain amendments to the Act have been recommended by the Hon. Minister of Labour in order to facilitate the enforcement of this law.

V—INDUSTRIAL RELATIONS

The present law governing Industrial Relations is the Act introduced in 1950, and subsequently amended on four occasions, the last being in 1966.

Labour Tribunals

Three more Labour Tribunals were established last year bringing the total number of Tribunals now functioning to 12. They have been established, as additional Tribunals, to Galle, Kandy and Nuwara Eliya, and with these additional Tribunals, the rate of disposal of cases has been considerably increased.

Legislation

Consequent on the decision of the Divisional Bench of the Supreme Court that Arbitrators and Industrial Courts functioning under the provisions of the Industrial Disputes Act having not received their appointments from the Judicial Service Commission, had not power or authority, to hear and determine disputes of a justiciable nature (i.e. disputes involving the legal rights of parties), it became urgently necessary to provide suitable machinery for this purpose. This was done by amending the Industrial Disputes Act—Industrial Disputes (Amendment) Act No. 27 of 1966, which empowered the Hon. Minister of Labour to refer disputes of a justiciable nature for settlement by adjudication to the appropriate Labour Tribunal.

The Privy Council has, however, ruled on 9th March, 1967, that the Public Service Commission and not the Judicial Service Commission is the appropriate authority to appoint Labour Tribunal Presidents.

Commission of Inquiry on Employee Participation in Profits

The Commission of Inquiry on Employee Participation in Profits has submitted its report to His Excellency the Governor-General. The following formula has been recommended by the Commission for determining an individual employee's share of the profits :

$$\text{Employee's share of Profits} = \frac{\text{Employee's annual Salary/Wage}}{\text{Estimated wages and salaries Bill for the year}} \times \frac{\text{Total No. of days worked in the year by the employee}}{\text{Average No. of days worked in the year per employee}} \times \text{Allocable Surplus}$$

The Commission has further recommended the establishment of a Profit Sharing authority for the implementation of the Scheme. Steps have been taken to have the Report published as a Sessional Paper.

Industrial Disputes Commission

A Commission of Inquiry was appointed by His Excellency the Governor-General to inquire into the procedure and practice relating to conciliation, arbitration and settlement of industrial disputes ; the administration of Industrial Courts and Labour Tribunals, and to examine the Industrial Disputes Act.

The Commission issued a comprehensive questionnaire in the 3 languages to the public in October 1966. Any person who wished to submit evidence relevant to any or all of the terms of reference was invited to send such evidence in the form of a written memorandum to the Commission. Memoranda from the public were entertained till the end of February, 1967 and the Commission is at present examining the material before it and expects to finalise its report shortly.

Banks Commission

A Commission of Inquiry was appointed by His Excellency the Governor-General to inquire into the procedure followed and the principal criteria taken into account for purposes of promotion of employees from the rank of clerk to the rank of Assistant Officer or other equivalent rank in the Commercial Banks, and to recommend reforms or changes wherever necessary. The Commission has already submitted its report wherein it has recommended certain procedure to be followed for the purpose of making promotions to the grade of Assistant Officer and grades of equivalent rank. The Commission also recommended that the Banks should not impose a condition for promotion to, or confirmation in, the Grade of Assistant Officer or any other grade of equivalent rank and that the person so appointed or confirmed should not be or become a member of the Ceylon Bank Employee's Union or any other trade union or Labour organisation.

Conciliation work by the Department

For the year ending 30th September, 1966, the number of conferences held in connection with Industrial Disputes was 1,066. The number of such disputes which were settled by conciliation under the aegis of the Labour Department was 935.

Trade Unions

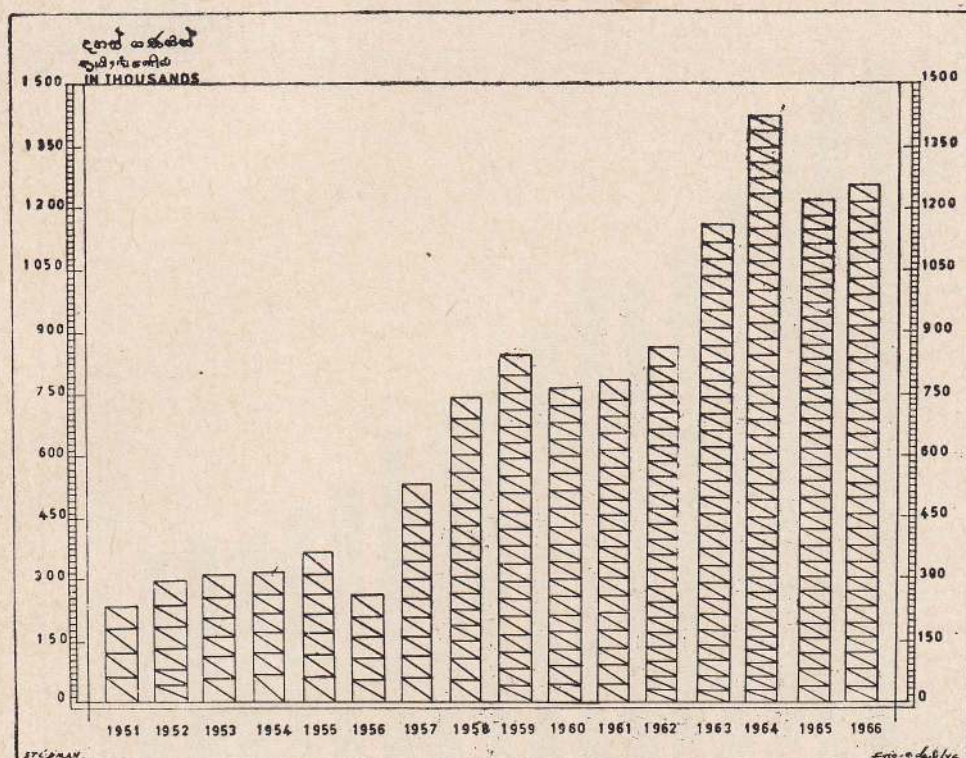
The number of registered Trade Unions, which at the beginning of 1966 was 1,209 increased to 1,256 at the end of the year. 758 of the 1,256 unions were unions of public servants. 150 unions including 73 unions of public servants, were registered during the course of the year and 103 unions had their registrations cancelled.

TABLE 16.1—TRADE UNION, NUMBER AND MEMBERSHIP

	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
I. (a) Number of Unions registered during the year	40	70	80	109	180	226	271	175	152	158	155	260	169	150
(b) Number of Unions cancelled during the year	35	46	33	67	6	121	76	101	136	50	152	74	173	103
(c) Number of Unions functioning at the end of the year	259	282	310	352	526	631	826	900	916	1,024	1,027	1,213	1,209	1,256
II. The above figures include the following Unions of Public Servants :														
(a) Number registered during the year	17	27	49	67	117	128	127	78	64	75	88	136	92	73
(b) Number functioning at the end of the year	146	154	182	226	337	389	474	516	549	604	637	741	740	758
*III. Membership of workers' unions	307,369	311,449	359,431	261,681	521,654	730,178	821,996	738,569	787,574	863,316	1,166,650	1,419,704	1,215,654	1,256,490
*IV. Membership of workers' unions in the plantation trade	196,078	188,438	220,419	154,650	353,191	552,498	592,270	441,223	458,581	483,998	767,852	754,262	760,630	793,001

*These figures are in respect of only those unions which had furnished the Annual Returns before the prescribed date.

CHART NO. 22.—MEMBERSHIP STRENGTH OF TRADE UNIONS, 1951-1966



VI—EMPLOYMENT AND TRAINING

Employment

One of the functions of the Labour Department is to maintain employment Exchanges throughout the Island to assist unemployed persons to be registered and thereafter considered for suitable employment, when vacancies are notified to the Exchanges.

Any unemployed person could register at the nearest Employment Exchange where his application is classified according to his aptitude, skill and educational qualifications and placed on the unemployment registers. Whenever Government Departments, and even the private sector notify the Employment Exchange of a vacancy, suitable registrants are called and directed to the employer with introduction cards. These introduction cards are returned to the Department with an endorsement by the employer whether the registrant has been selected or not. The final decision of selection is with the employer himself, according to his requirements.

There are 23 Area Exchanges, one Branch Exchange and 45 Registration Centres distributed among the principal towns of the Island.

The number of registrants found employment during the year ending September, 1966 was 28,813.

The Department operates Unemployment Relief Works at centres in Colombo, Kandy and Galle. The work consists mainly of reclaiming swampy lands within the areas administered by the Colombo Municipality and the Kotte and Kolonnawa Urban Councils while in the Galle and Kandy Municipal Council areas construction of roads is undertaken. The number employed on these relief work sites in Colombo, Kandy and Galle is 1,313.

Labour Co-operatives

Labour Co-operative Societies, in the financial year 1965-66, undertook work to the value of about Rs. 500,000, benefiting 4,000 members. Some of the buildings constructed by them are Central Dispensaries, Apothecaries' quarters, School buildings, Office quarters and G.P.S. Stores. The work of loading and unloading cargo at Trincomalee harbour has been undertaken in part by a Labour Society, while loading and unloading of foodstuffs in the Granaries and the Railway goods sheds in Colombo are also done by Labour Societies.

Vocational Training

The Labour Department, during the past one year, launched a more vigorous programme for the training of unemployed registrants as skilled craftsmen to supply not only the immediate needs of the country but also to meet the ever-growing demand for technicians in a developing economy.

Vocational training centres for skills such as carpentry, masonry, and hair-dressing, now function in many electorates, in the rural areas. Unemployed women are given training in a Labour Department assisted institution in Moratuwa. They are taught a number of subjects like home science, child-care, nursing and cookery.

The Central Vocational Training and Trade Testing Centre at Urugodawatte undertakes the training of unemployed persons in a variety of skills. The trades, in which training is given, are—

- (1) Fitting
- (2) Welding
- (3) Machining
- (4) Motor Mechanism
- (5) Sheet Metal
- (6) Electrical Wiring
- (7) Radio Repairs and Mechanism.

Double sessions were introduced by the Department towards the end of 1966 and there are now over 200 Trainees at this Institute alone. The Centre has greatly benefitted by way of Experts provided by the International Labour Organisation and also by Capital Aid from the United States and British Governments.

The training imparted at these Centres is not only free but each trainee is also paid a stipend of Rs. 2 per day. Many rural youths, straight from their homes, have received training at this institute, proved excellent craftsmen in their respective fields, and subsequently gained employment in Corporations and Factories. In view of the popularity of this training scheme, it is the intention of the Department to introduce additional courses in trades which were not available earlier in Ceylon and also to start similar centres at Kandy, Galle and in Jaffna.

VII—INDUSTRIAL SAFETY AND HEALTH

Industrial Safety

With the impetus given during the past 2 years to industrialisation several new factories have been started and many more are in various stages of planning and construction. Confronted with many a problem the young industry in its anxiety to increase production has been apt to overlook the necessity for safe, healthy and congenial workplaces. These are important aspects of employment and cannot be left unregulated.

Safety means the freedom from danger or risk ; and the most common consequence of exposure of a worker to danger or risk is an accident. An accident from the point of view of an employer is an unexpected occurrence that interferes with, or interrupts the orderly progress of work. From the point of view of the worker, or his dependant, it may mean appalling human suffering, permanent disability, loss of limb or eye, injury or, in extreme cases, even death. The promotion of industrial safety for the prevention of accidents is, thus based on economic and humanitarian considerations.

For every accident there is a source and a cause. The source is the type of work being done or activity. Some examples are handling material, use of power tools and operating machinery. The cause is either the unsafe act of a person or unsafe condition or a combination of the two. Unsafe conditions—improperly guarded or unguarded machinery, defective equipment, slippery floors, unsafe storage congestion, over-crowding, insufficient or improper illumination, etc. Unsafe acts are :—the violation of recognised safe procedures, making inoperative safety devices, using unsafe equipment, unsafe loading, placing or lifting, unsafe posture and position, unauthorised working on moving machinery or equipment, unsafe speed, mischief, failure to use safe clothing or protective devices. Accidents caused by unsafe conditions are responsible for 25 per cent of the total number of accidents reported. Those due to unsafe acts account for approximately 75 per cent of the accidents.

Prevention of accidents—Unsafe conditions can be eliminated by improvements in engineering design and other technical features. Unsafe acts are due to faulty human behaviour which depend on the physical and mental characteristics of the worker and also on his lack of knowledge or skill. These, in most cases, can be prevented by direct control of personal performance and work environment. The training and education of the worker is also an important aspect of industrial safety.

Legislation for the regulation of employment in factories was introduced for the first time in Ceylon with the proclamation of the Mines and Machinery Protection Ordinance in 1896. This was replaced by successive Ordinances modelled on the Factories Act of the United Kingdom. At the present moment the Factories Ordinance of 1942 together with the amendment Act of 1961 and the regulations framed thereunder constitute Ceylon's legislative provisions for ensuring the safety, health and welfare of the factory worker. The Factories Ordinance applies to all premises that are considered factories as defined under the Ordinance. It brings under its purview and makes provision for the protection and benefit of practically all workers engaged in industry, other than those engaged in shops and offices and in simple agricultural processes.

The basic safety provisions deal with such matters as elimination of hazards associated with the use of machinery and equipment, harmful, flammable or explosive dusts, gases and fumes scalding, corrosive or poisonous liquids, dangerous chemicals, pressure vessels such as steam boilers, cranes and other lifting machines and lifting tackle, hoists and lifts ; the provision of safe means of access and safe places of work, regulation of the employment of women and young persons, and the protection of workers against fires and other risks.

The principles underlying this piece of social legislation are such that the main provisions deal with, and also permit the introduction of, subsidiary legislation not only to eliminate hazards and prevention of accidents but also to ensure that factories are not mere containers for machines and equipment, but places fit for human habitation where workers have to spend the greater part of their active lives.

When an employee comes to work in a factory he must, in the first instance, be given facilities for changing into working clothes and also given accommodation for clothes not worn during working hours. When he is at work he must be given wholesome drinking water to quench his thirst. He should also be given a place where he could have his meals in comfort. He has to be provided with the necessary toilet facilities. The fact that a workplace should have a reasonable temperature and be adequately ventilated and not over-crowded need hardly be stressed. To prevent eye-strain when working and also to facilitate movement, adequate lighting must be provided. The factory must be kept clean, floors drained and kept free from effluvia and dirt. If a worker meets with an accident he must be rendered first-aid preferably by a trained first-aid attendant before he is despatched to

hospital for proper medical attention. For this purpose adequate first-aid facilities must be provided. He must also be provided with medical supervision and guidance, where necessary. These are all matters dealt with under the Health and Welfare provisions of the Factories Ordinance.

The provisions of the Factories Ordinance and in particular those dealing with the Health and Welfare matters, however remained unenforceable due to the necessity of framing regulations laying down specific standards. This was realised by the present Government and immediate steps were taken to remedy the shortcomings. The result was the introduction in 1966 of regulations dealing with standards for sanitary conveniences, washing facilities, meal rooms, lighting, and protection of eyes. Separate regulations are also being introduced to make it obligatory for employers to notify even the dangerous occurrences such as fires, explosions, collapse of buildings even where it does not cause loss of life or disablement and also to specify the contents of first-aid boxes. The framing of several other regulations is also contemplated.

The machinery set up by the Government for enforcement and other work under the Factories Ordinance is the Factories Division of the Department of Labour which is organised under a Chief Inspector of Factories. This Division has its office at No. 222, Galle Road, Bambalapitiya, where there is also a Safety Centre. In this Centre there are various exhibits such as photographs of industrial accidents, posters, models of machinery illustrating the correct method of guarding and various other items of safety and personal protective equipment. Interested factory occupiers are free to call over and see for themselves how accidents are caused and how they can be prevented. Factory Inspectors who are all qualified engineers specially trained on factory inspection work are always available to give help and advise on problems connected with safety, health and welfare in industry.

The Factories Division has also been equipped with audio-visual equipment. As the part of an industrial safety campaign, talks and film shows on Safety, Health and Welfare matters are regularly given.

VIII—OCCUPATIONAL HEALTH

The Labour Department has also set up an Occupational Health Division to promote the mental, physical and social well-being of workers engaged in various industries. Special investigations are carried out by the Division, on its own initiative into problems peculiar to the Ceylon worker in different trades and occupations in order to detect hazards to health, which may not be apparent. Regular medical inspection of workers together with special laboratory investigations have been instituted to detect early hazards in working environment so as to minimise any damage to the health of workers.

The responsibility for ensuring the maintenance of safe and healthy working conditions rests not only with the Department of Labour and the managements of industrial concerns, but also with the workers through their organised unions. Both management and organisations of workers may request advice and investigations regarding industrial health and safety from the Division which is situated at No. 97, Jawatta Road, Colombo 5, and is in charge of a qualified Labour Medical Officer.

IX—WAGES AND COST OF LIVING

Cost of Living

Until 1952 there were two cost of living index numbers computed and published in Ceylon. One related to the cost of living of working class families in Colombo and the other to the cost of living of Indian Estate Labourers. These two index numbers have been discontinued and a new Index Number called the "Colombo Consumers' Price Index Number" with the average prices in 1952 as the base is worked and published monthly by the Director of Census and Statistics with effect from January 1953. Table 16.2 gives the Colombo Working Class Cost of Living Index Numbers and the Indian Estate Labourers' Cost of living Index Numbers respectively for the period 1939 to 1952 and the Colombo Consumers' Price Index Number monthly for each of the years 1953 to 1966.

TABLE 16.2—COST OF LIVING INDEX NUMBERS

<i>Year</i>	<i>Colombo working class*</i>	<i>Estate Labour†</i>
1939	108	100
1940	112	107
1941	122	119
1942	162	150
1943	197	199
1944	200	211
1945	221	222
1946	229	228
1947	252	239
1948	260	259
1949	258	264
1950	272	274
1951	283	288
1952	281	287

* Base : November 1938–April 1939 = 100

† Base : July–September 1939 = 100

TABLE 16.3—COLOMBO CONSUMERS' PRICE INDEX NUMBERS

(Monthly) Base : Average Price 1952 = 100

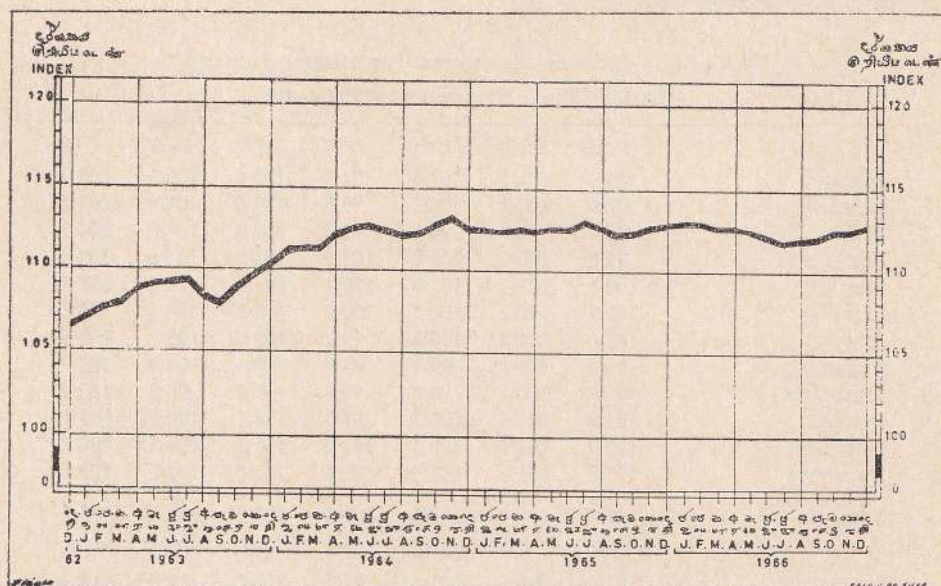
	<i>1953</i>	<i>1954</i>	<i>1955</i>	<i>1956</i>	<i>1957</i>	<i>1958</i>	<i>1959</i>
January	100.1	101.4	101.5	101.5	100.6	106.3	105.0
February	99.5	100.7	100.5	99.8	100.8	105.8	103.5
March	98.7	99.9	99.6	99.6	100.9	104.8	104.4
April	99.6	100.0	101.0	101.2	102.2	104.6	105.8
May	100.7	101.7	101.0	100.4	103.3	105.2	105.4
June	102.3	102.4	100.1	100.0	103.1	104.5	106.2
July	103.1	101.2	100.2	99.2	103.6	103.2	105.6
August	105.5	100.1	99.9	98.9	102.4	104.4	104.7
September	105.1	100.5	99.4	99.4	102.3	104.5	140.4
October	103.0	101.3	100.3	101.3	104.1	106.2	103.4
November	100.9	101.6	100.3	101.0	105.2	105.7	106.3
December	101.0	101.8	101.5	100.3	105.6	104.2	105.7
Year	101.6	101.1	100.5	100.3	102.8	105.0	105.2
	<i>1960</i>	<i>1961</i>	<i>1962</i>	<i>1963</i>	<i>1964</i>	<i>1965</i>	<i>1966</i>
January	105.4	104.1	105.5	107.1	111.2	112.5	112.9
February	105.3	103.9	105.9	107.8	115.5	112.3	112.9
March	105.6	103.3	106.2	108.0	111.4	112.7	112.5
April	102.4	103.9	106.3	109.1	112.1	112.3	112.5
May	102.4	104.0	106.5	109.1	112.7	112.7	112.2
June	102.5	104.5	106.6	109.2	112.8	112.5	112.0
July	102.2	105.5	106.4	109.3	112.4	113.0	111.6
August	102.6	105.4	106.2	109.4	112.0	112.4	111.8
September	102.6	105.4	106.2	109.0	112.1	112.0	111.9
October	103.2	105.9	106.5	109.2	112.8	112.1	112.3
November	104.9	105.9	107.2	109.8	113.2	112.5	112.3
December	104.1	106.2	106.4	110.3	112.4	112.6	112.6
Year	103.5	104.8	106.3	108.8	112.2	112.5	112.3

TABLE 16.4—COLOMBO CONSUMERS' PRICE INDEX NUMBERS BY INDIVIDUAL GROUPS

Base : Average Price 1952 = 100

Groups	1965	1966
Food	107.3	109.1
Fuel and Light	100.7	95.9
House rent	101.5	101.5
Clothing	126.7	117.3
Miscellaneous	128.3	127.3
All Items	112.5	112.3

CHART NO. 23—CONSUMERS' PRICE INDEX—1963-1966



Wages

An index number of wage rates which can be said to be applicable to the country as a whole is not yet available. Details of the minimum wages payable to workers in Tea and Rubber estates are, however, readily available since the inception of the Labour Department in 1923.

A relative study of the movement of wages and cost of living of estate workers can be had from table 16.5 which gives the average minimum daily rate of wages, the cost of living index number for these workers, the wage rate index number and index numbers of real wages for the period 1939-1966.

TABLE 16.5—COST OF LIVING INDICES, WAGE RATES INDEX NUMBERS AND INDEX NUMBERS OF REAL WAGES 1939–1966 OF THE WORKERS IN TEA AND RUBBER ESTATES

Year	Average minimum daily rates of Wages	Cost of Living Index Numbers for Estate Workers (Base July-Sept. 1939 = 100)	Wages Rates Index Number Index Number (Average Wage of Real Wages† 1939 = 100)	
	Rs. cis.			
1939	0.41	100	100	100
1940	0.41	107	100	93
1941	0.45	119	110	92
1942	0.68	150	166	111
1943	0.83	199	202	102
1944	0.87	211	212	101
1945	1.00	222	244	110
1946	1.15	228	280	123
1947	1.20	239	293	123
1948	1.29	259	315	122
1949	1.31	264	320	121
1950	1.53	274	373	136
1951	1.90	288	463	161
1952	1.92	287	468	163
1953	1.95	291*	476	164
1954	1.99	290*	486	168
1955	2.06	288*	502	174
1956	2.08	287*	507	177
1957	2.10	295*	512	174
1958	2.14	301*	522	173
1959	2.14	301*	522	173
1960	2.12	297*	519	174
1961	2.13	300*	520	173
1961/62	2.16	304*	527	173
1962/63	2.18	309*	532	172
1963/64	2.23	319*	544	171
1964/65	2.25	323*	549	170
1965/66	2.25	322*	549	170

* Equivalent of Colombo Consumers' Price Index in terms of the estate Cost of Living Index Number.

† Index Number of money wages ÷ cost of living index numbers = Index Number of real wages.

Similar information as given for the estate labourers is shown below in table 16.6 in respect of un-skilled male workers in Government employment.

TABLE 16.6—AVERAGE RATES OF WAGES, COST OF LIVING INDEX NUMBER OF COLOMBO WORKING CLASS, WAGES INDEX NUMBERS AND REAL WAGES INDEX NUMBERS OF UNSKILLED MALE WORKERS, 1939–1966

Year	Average monthly rate of Wages	Cost of Living Index Number of Colombo Working Class Families with Base shifted to 1939 = 100	Wages Index Number of Unskilled Male Workers in Colombo (Base- 1939 = 100)	Real Wages Index Number of Unskilled Male Workers in Colombo*
	<i>Rs. cts.</i>			
1939	16.64	100	100	100
1940	16.64	104	100	96
1941	18.45	115	111	98
1942	24.25	150	145	97
1943	28.98	182	174	96
1944	34.03	185	204	110
1945	41.92	205	252	123
1946	68.52	212	412	194
1947	75.74	233	455	195
1948	78.16	241	470	195
1949	77.81	239	468	196
1950	83.11	252	499	198
1951	89.79	262	540	206
1952	90.97	260	540	207
1953	91.04	265†	547	206
1954	94.94	263†	547	208
1955	96.24	261†	571	219
1956	99.16	261†	578	221
1957	99.16	268†	596	222
1958	113.74	273†	684	251
1959	113.74	274†	684	250
1960	113.74	269†	684	254
1961	113.74	272†	684	251
1962	113.74	277†	684	247
1963	113.74	283†	684	242
1964	113.74	292†	684	234
1965	113.74	293†	684	233
1966	113.74	193†	684	233

* Index Number of Money wages ÷ Cost of Living index number = Index Number of Real wages.

† Equivalent of the Colombo Consumers' Price Index in terms of the cost of living Index Number—Colombo Town, with base shifted to 1939 = 100.

Index Number of Wage Rates and of Earnings

Index Number of wage rates (minimum) and of earnings with the year 1952 as base for workers in the following trades are being compiled by the Department of Labour :—

- (1) *Agricultural Trades.*—Tea Growing and Manufacturing, Rubber Growing and Manufacturing and Coconut Growing.
- (2) *Trades other than Agriculture.*—Coconut Manufacturing, Engineering, Printing, Match Manufacturing, Motor Transport, Dock, Harbour and Port Transport, Tea Export, Rubber Export Cinema, Building and Baking.

Table 16.7 shows the Minimum daily Rates of wages and Minimum Wage Rate Index Numbers in respect of these Trades from 1952 onwards is given below :—

TABLE 16.7—MINIMUM AVERAGE DAILY RATES OF WAGES, MINIMUM WAGE RATE INDEX NUMBERS—AGRICULTURAL AND OTHER TRADES, 1952–1966

Year	Agriculture		Trades other than Agriculture		Agriculture and Trades other than Agriculture combined	
	Minimum Average daily rate of wages	Minimum wage rate Index Number	Minimum Average daily rate of wages	Minimum wage rate Index Number	Minimum Average daily rate of wages	Minimum wage rate Index Number
	Rs. cts.		Rs. cts.		Rs. cts.	
1952	1.96	100.00	2.92	100.00	2.04	100.00
1953	1.99	101.53	2.95	101.03	2.07	101.47
1954	2.02	103.06	2.94	100.68	2.09	102.45
1955	2.09	106.63	2.95	100.37	2.16	105.88
1956	2.10	107.14	3.00	102.74	2.17	106.37
1957	2.13	108.67	3.15	107.88	2.20	107.84
1958	2.16	110.20	3.39	116.10	2.26	110.78
1959	2.16	110.20	3.76	128.77	2.29	112.25
1960	2.16	110.20	3.74	128.08	2.28	111.76
1961	2.17	110.71	3.75	128.42	2.29	112.25
1962	2.19	111.73	3.78	129.45	2.32	113.73
1963	2.22	113.27	3.82	130.82	2.35	115.20
1964	2.27	115.82	3.88	132.88	2.40	117.65
1965	2.28	116.33	3.88	132.79	2.41	118.14
1966	2.28	116.25	3.89	133.22	2.41	117.89

Table 16.8 shows the average earnings per day and the Index Numbers of earnings in respect of these trades from 1952 onwards is given below :—

TABLE 16.8—AVERAGE EARNINGS PER DAY AND INDEX NUMBERS OF EARNINGS—
AGRICULTURE AND OTHER TRADES, 1952–1966

Year	EARNINGS—ADULT WORKERS					
	Agriculture		Trades other than Agriculture		All Trades	
	Average earnings per day	Index Number	Average earnings per day	Index Number	Average earnings per day	Index Number
	Rs. cts.		Rs. cts.		Rs. cts.	
1952	2.17	100.00	4.39	100.00	2.34	100.00
1953	2.24	103.25	4.43	100.91	2.41	102.99
1954	2.26	104.15	4.43	100.91	2.43	108.85
1955	2.32	106.91	4.63	103.47	2.50	106.84
1956	2.31	106.45	4.71	107.29	2.50	106.84
1957	2.38	109.68	5.04	114.81	2.39	110.68
1958	2.38	109.68	5.98	136.22	2.66	113.68
1959	2.39	110.14	6.13	139.64	2.68	114.53
1960	2.40	110.60	6.80	154.90	2.75	117.52
1961	2.44	112.44	7.13	162.41	2.81	120.09
1962	2.47	113.82	7.02	159.91	2.83	120.94
1963	2.56	117.96	7.22	164.46	2.93	125.21
1964	2.59	119.35	7.59	172.89	2.98	127.35
1965	2.63	121.20	7.63	173.80	3.02	129.06
1966	This information is not yet available, please.					

Cost of Living Allowances

Cost of Living Allowances payable to workers in some of the trades for which Wages Boards have been set up were based on the Cost of Living Index Number of estate Labour, while in the case of workers in the other trades such allowances were based on the Colombo Working Class Cost of Living Index Number till June, 1953. With effect from July, 1953, allowances payable to workers in all the trades for which Wages Boards have been set up were based on the Colombo Consumers' Price Index.

Government employees were paid cost of living allowances based on the Colombo Working Class Cost of Living Index Number till February, 1953. With effect from March, 1953, they are paid allowances payable on the figure of 285, the Cost of Living Index Number for Colombo Working Class families for the month of December, 1952. The cost of living allowances payable where the salary, wage or pension is Rs. 300 or less per mensem was changed with effect from 1.11.57 as follows :

- The C. L. A. now payable on the frozen index of 285 to those in receipt of this allowance at present, is increased by an additional sum of Rs. 5.
- Where the total salary or wage earned in a month is less, than Rs. 5, the above increased C. L. A. is not payable.

- (c) Where the total salary or wage earned in a month is not less than Rs. 5, but less than Rs. 20, the C. L. A. now payable is increased by an additional sum of Rs. 2.50.
- (d) The marginal allowance payable in the case of officers in receipt of a salary above Rs. 300 is as follows :—

<i>Salary</i>	<i>Marginal increased C. L. A.</i>
<i>Rs.</i>	<i>Rs.</i>
301	4
302	3
303	2
304	1
305 and above	Nil

A "Special Living Allowance" in addition to the cost of living allowance is also being paid with effect from 1st October 1950, to all persons in receipt of the cost of living allowance.

With effect from 1.11.57 the special living allowance payable to officers drawing Rs. 100, or less than Rs. 100 was increased to Rs. 17.50 from Rs. 5 to both married and unmarried officers. In the case of officers drawing less than Rs. 5 the amount payable is Rs. 1.50 for every Rupee earned, for persons earning an amount not less than Rs. 5 but less than Rs. 20 the total allowance payable is limited to Rs. 8.75 and for unmarried officers with income of Rs. 101 to Rs. 150, the amount payable is increased from Rs. 12.50 to 17.50.

Cost of Living Allowance payable to most of the mercantile employees were also based on the Colombo Working Class Cost of Living Index Number till January, 1953, the last month for which this Index Number was published.

These employees are now paid allowances based on the Colombo Consumers' Price Index Number. The Government Scheme of Special Living Allowances has also been adopted by most of the mercantile employers.

X—CEYLON AND THE INTERNATIONAL LABOUR ORGANISATION

Ceylon was represented at the 5th Session of the Committee on Work on Plantations held at the International Labour Office, Geneva.

Among the matters discussed were the practical measures to promote good labour management relations in plantations with particular reference to recruitment and employment of workers, joint consultation and grievance procedures and labour inspection on plantations.

The 50th Session of the International Labour Conference at which Ceylon was also represented included in its agenda among other matters the role of co-operatives in the economic and Social development of developing countries, also certain questions relating to Fishermen in the light of the results of the Preparatory Technical Conference on Fishermen's questions and examination of grievances and communications within the undertaking.

The 13th Session of the Asian Advisory Committee was represented by a single delegate and problems relating to social security in Asia, labour management relations in public industrial undertakings were some of the more important items taken up for discussion.

XI—CEYLON LABOUR GAZETTE

The *Ceylon Labour Gazette* is published monthly by the Department of Labour. Included in this publication are articles on labour matters, wages boards divisions, cost of living indices and employment statistics. A useful introduction are the Ready Reckoners which embody the minimum wages payable to workers in the various trades of the Wages Boards separately. These reckoners provide both employer and employee an easy and accurate chart for the calculation of salaries and wages.

CHAPTER—XVII

EDUCATION

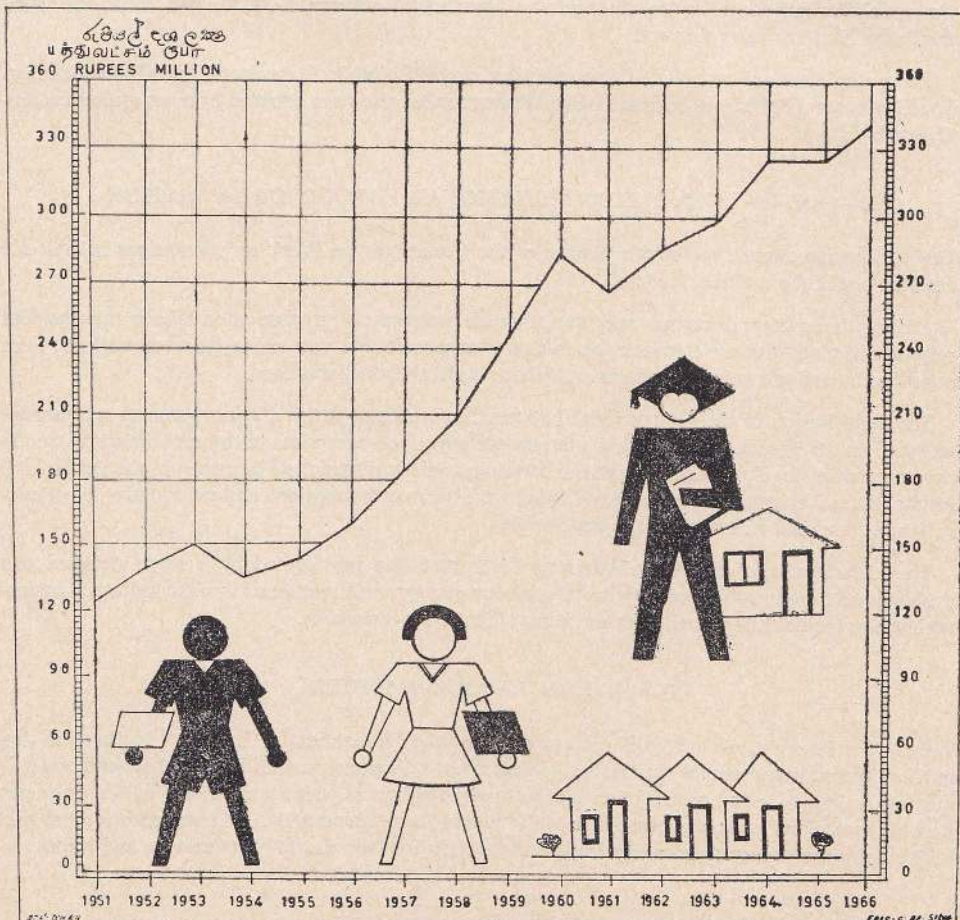
I—EDUCATIONAL SYSTEM

Administrative Changes

The most noteworthy event of the year was the complete decentralisation of the Department of Education which administered the educational activities of Ceylon during the last hundred years and the consequent amalgamation of the Head Office with the Ministry of Education from October 1, 1966. A significant change effected as a result of the decentralisation was the devolution of authority and responsibility to Regional Directors of Education who are entrusted with the management of education in all its aspects in the Regions placed under their charge.

The Island was divided into 14 regions for this purpose and each region was placed under a Regional Director who is directly responsible to the Director-General of Education working in the Ministry of Education. The Permanent Secretary to the Ministry of Education and Cultural Affairs was appointed to function as the Director-General of Education, who is the Chief Executive Officer in the new organization.

CHART NO. 24—EXPENDITURE ON EDUCATION 1951–1966



The Ministry was re-organised into seven major divisions :—

- (1) Administration and Foreign Agencies Division under the Senior Assistant Secretary.
- (2) Education section under three Deputy Directors-General :
 - (a) Elementary Education under a Deputy Director-General who is in charge of the management of the first level of Education. He is assisted by two Directors of Education.
 - (b) Secondary Education under a Deputy Director-General who is in charge of the second level of Education. He has two Directors to assist him in his work.
 - (c) Technical Education under a Deputy Director-General who is in charge of all vocational and technical education programmes including agricultural education. He is assisted by three Directors.

A Director for teachers' Education and a Director in charge of the Work Experience programmes function in close collaboration with the three Deputy Directors-General.
- (3) Regional organisation under Additional Senior Assistant Secretary.
- (4) Finance section under the Chief Accountant who is assisted by 5 accountants.
- (5) School Works Section under the Superintending Engineer, School Works. He is assisted by a School Works Engineer and several technical officers.
- (6) UNESCO National Commission under a Secretary.
- (7) Educational Publications Advisory Board under a Secretary.

Higher education in the Island is supervised and managed by the National Council for Higher Education established in 1966 under the provisions of the Higher Education Act, No. 20 of 1966. The Permanent Secretary and Director-General of Education deals direct with the National Council for Higher Education in all matters pertaining to higher education.

Schools and Enrolment

The 9,555 schools in the Island fall into the following categories on the basis of management. The number of schools in each category and the number of pupils and teachers in these are shown below :—

	<i>No. of schools</i>	<i>Pupils</i>	<i>Teachers</i>
Govt. Schools	8,361	2,383,968	85,953
Private Schools—			
(a) Fee levying	54	22,050	1,202
(b) Non Fee levying	49	38,461	1,710
Estate Schools	852	79,911	1,276
Pirivenas	217	29,103	1,715
Night Schools	14	1,858	63
Special Schools	8	840	62

Pupil enrolment in the Elementary and Secondary (general) Sections and the participation rates worked out on the appropriate age group in each section is given below :—

	<i>No. in Population</i>	<i>No. enrolled</i>	<i>Participation rate</i>
Elementary	(5–14 yrs.) 2,695,000	(Gr. 1–8) 2,275,642	84%
Secondary	(15–18 yrs.) 862,000	(Gr. 9–12) 345,285	40%

Religious Education

Religious instruction was compulsory to children in all schools. In all schools where Buddhism was taught, an annual test in Buddhism was held for pupils in grades 6, 7, and 8.

A residential vacation course in Buddhism was conducted under the auspices of the Sasana Sevaka Society of Maharagama at the Maharagama Guru Vidyalaya for the benefit of teachers and would be teachers for improving their knowledge and understanding of the teachings of the Buddha and the Buddhist observances.

Science Education

During the year, 25 schools were approved for general science, 39 general science teachers were given appointments and 30 schools were selected for construction of science laboratories. GCE (Ordinary Level) science classes were organized in 15 additional schools and 10 schools were approved for GCE (Advanced Level) science classes in addition to those already functioning. The total number of pupils learning science in the GCE (Ordinary Level) classes was 47,652 and in GCE (Advanced Level) classes the number was 7,200. Orders were placed for the supply of science equipment to the value of approximately Rs. 4 million to cater to the needs of science classes and arrangements were made to distribute them to schools with laboratories.

The 129 science trainees who passed out of the two Science Training Colleges at Mharagama and Pallali at the end of the year were posted to fill the existing vacancies. 58 Mathematics trained teachers were also appointed at the end of the year. In addition, 117 University graduates were recruited during the year to fill vacancies in schools with GCE (AL) science classes.

With the co-operation of the four science educationists from U. K., a four day science seminar was held at Nuwara Eliya for science educationists. This was followed by a seven day refresher course held with the collaboration of the four visiting science educationists at the Institute of Practical Technology, Katubedde, for 72 science trained teachers and graduates. During the course of the year, week-end study circles were held in all educational regions so as to familiarise the science teachers with the new syllabuses of instruction and schemes of work in GCE (OL) classes in science subjects.

Arrangements were also made during the year to write three text books in each of the subjects, Physics, Chemistry and Biology, for pupils in the GCE (OL) science classes based on the departmental syllabuses of instruction and schemes of work.

The construction of buildings for the science equipment manufacturing unit was completed and steps were taken to assemble the machinery needed for commencing work.

Teaching of Mathematics

Mathematics was introduced as a compulsory subject in all schools starting from grade 6 in 1965. A Mathematics Committee was formed for the following purposes :—

- (a) Supply of syllabuses and schemes of work,
- (b) organizing of in-service training classes, and
- (c) preparation of text books.

Art Education

Art is a compulsory subject at the primary level and optional at the post-primary level. 191 specialist teachers in Art were selected for appointment during the year 1966.

A non-residential refresher course in Art education was conducted at Royal College, Colombo, for over 350 teachers.

The work of Ceylonese children in Art, numbering over 700 pictures, was sent to International Art Exhibitions held in Italy, Japan, Rumania and New Zealand. A poster competition of school art organized by the People's Bank and the exhibition of child art from U.S.A. and Ceylon, organized by Mr. Somereskie, an Art teacher from U.S.A., held at the Acquainus University were noteworthy features during the year. Regular refresher courses, exhibitions and study circles in art continued to be held at the three multi-purpose Studio Art Galleries in Kandy, Galle and Jaffna.

Technical Education

The Ministry of Education made a special effort in the year 1966 to step up Technical Education. There were over 1,300 students attending various courses for middle grade technicians at the Institute of Practical Technology, Katubedde. Besides the Trades Courses conducted at the Ceylon Technical College, Maradana, there were also Diploma Courses in Commerce. The Students following the courses in Commerce evinced great keenness and enthusiasm and some of them who were successful at the higher examinations found absolutely no difficulty in finding congenial employment.

The following Junior Technical Schools conducted courses at craftsmen level. There were courses for woodwork, metalwork, motor mechanism, building trades, etc., and these courses were very popular :

- (a) Junior Technical School, Galle.
- (b) " " " Kandy.
- (c) " " " Jaffna.
- (d) " " " Kegalle.
- (e) " " " Badulla.
- (f) " " " Kurunegala.
- (g) " " " Anuradhapura.

The number of students seeking admission to these courses showed a marked increase and several of those who have successfully completed the two-year course were able to find employment in Government and private institutions promptly.

The Basic Technical Training Institute at Ratmalana, which came under the Ministry of Education towards the end of 1965, was re-organized so as to raise its level to that of a Junior Technical School. The necessary equipment was supplied to this Institution for this purpose and the syllabuses and courses of instruction were revised.

The Hardy Technical Training Institute, Amparai, which was under the River-Valleys Development Board, was taken over by the Ministry of Education as from 1st of October, 1966. This Institution is a Senior Technical School of the same level as that of the Institute of Practical Technology at Katubedde and trains middle grade technicians. The syllabuses and schemes of work of this institution are being suitably revised.

The Government College of Art and Art Crafts was also re-organized and it was proposed in due course to refashion it as the Government College of Art and Design.

In view of the increasing importance of technical education for economic development and progress of the country, all technical educational institutions were brought into one unit under the Ministry of Education. It was hoped that this arrangement would provide adequate emphasis for technical education and help co-ordination of the teaching of technical subjects.

In order to impress upon the mind of every citizen the importance and usefulness of technical education, it was proposed to set up Production Units at every technical institution. Arrangements were also made to start new courses such as Watch Repairing, Diesel and Tractor Mechanics, Gemmology, Gem Cutting and Polishing, Catering Trades, Textile Technology, etc., in the technical schools.

Commerce Education

Although there was a heavy demand for opening of new classes to teach commercial subjects, as the teachers appointed during the year were needed to fill the urgent existing vacancies in schools, it was found possible to start only four new classes. The total number of schools where commercial subjects were taught was 352.

67 teachers from the Maharagama Guru Vidyalaya and 15 teachers from the Pallali Guru Vidyalaya were posted to schools in 1966 on completion of their training. In addition to this, 45 new recruits were appointed as approved commercial teachers. The total number of typewriters supplied to schools during the year was 248. Two residential vacation courses were held for commerce teachers in 1966.

Physical Education

A keen interest was shown by all schools in physical education. While annual competitions were conducted as in the previous years, the number of children participating in these competitions showed a marked increase. This year too the all-island competitions were held in the outstations.

For the first time, an athletic meet was held in Colombo for the schools that do not compete in the Madhya Maha Vidyalaya and Maha Vidyalayas Meet. The general view was that the standard of performance at this Meet was quite high. Cadeting, Scouting and Guiding showed signs of increasing popularity, particularly in the rural schools.

Handicrafts in Schools

30 secondary trained specialist teachers in handicrafts passed out from Maharagama and Pallali Guru Vidyalayas during the year. 14 of these teachers specialised in woodwork and metalwork and 16 in arts and crafts. With the posting of these teachers to schools, the number of handicraft sections increased to 672 (372 arts and crafts sections and 300 mechanical sections.) During the year, 14 schools were provided with double unit workshops, 7 by the Education Department and 7 by the Kandyan Peasantry Commission.

An in-service course was conducted for 10 days at Bandarawela, during the August vacation, for 70 handicraft specialist teachers. The course provided training in practice, theory and drawing as applied to their respective crafts.

With a view to raising the level of instruction and training in handicraft, course guides for use in the primary classes were prepared and issued to schools during the year.

Oriental Music and Dancing

The teaching staff in oriental music and dancing was strengthened during the year by the appointment of 230 additional teachers. Most of these new recruits were posted to schools in remote areas in order to expand the programme of oriental music and dancing.

Several residential refresher courses were conducted for the benefit of dancing teachers during the year.

280 schools participated in the inter-school music and ballet competition. A keen interest was shown by schools at the Youth Festival of Music, Singing and Dancing. The number of students who received a special training in view of this competition was in the region of 10,000.

Western Music and Dancing

There was a noticeable increase in the number of schools teaching western music during the year 1966. This increase was specially noticed in schools situated in the Western, Central and Northern regions.

"Percussions Band" playing was introduced to 14 more schools, vocal music to 12 schools and eurhythmic training to 10 schools. Percussion Band sets and violins were supplied to 30 schools and (permanent specialist) music teachers were appointed to 15 schools during the year.

A two-day in-service training course was organized for teachers of Western music and dancing and about 150 teachers attended this course.

English as a Second Language

During the period under review, the English Unit of the Department made a concerted effort to intensify the English teaching programme at all levels. Week-end seminars lasting two days each were conducted at Anuradhapura, Gampaha, Kyts and Matale. These seminars were directed towards discussion of problems and techniques of teaching especially at the primary and post-primary levels.

In-service training classes for untrained teachers in English were conducted at Matara, Ratnapura and Vavuniya. These classes were held on pre-poya days for three hours each day. Lecturing staff comprised officers of the English Unit and training Masters from the Training Colleges who had received specialist training abroad in the teaching of English as a second language. The attendance at these classes was most encouraging.

A two-phased vacation course was held for untrained English teachers who had minimum work load of 10 hours of English teaching in the primary classes and 5 hours in the post-primary classes. In addition to this, a three weeks residential vacation course was held at the Institute of Practical Technology, Katubedde, in August, 1966, for the benefit of teachers engaged in teaching English in the G.C.E. (OL) and G.C.E. (AL) classes. A significant feature in this programme was a special series of evening lectures delivered by a visiting team of British experts.

A survey was conducted in June, 1966, to assess the initial attainment in English relating to G.C.E. (OL) examination for students intending to seek admission to the Universities in 1968. The data for this purpose was collected from 141 Government schools with G.C.E. (AL) in arts and science classes and also from 850 Government schools with G.C.E. (AL) arts classes only. An analysis of the data revealed the following position :

Science Students

No. of students seeking admission to the Universities in 1968	2,746
Percentage of students with proficiency in English at G.C.E. (OL) (Syllabus A and B)	37.1

Arts students

No. of students seeking admission to the Universities in 1968	7,930
Percentage of students with proficiency in English at G.C.E. (OL) (Syllabus A and B)	46.5

In view of the fact that the analysis showed much room for improvement in the proficiency of English at this level, arrangements were made for an intensive English course for these pupils. A select committee of two experienced teachers were appointed to prepare the necessary teaching material for use of teachers handling these classes.

Work Experience in Schools

Work experience is given to pupils in schools as a part of the school curriculum in order to enable them to realise that the school is a part of the community. The work experience programme covers four stages—

- (i) In the primary stages, work experience takes the form of gardening and it is related to the scheme of home gardening.
- (ii) In the post-primary stage, it is mainly agricultural. In coastal areas, however, the children are given work experience in fisheries.
- (iii) At the secondary level, pupils are given, in addition to work experience in agriculture experience in wood work and in several forms of Shramadana activities.
- (iv) Pupils who had sat the G.C.E. (AL) examination and were awaiting results were provided with an opportunity for work in work camps. A start was made at Trincomalee and several work camps will be opened in other areas in the near future.

The work experience programme aims at giving the right kind of education and training to the children so as to fit them for life. At the end of the school career it is hoped that the children who have gone through the programmes of work experience will not be at a loose end but ready to make some productive contribution to their families and the community. Already there is ample evidence that those who have participated in these programmes have derived immense benefit and that they are growing up with a proper perspective and true understanding of the dignity of labour.

The schools paddy weeding campaign loomed large in the work experience programme in schools. A pilot programme in weeding paddy by school children was carried out in November, 1964. The unprecedented success of this programme encouraged the formation of a School Youth Mobilization Committee. This Committee forged ahead and in September, 1965, the Honourable the Prime Minister inaugurated an 'All Island Schools Paddy Weeding Programme'. 675,000 school children in the post-primary classes actively participated in the programme of paddy weeding, transplanting and harvesting and had helped to weed and transplant a total of 26,000 acres. A survey conducted by the Department of Census and Statistics has revealed that there has been a 30 per cent increase in paddy production as a direct result of weeding and transplanting by school children. The popularity of this programme, both among the farmers and the school children, is beyond question. This programme, besides reaffirming the important fact that weeding increases the yield has served another useful purpose. It has afforded the school youth an opportunity to gain fruitful experience and to familiarise themselves with some of the scientific methods of cultivation which produce better yields. The services of nearly a million children who are above the age of 12 now in schools will be mobilised in the paddy weeding campaign in addition to their participation in the cultivation of subsidiary food crops in their school gardens and in their home gardens as a part of 'The Grow More Food Campaign'. In this connection it might be mentioned that cultivable land in schools ranges from a quarter of an acre to over ten acres and the total extent of school land that can be devoted for food production exceeds 9,000 acres, of which nearly 6,000 acres have already been brought under cultivation.

Shramadana

In this connection it is significant to note that the message of 'Shramadana' has reached the schools in a large way. Under this scheme, children in schools were expected to perform 'Shramadana' which meant a gift of one's labour for a purpose connected with the well-being of the community—apart from their regular work experience programme.

The Government has attached special significance to the 'work experience programme' by making it compulsory for all children in grade 3 and above and are in normal health.

Development of the curriculum, revision of the syllabuses and preparation of text books

The need to revise the curricula at all levels was considered one of the most urgently needed reforms in education. An evaluation of the work so far done in this connection, particularly in regard to the revision of curricula in science subjects at the G.C.E. (OL), was undertaken and necessary improvements were made.

The two members of the Chemistry curriculum group who participated in a pilot project for the teaching of Chemistry in Asian countries held in Bangkok from September, 1965 to July, 1966, prepared a list of teaching sequences suitable for the G.C.E. (AL) classes. This will be taken as the basis for the revision of the curricula at the G.C.E. (AL). These officers who explored the possibility of using cheap 8 mm. film loops as a teaching aid constructed 9 film loops to be utilised in the teaching of Chemistry.

With the decentralisation of the Department, action was taken to prepare course guides and where necessary even to revise the syllabuses used at the post-primary level. During the last term of 1966, arrangements were made for the preparation of course guides by teams of experienced teachers for use term by term in grade 6 and broadly speaking they will deal with the Humanities, General Science, Mathematics, Aesthetic Studies, Art and Crafts, Physical and Health Education.

The programme for the revision of curricula, syllabuses and preparation of course guides based on them will be intensified in the months to come and it is hoped by 1970 all schools in the Island will have course guides to cover grades 6, 7 and 8.

As a part of the programme arranged in this connection, the preparation of text books in Sinhala and Tamil media, and also for teaching of English as a second language was considered as a matter of critical importance. A circular was issued to all Heads of Government schools stating the manner in which the books published by the Government should be used.

Vocational Guidance

In-service training courses for training of teachers as teacher counsellors was held at 12 centres. Nine of these courses were conducted in the Sinhala medium, two in the Tamil medium and one in the English medium. 228 teachers who underwent training at these courses passed the Teacher Counsellor's Certificate examination. The importance of maintaining cumulative records was discussed at length at a conference of Circuit Education Officers held in August, 1966.

Scholarships

This year too, those selected on the basis of a competitive examination were awarded scholarships tenable in Madhaya Maha Vidyalayas and Maha Vidyalayas. In addition to these, 392 Science scholarships were awarded to Standard 8 pupils in schools where facilities for learning science were not available. The Government scholars who were selected for admission to the Universities had their scholarship extended.

Mid-day Meals

The Mid-day meal programme for school children was continued during the year as in the previous years.

Teacher Education

There were 24 Teachers' Colleges administered by the Department of Education during the year 1966. Of these Teachers' Colleges, those at Maharagama and Pallali provided a two-year specialist courses of training in the Sinhala and Tamil Media respectively. Out of the remaining 22 Teachers' Colleges, 15 provided a two-year general course of training in the Sinhala medium while the balance Teachers' Colleges provided a similar course of training and a general two-year course of training in English was provided for teachers of all nationalities at the Peradeniya Teachers' College. The Department also provided a one-year general course of training for first class certificated Sinhala men teachers at the Mirigama Teachers' College and for Sinhala women teachers of this category a similar course was made available at the Uyanwatta Teachers' College. For both men and women Tamil teachers of this category a one-year course was provided at the Nallur Teachers' College.

While the administration of Teachers' Colleges was decentralised from 1st October, 1966, the Ministry of Education dealt only with policy matters, preparation of schemes and syllabuses and co-ordination of work in these institutions.

Pirivena Education

During the period under review, there was a total of 224 Pirivenas which was two less than the total for the previous year. This was due to the fact that 12 Pirivenas were removed from the register while only 10 new Pirivenas were registered. Of the 224 Pirivenas, 74 were University Pirivenas, 30 were Senior Pirivenas and 120 were Junior Pirivenas.

There were 385 teachers appointed under Section 10 of the Pirivena Code, 589 others coming under section 9, teaching in the Pirivenas. The number of students studying in the Pirivenas was 17,465. While Degree and Intermediate Examination classes were successfully conducted by the Pirivena Universities, the Senior Pirivenas conducted University Entrance Classes.

ARISBR—Record of Work for 1966

The Institute was founded in September, 1962, as a result of an Agreement between the UNESCO and the Government of the Republic of Indonesia. In 1964, Indonesia withdrew temporarily from the UNESCO and as a result the UNESCO Staff were transferred to Bangkok. In March, 1966, the Government of Ceylon and the UNESCO reached an Agreement on the location of the Institute in Colombo and the Government agreed to provide a building, staff and recurrent expenditure. As its part of the Agreement, the UNESCO provided an international expert staff and an annual cash contribution for the work programme.

The Institute serves the UNESCO Member States of the Asian Region as follows :—

Afghanistan	India	Laos	Philippines
Burma	Indonesia	Malaysia	Singapore
Cambodia	Iran	Mongolia	Thailand
Ceylon	Japan	Nepal	Vietnam
China	Korea	Pakistan	

An official of the Ministry of Education and Cultural Affairs was appointed as the Director of the Institute following the transfer of the UNESCO Staff from Bangkok to Colombo. A number of other local appointments were made in the remaining months of 1966.

The principal activity in the Institute during this period was the framing of a long-term and short-term work programme, the implementation of which is to commence in January, 1967.

The Institute is governed under the terms of the Agreement by a Steering Committee comprising a representative of the Government of Ceylon, the Director-General of Education and a representative of the Director-General of the UNESCO, Mr. Raj Roy Singh, Director of the UNESCO Regional Office for Education in Asia. This Committee meets bi-annually and its first meeting is planned to take place in January, 1967.

In order to link the Institute more closely with the UNESCO's Asian Member States, the Agreement also makes provision for a Technical Advisory Group to meet every two years and to advise the Steering Committee on problems connected with the Institute's work-programme. The first meeting of this Committee which comprises representatives of six Asian Members States in rotation, is scheduled for late 1967.

UNESCO

To commemorate the 20th Anniversary of the UNESCO, an International Exhibition of Children's Art was organised in December, 1966. The Exhibition included drawings and paintings of Children from 14 countries including Ceylon. In all there were over 400 exhibits.

Three Pilot Projects were begun in the three Universities in the field of continuing education under the direction and supervision of the Heads of Departments of Education of the three Universities, the Vidyodaya University, the Vidyalandara University and the University of Ceylon, Peradeniya. The general aim of the project is to investigate procedures for the planning of a diverse and flexible programme of adult education in towns and villages. Rs. 2,500 was allocated to each University. These three programmes of work are under way.

The National Seminar on Education for International Understanding was organized by the Government Teachers' Training College, Maharagama, in August, 1966.

Lecturers from 22 Teacher Training Colleges and 19 teachers from Secondary Schools from various parts of Ceylon, 15 student teachers from the Government Training College participated in useful discussions which will doubtless strengthen the existing activities of the Associated Schools Projects in Education for International Understanding. The UNESCO gives high priority to this subject of Education for International Understanding and contributed Rs. 1,900 to this activity.

In 1966 negotiations between the Government of Ceylon and the UNESCO were initiated for the purpose of setting up in Ceylon a Pilot Library Project for the development of School Libraries and Public Libraries. These negotiations have since been finalised and the UNESCO proposes to begin this new project in Ceylon making available in 1966/67 financial provision of \$30,000.

Educational Publications

On the 15th June, 1956, a new institution by the name of Swabhasha Department was established under the Ministry of Education for the purpose of preparing books necessary for teaching in the medium of Sinhala and Tamil Languages. This Department was subsequently affiliated to the Official Language Department and functioned since 1957, under the name of "Swabhasha Section". On 30th July, 1965, Honourable Minister of Education and Cultural Affairs presented to the Cabinet a memorandum recommending the establishment of a new Department under the Ministry of Education to be known as the Department of Educational Publications based on the Publications Section of the Official Languages Department. A Sub-Committee consisting of four Honourable Ministers was appointed to go into this matter and on 31.1.1966, the Cabinet gave its sanction to the proposition. An Acting Commissioner for Educational Publications was thereupon appointed to attend to the organisational work connected therewith and this Department rendered him all the necessary assistance. He was shortly transferred and another officer was appointed in his place. He was also given all the assistance necessary in the taking over of the new Department together with all the responsibilities and functions pertaining to the Publications Section with effect from the 1st October, 1966.

During the financial year under review, of the posts of Editor that had fallen vacant, only one vacancy was filled. Two posts of Superintendents, and three posts of Editor Secretaries are yet to be filled. Although the Department had already initiated action to fill the remaining vacancies, in view of the decision to bring the Publications Section under a different Minister, the Ministry of Justice instructed not to fill the vacancies in question.

Production of Books

The Cabinet has decided that from 1968 onward, the medium of instruction in the Universities should be the mother-tongue. The staff now available in this Section is in no way adequate and the request for additional staff made during the last financial year has not been granted even this year. This onerous and important task could be successfully accomplished only if the necessary additional staff is promptly made available. Competent translators who have not only a knowledge of the subject matter but also a good command of the Sinhala/Tamil and English languages have to be secured in order to publish the necessary books. To secure the services of competent external translators is by no means an easy task. Even if the translations are done by external translators they have to be carefully revised by the Department. With the result, the publication of books is unduly delayed. As many as 150 books required in the 1st and 2nd years in the Universities are now being translated. Already about 50 books required in the 1st year at the University have been published.

In addition to the books required for the Universities, several books required for the General Certificate of Education examinations, both Advanced Level and Ordinary Level, have been published by the Department. Of them, several have been revised in accordance with the new editions and reprinted. The revision of these books entails additional time and labour. As many as 15 such books have been revised and reprinted during this year.

Progress in Publication

The responsibility fallen on the Publications Section of this Department has been from its inception, a heavy one. A good many books required for the General Certificate of Education Examination have already been supplied and at the rate of at least one book in each of the important subjects has also been published. The task of preparing the books necessary for the G. C. E. Advanced Level

and the University Entrance examination was taken in hand several years ago and most of the requirements in this sphere have already been met. Several books on subjects such as Mathematics, Physics, Chemistry, Botany, Zoology, Geography, History, Economics, Sanskrit, etc., required for this examination have already been published.

Several other books on these subjects have also been taken up for translation this year. The failure to fill the existing vacancies, however, is an impediment to the accomplishment of this task. During the year under review, about 50 Sinhala and Tamil books, including revised editions were published. This is considered satisfactory progress. Thus, excluding the public holidays, books have been published at the rate of one book for every six days. At this rate, however, it would not be possible to reach the desired target. It will be possible to achieve this only by publishing one book every two days.

The following statistics show the results of the activities of the Publications Section up to date :—

The number of books for which translation right was obtained	336
The number of books so far published	285
The number of glossaries of Technical Terms so far published	93
The number of books with the Printer	72
Total	786

The following is a table showing the number of books sent for printing and the number brought out in print since the inception of this Sections :—

<i>Year</i>	<i>Total Number sent to the Printer</i>	<i>Number printed in Sinhala</i>	<i>Number printed in Tamil</i>	<i>Number outstanding</i>
1956	—	16	7	—
1957	—	18	11	—
1958	—	19	10	—
1959	30	17	10	—
1960	14	20	10	43
1961	32	17	11	63
1962	29	25	16	51
1963	39	45	11	70
1963-64	43	39	21	91
1964-65	50	45	21	65
1965-66	46	—	12	72

Distribution of Books

The educational books are published by the Publications Section of this Department on an Advance Account. At present books are distributed by this Department and the sale of books during the year 1965-66 has been a success.

Since December, 1964, the task of distributing school books published by the Education Department was entrusted to the Sales Unit of this Department. The number of copies sold during the year under review was 2,280,140. Books are distributed by this Department on a wholesale basis. The retail selling is handled by recognised Book Shops, Co-operative Stores and Societies numbering about 835 throughout the Island. With the result that students and the members of the public in those areas have been able to buy these books without delay and at the fixed price. The Sales Unit had a turnover of over Rs. 1,725,022 from the sale of books during this year. At the end of the year (1.10.1966) the number of copies remained in the Department's Store was 443,579 of the 221 Sinhala books so far published, 163,268 of the 150 Tamil books and 3,834,101 of the 15 school books, making up a total of 4,440,948 copies.

As the education in the Universities is now being imparted in the Swabhasha media, the number of books published by this Department is rapidly increasing. It is, therefore, necessary to expand the business activities of the Sales Unit and establishing Branch Sales Units at least in the main towns such as Galle, Kandy, Jaffna, etc.

The absence of proper accommodation, inadequacy of staff, etc., are an impediment to a systematic distribution of books. If at least in the ensuing year the necessary accommodation and staff are made available it would be possible to carry out this function more successfully.

School Test books

The following text books which were prepared by the Education Department were printed by this Department and made available for purchase through Book Dealers, Co-operative Societies and school Co-operative Societies.

SINHALA MEDIUM

Sinhala First Book	First Standard
Arithmetic	Second Standard
Buddhism—First Book	Second Standard
Islam—First Book	Second Standard
Sinhala—6	Sixth Standard
Buddhism—6	Sixth Standard
Islam—6	Sixth Standard
Sinhala—2	Second Standard
Arithmetic	Third Standard
Sinhala—7	Seventh Standard
Sinhala Literature	G. C. E. (Ordinary Level)

TAMIL MEDIUM

Tamil—First Book	First Standard
Arithmetic	Second Standard
Hinduism—First Book	Sixth Standard
Islam—First Book	Second Standard
Tamil—6	Sixth Standard
Hinduism—6	Sixth Standard
Islam—6	Sixth Standard
Tamil—2	Second Standard
Arithmetic	Third Standard
Tamil—7	Seventh Standard

ENGLISH MEDIUM

English—First Book	Third Standard
English—Second Book	Fourth Standard

The following table shows the nett results of this enterprise since the inception of this Department :—

		<i>Rs. cts.</i>
1956-57	Net Loss	561 82
1957-58	Net Profit	25,359 40
1958-59	do.	46,029 69
1959-60	do.	30,741 52
1960-61	do.	362,482 45
1961-62	do.	393,368 91
1962-63	do.	41,075 50
1963-64	do.	469,981 00
1964-65	do.	640,991 00

The accounts have been certified by the Auditor-General up to 1960-61. Arrangements have already been made to have 16 more new school text books published during the course of this year. Of these books, 1,535,500 copies would be printed. However, if this venture is to be a success, the deficiencies in the staff should be supplemented without further delay. A new Storehouse equipped with modern facilities to keep these books is yet another essential requirement.

Objectives

The function of publishing of books was taken over by the Department with the primary objective of serving the cause of education by producing books of high quality and standard. During the year under review, it was expected to publish a greater number of books ; but as additional staff requested for since 1964 was not granted this could not be realized. It would be worthwhile to cite one example of the inadequacy of staff. At present there are only five officers in the Physics and Technology Unit ; but this Section is now engaged in editing 5 books and translating 23 books. Besides this, there are 60 more books remaining to be taken up for translation by this Section. With such poor staff it would by no means be possible to achieve our objective.

Purchase of books on science subjects

In order to encourage the private sector in the production of science books of high quality, this Department buys approximately Rs. 10,000 worth of books annually. The Government makes an annual allocation of funds for this purpose and each year on the advice of the Education Department several books from among the best science books published by private publishers are selected. Of these books we purchase a considerable number of copies and the royalty due on them is paid direct to the author by way of assistance to him. During this year copies of 13 such books were purchased by this Department. Books thus purchased are handed to the Education Department to be distributed among school libraries.

II—UNIVERSITY AND LEGAL EDUCATION

University of Ceylon

The University of Ceylon was established under the Ceylon University Ordinance of 1942. This Ordinance has been repealed consequent to the passing of the Higher Education Act, No.20 of 1966. This Act provides for the establishment of the National Council of Higher Education which controls all Higher Educational Institutes in the island, including the Universities.

The Corporation known as the University of Ceylon is made up of the Chancellor who is the Governor-General (ex-officio), the Pro-Chancellor who is the Minister of Education (ex-officio), the Vice-Chancellor, the Board of Regents and the Senate.

The University is governed by the Board of Regents which consists of the Vice-Chancellor (Chairman ex-officio), eleven members appointed by the National Council of Higher Education and representing educational, professional, commercial, industrial, scientific and administrative spheres, and the Deans of the Faculties. The academic control of the University is vested in the Senate.

The University of Ceylon consists of two sections—the Colombo section and, the Peradeniya section which houses about half the total number of students.

The Peradeniya Campus contains ten Halls of Residence providing residential facilities to 2,700 students. The Campus also has 400 residential houses and a large Supply Organisation catering to the needs of the Halls of Residence and the Campus population.

The University is at present composed of six Faculties—Oriental Studies, Arts (including Law), Science, Medicine, Engineering and Agriculture and Veterinary Science. The Colombo section of the University provides courses in Oriental Studies, Arts (including Law), Science and Medicine.

At the beginning of the year 1966/67 the total number of registered students was 11,017. The following table gives the distribution of students over the various courses for the academic years beginning 1965 and 1966.

TABLE 17.1—STATISTICS OF UNIVERSITY STUDENTS 1965/66

<i>Course</i>	<i>1965</i>	<i>1966</i>
Arts Degree	7,016	7,339
Diploma in Education	63	65
Diploma in Librarianship	—	—
Bachelor of Education	93	130
Bachelor of Commerce	54	79
Law Degree	85	92
Science Degree (including the first year course in Engineering)	1,170	1,139
Agricultural Degree	94	84
Medical Degrees	1,550	1,432
Dental Degree	90	96
Veterinary Science Degree	67	72
Engineering Degree	367	419
Higher Degrees	59	58
Casual Students	15	12
	<hr/> 10,723 <hr/>	<hr/> 11,017 <hr/>

The number of students who graduated in 1965 was 473. The corresponding figure for 1966 was 1,023. The table below gives the degrees awarded other than honorary degrees during the years 1965 and 1966.

TABLE 17.2—DEGREES AWARDED OTHER THAN HONORARY DEGREES, 1965-66

	1965	1966
M.D.	7	10
M.O.G.	—	—
Ph.D.	4	1
M.S.	2	1
M.A.	1	12
M.Sc.	—	1
B.A.	3	691
LL.B.	15	1
B.Sc.	194	3
B.Sc. (Agric.)	29	25
M.B.B.S.	199	161
B.D.S.	3	15
B.Sc. (Eng.)	8	91
B.V. Sc.	8	11
	473	1,023

Vidyodaya University

The Vidyodaya University of Ceylon was founded on January 1, 1959 on the enactment of Vidyodaya University and Vidyalandara University Act, No. 45 of 1958 and was formally inaugurated on February 18, 1959. The nucleus of the University was Vidyodaya Pirivena at Maligakanda, Colombo.

On the enactment of the Higher Education Act., No. 20 of 1966, provision was made for the Old Universities to be constituted as transferred Universities. In accordance with the new act, University and Higher Education are co-ordinated to the needs of the state through the National Council of Higher Education. The Corporation known as the Vidyodaya University of Ceylon is made up of the Chancellor, the Pro-Chancellor the Vice-Chancellor, the Board of Regents, the Senate and the Faculties. The Governor-General of Ceylon and the Minister of Education are Ex-officio Chancellor and Pro-Chancellor respectively.

The Vice-Chancellor is the principal executive and academic officer of the University. Financial and legislative control is vested in the Board of Regents. The Board of Regents is the Executive body. The Senate and the Faculties are the academic bodies of the University.

Admission of Students

The number of students during the year under review was 1,649. There were 11 students preparing for M.A.

Courses of Study

There are five Faculties of study, namely—

- Buddhism
- Philosophy
- Languages
- Arts, and
- Science.

Subject

Theravada Buddhism, Mahayana Buddhism, Buddhist Civilisation, Indian Philosophy, Western Philosophy, Sinhala, Pali and Prākṛit, Sanskrit and Philosophy, Tamil, English, History, Archaeology, Anthropology, Geography, Education, Economics, Sociology, Politics, Public Administration, Business Administration, Mathematics, Physics, Chemistry, Botany and Zoology.

Medium of Instruction

The medium of Instruction in the University is Sinhala, but courses are provided in English for non Sinhala students.

<i>Degree Confirmed</i>	1960	1961	1962	1963	1964	1965	1966
M.A.	—	—	1	1	1	7	—
B.A. Hons.	—	—	5	33	57	49	16
B.A. Gen.	14	33	72	224	399	405	494
Ph.D.	—	—	—	—	1	1	—
B.Sc.	—	—	—	—	—	17	16

Vidyalankara University

The Vidyalankara Pirivena had, from small beginnings in 1875, gradually developed into an important seat of learning which produced several eminent scholars. In recognition of the contribution made by it to the cause of education and culture during 84 years, the Pirivena was raised to university status as the Vidyalankara University of Ceylon and was established on January 1, 1959, by an Act of Parliament, viz., Vidyodaya University and Vidyalankara University Act (No. 45 of 1958).

There are at present three Faculties, viz., Buddhist Studies, Languages and Arts. Steps have been taken to establish a Faculty of Science for teaching of Physics, Chemistry, Botany and Zoology, and the new Faculty will commence functioning in October, 1967.

Constitution

The authorities of the University are—

- (a) Board of Regents,
- (b) The Senate,
- (c) The Faculties,
- (d) Such other bodies as may be prescribed by Statute to be such authorities.

The Board of Regents consists of the Vice-Chancellor, the Deans of Faculties and Eleven other members appointed by the National Council of Higher Education, and is in charge of the administration of the University.

The Senate consists of (a) the following ex-officio members, namely ;

- (1) The Vice-Chancellor,
- (2) The Deans of the Faculties,
- (3) The Professors and Lecturers in Independent charge of Departments of Studies,
- (4) The Librarian, and

(b) two other representatives from each Faculty elected by its members.

The Senate is the academic authority of the University, and is empowered to have control and general direction of the standards of education and examinations within the University.

Each Faculty consists of the following ex-officio members, namely, all such Professors, Readers, Lecturers and Assistant Lecturers of the Departments of Study comprised in such Faculty as have been confirmed in their appointments as such.

The Medium of instruction for all the courses offered by the University is Sinhalese. English is being taught as an optional language. The lectures for the Buddhist Studies Diploma Course are conducted in the English medium.

Courses of Advanced Study

Facilities are being provided for post-graduate students who wish to follow advanced courses of study in Oriental languages.

The Law College

The Ceylon Law College which is controlled by the Incorporated Council of Legal Education exists for the supervision and control of the legal education of students desiring to qualify as Advocates and Proctors of the Supreme Court. The Council consists of the Judges, the Attorney-General, the Solicitor-General and such other persons of standing in the legal profession as the Judges may appoint. The members hold office for three years at a time. Admission to the Law College takes place in the month of September and the number of students admitted during the year 1966 for the Advocates' course was 46 and the Proctors' course was 62.

The number of candidates who, in 1966, entered for the examinations of the Law College and the number successful are as follows :—

	<i>Entered</i>	<i>Passed</i>
Examination for the admission of Advocates	261	108
Examination for the admission of Proctors	410	192

III—ACTIVITIES OF THE DEPARTMENT OF EXAMINATION

250,000 candidates sat for General Certificate of Education (Ordinary Level) Examination in December 1966 and 40,000 sat for General Certificate of Education (Advance Level) Examination in December 1966, the Ceylon General Certificate of Education (Advance Level) Examination has been now recognised by the University of Oxford, the University of Wales, University of Southampton and a number of Engineering Institutions.

The University of London has agreed to hold their General Certificate of Education (Advance Level) Examination in 1967 for candidates who had previously passed in one or more subjects.

Over 10,000 candidates sat for the Sinhala Proficiency Examination of whom over 5,000 were successful.

A Committee of Inquiry into the Examination Department Procedure was appointed by the Honourable Minister of Education and their main recommendations consisted of discontinuance of General Certificate of Education (Ordinary Level) August Examination, the entrusting of the General Certificate of Education (Ordinary Level) December Examination to schools and removal of staff posts from the Ceylon Administrative Service. Steps have been taken to issue all certificates on security paper.

CHAPTER XVIII

MUSEUMS, ARCHIVES, ARCHAEOLOGY, FINE ARTS AND CULTURAL ACTIVITIES

I—NATIONAL MUSEUMS

Three National Museums are maintained by the Department of National Museums, namely the Colombo, Kandy and Ratnapura National Museums. The Colombo National Museum established in 1877 is the oldest Museum in the Island and is also the country's premier Museum. The other two National Museums are regional in character. These museums are valuable repositories of objects and specimens of cultural, artistic and scientific interest. The Museums are open to the public from 9 a.m. to 6 p.m. on all days except Fridays.

Under the National Museums' Five-Year Plan 1966/67 to 1970/71 various changes are envisaged including the complete reorganisation of the exhibition galleries at the three National Museums. Several new activities have also been organised in order to make the National Museums popular and serve as cultural and educational centres for the community.

In the exhibition galleries of the Colombo Museum are displayed some of the valuable and unique objects and specimens pertaining to Archaeology, Cultural History, Fine Arts, Anthropology, Zoology, Geology and Palaeontology which include Buddhist and Hindu Bronzes stone sculptures, lithic inscriptions, coins, textiles, ivories, jewellery, brass and silver-ware, Regalia of the last King of Kandy, stone implements used by the Ceylon Stone Age man, minerals and rocks, fossils and a representative collection of the Island's fauna. The emphasis at the two regional Museums are on cultural, artistic and scientific objects pertaining to the regions concerned.

Under the National Museums Five-Year Plan the cultural section of the Colombo Museum is being reorganized according to the major historic periods of the country, namely the Anuradhapura (500 B.C.—1000 A.D.) ; Polonnaruwa (1000–1300 A.D.) ; Kotte (1300–1600 A.D.) and Kandy (1600–1815 A.D.). This arrangement will help the visitor to get a glimpse of the cultural heritage of the Nation. Already the Central Hall at the Museum has been rearranged. In this gallery are displayed a collection of Buddha images representative of the Anuradhapura, Polonnaruwa and Kandy Periods including the renowned 1,500 year old Toluwila Buddha statue as key object.

The National Museums Department has earned international repute as a research centre. Researches conducted by the Departmental Officers in the various fields are regularly published in *Spolia Zeylanica* the research Bulletin of the Department. This journal has been continually published for over 60 years. New discoveries by the Museums Research Officers have increased importance of Ceylon in Scientific circles throughout the world as such knowledge is incorporated in various books both local and foreign. The Department has published also a series of coloured Atlases on fishes, reptiles and snakes of Ceylon, and these are available for sale to the public. Research has been conducted into the Museums' collection of Ola Manuscripts, and several of those relevant of Sinhalese Medicine, and literature have been copied and published under the National Museums Manuscript series. A unique publication under the series is Hugh Neville's Sinhala Kavi or a Descriptive Catalogue of 900 Sinhala Poetical Works published in 3 Volumes. The scientific data on the Physical Anthropology of Ceylon collected by J. R. de La Haule Marett, former Ethnologist of the Colombo Museum were studied and edited for the Department by H. W. Stoudt of Harvard University. These findings have been incorporated in a Museum publication titled "The Physical Anthropology of Ceylon."

A largely attended symposium was held in May, 1966, organized by the Museums Department on "The Role of National Museums in Education." Several papers were read by leading educationists of the country. Apart from the public lecture series and a Museum guide lecture service arranged by the department a special pre-Poya-day school programme for the primary school children has

also been commenced. This programme includes a conducted tour of the Museum, talks on important Museum objects, film shows, folk song recitals, etc. An Anthropological study group has also been organised and a children's Museum Magazine (Singithi) is under preparation.

Two temporary exhibitions, namely (1) the Palm-leaf Manuscripts of Ceylon and (2) Wood Carvings more held recently.

The Library of the Colombo Museum possesses the largest collection of books in the Island. It has books and periodicals pertaining to Ceylon History, Literature, Orientalia and Zoology. The Palm-Leaf Manuscripts numbering over 3,000 form a valuable section of the Library. It is primarily a departmental reference Library, but approved research workers are allowed to use the library. The library maintains exchange relations with 450 foreign Museums and Universities all over the world.

Every museum under the Department is associated with a Museum Advisory Committee. The functions of these Committees are mainly of an advisory nature relevant to the activities of each Museum and the general policy of the Department. The Director of National Museums is the Chairman of each Advisory Committee. The National Museums Department maintains cordial relationships with the International Council of Museums (ICOM) in Paris, and the Director of National Museums is the present Chairman of the Ceylon National Committee of ICOM.

II—GOVERNMENT ARCHIVES

The Government Archives is administered by the Department of Archives. Although the Department had its beginning about 1656, its latest phase began in 1899, from which date it has progressed rapidly to the status of a department in the present administrative set up of the Island. It comprises the Historical Manuscript Commission, the Office of the Government Record-keeper, the Office of the Registrar of Books and Newspapers and the office of the National Bibliography. The main function of the department is to preserve old documents and publish them for the use of the research worker. The editing and publication of documents occupy an important place in the activities of the Department. Normally research workers are allowed access only to documents over 50 years old but other documents less than 50 years old may be consulted with official permission depending on the nature of the material.

A commanding site in the heart of the most attractive quarter of the city has been recommended by the Official Sub-Committee on the future use of the Havelock Race Course, for the purpose of the construction of the proposed new Archives Building. Monetary provision in a sum of Rs. 50,000 was allowed in the Estimates of the ensuing year for the preliminary work in connection with the preparation of the site.

An agreement was concluded by the Government with the UNESCO to obtain the services of the UNESCO Mobile Microfilming Unit to microfilm some of the available oldest records in the Archives. Arrangements for this project have been finalised, and the Department awaits the arrival of the UNESCO Microfilming Unit.

During the year under review a large number of Scholars and Readers utilised the facilities provided by the Department for research. Nearly 614 readers have consulted records in person. Several Scholars from abroad too visited the Search and Reading Room for purposes of research.

Of the new accessions to the Department during the year, the Government Agents' Diaries (1848-1956) and Assistant Government Agents' Diaries (1923-1952) of Kurunegala and the Service Tenure Commission Reports and Cases of Ratnapura District deserve special mention.

Photostat copies of twenty-four old Ola Manuscripts from the British Museum and a Microfilm copy of Replies of Chief Justice Ottley and Puisne Justice Marhsall to the Commissioners of Eastern Inquiry (1829) from the Public Record office were obtained. A photostat copy of Lord Hobart's Minute of the 9th June, 1797 was also obtained from the Public Record Office.

A total of 3,839 publications were received for registration during the year. Out of this, 425 were periodicals. During the year 46 new declarations in respect of Newspapers were received. The total number of new Printing Presses registered during the year is 98.

III—ARCHAEOLOGY

The subject of Archaeology in the Island is handled by the Department of Archaeology. The maintenance of Archaeological Reserves distributed all over the Island and the monuments situated thereon is one of the primary functions of the Department. These monuments play a significant part in the cultural life of the community. They are one of the main attractions which draw tourists to the Island. Some of the most venerated shrines of the Buddhists are located on or near these Archaeological Reserves and thousands of pilgrims visit them during the various religious festivals. On these Archaeological Reserves are also to be found some of the most outstanding examples of the ancient art of the Island, and many art lovers from home as well as from abroad visit them in order to study as well as draw inspiration from them. Hundreds of historical documents engraved on living rock or slabs and pillars fashioned by the hands of man are scattered in these Reserves. The extensive reserves at the ancient cities, converted into attractive parks with motor roads and foot paths, have an aesthetic appeal of their own and are ideal holiday resorts, even apart from their religious, historical and artistic appeal.

During the year 1966, the activities of the Archaeological Department, so far limited to a few well known sites in the Island, were spread over the whole country. Planned excavations were undertaken in many parts of the island. The most important excavation of the year was conducted at Kantarodai, a very ancient site in the extreme north of the Jaffna Peninsula. The buildings and the sculpture at this site had been for the most part, of coral. The excavations have so far revealed the foundations of one Stupa and a number of smaller votive stupas. Among the finds were stone reliquaries, finials of dagobas potsherds, laksmi-plaques, guardstones, sacred foot-print stones and a large collection of beads. The excavations are being continued.

Though the archaeological work at Anuradhapura has now been handed over to Anuradhapura Preservation Board some work was done this year too by the department of Archaeology. The work done at this station included the excavation at the bottom basal terrace of ABHAYAGIRI DAGOBA and the conservation of the lime plaster exposed there; the conservation of the main wall of the Ransimalaka; and minor excavations at and conservation of the image house at TOLUVILA which originally housed the Toluville Buddha statue.

At Mihintale the restoration of the MAHASEYA now handed over to the State Engineering Corporation is progressing satisfactorily under the supervision of the Archaeological Department.

An excavation conducted near the north gate of the outer rampart at POLONNARUWA yielded potsherds, fragments of tiles, iron implements, coins and fragments of some clay figurines. The conservation work in hand already at Rankot Vehera was continued.

The stone lion which supported the throne of Nissankamalla (A.D. 1187-1196) which had been brought to the Colombo Museum in the last century was taken back once more to Polonnaruwa and re-installed in Nissankamalla's Council Chamber which has now been conserved and partially covered with a conjectured roof.

At Yapahuwa the conservation of the ornamental gateway was continued.

The conservation of one of the ponds excavated earlier at the pleasure garden Sigiriya was completed. The road to the rock of Sigiriya is now diverted to go over the ancient causeway at the outer moat and made to follow the ancient path as far as possible from that point.

Preliminary steps are being taken to make Sigiriya an attractive tourist resort.

A Bodhi-Ghara (house for bo-tree) an image-house, a stupa and a chapter-house have been exposed at the ancient Ruhunu Maha Vihara presently called Magul-Maha Vihara near Lahugala in the Batticaloa District.

Excavations were also conducted at other sites such as Menikdena near Dambulla, Dighavapi, Uchchavalika-Vihara at Bolana near Ambalantota and the Sandagirisaya at Tissamaharama. Sites other than those referred to above where conservation work was done during the year, include Sutighara Chetiya, Dedigama ; Temple of the Tooth, Panduwas Nuwara ; Velgam-Vehera, Padaviya ; Gurudeniya, Yahangala ; Embekke, and the Mahasaman Devale, Ratnapura

Several sites all over the country were inspected and noted for further investigations.

The Chemical treatment of paintings at sites such as Sigiriya, Danakirigala and Dambulla, conservation of inscriptions, statues, monuments, etc., in many ancient viharas in the country and the examination of the burial inns from Pomparippu excavations were attended to by the Chemists section of the department. This section also conducted experiments for obtaining plastic reproduction of inscriptions indited on stones.

During the year 59 estampages of inscriptions were collected. Vol. 1 of the Corpus of Ceylon Inscriptions containing 1,268 Brahmi inscriptions is in the final stages of printing and will be out of the press soon. Vol. II of the same publication dealing with all known inscriptions from 1st century A.D. to 4th century A.D. is ready for the press.

Publications of the Archaeological Department for the year include a booklet of the Art Series on Sinhalese Doorways. Three booklets of the same series on Moonstones, Dance forms and music and Tivan Frescoes are under preparation. Two guide books on Polonnaruwa one in English and the other in Sinhalese an English guide book on Sigiriya are also in preparation.

The Archaeological Museums at Anuradhapura, Polonnaruwa, Sigiriya, Ambalantota, Amparai, Jaffna and Kandy were improved in many respects and new finds from the respective areas were added to their collections.

IV—FINE ARTS

The pictorial traditions of Ceylon go back to the 3rd Century B.C. when Buddhism was introduced from India in the missionary enterprises of that sub-continent's greatest Emperor Asoka. Painting came with other aspects of culture, as dower of the new religion. When religious buildings were reared to the glory of the Buddha, paintings formed part of the scheme of moral edification and less of aesthetic decoration. The themese of these paintings were selected from the 550 Jataka stories which were connected with the life of the Bodhisatva and were visual side to bring home the value of Pāramitā or Strivings towards Perfection.

The remains of these ancient paintings we know through notices in ancient books as well as from the researches of the Archaeological Department. The earliest paintings of any note extant are however, datable no earlier than the 5th Century A.D. They are known as the Sigiriya frescoes but are not patently religious. In the twelfth century we still find the calssical school, samples of which are found in Polonnaruwa and in desolate rock-caves of the forests. The Kandyan school and its counterpart in the South evolved its own method of painting technique.

In the opinion of an Indian expert Ceylon's remnants of paintings are more numerous than in India. The folk art of the Island, known as Sittara, is pecuiliary to Ceylon. This type of art persists to our day. During the Kandyan times, i.e. 16th to 18th centuries, this art received its best expression. With the coming of the first European (Portuguese) with vested interests in Ceylon, a new trend in art appeared which became most noticeable in British times.

Folk Art

The tradition in folk arts is what has been handed down from the Middle Ages of Ceylon. The Golden Age of Sinhala Folk Arts was the Kandyan period of Ceylon History, with the system of

service tenure which ensured the economic self-sufficiency of the artisan. The stimulus was so profound that it took shape in the Kottal Bedde, the Department of Folk Arts, one of the fourteen departments of the Kandyan Public Services.

Among the most colourful of the Folk Art, are the Masks of Ceylon the artistic expression of the folk mind, as distinguished from the "fine arts" the art of the sophisticated, Ceylon masks are of two categories—those used in the ritual dances in which the myths and legends of the past are vigorously danced out to the singing of the deeds of the supernatural. The Kolam is the popular masquerade of the South. Actors don masks suited to the several roles.

Disguised by the masks, short episodes are enacted giving free scope for the comic. The art of the mask is a highly realistic art, emphasising the idea conveyed most effectively. The art of the Ceylon mask ranks among the highest expression of the art of simple folks.

A folk art of medieval Ceylon was the Rukada, or the art of Puppetry, dramatising stories with the use of round, gorgeously coloured and manually operated figures.

Fine Arts

The Art Council of Ceylon which has been constituted by an Act of Parliament has been in existence since 1952. This body receives an annual grant from the Government and functions through a number of panels. Each panel looks after a particular branch of activity. There are panels for Handicrafts, Pageants and Festivals, Sinhala Drama, Tamil Drama, Islamic Fine Arts, Music, Films, Publications, Paintings, Kandyan Dancing and Low-Country Dancing.

Other institutions and organisations which work for the development of Fine Arts in the country are the Ceylon Society of Arts, the '43 Group and the Jatika Kala Peramuna.

Kandyan Dance

Arising out of the renaissance in the art and culture is a consciousness of the place of the Kandyan Dance Art in the life of the nation. Kandyan dance art finds its expression today in the Ves Natuma, the Naiyandi, Udekki and Pantheru dances. These dance forms are spectacular displays of artistic excellence and possess great entertainment and educative value.

Government College of Fine Arts

The Government College of Fine Arts which was reconstituted on 1.10.65 is the only institution of its kind in Ceylon and is divided into three Colleges with three Principals and these Colleges are being administered by the Director of Education. Specialized Courses in Drawing, Painting, Modelling and Sculpture, Commercial Art, and Illustration, Wood Carving, Light Metal Work, Pottery, Fabric Painting, Art Weaving and Embroidery, Applied Arts are being conducted at the College of Arts and Arts Crafts. A six year course in Oriental Music including our Traditional Folk Songs is held at the College of Music and a Diploma Certificate Course in Dance and Ballet comprising Kandyan and Low Country Dancing exists at the College of Dancing and Ballet.

The standard of performance at these institutions compare very favourably with those of similar institutions in other parts of the world.

V—CULTURAL ACTIVITIES

The Cultural Activities of the Government are administered by the Department of Cultural Affairs. The activities of this department broadly fall under Art, Literary and Religious Sections.

During the year 1966 this Department conducted the following by way of promotion of Literary, Arts and Crafts and Religious Activities.

Promotion of Literary Activities, Arts and Crafts

As in the previous year, under the approved scheme of granting assistance, financial aid was given to the Kalāyatanas registered under the Department. Several Ballets produced during the year were also granted financial assistance. The District Arts Councils which function under the Chairmanship of the Government Agents of the various districts, assist in the promotion of Art according to the needs of the people of each area. Moneys were allocated to these Councils to meet the expenses of pageants and festivals organised by them. The Cultural Pageant at Kurunegala on Independence Day, "Devol Maduwa" at Kalutara conducted by the Arts Council of Ceylon and the Grand Arts Pageant at Moneragala were the more note-worthy items organised by these bodies.

Two scholars from India who followed a course of instruction in indigenous dancing, left for the homeland in the year 1966. Similarly two Russian scholars who came on cultural scholarships for the study of Buddhist Philosophy and Sinhala Language returned to their country having completed their studies.

The World Drama Day on 27th March, 1966, marked the occasion for the launching of a programme of work for the development of Drama in this country. On this day an Island-wide threefold progressive scheme for the development of Drama was launched viz. popularising drama of a high standard, publicising the importance of the World Drama Day in the country, thereby enhancing the aptitude of the theatre-going public for quality Sinhala Drama.

During the year 1966 a Russian Acrobatic Troupe visited this country and gave several performances.

A series of celebrations in connection with the 1966 Ceylon Literary Day were organised by Literary Societies in various Districts and in the City in collaboration with the Department. There were several principal organizations in the forefront which conducted celebrations in the City by holding public meetings, literary seminars, and literary contests. Assistance was also afforded by the Department to the various Local Bodies in the Island which organised Sahitya Day Celebrations. In addition to these celebrations in the Districts, the Department and the District Arts Council of Badulla assisted the Sri Lanka Sahitya Mandalaya to conduct a Literary Seminar on the topic "Sinhala Prashasti Hatan Kavya" at the Keppetipola Maha Vidyalaya, Badulla, on 12th and 13th September, 1966. Furthermore, a grand exhibition based on the historical and cultural relations of Uva was held at the Vidyalaya premises. The Department, under the scheme of assistance to writers, purchased a number of copies of each of their books so printed. Books and publications purchased under this scheme were distributed free among the libraries recognised by the Education Department, Literary Societies in Government Departments, Libraries, and Public Libraries conducted by Local Bodies.

Promotion of Religious Activities

Prādēsiya Sāsanārakshaka Mandalayas organised by the Department for the purpose of fostering better relations between the monks and the laity, establishing ways and means for a furtherance of religious knowledge, organising sil campaigns, and special religious activities, establishing of Dhamma Schools, anti-crime and temperance work were given financial assistance by the Department.

This year too, under the scheme of assistance to Sāmanera monks the Department afforded assistance to them to procure books to pursue their studies. The scheme of supplying Dhamma books free of charge to Buddhist students, to enable them to acquire a religious knowledge was in force this year as well.

Financial assistance was also afforded for the maintenance of resident monks at the London Buddhist Vihare, the Washington Buddhist Temple, the Buddhist Vihare in Berlin and the Sanchi Vihare in India.

A large sum of money was spent by the Department for the building of Buddhist religious place of worship in Ceylon this year as well.

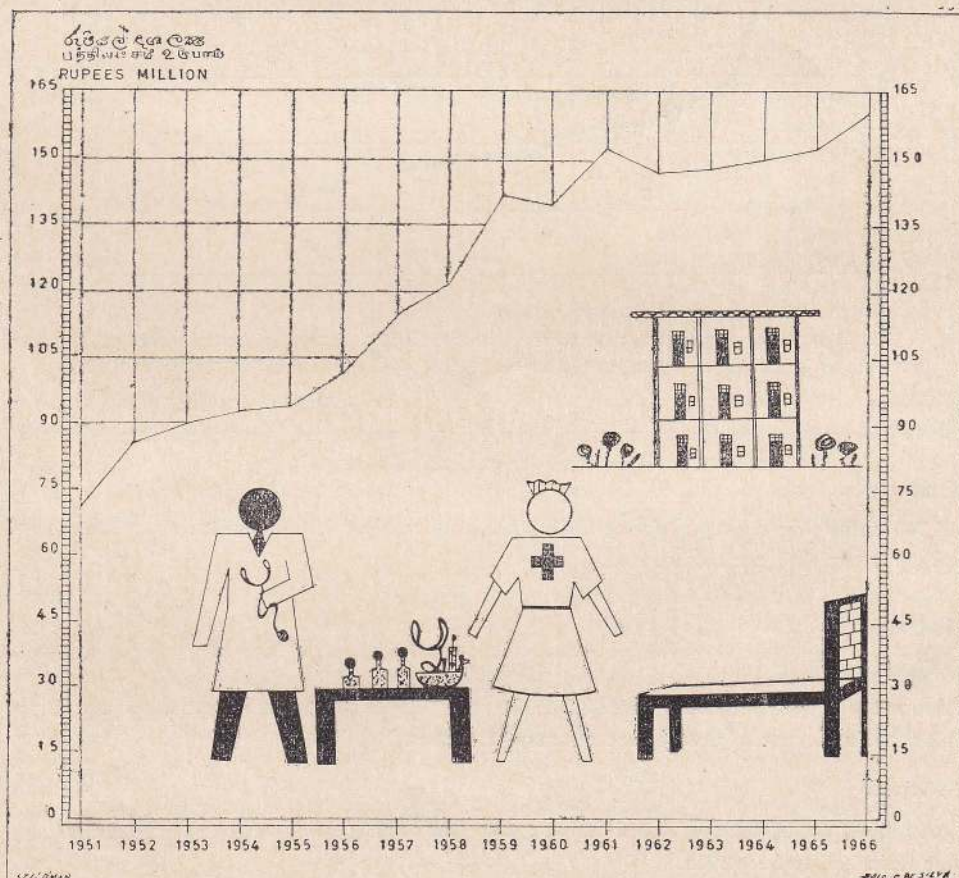
CHAPTER XIX

PUBLIC HEALTH

I—GENERAL

The planning and financing of Public Health and medical care services in the Island rest mainly with the Government. The Health Services are administered by the Department of Health functioning under the Ministry of Health. The functions of the department fall into four broad divisions of Medical Services, Public Health Services, Laboratory Services and Co-ordinated Services. The Department has also instituted special Campaigns for Tuberculosis, Filariasis, Venereal Diseases, Malaria, Leprosy and Mental Health. The amalgamation of the Department of Health with the Ministry of Health in 1966 marked a progressive step in the closer co-ordination of Health Administration.

CHART NO. 25—EXPENDITURE ON PUBLIC HEALTH 1951–1966



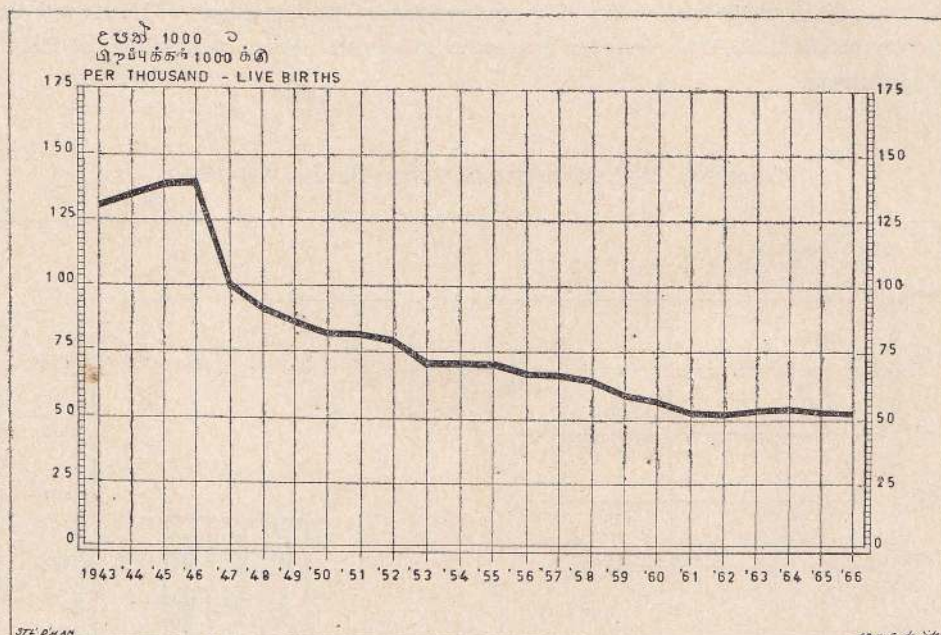
II—VITAL STATISTICS

information relating to associated vital events is very essential for the purpose of assessing and evaluating standards attained in different spheres of health work of the nation.

Population

The estimated mid-year population for 1965 was 11,232,000. This indicated an increase of 2.4 percent over 10,971,000 the mid-year population in 1964. The rate of natural increase was 24.6 per thousand population.

CHART NO. 26—INFANTILE MORTALITY RATE 1943-1966



Births

367,743 births were registered during 1965. The birth rate per 1,000 population was 32.2. This was the lowest birth rate recorded.

Mortality

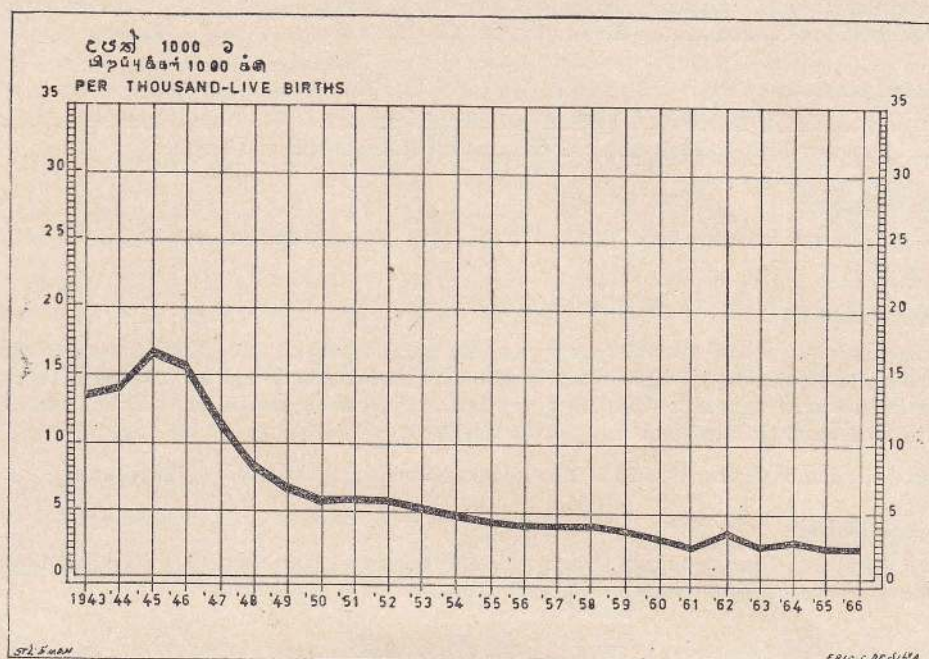
(i) GENERAL

The number of deaths recorded were 90,765, the general death rate being 8.2 per 1,000 population. This shows a decrease of .7 over the previous years figures.

(ii) INFANT

19,500 infant deaths were registered during 1965. The infant death rate appears to be increasing from 52 in 1961 to 56 in 1965.

CHART NO. 27—MATERNAL DEATH RATE 1943-1966



(iii) MATERNAL

There were 880 maternal deaths registered during 1965. The Maternal mortality rate was 2.4 in 1965.

Life Expectancy

Unlike in other countries the expectation of life at birth for males is higher than for females in Ceylon. Figures indicate a life span of 61.9 for males and 61.4 for females.

III—MEDICAL SERVICES

Heavy demands were made on the medical services of the country. During this year 1,784,791 patients sought indoor treatment at all government hospitals as against 1,640,169 during the previous year while the attendance of outdoor patients was 31,742,339. In addition 3,389,000 were treated in the clinics.

The number of deaths recorded in the hospitals was 27,929.

As more accommodation and better medical facilities are being made available both in the towns and in rural areas the number of in-patients continues to increase. While the largest number of in-patients are found in the Health Divisions of Colombo, Kandy, Kurunegala and in the Colombo Group of Hospitals, the lowest number was treated in the Vavuniya Health Division.

There has been a significant decrease in the number treated in the two main Maternity Hospitals in Colombo—from 43,319 patients to 38,024 in 1965. Chest Hospitals treated 6,914; Menta Hospitals treated 14,414; Leprosy Hospitals 1,238; Infectious Diseases Hospitals 5,686; Cancer Hospitals 3,798; The Dental Institute 1,413; The Eye Hospital 5,969 and the Children's Hospital 9,919.

The largest number of indoor patients treated was for influenza which accounted for 126,077—Gastro Enteritis and Colitis accounted for 88,316 with 1,831 deaths. There were 9,793 patients who were treated for Tuberculosis and 729 deaths from T.B. Heart diseases claimed 2,922 lives.

Medical Institutions

The total number of Government Medical Institutions increased to 843 from 814 in the previous year. Two new Base Hospitals are under construction at Avissawella and Kegalle.

Bed Strength

The bed strength increased from 35,151 to 35,868 as at 30.9.1966 and the ratio is 3.2 per 1,000 population.

Specialist Services

In keeping with the policy of the Department the specialist services are being extended to the Provincial Hospitals, Base Hospitals and to some of the larger District Hospitals. During this year 15 medical officers returned to the Island after obtaining specialist qualifications while 43 medical Officers left on scholarships to obtain specialist qualifications.

At the end of September 1966 there were 358 specialist Medical Officers in the Department.

Medical Supplies

The Civil Medical Stores continues to be the Central Medical Supplies Division of the Department. Divisional Drug stores were opened at Kegalle and more will be opened later.

IV—PUBLIC HEALTH SERVICES

Maternal and Child Health

An important aspect of the Public Health Services, the Maternal and Child Health program covers the care of the expectant mother, infant, pre-school and school child. Although the mortality rates in these groups have declined over the years there remains much preventable morbidity.

Maternal and Child Welfare services are centred round Health Centres, where mothers and children up to the pre-school age group receive attention and the schools where the medical needs of the school child are cared for. Health Education work relating to mother and child health is carried out as a routine activity by health personnel in the field and in institutions.

Public Health Midwives whose primary duties consist of the care of the expectant mother, now perform a number of other duties like immunisation of children, family planning activities, health education, and domiciliary after-care of T. B. patients and contacts. More and more expectant mothers prefer institutional deliveries to house deliveries owing to the availability of such facilities within easy reach. During this year 44,043 home deliveries were carried out by midwives and 230,986 in institutions.

There was greater co-ordination and co-operation between the field and institutional services in the field of mother and child welfare. This was also extended to schools. Obstetricians and Paediatricians attached to hospitals continued to conduct clinics in the periphery.

Dental Health

The Dental Training School at Maharagama provides facilities for the training of 40 pupil Dental Nurses in two batches. This year 20 nurses had passed out having successfully completed their two-year course of training.

There are 85 school Dental Clinics in the Island manned by 170 Dental Nurses. During this year 12 school Dental Clinics were opened and were functioning.

These Clinics are distributed as follows :—

Colombo	44
Kalutara	5
Galle	8
Matara	5
Kegalle	7
Kurunegala	4
Kandy	8
Ratnapura	2
Badulla	1
Jaffna	1
	<hr/> 85 <hr/>

School Health

There are 6 School Medical Officers and 21 School Health Assistant Medical Practitioners, who attend to School Health work. The greater part of the work is carried out by Medical Officers of Health, Medical Officers of Institutions and Registered Medical Practitioners.

Paediatricians attached to Provincial and other Hospitals carry out School Health Work in the selected schools close to their institutions. With the appointment of more Medical Officers of Health it is hoped to increase the output of this work and to give an adequate service to a large number of children.

School Sanitation

This forms an essential requisite to compulsory education of all children in Ceylon. The importance of observing sanitary conditions in schools has always been emphasised. Efforts are being made with the active co-operation of the Ministry of Education through the Joint School Health Council and Parent-Teacher Associations to provide sanitary and health surroundings for school children.

Medical inspections and corrections of defect are being carried out. 2,975 schools were taken up for medical inspections and 248,119 children examined.

Mid-day Meal

Skimmed Milk provided by CARE and a bun form the mid-day meal distributed to school children.

Two schemes of free milk distribution are undertaken by the Department of Health.

(a) The National Milk Scheme is operated through a network of milk feeding centres established throughout the country. These centres distributed milk to expectant and nursing mothers and pre-school children. During this year 2,030 fresh milk centres and 867 skimmed milk centres functioned and distributed 7,785,581 pints of fresh milk and 415,325 pounds of skimmed milk respectively.

(b) The CARE Milk Scheme is carried out fortnightly through Health Centres, Maternity and Child Welfare Clinics and Medical Institutions. Under this programme skimmed milk supplied by the CARE Organisation is distributed as a dry ration to pre-school children, expectant and nursing mothers, T. B. and Leprosy patients and their immediate contacts.

There were 496 such distribution centres functioning during the year and 1,918,984 pounds of milk powder were distributed.

Family Planning

Swedish-Ceylon Family Planning Project continued its activities and the Ceylon Government renewed the Agreement with the Royal Government of Sweden for a further period of three years ending August, 1968. Family Planning Programmes have been integrated with the Maternal and Child Health Services of the Department of Health Services and is being carried out as a Government project with Departmental Personnel.

The Swedish-Ceylon Family Planning Project is responsible for the training of Medical and para-Medical personnel and providing equipment and contraceptive material for use in clinics as well as for field distribution. The Family Planning Association assists in training and education in family planning.

This programme will be introduced to the entire country which is divided into 4 regions over a period of 3 years ending in September, 1968.

It is the objective of the programme to reduce the rate of growth of the population of Ceylon which is now 2.5 per cent per year, to approximately 1.5 per cent a year and to induce at least 500,000 families to adopt and practise family planning.

Epidemiology

A study of the Poliomyelitis morbidity trends revealed that in 1965-1966 there were 345 cases, the largest number of cases (107) being from the Health Division of Colombo. 95 per cent of the victims were under 5 years of age and the incidence for the country was 3 per 100,000 population.

There was a high incidence of Typhoid fever in the Health Divisions of Ratnapura, Kandy and Kurunegala.

An increase in the incidence of Infectious Hepatitis is seen in the areas of Colombo, Kandy, Kegalle and Kurunegala. The epidemiological pattern of the disease is being studied.

No cases of Small-pox were reported during the year and there was no outbreak of Chikungunya (Dengue) fever.

Follow up work was continued with regard to Diarrhoeal diseases. In addition to the laboratories at the Colombo North Hospital, the Ragama and Fever Hospital, Angoda, the laboratories at the Children's Hospital, the General Hospital, Colombo and the Ratnapura Hospital were provided with facilities for bacteriological analysis, with the assistance of the W H O microbiologist.

The Ascaris Control Project at Horape, Ragama and at Peliyagoda which is a joint venture of the Epidemiological Unit, W H O Consultant in Microbiology, the Public Health Veterinary Officer and the M. O. H., Ja-Ela, was commenced in 1964. The entire population in two areas were given treatment with one dose of antepar once monthly and repeated for 5 consecutive months. Parasitic surveys were carried out and Horape was fully sanitized.

Routine Immunisation of infants were carried out in all areas against Poliomyelitis. A total of 281,883 vaccinations have been carried out against small-pox. Anti-Typhoid Innoculations were intensified in high incidence areas. D.D.T. immunisation has been effectively carried out and there is a marked increase in the figures.

The Epidemiological Unit took an active part in the training programmes for Medical Officers of Health and Public Health Inspectors.

International Quarantine

Immunisation of illicit immigrants kept in the Detention Camp by the Police continued to be done by the Fort Health Officer.

The Indo-Ceylon Ferry service which was suspended due to the Cyclone was resumed on 31.3.1966.

There were no quarantinable diseases detected among ship's crews or passengers kept under surveillance.

Mosquito control work assumed great importance due to the outbreak of Haemorrhagic fever in the city of Colombo and other coastal towns and blood filming of crews and passengers from the Maldiv Islands was attended to regularly.

Public Health Veterinary Services

The second phase of the 5-year Rabies eradication programme was conducted in the rest of the M. O. H. areas of the Western Province. 47,000 dogs were immunised in 6 Health Areas with a modified live virus vaccine of chick embryo origin. In addition 31,679 dogs were vaccinated in the other areas.

3,651 stray dogs were seized. In all 97,000 dogs have been immunised in the Western Province within 10 months. In the past two years a significant drop in the incidence of Rabies has been recorded.

The Medical Research Institute examined 864 brains of which 482 were positive, 225 negative and 157 unfit.

V—SPECIALISED SERVICES

Tuberculosis

The problem of T.B. still remains a serious public health menace. The Campaign has not relaxed its activities in any field of attack. In addition to the existing activities, it has also launched a pilot project to find out more effective methods in case finding, treatment and B.C.G. vaccination. It also launched a bi-weekly treatment project in Jaffna during the year reviewed.

There has been a gradual reduction in the number of patients detected since 1962. It is presumed that one of the factors responsible for this trend may have been the B.C.G. 3-year Plan under which all the schools in the Island were visited, thereby vaccinating more than 1.1 million children.

During the year 1965/66, 7,233 notifications were received at the Central Register and 6,417 of them were registered as newly diagnosed cases. Of the new cases registered 5,571 or 86.8 per cent were suffering from Pulmonary Tuberculosis. 2,515 cases were from the Colombo district and of those 1,044 were residents of Colombo City, where only 68.5 per cent of the females were over 25 years of age while 83.1 per cent of the males were over that age limit. The disease was marked among females below 25. The number of cases remaining on the Central Tuberculosis Register at the end of the financial year was 66,849.

There has been a slow but steady fall in the mortality rate from T.B. According to the Registrar-General 1,290 deaths occurred from T.B. of the respiratory system in 1963 giving a death rate of 12 per 100,000 population.

There were 60 Clinics and Branch Chest Clinics functioning during the year concerned. There were 152,380 first visits to these centres as against 150,079 in the previous year. The Pulmonary T.B. cases detected from among these first visits were 5,888 giving a percentage of 3.8. The number of contacts examined this year was 20,618 whereas the number examined the previous year was 20,106. There were 39,394 patients who got ambulatory treatment in the clinics at the end of the year.

B.C.G. vaccination of school children under the Second B.C.G. Plan started in September, 1964 was carried out in all the provinces. 308,610 persons were mantoux tested as against 283,026 in the previous year. The tests were read in 269,547 persons of whom 196,196 were negative reactors and 192,295 of them were given the B.C.G. vaccination.

B.C.G. vaccination of New Born Babies was commenced in May 1963 at the 2 Maternity Hospitals in Colombo. This activity was extended and this programme is now carried out in 10 hospitals.

There were 32,410 births in these Institutions and 21,245 were vaccinated giving a percentage of 65.5.

8,454 school teachers were X-rayed this year. This scheme was inaugurated in April, 1964 and since then a total of 23,325 school teachers have been X-rayed. Of this number 276 had some kind of lung pathology and 37 were suspected cases of T.B.

A T.B. Pilot Project was established in the North Western Province towards the end of the financial year with the assistance of WHO. & UNICEF, in order to—

- (1) detect new cases of T.B. by direct sputum examination.
- (2) administer bi-weekly treatment to T.B. Patients. (Drugs are administered to the patients twice weekly at the health centres).
- (3) introduce throughout the North Western Province vaccination of all new borns with B.C.G. and
- (4) try out the feasibility of introducing direct B.C.G. vaccination to school children without a preliminary tuberculin test.

Malaria

The National Malaria Eradication Programme is faced with the problem of resumption of *P. malariac* transmission after cessation of spray operations. The authorities are deeply concerned with this new development and the possible factors responsible are being studied. The W.H.O. too, is keenly interested in this phenomenon which has also been observed in other tropical areas, where this species of parasites had been prevalent, and has appointed a consultant to study the problem and indicate lines of research.

The Eradication Programme suffered a reverse about the middle of the year with the occurrence of several localised scattered foci of *P. malariac* in different parts of the country and the reappearance of *P. falciparum* transmission, which had hitherto been confined to the Eastern Sector, in two localities of the Northern Region.

A total of 439 positive cases was detected of which 39 were imported infections from the Maldives (34) and Pakistan (5) and 400 local infections. Among the local cases, *P. malariac* ranks high with 254 infections which were widespread throughout the previously malarious areas except in the North, followed by *P. falciparum* infections which were less than in the previous year and mainly confined to the Eastern Region except for the two localities in the Northern Region. After a lapse of over two years six positive cases of *P. vivax* were detected in the Central Endemic Region which gave rise to speculations of a simian origin but which were dispelled on subsequent investigations undertaken with the Parasitological Unit of the University of Ceylon.

Though sporadic cases of *P. Malariac* have been encountered, focal outbreaks of this species of parasites have been mainly from projects—resettlement schemes and development areas where people are housed in community dwellings, etc. Close liaison has been established between the Anti-Malaria Campaign and the Departments concerned in these activities whereby forward information of new work sites, etc., is being relayed to the Anti Malaria Campaign enabling it to take action, in advance. On the other hand, foci of *P. falciparum* have been detected in remote hamlets and temporary settlements in 'chenas' and new jungle clearings where maintenance of regular coverage has been interrupted by operational difficulties.

To combat the foci of *P. malariac* transmission 6 additional spraying units were established and presumptive treatment extended to vigilance unit areas where cases were detected and at the end of the year this activity was carried out in all medical institutions and by active surveillance agents in 18 of 37 existing vigilance units.

Mass radical treatment was undertaken in areas of *P. falciparum* transmission under regular insecticide spray coverage. A full course of radical treatment was given to all household contacts of positive cases and suspected cases in foci of transmission, of all species of parasites.

The total blood examination output for the year was 1,418,282 which constitutes 19 per cent of the population in the malarious areas.

The different activities of the programme were vigorously carried out and case detection, particularly of the active form was further strengthened and intensified. Epidemiological investigations were more intensively carried out and remedial measures promptly applied and followed up.

Training and orientation of health personnel of the General Health Services for vigilance activities were continued during the year.

With extension of spraying operations to areas of *P. Malariac* transmission and intensifying of case detection activities the approved cadre of Public Health Inspectors, Supervisors and Spraymen was increased and additional funds provided to meet the new commitments of the programme.

At the request of the WHO the Fifth Asian Malaria Conference was held in Colombo in late October and was opened by the Honourable Prime Minister. 23 Asian countries participated in the Conference which was attended by nearly 100 delegates and observers from the countries represented and the international agencies, WHO, U.S. AID and UNICEF.

According to the monthly returns received from the institutions only one clinical case has been diagnosed for the year and this, too, in the non malarious area. A total of 174 positive cases have been detected from blood smears taken from fever cases at medical institutions.

Cases have been detected in all the Districts except Mannar, Nuwara Eliya, Kalutara and Matara with the largest number from Kurunegala District (61) closely followed by Batticaloa (70), Anu, radhapura (58), Trincomalee (56), Puttalam (52), Colombo (37), Polonnaruwa (35), Ratnapura (21)-Amparai (21), Hambantota (14), Galle (7), Jaffna (6), Badulla (3), Matale (2), Vavuniya (2), Moneragala (2), Kandy (1), and Kegalle (1). The cases detected in Colombo, Galle, Kandy, Kegalle, Vavuniya and Jaffna Districts were imported from within or without the country while in the other Districts the cases have been from local transmission.

No malaria deaths have been recorded for the year according to the monthly returns received in this office from Health Officers, collected from the Registrars' Returns of their respective areas.

During the year a total of 3,512 blood smears from treated positive cases and 9,046 blood smears from contacts were taken. The number of follow up blood smears taken represents 69 per cent of the target for the year compared to 50 per cent in the previous year.

Remedial Measures simultaneously undertaken with the epidemiological investigations and in respect of each positive case or focus of transmission were as follows :—

- (a) Radical treatment of positive cases, household contacts and suspected cases by daily visits of the Vigilance Unit Officers.
- (b) Three mass surveys being undertaken at monthly intervals within half mile raidus of the positive case in respect of *P. falciparum* and *P. vivax* infections and two for *P. malariac* cases at 6 weekly intervals.
- (c) Focal spraying carried out within half to one mile radius and continued at 4 monthly cycles for one year and extended if positive cases are detected in neighbouring areas.
- (d) Mass radical treatment carried out in isolated communities, temporary chena settlements worksites, etc., and in foci of *P. falciparum* transmission.
- (e) Follow up of treated positive cases and household contacts through monthly blood filming for one year.

Microscopic examination of blood smears is carried out at the Central A. M. C. Laboratory located in the Headquarters premises and serves the entire country. It is well equipped and staffed for this work to be carried out efficiently.

Filariasis

Infection due to *W. bancrofti* was the chief filarial problem of the country. Night blood surveys carried out in hospitals outside the known endemic belt did not reveal any new foci. Special surveys carried out in the Kalutara health area bordering the endemic belt did not show any endemic focus.

The Microfilaraemia rate of 1.6 per cent for the year is the lowest recorded since 1960 when a new system of record keeping was brought into operation. The Microfilaraemia rates by Anti-Filaria Campaign areas varied from 0.5 per cent in Ja-Ela to 3.5 per cent in Unawatuna. Areas with Microfilaraemia rates under 1 per cent. included Ja-Ela, Kalutara, Negombo, Moratuwa and Panadura. Areas with relatively high microfilaraemia rates were Unawatuna 3.5 per cent, Peliyagoda 3.5 per cent, Kolonnawa 2.3 per cent, Galle 2.2 per cent, Wattala 2.1 per cent and Alutgama 2.1 per cent.

Blood surveys were also carried out in four new rural areas during the year. A total of 6,672 blood films yielded 173 positives (Mf. rate—2.6 per cent). The Microfilaraemia rate varied from 0.5 per cent (at Katana) to 5.4 per cent (at Telewela.)

Blood surveys carried out in the former B. malavi areas, totalling 13,357 blood films did not reveal any case of Mf. malavi.

Parasitological control was extended to 9 more Town Council areas and 4 Village Council areas, commencing 1.3.66. Proposals to extend parasite control to all Village Council areas in the known bancroftian endemic belt and also to organise 2 regional sub-units at Kalutara and Matara, have been accepted and will be implemented during this financial year.

The total number of blood films collected and examined during the year was 603,989; this is indeed a record for the parasitological laboratory. The youngest Microfilaraemia case continued to be the boy aged 8 months and 4 days detected in 1962-63. Domiciliary treatment with diethyl carbamazine citrate was given to all cases of microfilaraemia and their home associates.

Entomological investigations were carried out in 31 stations. A total of 30,646 mosquitoes collected and identified, included 22,028 *C. p. fatigans*; of these, 12,940 were dissected with 253 infections. The infection rate of *C. p. fatigans* for the year was 2.0 per cent and the infective rate was 0.6 per cent. The infection rate varied from 0 per cent (at Galle, Kotte and Ja-Ela) to 4.1 per cent (at Wattala). Human infections were not found in any other species of mosquitoes.

The principal method of control was directed against the larval stages of *C. p. fatigans*. In addition to eliminating (a) 443 catch pit latrines which were converted to water seal type under the subsidised scheme and (b) 521 burrow pits, etc., by filling with 106,110 cubic feet of earth 164,550 breeding places were treated with Malathion in heavy diesel oil and 9,005 breeding places with Fenthion watery emulsion on a weekly cycle.

Fogging of houses with pyrethrum mixture in selected zones of the Dehiwela-Mt. Lavinia and the Polhena ward of the Matara U. C. was carried out.

Special activities carried out in order to detect foci outside the known endemic belt were—

- (a) A special survey in the Peradeniya University Campus, totalling 3,512 night blood films. In this survey 25 microfilaraemia positives were detected all of which were traceable to endemic belt. Entomological Surveys resulted in the dissection of 112 *C.p. fatigans* of which two were found infected. A survey of 218 University students and 207 Nurses under training resident in Colombo, showed 8 Microfilaraemia cases.
- (b) Studies on animal filariasis. The *Brugia* species found in the domestic cat was identified as *B. ceylonensis*. In the laboratory it was possible to infect *M(M) uniformis* and *M(M) annulifera* with this species, producing infective larvae.
- (c) Evaluation of susceptibility of *C.p. fatigans* to different insecticides using W.H.O. test kits.
- (d) Field trials on residual sprays in houses.
- (e) Operational trials using Fenthion as a larvicide.
- (f) Laboratory experiments to ascertain sterilising dosage of chemosterilants on *C.p. fatigans*.

In the 16 special clinics held in various Anti-Filaria Campaign centres, 4,221 patients were treated. The number of new cases has declined progressively to 2,310 during the year.

Health Education is now carried out by two Health Educators, one operating from Headquarters and the other from Matara. The routine programme of devoting one week to each Anti-Filaria Campaign area has been replaced by programmes according to the need of each area. Priority was given to organising "Shramadana" Schemes in the badly affected areas. Accordingly a very successful Shramadana Programme was put through at Kotte. The second stage of the Ambalangoda Shramadana programme was successfully carried out.

Leprosy

174 new cases were registered during the year. 9 "cured" cases were taken off the records. There were 89 deaths. 147 cases were kept "under observation and treatment". The total number of known cases now stands at 4,279.

The highest prevalence is in the 30-39 age-group. The sex ratio 3 : 1. In the Lepromatous type the ratio is 5 : 1 and in the non-lepromatous type 2 : 1. The greater prevalence in Males is due to greater susceptibility among this sex.

Emphasis is laid on the treatment of contacts. Children are more susceptible than adults. In addition to the annual examination by the Leprosy Officer, the chief occupant or other responsible person from every leprosy household is being educated to examine contacts monthly and report suspicious lesions promptly. CARE Milk distribution, vitamins and other measures to improve the general condition of patients and contacts are being attended to at the treatment centres. B. C. G. Vaccination of all contacts and D. D. S. Prophylactic for contacts of Lepromatous or infectious cases is being carried out as protective measures.

All cases and contacts are followed up annually in collaboration with the local Health Officer and the Public Health Inspectors. Arrangements for treatment of cases and contacts are made and leprosy consciousness revived in the areas visited by the Leprosy Officer.

Almost all Health Offices and Dispensaries serves as routine treatment centres for Leprosy cases and contacts. The Central Leprosy Clinic is at Colombo and is also the co-ordinating centre for all control work.

The Leprosy Hospitals at Hendala (Western Province) and Mantivu (Eastern Province) are manned by specialist officers. The number of indoor patients in both institutions as at 30.9.66 was 762.

Physiotherapy and Occupational Therapy services are available and it is hoped to introduce Reconstructive Surgery early.

Venereal Disease

The problem of venereal disease has increased throughout the Island during the year under review.

There were 2,695 cases of gonorrhoea and 1,014 cases of infectious syphilis.

The attendance for gonorrhoea in Colombo has shown a rise. Infectious syphilis has also shown a rise in Colombo, although this rise (29.5 per cent) is less than what occurred in the previous year (52 per cent). Unlike in the previous year, the increase in attendance for infectious syphilis has been more evenly distributed over the four quarters.

As in the previous year, the highest attendance was again in the 20-29 age group which accounted for 25 per cent of infectious syphilis and 59 per cent of gonorrhoea.

The 10-19 age group did not show an appreciable change, the percentage for infections syphilis and gonorrhoea being 11.1 per cent and 5.9 per cent respectively.

Due to contact investigation and public education, 67 per cent of all case of infections syphilis were brought under treatment as compared with 70 per cent in the previous year. The figure for gonorrhoea remains the same, viz. 89 per cent.

The outstations show an increase both for gonorrhoea and infectious syphilis, the rise in the latter being phenomenal. The rise in gonorrhoea was 14.1 per cent as compared with 6.5 per cent in the previous year, and for infectious syphilis 74.1 per cent as compared with 18 per cent the previous year.

Whilst there is a rise in the case of infectious syphilis in outstation clinics, Kurunegala has shown a sharp rise of 146 per cent over the previous year. Of the 69 cases of infectious syphilis diagnosed at Kurunegala, there was only one case of sero-negative primary syphilis.

The increase of infectious syphilis and gonorrhoea in the whole Island in 1966, stresses again the urgency for intensifying our control activities.

The highest incidence in the Colombo clinic was amongst labourers who formed 33.6 per cent of the cases of infectious syphilis and 29.4 per cent of the cases of gonorrhoea—a slightly lower percentage than in the previous year. As in the previous year, traders formed the next highest group with 15.2 per cent for infectious syphilis and 19.5 per cent for gonorrhoea—slightly higher than in the previous year.

Sources of infection remained high among prostitutes and casual acquaintances, who together accounted for 73.9 per cent cases of infectious syphilis and 76.4 per cent of gonorrhoea, the corresponding figures for the previous year being 51.7 and 80.2 per cent.

Homosexual sources of infection have shown further decline this year, accounting for 14.6 per cent of infectious syphilis and 5.1 per cent of gonorrhoea.

Regular educational programmes and group talks were carried out with the co-operation of voluntary organizations. V.D. stalls were organized at 9 exhibitions in the outstations. These stalls were well patronised by the public.

Contact investigation procedures were carried out on all cases of infectious syphilis. Routine blood tests were done on all admissions to remand homes, prisons and the training school for youthful offenders. Routine blood testing was continued at ante-natal clinics and maternity wards of hospitals in Colombo and the outstations. Routine blood testing of all expectant mothers was continued in the estates affiliated to the Planters' Association.

Mental Health

The most significant feature of the year under review was the appointment by the Hon. Minister of Health of a Committee of Inquiry to go into matters pertaining to mental health.

Certain expansions of the services such as establishing Provincial Psychiatric Units which had been recommended by the Psychiatrists earlier were agreed to by the committee. Two such units were established—one in Kandy and the other at Point-Pedro. In addition to these, weekly outstation clinics were commenced at Galle and Ratnapura Hospitals. Other centres have also been mapped out for opening in the near future. In keeping with modern trends psychiatric treatment facilities are being spread out to the community, thus keeping as many patients as possible within their own community.

Another important aspect of work undertaken during the year was a special drive to reduce overcrowding in the mental hospitals. Facilities for open ward treatment for both male and female patients have now been made available at Mulleriyawa Unit 1. A Psychiatric nursing affiliation programme of five weeks resident training during the second year of the nurses basic training was inaugurated to cover students in all nursing schools in the Island. This programme was inaugurated by the Hon. Minister of Health on 5th February, 1966.

The sanctioned cadre of Psychiatrist during the year 1965/66 was 17, but with the return of a few more officers with specialist qualifications there were 20 officers attached to the Psychiatric services during this period. Consequently it was possible to attend to a larger number of patients in the hospitals and Clinics. The turnover thus improved considerably. The attendance at clinics also increased considerably and better facilities for treatment were available. It was possible to treat

even those who are acutely ill in most of the open wards. Electro Convulsive Therapy was one of the popular forms of treatment and this was carried out both at Mulleriyawa and Angoda Mental Hospitals. Some of the less seriously ill patients and able-bodied patients were transferred to Pelawatte hospital thereby relieving the congestion at the Angoda and Mulleriyawa hospitals.

The present tendency is to decentralise the Psychiatric services and carry them to the Provinces and to the community and also to integrate these services with the other Health services existing in those areas.

During the year the total population of mental patients at the Institutions was 3,814. The corresponding figure for the previous year was 5,162. As against these figures the admissions this year were 7,825 and discharges 7,178. It is obvious that there has been a very satisfactory turnover during the year concerned.

Although the Mulleriyawa hospital has a bed strength of 280 in Unit I, only 224 beds were occupied due to the inadequacy of trained staff. Unit 2 of this hospital has a bed strength of 560 patients in 14 wards which house exclusively male patients of comparatively long stay. In all 1,736 beds were occupied at the end of the current year as against 589 patients the previous year. Female patients were also admitted for the first time to Mulleriyawa Unit 1 during the year reviewed.

Pelawatte hospital which houses only male patients has accommodation for 500. But, only 365 patients were in this institution during the year.

Since, the opening of the School of Nursing at Mulleriyawa hospital the following programmes have been carried out:—

- (1) Psychiatric Nursing Affiliation Programme. This programme gives a basic orientation to Psychiatry and Psychiatric Nursing, during the period of 5 weeks of resident training. The school is in charge of two tutors and a batch of 50 students are taken in for five weeks. This programme gives the General nurses an adequate Psychiatric nursing orientation.
- (2) Refresher courses and workshop courses for post-basic groups have also been organised.
- (3) Special post-basic Psychiatric Nursing courses lasting one year, 12 post-basic students have completed this course.
- (4) Orientation Programme in mental health and Psychiatric Nursing for two groups of nursing tutors amounting to 28 in number.
- (5) A Five-week Psychiatric Nursing Programme for 16 Staff Nurses.
- (6) One week orientation to Psychiatry and Psychiatric nursing for 28 post-basic nurses. These were students who were doing medical, surgical and M.C.H. training as their major subjects at the post-basic school of nursing.

Cancer

The Maharagama Cancer Institute has a bed-strength of 254 and provides specialist treatment both for out-door and in-door patients.

Out-door patients are seen at the Clinics conducted by the qualified Radiotherapists at the Maharagama Cancer Institute, General Hospital, Colombo or at the clinics conducted fortnightly at Jaffna, Kandy, Galle, Badulla and Batticaloa. These patients are referred to the Cancer Institute for suitable treatment in between visits to these clinics by the specialists. Cases detected by the District Medical Officers and other practitioners may be either referred to the nearest branch clinic or to the Cancer Institute by prior appointments. The Radiotherapists prescribe suitable treatment which may take the form of Cobalt Therapy or Deepray treatment. During the period reviewed 7,563 persons were treated at these out-door clinics.

With a view to admitting only cases that need and could benefit from in-door treatment, admission to the Cancer Institute is effected through the clinics conducted by specialists. The advanced cases are sent to the Bandaranaike Cancer Home.

Treatment is on modern lines and consists of Cobalt Therapy, Deepray treatment and Radium insertions. Radio Isotope laboratory facilities are also available. Operable cases are referred to a Surgeon attached to the Institution while a qualified Pathologist undertakes the examination of clinical material. The emphasis is on the early detection of cases. Two Gynaecologists from the General Hospital and their assistants visit this Institution twice a week and carry out insertion of radium to case of Cancer of the Cervix.

During the year concerned 7,563 cases were seen while the corresponding figure in the previous year was 8,311 cases.

Deep X-ray Therapy was given to 770 new patients. Cobalt Therapy to 1,159 new patients. Radium to 5,983 cases and Radium Isotope to 160 new cases.

VI—MEDICAL RESEARCH

(a) Bacteriology (General)

As in the past most of the work done by this department consisted of routine diagnostic examinations for hospitals.

The total number of specimens examined for the year was 18,342.

The most frequent request was for evidence of diphtheritic infections. In all 8,432 swabs (throat, nasal, laryngeal, etc.) were examined and 774 (9.1 %) were found to be positive. Virulent tests were done as required.

The majority of the other examinations consisted of culture and identification of the infecting organism. Specimens subjected to these examinations were 2,367 of urine, 894 of sputum, 1,843 of blood, 428 of C.S.F. and 2,246 of pus and aspirated fluids. These totalled 7,778 specimens as against 7,023 in the previous year.

Specific requests for evidence of tuberculosis were made on 2,073 specimens of which 60 (2.9%) were positive. It is noteworthy that this year the percentage of positive is low.

The other examinations consisted of 47 for gonococcal infection with none positive.

In April this year a specimen of stools received from Mannar Hospital from a suspected case of Cholera was examined and *Vibrios* isolated.

(b) Bacteriology (Food and Water)

This Laboratory handled the bacteriological examination of various items of food and food products, and samples of water. Altogether 559 specimens were examined during the year.

Desiccated coconut, an important export product of the country, was the commonest food item examined. During the year 141 samples were examined and 45 were found unsatisfactory, being infected with *Salmonella* organisms.

Other items of food examined were—18 of milk with 5 unsatisfactory ; 5 of canned food with none unsatisfactory and 58 miscellaneous items of which 3 were unsatisfactory.

The number of samples of water examined from private and public institutions was 337 of which 157 (46%) were found unsatisfactory. These figures are better than the previous year when they were 277 with 174 (62%) unsatisfactory.

(c) Bacteriology (Leptospirosis)

Culture of the blood of patients for evidence of leptospirosis was done in 19 cases and none were positive.

Sensitised erythrocyte lysis tests were done with blood from 491 patients and 123 (25%) proved positive.

Work on occupational groups of workers was completed and will be published.

A number of bandicoots and rats were examined for the possibility of their being vectors of leptospirosis. Only one of the 63 bandicoots examined showed evidence of infection, but of 65 rats, 12 were positive.

(d) Bacteriology (Mycology)

Most of the examinations done in this department was for the skin clinic, General Hospital, Colombo. The total number of specimens done for the year was 696.

Microscopical and cultural examinations were done on the specimens for evidence of fungal infections. The commonest fungus infection was *T. corporis*—there being 43 positive in 327 specimens.

(e) Bacteriology (Salmonella—Shigella)

The number of faecal specimens examined at the Salmonella Section was 4,913 and the number of cultures 108. During the year 478 different salmonellae belonging to 38 different serotypes were identified.

Faecal specimens amounting to 917 from children under the age of 2 were examined for enteropathogenic *E. coli*. There were 114 isolations representing 11 different serotypes.

Of the 13,834 samples of blood examined, 5,159 (37.3%) were positive for *Salm. typhi* (H. O. Vi), 576 (4.1%) for *Salm. paratyphi A* 243 (1.8%) for Weil Felix Reaction (OX 19, OXK, OX2) and 8,195 were completely negative.

The survey into the incidence of salmonellosis and shigellosis among the estate labourers was completed this year. The incidence of these two group of organisms was highest for the age group 10–19 and 20–29. Females up to the age group 20–29 were effected by salmonellae whereas it was not noticed in males after the 3–9 age group. Men of all age groups were affected by shigellae but in women it affected usually up to 30–39 age groups.

(f) Bacteriology (Serology)

Altogether 12,521 specimens were received for serological examinations. Last year the figure was 12,299.

The most frequent examination was for the anti-streptolysin titre. There were 4,209 such requests and of these 2,971 gave a titre of over 300 units.

Next in order of frequency in requests were those for V.D.R.L. tests of which there were 3,728 with 153 positive.

(g) Bacteriology (Vaccine Production)

This department produced all the T.A.B. and cholera vaccine requirements of the country.

The amount of T.A.B. vaccine issued for the year was 357 litres as against 308 last year. Anti-cholera vaccine issued was double that of last year being 50 litres. The increase is due to the extensive prophylactic treatment carried out in Mannar after a case was reported as suspected of cholera.

The number of sterility tests carried out for the pharmaceutical section was 128.

(h) Biochemistry

The number of diagnostic biochemical estimations done during the year showed a marked increase over those for the last year. This year the number reached 33,119 whereas in the previous year it was 23,074.

Rat flea Surveys which were suspended during previous years were renewed this year. Two Surveys carried out in the Colombo Port revealed a high *Xenopsylla cheopis* index.

There were requests for investigations on two fly nuisances from Panadura Hospital and Colombo South Hospital and one request for investigation on a mosquito nuisance at Colombo North Hospital. These were carried out and reports submitted to the respective Medical Superintendents.

A course of lectures in Entomology was given to one batch of Public Health Learners in Kalutara and one batch of Medical Laboratory Technologist Interns in Colombo.

One lecture on Entomology in relation to Epidemiology of Diseases was given to a batch of Medical Officers of Health.

As in the past research has been the main activity during the year under review. Following the epidemic of 'dengue-like' fever in July 1965 a new research project was initiated on the study of *Aedes aegypti* the vector of the disease. In addition, the projects carried out last year were continued this year.

The studies on the aetiology of goitre was continued. In collaboration with the Department of Biochemistry, samples of vegetables and drinking water for various part of the country were analysed.

The Freedom from Hunger Campaign was brought under the joint direction of the Director, Medical Research Institute and the Director, Agricultural Department and a programme of work on applied nutrition drawn. The first phase of carrying out nutrition work in four centres was started.

Dietary and nutritional surveys were carried out in Welihinda village in the Homagama area and in the Freedom from Hunger Campaign project at Wariyapola.

Preparation of nutrition teaching materials for distribution in all schools and training colleges under the auspices of the Joint School Health Committee were carried out.

Research into anaemia of pregnancy was continued.

The studies on immunity using fluorescent antibody technique were continued.

The work on haemagglutination tests for Hookworm and Round Worms was also continued.

In the routine work there was a marked fall in the number of specimens of faeces received for detection of amoebae, ova and cyst, from 553 last year to 509 this year.

During the year the pharmacological activity of three plants reputedly used in Ayurvedic medicine was investigated. A hypotensive activity was obtained with the extracts of 1. *Cardiospermum halicacabum* (Sinh. Welpenella) and 2. *Terminalia arjuna* (Sinh. Kumbuk) whilst the extracts of *Picrorhiza Kurroo* (Sinh. Katukarosana) gave a hypertensive effect. The pharmacology of these activities were investigated. The estimation of catechol omes in the lab diagnosis of phasochromatoma was studied from the results of fifty examinations.

Virology

In the diagnostic section of this department brains of animals suspected to have died of rabies were examined for evidence of infection.

Altogether 862 animal brains were received, but only 705 were in a state suitable for laboratory examination. The number positive for rabies was 482 (68 percent).

All the anti-rabies vaccine (human) required in the country was produced in this section. All batches of vaccine were tested by titration in mice for virus content and were tested for potency by Habel's method. Total produced for the year was 1,034 litres.

For the year a volume of vaccine amounting to 1,065 litres were issued. Last year the figure was 1,171.

Arbovirus investigations were continued. Chikunguniya virus was isolated from five cases.

The Laboratory diagnosis of Poliomyelitis was carried out abroad. The specimens received in the virus Laboratory were despatched to the Haffkine Institute, Bombay.

Altogether 123 specimens were despatched for virus isolation. Of these 19 were positive for polio (17 for type 1 and 2 for type 3). 32 were positive for other viruses.

In the investigation of the food poisoning outbreak in Mutwal 15 cultures of staph isolated from the patients and carriers were sent to this section for typing by Dr. Tawil, W.H.O. consultant. These were typed and the report sent to him.

As in the past 30 students were enrolled for the School of Medical Laboratory Technology that began in October 1965. In addition there were three students from the Department of Ayurveda.

At the final examination in September 1966, 20 students were successful and seven of them achieved distinction in one or other subjects. These results were most satisfactory and compared well with those of past years.

VII—SANITATION

Lack of proper environmental sanitary conditions is the root cause of much of the preventable illness in the country. Proper disposal of night soil and the provision of safe water supplies are two of the most important measures that are necessary for a reduction in the morbidity that results from infestation with various intestinal parasites and the spread of communicable diseases such as Typhoid, Dysentery Poliomyelitis, etc.

The provision of a sanitary latrine in every home continued to be the main objective of the rural sanitation programme. This was subsidized by the scheme of 'Financial Assistance for Latrine Construction' in needy cases.

No major community water supply schemes were undertaken. Existing sources of supply, particularly wells were improved as part of the environmental sanitation programme.

Investigations into Home Accidents reported from all sources were carried out with a view to carrying out remedial preventive measures.

The housing and Town Improvement Ordinance was enforced in all areas where the ordinance operates. In rural areas efforts were made to improve housing conditions as part of the rural sanitation programme. Estates providing housing for labourers were inspected and action taken in terms of the Medical Wants Ordinance to improve housing conditions, where necessary.

VIII—FOOD AND DRUGS CONTROL

The Food and Drugs Act and the subsidiary regulations framed under it were enforced to ensure that food and drugs meant for human consumption should be "of the nature, substance and quality demanded by the purchaser".

The implementing of the Act and the regulations in relation to food which is the responsibility of the Local Authorities was carried out by those competent authorities. Eight Municipal Councils, 37 Urban Councils and five Town Councils exercised the powers conferred on them by the Principal Act and Regulations. Two more Local Authorities are pursuing action to appoint Public Analysts and Authorised Officers to analyse and sample food. Sampling of various items of food for which purity standards had been laid down has been carried out and legal proceedings have been instituted against the offenders.

Licensing of dealers in drugs continued to be enforced and a total of 1,699 Licenses were issued during the year under review.

The Food and Drugs Advisory Committee functioned under the Chairmanship of the Director of Health Services.

IX—HEALTH EDUCATION

The National Health Education Scheme continued to progress further during the year.

Special attention was paid to health education in the national family planning scheme of the Island. Health education was closely integrated to the in-service training programme of public health field personnel at the Bandaragama Family Planning Training Centre. It is proposed to make available the services of a full time Health Educator from next year.

An important activity undertaken this year was the organisation of health education programmes in the Youth Settlement Schemes of the Island. The Sub-Division of health education worked in close collaboration with the Ministry of Land, Irrigation and Power.

The Community Development programme received fillip from local shramadana organisations. Mass latrine construction programmes, clean up campaigns, kitchen garden programmes, etc., were undertaken by public health field personnel utilizing the shramadana voluntary effort.

The central health education materials production unit which was housed in temporary premises has planned to move into a permanent building.

A programme of health education was undertaken in the W.H.O. Diarrhoeal Diseases project at Horape in the Colombo Division. The programme in the community included training, community development activities and mass media techniques. Health education activities were also undertaken in the diarrhoeal diseases ward of the Ragama General Hospital.

Health education and publicity activities on the control and prevention of rabies was undertaken in the Colombo and Kalutara divisions during the year. Special posters and leaflets were prepared and the local health educators gave every support to make a successful programme.

It was revealed that the incidence of typhoid and simple continued fever in the Ratnapura area was rather high with foci of infection in the Balangoda and Atakalanpanna health areas. Health Education was intensified in these areas. A planned programme of health education was undertaken in the out patients' department and the paediatric wards of the Ratnapura General Hospital.

The National Committee of the Department of Health and Education continued to provide effective liaison and co-ordination between the Departments of Health and Education. All activities connected with the health of the school child, viz. school dental service, school medical inspections, training in health education, schools midday programme, nutrition education, dental education, physical education programmes, etc., were discussed and plans forwarded.

The Divisional School Health Committees continued to function satisfactorily. The whole scheme is to be reorganised in view of the decentralization of the Education Department.

The two Public Health Nurses appointed for health education work continued to conduct health education work in the wards, the out patients department and the special clinics. Talks, discussions and demonstrations on communicable diseases control, nutrition, maternal and child health and environmental sanitation were conducted.

Health education constituted an important aspect of the training of public health field officers in family planning. A part time Health Educator was made available to the project for this training.

Health education pre-service and in-service training was provided to public health learners, public health midwives, public health inspectors and medical officers of health.

A systematic programme of health education was undertaken in all teacher training colleges of the Island. In addition short seminars and refresher courses for teachers were organised.

Health education was included in the training of Hospital Matrons, Assistant Matrons and Ward Sisters. The training included health education methods, materials, group work, community development and patient education.

Health education training was provided to groups of voluntary workers. Special mention should be made of the training conducted in the Lanka Mahila Samithi Training Centre, Rural Development Training Centre, Saukyadana and Shramadana Voluntary Workers and members of numerous voluntary social service organisations.

The Department also organised special training programmes in health education for Grama Sevakas, Farm Managers and also assisted the Department of Rural Development and Cottage Industries in their training programmes at the Rural Development Training and Research Centre at Peradeniya. The Department also participated in orientation programmes in the training programmes of other Government Departments.

X—PUBLICITY

During the year under review considerable progress was made in the field of Publicity. This programme was further intensified and every attempt was made to serve the dual purpose of giving the widest publicity possible, to the activities of the Department and making people aware of the services and facilities available to solve the health problems confronting them.

For this purpose, mass communication media were effectively used. The Department's Health Service Radio Programme was conducted regularly in all three languages—monthly in English and Tamil and fortnightly in Sinhala. Features, playlets, panel discussions and talks on diverse health subjects of general and topical interest were prepared and put on the air. These programmes were carried out with such success and have enjoyed wide popularity. Press publicity was also provided for every facet of departmental activity. Articles on health contributed by officers from the Department, the University and Voluntary Organisations and news bulletins were released to the press from time to time, for public information.

Special mention must also be made of the support and co-operation extended by the press and broadcasting authorities which enabled this department to carry out its publicity programme effectively.

Three quarterly journals were published by the Department.

Several new leaflets and posters on current health problems were prepared and published for distribution while certain leaflets were revised periodically.

XI—DEPARTMENT OF AYURVEDA

Bandaranaike Memorial Ayurvedic Research Institute—Navinna

During the year under review, 51 patients suffering from skin diseases were subjected to clinical research in the Ayurvedic Research Institute. Of this number, 18 were cases of Psoriasis while 29 were Dermatitis and 4 of Scabies. It has been revealed that those who suffered from Psoriasis get relapses more often than those who were cured from Dermatitis and Scabies. Further research is being carried out in this respect.

Clinical research into Leucoderma too, will be undertaken.

Under literary research, compilation of a book of prescriptions on skin disease and a Glossary of technical terms were completed during this year.

College of Ayurvedic Medicine

The total number of students who followed a five-year course in the college during this year was 460. Of this number, there were 326 students in the Ayurveda Section, 93 in the Siddha Section and 41 in the Unani Section. Out of 64 students in the Final year 33 students passed the Final Year Examination.

Central Hospital of Ayurveda

The number of patients who sought in-door treatment at the hospital during the year under review was 4,336 and the number of patients treated at the Out-Patients' Department of the Hospital was 321,579. When compared with the last year's figures this shows an increase of 4 per cent in the number of patients who sought out-door treatment.

Ayurvedic Hospital, Anuradhapura

Statistics show that this hospital has gained wide popularity. It has recorded an attendance of 100,595 patients for O.P.D. treatment and 1,332 for in-door treatment. Compared with the last year's figures, it shows an increase of 13 per cent in the number of patients who had sought O.P.D. treatment.

Ayurvedic Hospital, Ratnapura

The Ayurvedic Hospital at Ratnapura which was started as the second Provincial Ayurvedic Hospital was declared open by the Hon. Minister of Health on 2nd May this year and a record figure of 139,008 have sought out-door treatment at this hospital during the rest of the months. This alone illustrates the extent of popularity of this system of medicine in Ceylon. In-door treatment will be provided as soon as the buildings are ready for occupation.

Free Ayurvedic Dispensaries

A sum of Rs. 1,398,600 was paid as grants to 157 dispensaries maintained by Local Authorities and a sum of Rs. 12,655 was paid to 31 dispensaries run by private Bodies during the year under review. The total number of patients treated at these dispensaries was 2,251,415.

Ayurvedic Medical Council

The Triennial period of office of members of the Ayurvedic Medical Council expired during the year under review and new members were appointed during the latter part of the year. Hence, the Council has only held 3 meetings altogether during the year. Registration of 495 physicians by way of oral and written examinations was one of the important matters attended to by the Council during the period.

Ayurvedic College and Hospital Board

The period of office of members of the Ayurvedic College and Hospital Board which was also for three years, expired during the year under review and new members were appointed during the latter half of the year. Hence, the College and Hospital Board has held only three meetings during this year.

Ayurvedic Research Committee

Action was taken for the appointment of new members to the Ayurvedic Research Committee as the triennial period of office of its members too, expired during the same period as that of the other two Statutory Bodies stated above. Hence, it had also held only two meetings during this year. Some of the important steps taken by this Body during the year under review were for the compilation of three books on Pathology, Treatment and Materia Medica according to the Ayurvedic system of medicine and a Glossary of technical terms. The Committee has also decided that research into "Āma Vātha" and "Grahani Rōga" be also carried out at the Research Institute.

CHAPTER XX

SOCIAL SERVICES, RURAL DEVELOPMENT, CO-OPERATIVE MOVEMENT, NATIONAL HOUSING AND TOWN AND COUNTRY PLANNING

I—SOCIAL SERVICES

The last 25 years have seen major developments in Social Welfare Services in Ceylon. Until then people relied for the greater part on private alms, public charity, government grants, and free medical assistance against economic hardship and social distress. These proved reasonably satisfactory so long as the Island's economy was fundamentally rural. But on account of the rapid industrial development of this country and the consequent tempo of urbanisation, Government took an increasing interest in Social Welfare. The current Social Welfare Services are a direct result of the State participation in both leadership and financing of Social Welfare programmes.

A separate Department of Social Services was created in 1948. At the inception, the new Department took over the payment of public assistance, monthly allowances and the organisation of relief of distress due to floods, droughts, etc., as its primary functions. These programmes of assistance have progressively expanded and today the Department handles a major portion of the country's social assistance schemes as set out below :—

(I) Social Assistance Services

- (a) Public Assistance, comprising of monthly allowances and casual relief ;
- (b) Relief of widespread distress due to drought, failure of crops, floods, storms and other exceptional causes including relief to individual cases of distress amongst fishermen due to fire, storms, accidents, etc ;
- (c) Care and Welfare of the Aged and Infirm ;
- (d) Rehabilitation Services in respect of Anti-Social Persons ;
- (e) Grants-in-Aid and Guidance to Voluntary Agencies engaged in Social Services Work ;
- (f) Financial Aid to Tuberculosis patients and their dependants ;
- (g) Services to the physically handicapped including Deaf, Dumb and Blind and the orthopaedically handicapped ;
- (h) Financial Assistance to discharged non-infective leprosy patients.

(II) Administration of the Workmen's Compensation Ordinance

(III) General

(I) Social Assistance Services

(a) PUBLIC ASSISTANCE COMPRISING OF MONTHLY ALLOWANCES AND CASUAL RELIEF

Public Assistance

The Poor Law Ordinance of 1939 is operative only within the three major Municipalities of Colombo, Kandy and Galle. These Municipal authorities have established their own standards of determining relief within the general pattern set by the Ordinance.

In areas outside these Municipalities, payment of monthly allowances to the needy continues to be the responsibility of the Central Government. It constitutes the basis of social service rendered by Government and still serves as the major governmental protection against the hazards of old age, sickness and disability. Assistance is also given to destitute widows and to women deprived of their husbands' help owing to imprisonment or physical disability. The standards determining relief are set out in the Manual of Public Assistance Orders and Procedure of the Department of Social Services. The Maximum amounts paid under this scheme are Rs. 10 per mensem for an individual and Rs. 20 per mensem for a person with dependants.

The number of persons who received monthly allowances and the total sums expended on such cases since 1955-56 are given in the table 20.1.

TABLE 20.1—PUBLIC ASSISTANCE

<i>Year</i>	<i>Number of Persons</i>	<i>Total sum expended Rupees</i>
1955-56	84,798	7,411,156
1956-57	106,133	8,614,735
1957-58	111,864	11,132,387
1958-59	135,953	13,409,197
1959-60	131,301	14,032,142
1960-61	158,428	14,751,577
1961-62	158,276	15,546,975
1962-63	149,929	15,090,958
1963-64	149,137	14,644,392
1964-65	153,516	15,179,115
1965-66	155,729	15,594,750

The responsibility for the administration and expenditure of public assistance is borne by the Central Government through its Revenue Officers.

Casual Relief

Assistance is given to relieve distress resulting from natural calamities or other emergencies affecting individuals or small groups. The relief covers distress resulting from loss of earnings or food supply by fire or accident and includes assistance to repair or reconstruct houses, to purchase clothing, implements of trade or tools or cooking utensils lost through fire, rain, storm or other similar cause. The maximum grant payable in any one case is Rs. 300. The amount spent on casual relief in 1965-66 was Rs. 292,389 on 3,539 cases.

(b) RELIEF OF WIDESPREAD DISTRESS DUE TO DROUGHTS, FAILURE OF CROPS, FLOODS, STORMS AND OTHER EXCEPTIONAL CAUSES INCLUDING RELIEF TO INDIVIDUAL CASES OR DISTRESS AMONGST FISHERMEN DUE TO FIRE, STORMS, ACCIDENTS, ETC.

Floods and droughts are a common cause of distress. Catastrophic occurrences like cyclones, earthslips and epidemics have also occurred from time to time, causing abnormal distress.

The scheme for relief of distress due to floods, etc., provides for the immediate grant of relief in the form of food, clothing and shelter to those rendered homeless, and grants of money up to a maximum of Rs. 400 to those whose houses require repair or rebuilding or Rs. 300 for the purchase of implements of trade damaged or destroyed. Assistance to relieve distress due to crop failure usually takes the form of provision of unskilled employment on works of public utility such as village tanks, wells, roads, etc. A sum of Rs. 11,894,972 was spent during the financial year 1965-66 on relieving widespread distress

(c) CARE AND WELFARE OF THE AGED AND INFIRM STATE HOMES FOR THE AGED

There are four State Homes for the Aged at Koggala, Anuradhapura, Kaithady and Mirigama with accommodation for about 240 inmates in each administered by the Department of Social Services with a resident Superintendent, an Apothecary and other staff. Admission to these Homes is determined by the Director of Social Services on reports of an applicant's circumstances furnished by the Divisional Revenue Officer of the area and on reports obtained through the departmental officers. To be eligible for admission persons should be generally over 60 years of age, in reasonably good health, and in destitute circumstances needing institutional care.

In each State Home facilities are provided for residential medical care, recreation, gardening and religious activities. Advisory committees and unofficial visitors have been appointed to each Home to assist the administration.

In lieu of large State Homes, the revised policy provides for Cottage Homes for the Aged with accommodation for about 24 inmates to be set up in Districts where the need for such Homes is keenly felt.

Homes for the Aged run by Voluntary Agencies

Thirty-seven Voluntary Agencies running Homes for the Aged in the different districts have been assisted by way of grants-in-aid towards maintenance of inmates, for the construction of new buildings for Homes for the Aged, and for repairs, extensions, etc., to existing buildings and for purchase of equipment and linen.

Under this scheme of assistance, The All-Ceylon Buddhist Congress administers a Home for Aged Bhikkhus at Baddegama with accommodation for 17.

A sum of Rs. 549,794 was paid out as grants in-aid in 1965/66 to the Agencies who were caring for 1,565 inmates respectively.

Cottage Homes for the Aged

Seven Cottage Homes for the Aged have been established, viz. at Godahena in Harispattu, Nikaketiya in Pata Dumbara, Pihimbiyehena in Uda Palate ; Nawalapitiya (Shamrock Estate) in Uda Bulathagama, Denuwara in Uda Nuwara at Ankelpitiya in Pata Hewaheta and Galagedera in Tumpane which are all in Kandy District.

Government recognition has been given and funds made available for the establishment of two additional Cottage Homes for the Aged one in Uda Dumbara to serve the Division of Meda Dumbara and Uda Dumbara in Kandy District and the other in Rambukkana in Kegalle District.

A sum of Rs. 93,000 has been paid out as grant-in-aid to the Management Committees of the respective Cottage Homes for the Aged to meet expenditure on the maintenance of its inmates and for construction of new buildings, and for repairs, renovations to existing buildings and for purchase of equipment.

(d) REHABILITATION OF ANTI-SOCIAL PERSONS

The Department of Social Services runs a House of Detention at Gangodawila, under the House of Detention Ordinance Chapter 33, for the rehabilitation of beggars, vagrants and other anti-social persons. The correction and rehabilitation program adopted at this institution consists of an ordered and disciplinary life in this institution promoting regular work habits. An attempt is also made to provide training in a wide range of skills and occupations such as weaving, sewing, knitting, lace making, papier mache work, cooking, rattaning, gardening, furniture polishing, coir work, etc., so that the inmates would begin to gain greater confidence in their own capacities for self maintenance. After a reasonable period of time the inmates are assisted to obtain suitable employment or released to responsible relatives.

The House of Detention has accommodation for 400 inmates. The expenditure incurred by the Department in running this House in 1965/66 was Rs. 89,197.

(e) GRANTS-IN-AID GUIDANCE TO VOLUNTARY AGENCIES ENGAGED IN SOCIAL SERVICE WORK

Voluntary Agencies

The Voluntary Agencies engaged in Social Welfare Work continue to perform a very necessary and useful service. The paucity of funds at their disposal generally makes their effort inadequate in relation to the large numbers seeking assistance even though the sphere of State Assistance has widened in recent years. The total grant paid to 79 Voluntary Agencies during 1965/66 amounted to Rs. 539,616.

Creches

A scheme to provide Creche facilities for the day time care of children between the ages of about three months and 3 years in areas where there is a concentration of working mothers came into force in 1951. Grants are given to Voluntary Organisations or Local Authorities for the erection of buildings and purchases of equipment and furniture for the running of the creches. An annual maintenance grant is also paid on the basis of the number of children cared for in the creche. In 1965/66 four new creches were recognised for payment making a total of 76 creches functioning during the year. These creches were assisted with grants amounting to Rs. 334,248.

(f) FINANCIAL ASSISTANCE TO T.B. PATIENTS AND THEIR DEPENDANTS

The aim of this Scheme is to give financial assistance to indigent Tuberculosis patients and to their dependants with a view to enabling such patients to follow medical treatment. This Scheme of assistance, which is being implemented with the co-operation of the Department of Health Services, was started in 1953.

Under this Scheme, a T.B. patient with dependants is paid a monthly allowance not exceeding Rs. 80 while under out-door treatment from a Chest Hospital. A similar patient who receives Institutional Treatment is paid an allowance not exceeding Rs. 60 per month for the maintenance of his family. A patient without dependants who takes out-door treatment is paid a monthly allowance not exceeding Rs. 40. If any other member of the family dependant on the patient is afflicted with T.B. he or she also becomes entitled to a supplementary allowance of Rs. 40 per month. In estimating these allowances, the income of the patient and that of the other members of his family is taken into account.

During the financial year 1965/66 an expenditure of Rs. 6,686,919 was incurred by the Department of Social Services on payment of allowances to T.B. patients. The number of patients assisted was 14,301. It is significant that since the financial year 1960/61 the amount spent under this Scheme and the number of patients receiving assistance are gradually decreasing.

(g) SERVICES FOR THE PHYSICALLY HANDICAPPED

The services provided for the welfare of the Physically Handicapped by the Department of Social Services in conjunction with other Government Departments voluntary Agencies and private industrial establishments, could be grouped under the following Heads :—

- Medical Rehabilitation
- Education and Custodial care
- Vocational Training, Placement and Re-settlement
- General Welfare measures.

Medical Rehabilitation

Disabled persons needing medical attention, before education, training, etc., are provided with necessary medical attention with the assistance of the Department of Health or other Agencies like the Colombo Friend-in-Need Society.

The Department paid a sum of Rs. 20,967, to the Colombo Friend-in-Need Society, which administers the Transit Hostel for the Orthopaedically Disabled Persons during the Financial Year 1965/66.

Education and Custodial care

The Deaf, Dumb, Blind and Crippled children of school-going age who do not attend school are provided with educational facilities with the assistance of the Education Department and Voluntary Agencies. For this purpose there are Schools with hostel facilities run by Voluntary Agencies at Balangoda, Kandy, Anurahapura, Mahawewa, Colombo, Ratmalana, Moratuwa, Matara, Matale, Ragama and Kaithady. During the Financial Year 1965/66 a sum of Rs. 349,824 was paid as grants to these Voluntary Agencies.

Vocational Training, Placement and Re-Settlement

With a view to making disabled persons earn their own living and thereby become useful citizens, training is given in various trades with the assistance of Government Departments such as the General Hospital, Colombo and the Ceylon Technical College as well as the Private Sector. The Department of Social Services assists these persons for a maximum period of two years by payment of an allowance of Rs. 2.76 per day to each person during the period of training.

The vocational training given exclusively to adult Deaf, Dumb, and Blind persons in the two Training Centres at Seeduwa and Wattagama provide for self employment, employment under the Homeworkers Scheme and Sheltered employment. Training is given at these Centres in carpentry, rattan work, needle work, weaving, etc.

By the end of the Financial Year 1965/66 there were 260 Deaf and Blind persons working under the Homeworkers Scheme and another 134 persons were undergoing training at these two centres.

A third project sponsored by the Department of Social Services for the training of disabled persons has now been completed and it will start functioning during 1966/67. This Training Centre at Ampitiya in the Kandy District is meant for all disabled persons. It will provide training in a variety of trades such as Motor Mechanism, Welding, Tinkering, Masonry and Tailoring.

General Welfare measures

Under this category there is a scheme to provide Aids and Appliances to Disabled persons. The crippled and the lame are provided with tricycles and wheel-chairs. Those whose eye-sight and hearing are defective are provided with spectacles and hearing-aids respectively.

(h) FINANCIAL ASSISTANCE TO DISCHARGED NON-INFECTIVE LEPROSY PATIENTS

The Leprosy Assistance Scheme provides for financial assistance in a sum not exceeding Rs. 50 per mensem per head to non-infective leprosy patients discharged from a Leprosy Institution and who have no means of sustenance.

501 patients were assisted under this Scheme and a sum of Rs. 225,870 was spent during the Financial Year 1965/66.

(II) Administration of the workmen's compensation Ordinance

The Workmen's Compensation Ordinance, No. 19 of 1934, provides for the payment of compensation to Workmen who suffer personal injury by accident arising out of and in the course of their employment. It was brought into operation in 1935, and has been administered by the Director of Social Services since 1948. The Ordinance was amended by the Workmen's Compensation (Amendment) Act, No. 31 of 1957, Workmen's Compensation (Amendment) Act, No. 22 of 1959 and Workmen's Compensation (Amendment) Act, No. 4 of 1966. The Ordinance expressly extends the term 'accident' to include occupational diseases like anthrax, lead poisoning, etc. The compensation payable is determined on the basis of wages earned by a workman and the nature and extent of his disablement. Insurance is not compulsory under the Ordinance but an employer may insure with the Insurance Corporation of Ceylon in order to safeguard himself against these risks. Claims paid to employees who met with accidents since 1962 are shown in the table 20.2.

TABLE 20.2—WORKMEN'S COMPENSATION CLAIMS 1962-1965

<i>Year</i>	<i>Claims</i>	<i>Amount Rs.</i>
1962	7,016	530,539
1963	7,063	441,850
1964	6,528	484,571
1965	5,589	492,363

III—General

LEGISLATION

The poor Law Ordinance for rendering public assistance is in force in the Municipalities of Colombo, Kandy and Galle since 1940.

A draft Ceylon Beggars' Act and the regulations thereunder submitted by the Committee appointed in November, 1957 by the then Honourable Minister of Labour, Housing and Social Services to draft legislation to deal with the Beggar Problem in Ceylon are under consideration by the Government.

TRAINING PROGRAMMES

Ceylon has at present an extensive network of social services. The Government spends large sums of money annually on indirect social services such as health, food subsidies, co-operative development, etc. The direct social services provided by the Social Services Department, the Department of Probation and Child Care and the Department of Rural Development cost the Government about Rs. 50 million annually. A significant portion of the work is done through voluntary agencies assisted by Government. Most of the Social Workers employed in these organisations have received no professional training. Government Departments have provided limited in-service training courses for their staff. During the past an Institute of Social Work, run by a voluntary body, provided a certificate course to about 10 students each year. These training facilities were considered to be inadequate for the large expenditure that was being incurred annually on Social Services. Accordingly in 1964 the Department of Social Services obtained Cabinet approval for the establishment of a professional school of Social Work, under Government auspices. The school was opened on 1.10.64 and a full time course leading to a Diploma in Social Work inaugurated in December, 1964. Students participating in the Diploma Course are drawn mainly from field officers in Social Work positions from various Government Departments. The following departments nominated officers for the first Diploma Course—Social Services, Rural Development and Small Industries, Health, Prisons, Irrigation and the Charity Commissioners Dept. of the Colombo Municipal Council.

The UNICEF evinced interest in the establishment of the School and has offered assistance in the form of equipment and library facilities. The Asia Foundation and the British Council have also made substantial donations of books to the School's library.

During the course of the year, the School has also launched a special Extension Course for the benefit of board and committee members of Voluntary Welfare Organisations. 'Ad hoc' programmes were also organised for various groups of social workers from Government departments as well as from Public Corporations.

II—RURAL DEVELOPMENT

Several important proposals are now before the Government with regard to the re-vitalisation of the rural development movement which has witnessed many vicissitudes over the past decade. Chief among these proposals are the creation of the suitable machinery at the village level to co-ordinate and guide the activities of the various village level organisations towards local development, the provision of additional rural development staff at the divisional and district levels to undertake the more effective supervision and guidance of rural development activities in the field, and the grant of additional government funds to supplement local self-help in development projects.

Self-Help Programme

At the end of the financial year 1965/66 there were 8,680 rural development societies of which 6,924 were men's societies and 1,756 Kantha societies. One of the main activities of these societies is the provision of public amenities to their villages on a self-help basis. The department supplements

such self-help efforts of the people with a money grant which seldom exceeds 50 per cent of the total value of each completed project. Examples are village roads, public wells and latrines, school buildings, industrial centre buildings, community halls and dispensaries.

The One Thousand Textile Centre Programme

When the government launched the one thousand textile centres scheme in January 1966, a large number of rural development societies and other voluntary organisations such as community centres, Co-operative societies, Youth leagues, Samaja Sanwardana societies and Mahila and Kantha societies volunteered to undertake the construction of these buildings on a self-help basis. As many as 420 building sites were donated by the people, while the estimated value of the building according to the type-plan prepared by the department was Rs. 12,000; the department gave a money grant of only Rs. 6,000 for the same purpose. These voluntary organisations contributed the balance in the form of free labour, free materials, and cash donations. Though this building programme commenced only in March 1966, as many as 539 buildings have been already completed.

Shramadana

During the year many rural development societies participated in a number of shramadana schemes most of which had a direct bearing on food cultivation. Examples are the restoration of the village tanks, clearing of irrigation channels, eradication of *Salvinia* and the participation in community weeding campaigns. A large number of societies continued to engage themselves in other useful activities such as savings campaigns, organisation and supervision of milk feeding centres, blood donation campaigns and the settlement of village disputes through conciliation boards.

Community Centres

The subject of Community centres was transferred to the department from 1st October, 1966. The overall responsibility for the organisation, administration and supervision of community centres is now vested with the Government Agents who are assisted in this work in the field by the Supervisors of Rural Development and the Rural Development Officers. Steps have been taken to ensure close co-ordination with local authorities in running these centres. The main activities of these community centres will continue to be the provision of facilities for literary and cultural activities, indoor and outdoor games, and such other activities to provide adequate opportunities to the people of the area to spend their leisure hours peacefully and profitably. Each centre is eligible to a government grant not exceeding Rs. 100 per year. There are at present 3,000 community centres in the Island.

Training in Community Development

The re-organised scheme of community development training introduced in the previous year received greater support both from government departments and village organisations during the year. This training scheme is designed to provide an orientation to both government extension workers and leaders of village organisations, on the methods and technique of performing their respective development functions through collective action with the participation and support of the community. At these orientation courses special emphasis placed on understanding the community and its problems, methods, team-work and administrative co-ordination, these community development training courses are held at the Institute of Training and Research in Community Development at Peradeniya for government extension officers at the district and divisional level and at the ten Provincial Training Centres for government extension officers at the village level for leaders of village organisation. The subject of community development has been introduced into the curricula of some other departments, notably the department of Health, Agriculture, Co-operative Development and Police. Officers of the Department of Rural Development participating as discussion leaders and lecturers in such training centres during the year. Towards the end of the year, the department prepared, in consultation with the Ministry of Lands, Irrigation and Power, a training programme for officers in charge of Youth Settlement Schemes. This training programme is being implemented in the current year.

III—THE CO-OPERATIVE MOVEMENT

The Co-operative Movement began with the organisation of Credit Societies under Ordinance No. 7 of 1911 based on the Indian Act of 1904. This Ordinance was replaced first by Ordinance No. 34 of 1921 and later by Ordinance No. 16 of 1936 which was subsequently amended by Acts 21 of 1949, 9 of 1950 and 17 of 1952.

The first Co-operative Society was registered in November, 1912. The Movement in Ceylon developed during the last 54 years in 5 stages.

STAGE I—1912–1942

The Movement was concerned mainly with the provision of Rural Credit.

STAGE II—1942–1947

The scarcity of consumer goods and the need for equitable distribution arising out of the rigour of the last World War led to the emphasis shifting to the Consumer Movement. Within three years, over 4,000 consumer stores societies were organised. Up to 1942 there were no consumer stores societies other than those in estates—38 in number.

STAGE III—1947–1957

The need for food production came in the wake of the war and Agricultural Production and Sales Societies were organised to assist the farmers through a scheme of Financial Assistance and a Guaranteed Price offered by Government.

STAGE IV—1957 ONWARDS

The reorganisation of the Co-operative Movement by bringing together the various economic activities of the village in one Co-operative Society, resulted in the organisation of Multi-purpose Co-operative Societies with integrated credit ; distribution, production and marketing activities.

Table 20.3 indicates the position of Development of the Movement since 1921.

TABLE 20.3—DEVELOPMENT OF THE CO-OPERATIVE MOVEMENT, 1921–1966

<i>Type of Society</i>	1921	1933	1942	1947	1957	1958	1966
1. Credit Unlimited	137	680	1,519	1,782	3,581	3,680	3,621
2. Credit Limited	17	23	103	120	162	163	243
3. Thrift and Savings	—	29	164	215	404	411	362
4. Consumer	—	9	52	3,961	2,569	1,260	715
5. Agricultural Production and Sales	—	—	11	26	995	424	121
6. Cottage Industries	—	—	16	30	801	868	1,112
7. Production and Sales Excluding 5, 6 and 8	—	3	40	115	330	375	264
8. Multi-purpose Societies	—	—	—	—	68	3897	5,037
9. School Co-operatives	—	72	32	56	1,472	1,618	2,028
10. Banks	—	3	7	10	12	12	7
11. Other Primary Societies	—	4	29	33	157	156	857
12. Other Secondary	—	26	63	162	261	271	267
Total	154	779	2,036	6,510	10,612	13,135	14,634

STAGE V—RECENT TRENDS

(a) Organisation of Labour Co-operative Societies and entrusting to them the execution of Government contracts.

(b) Organisation of Co-operative Marketing of local produce through the All Ceylon Agricultural Producers Co-operative Societies Union. The value of sales effected during the year totalled Rs. 2.5 million. The total quantity of vegetables handled during the year was approximately 8,500 tons representing about 25 per cent of the Island's wholesale trade in vegetables.

The Ministry of Agriculture and Food has provided for a loan of Rs. 1 million to this Union for the implementation of its agricultural development programme.

(c) Membership Education—Classes were continued as usual by way of two-day Seminar and Study Circles.

Agricultural Co-operatives

Besides the Multi-purpose Co-operative Societies which were engaged in work relating to agriculture, there were 121 Agricultural Production and Sales Societies, 20 Coconut Societies, 33 Dairy Societies, 22 Tea Producers' Societies, 3 Rubber Producers, 96 Tobacco Producers, 1 Citronella Production and Sales, 1 Arrack Distillery, 1 Plantain Sales, 9 Goat Farming, 92 Poultry, 3 Cardamom Producers, 4 Vegetable Producers, 2 Toddy Producers, 1 Cinnamon Producers, 1 Home Gardening and 193 Young Farmers Societies. The turnover (i.e. sales) of all societies in this group for 1966 was Rs. 328.0 million. Besides the above primary societies the All Ceylon Agricultural Producers Union and 20 other agricultural unions together with some of the Multi-purpose Co-operative Societies Unions were engaged in work relating to agriculture.

Industrial Co-operatives

At the end of 1966 there were 1,112 Industrial Societies, which comprised of 538 Textile Weavers, 227 Carpentry, 100 Coir Workers, 77 Pottery, 14 Mat Weavers, 10 Brick and Tileworkers, 9 Smithy, 10 Rattan Workers, 16 Palmyrah Products, 26 Sewing, Lace and Needle and Women's Industrial Societies, 14 Tailors' Societies, 4 Motor Body Builders, 3 Paddy Mills Societies, 3 Beedi Manufacturers, 6 Brass Workers, 3 Gold Smiths' and 35 other societies.

The total membership in all the societies was 71,784 of which 52,900 (73.0 per cent) was in Textile Weavers' Societies. There were 33 Unions of Primary Societies. These Unions render a vital service to the affiliated societies both in the supply of raw materials and equipment and in the disposal of finished products. The sales of the primary societies in 1966 amounted to Rs. 29.5 million and that of Unions of which 20 were Textile Societies amounted to Rs. 43.5 million. These societies are financed by Government. Up to the end of 1966 Government had lent nearly Rs. 2.41 million. The Ceylon Co-operative Industrial Union was registered in 1964 with the object of providing advisory service and other facilities to member societies and unions to organise and carry on industries by itself and generally to promote the development of industries according to Co-operative principles. The Union has constructed a factory for the establishment of Rubberised Coir Industry in Ceylon at Nawinna in the Colombo District. Machinery worth Rs. 420,000 imported from Austria has been installed and the factory is ready for production. The rubber required for the purpose has to be centrifuged and a separate plant at a cost of Rs. 109,000 has been installed at Udagoda in Kegalle District for this purpose.

Fisheries Co-operatives

There are 264 co-operative fishermen societies. The sales of these societies amounted to Rs. 1.2 million. The commercial activities of the Ceylon Co-operative Fish Sales Union were taken over by the Fisheries Corporation on 1st July, 1965.

Co-operative Distribution

The Stores Societies and the consumer section of the Multi-purpose Co-operative Societies and their Unions had 5,109 retail selling points and 404 Wholesale Depots. They served 7.1 million consumers, i.e. 68.4 per cent of the entire population. Retail sales in 1966 amounted to Rs. 570.5 million and the wholesale business (sales) amounted to Rs. 822 million.

Credit Societies

Loans granted by Credit Societies in 1966 amounted to Rs. 21.6 million.

The Practice of Thrift

At the end of 1966, there were Rs. 3.6 million as shares and Rs. 9.0 million as deposits in credit societies, whilst there were 16.5 million as savings in thrift societies.

Deposits made by members in other societies amounted to Rs. 5.8 million. The total savings in all societies amounted to Rs. 34.9 million.

Labour activities

These activities included—

- (i) Production,
- (ii) Construction of roads, bridges, buildings, etc., and
- (iii) Handling and transport of foodstuffs on behalf of the Government.

In the production group there were 1,112 industrial societies. The total membership in these societies was 71,784. A sum of Rs. 29.5 million was realised on the sale of articles by these societies. Construction work and the handling of foodstuffs were undertaken by 179 labour societies, 470 Multi-purpose Co-operative Societies and 52 Multi-purpose Co-operative Unions. The total value of contracts executed during 1966 was Rs. 7.8 million.

Health Services

There were 9 hospitals whilst two societies ran outdoor dispensaries only. The total bed strength was 481. In 1966 they treated 10,038 indoor patients and 1,55,855 outdoor patients.

Table 20.4 gives the statistics of Co-operative Societies as at 30.9.66.

TABLE 20.4—STATISTICS OF THE CO-OPERATIVE MOVEMENT 1966

<i>Type of Society</i>	<i>No. of Societies</i>	<i>No. of Members</i>	<i>Working Capital Rs. '000</i>	<i>Turnover Rs. '000</i>	<i>Net Profit or loss Rs. '000</i>
Primary Societies Total	14,360	1,774,721	213,318	810,045	5,093
Credit Unlimited Liability	3,621	131,422	16,909	11,633	+ 375
Credit Limited Liability	243	31,488	10,314	10,107	+ 244
Thrift	362	70,273	17,899	—	+ 485
Multi-purpose	5,037	918,396	120,188	648,768	+ 1,125
Stores	715	218,095	8,285	75,485	+ 886
Agricultural	121	26,386	3,282	13,531	+ 24
Fisheries	264	6,705	2,236	1,060	+ 29
Industries	1,112	71,784	11,213	29,498	+ 1,136
Labour	179	11,119	3,556		+ 293
School Co-operatives	2,028	227,416	598	1,710	+ 78
Other Primary	678	61,637	18,837	18,253	+ 418
Secondary Societies Total	274	24,892	113,978	1,437,386	+ 1,043.99
Provincial and District Banks	7	4,643	31,013	372,985	+ 264
Agricultural Unions	17	944	6,826	3,297	— 322
Fish Sales Union	2	101	1,771	2,235	— 525
Industrial Unions	33	5,478	14,333	43,506	+ 1,085
Multi-purpose Unions	119	4,398	58,021	965,334	+ 3,363
District Unions	24	7,684	1,040	—	— 18
Credit Unions	69	1,588	14	—	— 01
Federation	1	24	1	—	+ 26
Other Unions	2	32	959	50,029	+ 171

Co-operative Financing

The Co-operatives are financed by the People's Bank and by the Co-operative District Banks and also by the Government under its scheme of assistance through various Government Departments. The Co-operative Societies owed the Co-operative Provincial and District Banks Rs. 19.5 million and the People's Bank Rs. 34.4 million. The Provincial and District Banks owed the People's Bank Rs. 16.6 million.

The People's Bank inaugurated a scheme of extended Rural Credit in July, 1963. The Co-operative Societies selected for their credit worthiness were granted overdraft facilities for relending to their members for purposes specified as—

- (i) Production
- (ii) Housing
- (iii) Redemption of Debts
- (iv) Purchase of consumer goods.

The maximum loan allowed per member for any one of the first three purposes was Rs. 2,000 and for consumer purposes Rs. 500. The maximum period fixed for re-payment of a loan in full is 5 years.

At the end of the year there were 51 societies operating this scheme. It also introduced a scheme of rural banks in 1964. The object of which was to assist primary multi-purpose Co-operatives at village level to form into strong economic units capable of playing a dynamic role in rural economic development. The total number of such Rural Banks is 11. It also assisted selected Co-operatives to carry on the business of Pawn Broking. Eleven Rural Banks and 15 other Societies were functioning as agents of the People's Bank for the purpose of Pawn Broking.

The Co-operative Department

The Commissioner of Co-operative Development and Registrar of Co-operative Societies has a number of statutory functions to perform, such as registration and supervision and audit of societies. The Department runs the School of Co-operation at Polgolla for training of Co-operative Inspectors and employees of Co-operative societies and organising Seminars for members of Co-operative Societies.

The Co-operative Wholesale Establishment

The C.W.E. originated in 1943 as an emergency measure on the advice of the Civil Defence Commissioner. It was a sub-department of the Co-operative Department and was administered directly by a Senior Assistant Registrar of Co-operative Societies. This Establishment was created for the purpose of procuring essential commodities for the Co-operative Societies which at the time had undertaken to a great extent the distribution of such commodities.

The Establishment became a state-sponsored Corporation under the Ministry of Agriculture and Food by Act of Parliament No. 47 of 1949. It commenced business on 1st July, 1950. The functions of the Establishment according to this Act as amended by subsequent Acts—(viz.: No. 9 of 1950, No. 36 of 1955, No. 39 of 1957) are as follows :

- (a) to procure and supply the requirements of Co-operative Societies ;
- (b) to carry on business as exporters and importers of and as wholesale and retail dealers in, goods of every description required by such Societies ;
- (c) to carry on any such other trade or business, including any agricultural or industrial undertaking on the business of banking, shipping or insurance as may be incidental or conducive to the attainment of the aforesaid objects ; and
- (d) to carry on the business of insurance of every description including grant of annuities upon human life.

Under the Act, the general supervision, control and administration of the affairs and business of the Co-operative Wholesale Establishment is vested in a Board of Directors appointed by the Minister. The Act provides for the appointment of 3 Directors nominated by the Co-operative Federation of Ceylon Ltd.

With the establishment of the Insurance Corporation of Ceylon in 1962, the business of insurance handled by this Establishment was handed over to that Corporation.

The Establishment for its stock-in-trade makes direct imports and also bulk purchases from the Food Commissioner. Local Produce is also purchased through the Agrarian Services Department and also directly from producers. These goods are distributed mainly through the Co-operative Unions. As an extension of its services the Establishment maintains a number of retail shops as well and also distributes certain essential commodities through registered private wholesale dealers.

In 1961 the Government vested with this Establishment the monopoly import of Dried Fish which was hitherto imported by the private trade. The import of cummin seed, tamarind, chillies, etc., were also given over to this Establishment as monopoly imports in the subsequent years.

In textiles the Establishment shared imports with the private trade until 1966 during which year the entire imports were given over to this Establishment. In 1965 the private trade handled approximately 20 per cent of the earlier imports. The Establishment is also the sole distributor of Sugar and Maldivian Fish which are imported by the Food Commissioner and channelled through the Co-operatives and authorised dealers.

During the period 1950 to 1960 the Board had a few retail shops dealing principally in textiles. The programme of expansion of retail shops commenced in November 1960. In that year 4 new shops were opened and in the subsequent 3 years 25 per year were opened. In 1964, 53 shops were opened and in 1965, 7 shops were opened. These shops have been opened throughout the Island. They deal in essential commodities including textiles and were in the nature of check stores to maintain fair prices to the consumer. In order to avoid competition with Co-operative Stores, action was taken in the latter part of 1965 to hand over several of these retail shops to Co-operative Unions and to maintain only a limited number of retail shops in the principal market towns to serve as check stores.

The C.W.E. has also engaged itself in export business of tea mainly to Middle East countries and Russia. It also handles the export of coconut oil, desiccated coconut and fresh coconuts.

The role played by the Co-operative Wholesale Establishment as a distributor of essential commodities became more important with the restriction of supplies, and the scheme of distribution was organised on a rational basis during 1966. The supplies which comprised mainly of food items were channelled to consumers through the—

- (a) Co-operative Sector,
- (b) Private trade, and
- (c) the chain of C.W.E. Retail Shops.

Increasing attention was paid to Co-operative and private sectors in the distribution pattern.

The requirements of the Co-operatives were issued from the group of Stores at McCallum Road while the group of Stores at Welisara was reorganised for the supply of essential food commodities to the private trade. A greater degree of Co-ordination in the distribution set-up was realised in 1966 with the appointment of Regional Officers who worked in closer liaison with the Kachcheri-orientated provincial administration and the local bodies.

The major items in the 800 million rupee turnover for the year were cement and textiles, the import of which became a C.W.E. monopoly in 1966. Distribution of cement comes under the Hardware Department, and the Jawatte Group of Stores dealt with imported textiles. The import and distribution of tyres was also handled by this Establishment.

In the reorganised scheme of distribution, the main factor taken into consideration by the Board of Directors, was the need to make available supplies in Colombo as well as the outstations. The business of the Establishment has been carried on at a profit.

Towards the end of the year, the C.W.E. Act was amended to empower the C.W.E. to invest and acquire or hold shares or stock in any Public Company having objects similar or substantially similar to the objects of the Establishment, provided such investment gives a controlling interest in the Company. In pursuance of this amendment, action is being taken to enter into business in partnership with the private sector.

IV—NATIONAL HOUSING

Before 1954, there was no central organisation for Government participation in house building. In that year the Department of National Housing was established under the provisions of the National Housing Act, No. 37 of 1954 which was subsequently amended by Acts, No. 42 of 1958 and No. 36 of 1966.

This statute created a fund called the National Housing Fund and also administrative apparatus to implement a comprehensive housing policy with a view to enable—

- (a) The construction of buildings for residential purposes and for certain other specified purposes ;
- (b) The manufacture, importation or supply of material required for the construction of these buildings ;
- (c) The provision of roads, water, electricity, gas and sewerage ;
- (d) The administration, management or control of buildings and building schemes ;
- (e) The provision of amenities in an area in which any housing scheme has been carried out including transport and other services ;
- (f) The development of land for purposes of housing ;
- (g) The grant of loans and other assistance to build houses.

To achieve these objectives, the Act also provided for the creation of building societies, housing bodies and building companies. Housing policy itself is decided at Cabinet level on the advice of the Ministry of Labour, Employment and Housing. Provision of adequate finance, however, is subject to continual Treasury control.

The National Housing Fund is serviced from loans raised from debentures issued from the Central Bank and now from Treasury loans which are drawn from the Consolidated Fund on the authority of supplementary estimates. These monies are invested in three Principal ways, viz :—

- (1) Construction of houses by the Department of National Housing which are given out on rent purchase terms and flats which are let ;
- (2) Loans granted to house builders ;
- (3) Acquisition of land to be made available to prospective house builders.

The Department also granted assistance to individual builders of single units or any number of units. The Department also gave assistance to building Societies.

In 1957, the Department restricted the loan to a limit of Rs. 15,000 for the construction of single units only. Later, loans not exceeding Rs. 2,000 were also given to individuals to repair or put up houses without hypothecating land as security, but on a personal guarantee.

In addition to mortgage loans issued by the National Housing Department, the private sector has enjoyed income tax exemption relating to new houses constructed on or after 6.8.54; the period of exemption ended on 31.3.63.

By Act No. 36 of 1966 legislation has been framed in extending the period while limiting the scope of exemption, except where the houses are built for owner occupation, which are fully covered to the categories which provide non-luxury dwellings for tenant occupation.

Since the inception of the Department in 1954 to the end of the financial year 1966-67 the total number of loans offered to individuals was 13,835 valued at Rs. 155,912,154. Of this amount a sum of Rs. 22,763,079 was accounted for during the financial year 1965-66 and Rs. 19,457,996 during 1966-67.

The Department has under construction 1,008 flats in and around Colombo where the housing problem is most acute. Most of these flats are expected to be completed before the end of 1968. The total amount spent on departmental construction during the financial years 1965-66 and 1966-67 were Rs. 6,055,958 and Rs. 8,611,196 respectively.

There has been of late greater activity in the construction of houses both by the Department and by individual borrowers and in the requests for advances for housing purposes. The Department of National Housing plays a key role in the process using legal provision in the Acts of Parliament dealing with housing and land acquisition. Buildable land is acquired compulsorily, if necessary, for construction of houses by the Department, local authorities or by private enterprise. A condition of alienation of acquired land for development by private enterprise is that each transferee should build a residential house within a stipulated period of three years from the date of transfer.

Regional Offices

Regional offices are operating at Anuradhapura, Kandy and Galle. Loan payments hitherto centralised at the Head Office have also been decentralised. The divisional offices at Galle, Kandy and Anuradhapura make all payments to borrowers in these areas.

V—TOWN AND COUNTRY PLANNING

Planning

Considerable progress was made during the year on the Kataragama and Kelaniya Preservation Schemes. At Kataragama, the first stage of the electricity scheme was commenced and a further tract of jungle land was cleared and levelled by the Army for residential and commercial development. Work on the shop buildings constructed by the Government has been completed, and allocations will soon be made to the traders who will be moved out from the Sacred area. The first stage of the working class housing scheme financed by the Government has been completed, and the second stage is now under construction. The Pilgrims' Rest put up by the Government is well patronised throughout the year, and has considerably solved the problem of accommodation during the festival season. Acquisition proceedings were initiated during the year in respect of private land within the Sacred Area. At Kelaniya, work on the water supply scheme was commenced. All private land in the forecourt of the Sacred Area was taken over and buildings standing thereon have since been demolished. Acquisition proceedings have been initiated in respect of the remaining private land within the Sacred Area.

The Government has approved the total estimate of Rs. 3,953,975 for implementing the Mahiyangana Planning Scheme. It is proposed to carry out the Scheme in 4 stages over a period of 4 years.

During the year, various Government Departments, and local authorities sought the advice of this Division on layout plans for development areas, layout of new roads and improvements to existing roads, siting of public buildings, religious and cultural institutions and other public amenities.

Housing

Technical assistance to local authorities in the implementation of their housing schemes was continued by the Division during the year. Many local authorities took advantage of the assistance given, particularly in the selection of sites, preparation of plans, estimates and specifications, setting out of schemes of sites and the inspection of schemes during the course of construction.

Detailed plans were prepared for the construction of approximately 800 working class housing units in the rural and urban areas of Melpattu East, Udappu, Wegampattu-Nilgala, Tillicoultry, Kandupita pattu, Kuruwita Korale, Pallepattu, Eravur, Kekirawa, Kantalai, Ja-Ela, Panadura, Dehiwala, Kegalle and Colombo. Low cost methods of construction were incorporated in the design of the housing units, taking into consideration the rising cost of building materials and labour and also the specific needs of the type of tenants expected to live in these low-cost housing units.

Civic amenities of local authorities

The local authorities, as in the past, sought the assistance of this Division for the improvement of their civic amenities. This Division assisted these local authorities in the selection of suitable sites for public purposes and the design and preparation of the necessary plans.

During the year, plans were prepared for markets at Hambantota, Mirigama, Chilaw and Udagampaha. Plans were also drawn for storeyed flats with ground floor shops at Kataragama, Maskeliya New Town, Hingurakgoda and Ratmalana. Plans and estimates were also prepared for improvements and additions to the Rest Houses at Chilaw, Avissawella, Matara and Tangalla, a Library and Reception Hall at Bandarawela, a Secretariat at Kurunegala and a Cultural Centre for the Friedrich Ebert Foundation. Preliminary plans were prepared for a multi-storeyed administrative block for the State Engineering Corporation.

“Pilot” Slum clearance project

During the year, the services of Mr. J. M. Fraser of the United Nations Technical assistance Bureau was made available to the Ministry of Local Government as Consultant in the field of Physical Planning (Slum Clearance). With his assistance, a comprehensive large-scale redevelopment scheme was prepared for Maligawatta area utilising a crown site of 75 acres. The scheme provides for the rehousing of 22,000 people in 3,100 four-storeyed flats. There is provision in the scheme for shops, market, school, technical college, post office, clinic, bus stand, community centre, park and other amenities.

The Anuradhapura Preservation Board was established by the Anuradhapura Preservation Board Act, No. 32 of 1961. The primary functions of the Board are as follows :—

- (a) Removal of all lay activities and non Buddhist religious organisations from the Sacred Area.
- (b) Preservation of shrines and National Monuments.
- (c) Development of the New Town area in Keeping with a systematic plan and thereby the establishment of an up-to-date New Town.
- (d) Improvement of Religious and Cultural activities.

In addition to the above functions, the following activities were carried out by the Board during the year, 1966.

- (a) Commencement of work on the construction of 25 twin houses for residents evacuated from the Sacred City.
- (b) Commencement of work on 60 Commercial Buildings in the New Town and completion of 30 such buildings.
- (c) Construction of a Rubble Masonary wall, around the New Town Cemetary.
- (d) Construction of side and surface water drains in Commercial Area I and II.
- (e) Provision of a pipe line from Thuparama to Samadhi Pilima for the convenience of pilgrims in the Sacred City.
- (f) Metalling and tarring of one mile of roadway—Road E.V.
- (g) Maintenance of Roads, water supply and electricity in Stage II in the New Town.
- (h) Provision of all facilities for pilgrims during Wesak, Poson and other Buddhist Festivals.
- (i) All health and sanitary facilities for the residents of the Town were provided satisfactorily.
- (j) Commencement of work of white washing Ruwanwelisaya Dagoba.
- (k) Construction of Hume Pipe Culverts and Cylindrical Water Tanks in Housing Scheme VIII, New Town, Anuradhapura.

CHAPTER XXI

POLICE, PRISONS, PROBATION AND CHILD CARE SERVICES

I—POLICE SYSTEMS AND CRIME STATISTICS

The Police Service of Ceylon was established and is governed by Ordinance No. 16 of 1865, as amended by subsequent Ordinances from time to time. However, there was a Police Force dating as far back as the early 19th Century. Before the Police Service was constituted these duties were performed by Village Headmen who are now called Grama Sevakas and who perform the same duties in some parts of the Island which are not policed as yet. Even in policed areas, particularly in rural areas, the Grama Sevakas play a useful part in detection and investigation of crime.

At the end of the year 1966, there were 257 Police Stations in the Island and the number of police officers in the department was 9,698. Financial considerations have slowed down the Department's plans for taking over the unpoliced areas.

Crime Statistics

Under the Head of Grave Crimes are included offences of abduction, arson, burglary, cattle theft, exposure of children, grievous hurt, attempted homicide, hurt by knife, rape, unnatural offences, riot, robbing, theft over Rs. 20, theft of bicycles and receiving of stolen property.

TABLE 21.1—CRIME STATISTICS 1960-1966

<i>Year</i>	<i>Total Crime</i>	<i>True</i>	<i>Convictions</i>	<i>Percentages</i>	<i>Pending</i>
1960	18,230	10,178	2,984	29.32	6,125
1961	19,156	10,268	2,943	28.66	6,904
1962	20,418	10,281	2,986	28.07	5,981
1963	22,622	15,952	4,147	25.9	4,750
1964	21,414	13,513	3,163	23.4	6,739
1965	23,560	13,403	3,580	26.71	8,269
1966	23,349	15,075	3,660	24.28	9,303

Vehicular Traffic

A total number of 69,549 detections of traffic offences were made by the Police in 1966. In 894 cases, warning tickets were issued to offenders to attend instruction classes in lieu of prosecutions, the accent being more on correction than punishment.

In 1966 there were 12,271 accidents with 6,580 persons injured and 474 killed. The following table shows accident figures over the last 10 years:

TABLE 21.2—ROAD ACCIDENTS 1957-1966

<i>Year</i>	<i>Total No. of Motor Vehicle</i>	<i>Total No. of accidents</i>	<i>No. of persons injured</i>	<i>Number killed</i>
1957	104,001	16,093	8,197	364
1958	112,216	16,872	8,461	384
1959	113,110	16,944	8,932	435
1960	128,631	17,147	8,855	479
1961	142,970	19,106	9,625	434
1962	145,216	16,994	9,297	509
1963	146,323	15,854	8,546	450
1964	147,589	14,188	8,653	430
1965	148,760	13,068	7,798	446
1966	151,417	12,271	6,580	474

II—PRISONS

The Department of Prisons is responsible for the Administration of all Prisons, Training Schools for Youthful offenders, and Lock-ups in the Island. There are 14 prisons, 2 Training Schools, 4 Open Prison Camps providing accommodation for about 6,500 prisoners. The four largest of these institutions are at Welikada, Mahara, Bogambara and Jaffna. The other prisons are situated at Anuradhapura, Galle, Batticaloa, Badulla, Matara, Tangalle, Colombo (Colombo Remand Hulftsdorp and New Magazine Prisons) and Kandy. The 4 Open Prison Camps are at Kundasale, Kopay, Taldena and Anuradhapura, and the 2 Training Schools at Wathupitiwela and Negombo. The daily average population of all prisons and Training Schools was 6,352 during the year 1965/66.

Agriculture and Industrial Training

All Prisoners capable of being trained in industrial work are given a training in selected trades. At Welikada, Mahara and Bogambara (Kandy) Prisons, there are large-scale industrial establishments providing up-to-date training in Carpentry, Tailoring, Laundry, Shoe-making, Rattan Work, Weaving, Mat-making and Printing. In those institutions where land is available for agricultural work, small groups of prisoners are trained in gardening, horticulture and agriculture. The output from Agricultural and Industrial activities is mainly supplied to Government Departments and local bodies.

In open prison camps, the main activities are the cultivation of paddy and vegetables and the breeding of poultry. The total value of industrial and agricultural out put during each of the last five years is as follows :

<i>Year</i>	<i>Value Rs.</i>
1961/62	2,261,378
1962/63	2,446,476
1963/64	2,386,227
1964/65	1,970,109
1965/66	2,051,179

The decline in the value of output in 1964/65 compared with the previous year was mainly due to the non-availability of raw materials. The production during the year 1965/66 could have been increased still further, if raw materials needed for the industries were supplied in time by the Government Stores Department. The short-fall in production due to this reason may be estimated at about 2 lakhs of rupees. The saving to Government by prison industries during the year was about 2 million rupees.

The wages Scheme caters for all prisoners and Training School inmates with sentences of over 6 months. There is a marked change in the attitude of prisoners towards work since the introduction of the Wages Scheme. A relation between work output and wages payment has been achieved by the Wages Scheme.

Moral and Spiritual Welfare

Every opportunity is provided for prisoners to observe religious practices in keeping with their faiths. All prisoners have places of worship within the premises and prisoners are allowed unrestricted access to these places for purposes of worship. In all institutions, wards are set apart for religious observances and celebrations. Religious activities are generally directed by the Chaplains and visiting clergy and the authorities have made special arrangements for the clergy of all denominations to visit the prisons regularly. Religious instruction classes are held in most of the institutions. On days of special religious significance, the inmates are taken to local places of worship.

Education

Besides vocational training, every effort is made to give the inmates who require it, some form of basic education. Adult education classes in all three languages are held at Welikada, Badulla, Bogambara, Pallekele, Galle and the Training Schools at Wathupitiwela and Negombo. These classes are conducted by the Education department, except at the Training School at Wathupitiwela where the classes are being conducted by the Prison Staff. Newspapers in English, Sinhalese and Tamil are made available to the prisoners, thereby enabling them to keep abreast with current affairs. Library facilities are available to all prisoners. At Welikada Prison classes in commercial subjects—Shorthand, Typewriting and Book-keeping are conducted under the auspices of the Prisoners' Welfare Association.

Recreational Activities

At the various institutions prisoners are provided with facilities for outdoor games such as Volley Ball, Basket Ball, Cricket, Swimming and Elle and indoor games such as Carrom, Draughts, Table Tennis and Boxing. Inter-Prison and Inter-house sports competitions are held. In the field of boxing, achievements have been very high. In the year 1965/66 prisoners from Welikada Prison, represented Ceylon and performed creditably at the Indo-Ceylon Boxing Championships.

Training Schools

There are 2 Training Schools for youthful offenders in Ceylon. The one at Wathupitiwela is of the open type. It is run on the lines of a residential school and is divided into a number of Houses each in charge of a House Master and Assistant House Master. In addition to the Industrial training, the inmates are also given a training in Agriculture and Animal Husbandry. The institution at Negombo is a closed one with facilities for industrial training only.

Open Prison Camps

One of the main objects of an Open Prison Camp is to foster a feeling among the inmates of belonging to the community. The inmates have taken part in several shramadana projects in neighbouring villages and these associations with the community help greatly to equip them for living with the people to whom they will eventually return on their release. Social re-adaptation is the key-note on which these prison camps are administered.

Health

There is a well equipped prison hospital at Welikada with a small operating theatre. Dental and Eye clinics are held regularly at this hospital. There are hospitals in each of the other prisons. Full-time medical officers are attached to the institutions at Welikada, Mahara and Kandy.

An ayurvedic physician visits the Welikada Prison once a week and prisoners from other prisons are transferred to Welikada for treatment. The hospital for Indigenous Medicine provides the prescribed medicine.

Statistics

Statistics for the years 1961/62 to 1965/66 appear in the following table (The figures are for financial years i.e. years ending 30th September.)

TABLE 21.3—PRISON STATISTICS FROM 1961/62 TO 1965-66

	1961/62	1962/63	1963/64	1964/65	1965/66
Number of admissions on Conviction :					
Total	7,181	7,931	8,861	9,996	10,138
Males	6,953	7,705	8,592	9,753	9,914
Females	228	226	269	246	224
Number of admissions on conviction from Supreme Courts and District Courts	585	473	560	459	538
Convictions for murder and culpable homicide not amounting to murder	301	266	299	260	318
Number of persons sentenced to death	102	64	55	63	64
Number executed	4	1	6	4	—
Number of Persons whose sentences were commuted to terms of imprisonment	5	26	13	18	9
Number of reconvicted prisoners	2,806	3,078	3,444	3,728	3,827
Admission for non-payment of fines	2,995	4,094	4,388	4,757	4,724
Imprisonment for statutory offences	3,449	3,212	3,250	3,364	3,229
Daily Average Population (Convicted and Unconvicted) :					
Total	4,876	4,903	5,252	5,764	6,352
Males	4,740	4,806	5,168	5,624	6,267
Females	136	97	84	140	85
Total admissions by Race and Religion (Convicted and Unconvicted) :					
Race					
Sinhalese	15,865	18,830	21,266	23,715	24,264
Tamils	5,076	4,708	5,176	5,704	6,869
Moors	1,564	1,761	1,896	2,086	2,184
Burghers	89	176	93	213	189
Malays	36	68	34	49	118
Europeans	—	—	—	—	—
Others	10	13	28	12	14
	22,640	25,556	28,493	31,779	33,638
Religion					
Buddhists	14,923	17,380	19,343	22,115	22,747
Hindus	4,481	4,011	4,272	5,053	5,830
Christians	1,627	2,300	2,713	2,425	2,562
Muslims	1,599	1,846	2,154	2,140	2,469
Others	10	19	11	46	30
	22,640	25,556	28,493	31,779	33,638

III—PROBATION AND CHILD CARE SERVICES

The main functions of the Department of Probation and Child Care Services are—

- (a) Administration of the Probation Service.
- (b) Treatment and Prevention of Juvenile Delinquency including After Care.
- (c) Protection of children from exploitation and neglect.
- (d) Care of the Deprived Child.

The Head Quarters Organization consists of a Commissioner, three Assistant Commissioners, two Psychiatrists, an Accountant, an Inspector of Works, an Office Assistant and other clerical and accounting staff. Most of the functions of the Department are administered through its Divisional organization.

Field Services

PROBATION SERVICE

The value of Probation as a method of dealing with the offender has found wide acceptance throughout the country. The method consists of a careful investigation of the personal environmental history of the offender including the causes for his anti-social behaviour. Thereafter a Probation Order is made by Court enabling the Probation Officer to befriend, guide and advise the offender for a specified period (between one and three years) considered sufficient by Court for the successful rehabilitation of the offender. Careful investigation and competent supervision has made rehabilitation more successful and has also saved the State of the expenses of maintaining the offender in an Institution. The cadre of Probation Officers is now 125 and they now perform a variety of functions ; Statutory and non-statutory as the under mentioned list will indicate :

- (1) Investigation and Supervision of Probation and Child Care cases.
- (2) After Care of Certified and Approved School lads.
- (3) Adoption inquiries.
- (4) Inquiries and Supervision under Payment of Fines Ordinance.
- (5) Investigations into petitions in respect of children in need of care and protection.
- (6) Work in connection with Prisoners' Welfare Association and Training School After Care Association.
- (7) Voluntary social Work connected with Social Service Leagues, Friend-in-need Societies, Scout and Girl Guide Movements, Youth Centres, Boy's Clubs, Children's Day Celebration, etc.
- (8) Marriage conciliation.

The work done for the financial years 1965/66 was as follows :

SUPERVISION

Probation	3,401
Children and Young Persons	875
After Care	1,085
Fines and Miscellaneous	26

INVESTIGATIONS :

Social Inquiries	3,601
Other Inquiries	4,746
Total	8,547

After Care

After care continues to be carried out on a voluntary basis. Statutory provision for After Care has been made in the New Children's Act, that is now under consideration by the Government. A great deal of importance is attached to this aspect of the rehabilitative process particularly since the judicial removal of an individual from society for the latter's protection, has in fact enhanced the individual's difficulty in meeting social demands on his return. The Probation Officer as After Care agent keeps in constant touch with the Institutional Officers and the Lads' Homes with a view to rehabilitation on discharge. The Probation Officer also endeavours to help adjust the conditions in the homes that were originally considered unwholesome for the lads' progress. This continued process of treatment prepares the way for helping re-settlement when the child or young person returns home.

Adoption

Efforts are made to encourage legal adoption of children in State and Voluntary Institutions. It is realised that adoption is a very good alternative to institutional child care and part from the Departmental officers like Probation Officers, there is a need for more trained voluntary social workers to investigate the suitability of placement and carry out effective supervision during trial periods. With the registration of Voluntary Agencies as Adoption Societies under the proposed new law it will be possible to make wider use of the adoptive process.

Courts have widely used the practice of appointing Probation Officers as *Guardians-ad-litem* in adoption cases. Besides reporting to Court whether the proposed adoption was in the interest and welfare of the child, the Probation Officers, in their capacity as *Guardians-ad-litem*, have also had to investigate and report among other things whether the statements made by applicants were true and complete and whether any reward or compensation had been made or agreed upon in respect of any application.

Institutional Services

REMAND HOMES

The State has established Remand Homes for boys at Kottawa, Koggala and Atchuvally and a Remand Home for girls at Dehiwela for the purpose of providing detention facilities for children and young persons pending production or trial in Court or awaiting the order of Court. During the period of detention the Remand Home fulfils its primary function of skilled observation and report in regard to the conduct, character and physical and mental condition of the children so committed. 1,325 children and young persons have been detained at these Remand Homes during the year 1965-66. In addition to the remand facilities provided by the State, voluntary agencies have also assisted in making available accommodation for the purpose of detention of juvenile remandees committed by Court.

CERTIFIED SCHOOLS

There are six Certified Schools for boys at Hikkaduwa, Koggala, Makola, Senapura, Atchuvally and Welimada and one for girls at Ramnuthugala, Kadawata. The Certified School population at the end of the financial year 1965-66 was 644. These children and young persons have been committed to the Certified Schools by the Courts either because they have been found guilty of an offence against the penal law of the Island or because they have been found to be in need of care and protection. In either event their degree of delinquency or need of care and protection was such that separation from their own family and immediate social surroundings for a specified period was essential for successful treatment and rehabilitation. Consequently the Certified School lads represent the more difficult category of juveniles in need of treatment. Mindful of this, every effort is being made to develop a highly skilled and competent Certified School Service. Strengthening the juvenile person's character and helping the development of his total personality to the highest possible degree has been the primary objective. The school curriculum includes academic teaching, religious and moral instruction, sports and vocational training.

State receiving Homes for Children

There are five State Receiving Homes in Ceylon. The purpose of these Receiving Homes is to accommodate deprived and destitute children until such time as they could be placed out in suitable children's homes maintained by voluntary agencies or offered for adoption or boarded out in suitable private homes. These Receiving Homes perform a useful function in providing a place of safety for children, who cannot be accommodated elsewhere at short notices; the scheme also enables a careful assessment to be made of each child on admission, so that the most suitable home, from the point of view of the child's background, religion, etc., could be selected for permanent care. The question of placement in Homes administered by voluntary agencies has however presented problems as there is a dearth of such homes catering to the majority denomination. In consequence, therefore, a number of children have to be maintained in the State Receiving Homes for longer period than originally contemplated. This is particularly so in respect of infants and handicapped children as the number of voluntary homes catering to these two groups is very limited. Committees have however been set up in each Receiving Home to review the question of placement on a regular and systematic basis.

Children's Homes registered under the Orphanages Ordinance

Voluntary Agencies continue to play a prominent part in the field of child care work. They have in fact taken the major responsibility for institutional care and deprived and destitute children and continue to render dedicated service in spite of difficulties regarding funds, restriction of donations due to taxation, etc. The total number of Children's Homes registered under the Orphanages Ordinance and maintained by voluntary agencies at the end of 1965 was 97. The total number of children in these institutions at the end of financial year 1964/65 was 3,682.

The Co-ordinating Council for Child and Youth Welfare continues to be of very great assistance in Co-ordinating voluntary effort in the field of child and youth welfare and also advising and assisting the Department in various matters pertaining to this branch of social service work.

Approved Home, Maggona

This school is the only Approved School in the Island and has been in existence for over 75 years. With the establishment of a Certified School, however, admissions dropped considerably as admission was restricted to boys of the Roman Catholic faith. Excellent training facilities are provided in agriculture, motor engineering, printing, book binding, tailoring and carpentry. There were 92 inmates at this school at the end of the financial year 1964-1965. At present the Government pays a per capita grant of Rs. 37.50 per boy per month.

Approved Homes

A number of private residences and institutions were approved under Section 5 (2) of the Probation of Offenders Ordinance during the period 1965-66. These private residences and institutions are utilized to provide residential accommodation for probationers and children under unstable home conditions. The private residences and institutions are subject to inspection by Departmental officers.

The Psychiatric Services

Two Psychiatrists advise the Department and the Courts on the mental state of offenders and probationers and the feasibility of treatment. Treatment is undertaken in suitable cases while the offender is on probation or under supervision. Psychiatric services are also available to departmental institutions and to the voluntary agencies on request.

Training and Staff Development

Several training courses were organized by the Department both for staff, and for voluntary agencies. No research projects were undertaken owing to lack of funds and the training programmes also had to be considerably curtailed owing to the same reason.

The "Probation and Child Care" Journal has been published regularly and the Department initiated a bi-monthly News Bulletin "Deprocare Digest" for exchange of experiences and ideas and as a medium of in-service training and social work education.

CHAPTER XXII

TRANSPORT AND COMMUNICATIONS

I—RAILWAYS

The Railway system of the Island has been designed to meet its commercial and agricultural requirements and falls into the categories (a) serving the flat low country ; (b) serving the central hill country areas ; and (c) serving the Kelani Valley region.

All sections of the Island's railway, except the Kelani Valley line, viz. from Colombo Fort to Opanayake, are of broad gauge. Double tracks are provided on the Main Line (i.e. Colombo Fort to Badulla) from Colombo Fort to Polgahawela and on the Coast Line (i.e. Colombo Fort to Matara) from Colombo Fort to Panadura.

The total length of railway line open for traffic in the Island is 935 miles of which 848 miles are broad gauge (five feet, six inches wide) and 87 miles are narrow gauge (two feet, six inches wide).

TABLE 22.1—VOLUME OF RAILWAY TRAFFIC

Year	<i>Passengers conveyed*</i> (Thousands)	<i>Season Ticket Holders</i> (Thousands)	<i>Goods conveyed including livestock</i> (Thousand Tons)
1956	19,717	466	1,638
1957	20,114	480	1,826
1958	18,916	461	1,534
1959	20,525	459	1,574
1960	21,018	481	1,545
1961	21,736	484	1,551
1962	23,671	499	1,510
1963	27,334	521	1,535
1964	29,265.2	557.0	1,596.0
1965	28,879	564	1,452
1966	29,642.5	564.6	1,532.3

* Excludes Season Ticket Holders.

Organisation

The Railway in Ceylon is state-owned and controlled, the management being vested in the Ceylon Government Railway Department. The organization consists of six divisions or sub-departments, under the General Manager, viz. the Civil Engineering, Mechanical Engineering, Transportations, Accounts, Stores, and Security Service. The Civil Engineering and Transportation sub-departments have a District system with District Offices established at selected operating centres.

Finance

The Ceylon Government Railway, which is now over one hundred years in existence, was operated at a profit until 1934. It again made a profit during the periods 1942 to 1946, and was operated at a loss during the intervening periods. The loss is attributable to the rising costs of imported coal, stores and materials and to the increasing wages and pensions bills. The Railway revenue has remained almost static since 1953 and is now in the neighbourhood of Rs. 100 million. The total capital expenditure for the year amounted to nearly Rs. 593 million.

Operating

The Train Service which was introduced on 16th November, 1964, was in operation till 21st October, 1966. On 22nd October, 1966, the present Train Service was introduced availing of the facilities brought about by the completion of the Colour Light Signalling Scheme between Panadura and Veyangoda.

A number of new Train Halts and Ticket Agencies were opened during the year to meet public demand. At other places, existing facilities were improved.

A Magnate Telephone was installed in the Sentry Box at the Hettimulla Level Crossing between Beruwala and Alutgama connecting it on to the Beruwala-Maggonna Railway Agency Telephone Circuit to enable the Sentry to make use of this telephone and ensure a quicker flow of both rail and road traffic at this level crossing.

The Indo-Ceylon Train and Ferry Service which was suspended in December, 1964, following the cyclone, was resumed on 31st March, 1966. The new terminal on the Indian side is Rameshwaran.

The illuminated "block indicator and bell system" of signalling between Maradana-Loco Junction and Baseline Road was withdrawn and Tablet working was introduced between Maradana and Baseline Road from 15th July, 1966.

There are 162 Railway Stations and over 80 Ticket Agencies excluding the unattended Train Halts to serve the public. The mileage covered by the Road Motor Carrier Service for goods and parcels traffic co-ordinated with the Railway totals to about 175 miles with over 20 Out Agencies opened along the routes served as collecting and delivery centres.

The Ceylon Government Railway provides employment to nearly 25,000 persons.

Facilities

The following are some of the concessions available to those patronising the Ceylon Government Railway :—

- (a) Tickets at $1\frac{1}{2}$ the Single Fare for the Double Journey—
 - (i) Day-Return Tickets—Journeys 25 miles and over.
 - (ii) Two-Day Return Tickets—Journeys 75 miles and over.
 - (iii) Week-end Tickets—Journeys 60 miles and over available for—
 - Outward Journey—From two days prior to Poya day, and
 - Return Journey—On Poya day and the day following.
- (b) Tickets at $1\frac{1}{2}$ the Single Fare for the Double Journey Return Tickets for parties of ten adults and over for distances 25 miles and over—valid for 17 days.
- (c) Tickets at $\frac{3}{4}$ the Single Fare for Point to Point travel Circular Tour Tickets for point to point continuous journeys not less than 400 miles—valid for 30 days.

Retiring Rooms

Retiring rooms fully furnished and equipped with modern amenities are available at Anuradhapura, Kandy and Jaffna, for the benefit of Railway passengers—(Charges : Single Room Rs. 8 per day and Double Room Rs. 16 per day).

Diesel de-luxe

There are two self-propelled saloon cars with de-luxe accommodation for 30 passengers in each car. Parties who wish to travel exclusively can book these saloon cars for their use by prior arrangement with the Commercial Superintendent, Railway Headquarters, Maradana, Colombo 10. (Charges : $1\frac{1}{2}$ times the First Class Single Fare for the Return Journey. Extra charges for detention beyond the free allowance, and empty haulage).

Observation Saloons

Observation saloons equipped and fitted for first class travel to enable the landscape to be viewed whilst on the run are now provided regularly on certain up-country trains. Tourists will greatly enjoy this facility to view the scenic beauty of the country. There is accommodation for fifteen passengers in one of these saloons. Every passenger (adult or child) travelling in an Observation Saloon must hold, in addition to a First Class Travel Ticket, an Observation Saloon Ticket, the cost of which is Rs. 5.

Air-conditioned coach

A first class air-conditioned saloon with accommodation for 32 First Class Passengers runs between Colombo Fort and Kankasanturai attached to the fast express train "Yal-Devi" during five days of the week.

Tourist Concessions

Tourist Introduction Cards issued by the Government Tourist Bureau, Colombo, entitles Tourists to the following concessions on the Ceylon Government Railway :—

- (i) First Class Tickets at Second Class Fare and Sleeping Berths at Rs. 5 (First Class).
Second Class Tickets at $\frac{3}{4}$ of the normal Second Class Fare and Sleeping Berths at Rs. 2.50 (Second Class).
- (ii) A "Travel-As-You-Please" Season Ticket with unlimited travel for 14 days.
Fare—First Class—Rs. 150.
Second Class—Rs. 100.
- (iii) A reduction of 10% on meals obtained from Railway Restaurant Cars en-route, Railway Restaurant Rooms and Railway Retiring Rooms at Stations.

Express Parcels service

The express parcels service between Colombo and Kandy, Colombo and Anuradhapura, and Colombo and Jaffna afford the general public the facility of guaranteed delivery of their parcels within a few hours of acceptance at those stations. Station Masters at the destination stations promptly notify addressees by telephone or urgent advice notes of the arrival of such parcels at the destination stations concerned.

Co-ordinated Road Motor Carrier Service

The following co-ordinate Rail/Road Services for Passenger and Freight Traffic are operated for the convenience of the general public :—

Collection and Delivery Service.—These services are operated by Departmental lorries within the Municipal limits of Colombo, Kandy and Galle, and their suburbs. They offer the Railway patrons the facility of economic and expeditious door-to-door transport of their goods and parcels.

Carrier Service.—Regular Road Motor Carrier Services for the transport of goods and parcels operate between Matara and Tissamaharama ; Nanu-Oya and Ragalla ; Nanu-Oya and Welimada ; and Haputale and Moneragala. These freight services constitute important links between rail-heads and the outlying areas.

Rail-Road Passenger Transport.—Co-ordinated Rail and Road bus connections are provided at important Railway Stations on the Coast, Northern and Up-Country Lines enabling residents in remote areas to patronise popular long-distance express trains. These co-ordinated services provide a Road Bus connection for Railway passengers or a Railway connection for Road Bus passengers at scheduled times Co-ordinated omnibus services are also operated to and from populous hinterland areas and suburban Railway Stations such as Kollupitiya, Wellawatte, Dehiwala, Ratmalana, Hunupitiya and Ja-Ela for the convenience of city workers and school Children.

Pilgrim Transport Services.—Co-ordinated Rail/Road Transport Services are provided in connection with all pilgrimages to important shrines and places of devotion such as Sri Pada, Katarama, Mahiyangana, Thirikethenwaram, Talawila, Madhu, Whacotte and Hiniduma.

Concessionary rates of travel over the Railway are afforded to pilgrims attending the aforesaid places of worship.

Rolling Stock and Locomotives

Steps are being taken to complete the dieselisation of the Ceylon Government Railway. World-wide tenders were called for the supply of 87 Diesel Locomotives which will replace 203 broad gauge Steam Locomotives.

The Observation Saloons which were introduced in place of First Class Day Coaches gained popularity and as such, more of these saloons were put into service during the last year.

Five Air Conditioned Chinese Coaches will be introduced on long distance trains to supplement the existing one as soon as the necessary equipment is received.

Plans are under way for the supply of two, five-coach articulated air-conditioned train units for Tourist Traffic. These units will be streamlined and furnished luxuriously with the latest model reclining seats. Dining and refreshment facilities have been specified with modern kitchens equipped with electrical appliances. The introduction of these train units is especially designed to boost Tourist Traffic in the country.

Eight shunting locomotives are being built locally.

Thirty three four-wheeled Ballast Wagons were built locally and released to traffic in 1966.

The following Rolling Stock received from the Peoples' Republic of China were released to traffic during the course of the year :—

Passenger Brake Vans	9
Two axle Cattle Wagons	20
Two axle Highside Wagons	20
Bogie Hopper Wagons	93
Coaches converted to Travelling Vans	2
Coaches converted to Observation Saloons	2

The position of Locomotives and Rolling Stock is as follows :—

Steam Locomotive	221
Diesel Mechanical Locomotives	4
Diesel Electric Shunting Locomotives	9
Diesel Hydraulic Locomotives	5
Diesel Electric Locomotives	39
Diesel Hydraulic Power Coaches	45
Hydro-Mechanical Rail Cars	5
Diesel Electric Rail Cars	23
Steam Rail Cars	3
Motor Inspection Trolleys	7
Coaches and Wagons	5,248
Road Vehicles	77

II—ROADS AND ROAD TRANSPORT

Roads

Many agencies construct and maintain roads in Ceylon. They are Government Departments such as the Public Works, Irrigation, Land Development and the Forest, and Local authorities such as Municipal, Urban, Town and Village Councils. Privately owned estates too construct and maintain roads, some of which are open for use by the Public. Road statistics pertaining to roads other than P. W. D. are not readily available and the figures given in the tables refer only to P. W. D. roads.

The P. W. D. as the largest single agency was in charge of 12,919 miles of Public roads in 1966. Their classification in the different classes is given in the Table 22.2 below.

TABLE 22.2—MILEAGE BY CLASS

<i>Trunk</i>	<i>Main</i>	<i>Other</i>			<i>Total Mileage</i>
<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	
2,168·16	2,957·23	4,144·88	3,011·11	637·57	12,918·95

Motorable mileages 11,473 approximately

Unmotorable mileages 1,445 approximately.

MILEAGE BY TYPE OF SURFACE

	<i>Unimproved</i>	<i>Improved</i>	<i>Permanent</i>	<i>Total</i>
A	—	—	2,168·16	2,168·16
B	—	—	2,957·23	2,957·23
C	—	292·15	3,852·73	4,144·88
D	807·77	2,203·34	—	3,011·11
E	637·57	—	—	637·57
Total	1,445·34	2,495·49	8,978·12	12,918·95

The National and Arterial highways of this system have been posted as 'A Routes' whilst the main highways have been posted as 'B Routes'.

There are 21 posted 'A Routes' with a total mileage of 1,828 and 75 posted 'B Routes' with a total mileage of 1,392.

During 1966, the P. W. D. took over 126 miles of roads from other agencies such as Village Committees, etc., for construction and maintenance. Most of these roads are unmotorable and the Department is engaged in a programme of making them motorable as far as funds permit.

Grant-in-Aid Roads

In addition to the 12,919 miles of roads directly maintained by the P. W. D. there are other roads which are maintained by local authorities and estates on funds provided by the P. W. D. These

roads are called Grant-in-Aid roads. The following Table gives a summary of these roads:

TABLE 22.3—MILEAGE OF GRANT-IN-AID ROADS

<i>Authorities</i>	<i>District</i>	<i>Miles</i>
Municipalities	Colombo	30.89
Estates	Kalutara	7.05
	Veyangoda	4.25
	Kegalle	42.15
	Pelmadulla	68.62
	Avissawella	23.85
	Matale	11.75
	Norwood	88.01
	Dimbulla	27.59
	Nuwara Eliya	1.05
	Kandy	29.10
	Katugastota	14.50
	Kurunegala	0.20
	Batticaloa	0.60
	Bibile	0.76
	Badulla	4.41
	Total	323.89
	Grand Total	354.78

Organization

A major organizational change took place in the P. W. D. in October, 1966. The Island was divided into three zones—Western, Central and Northern and each zone was assigned to a Deputy Director who was responsible for all works in the respective zone with regard to both roads and buildings. Before this change, there was one Deputy Director in charge of all roads and one in charge of all buildings in the Island.

Expenditure

During the fiscal year 1965–1966 the P. W. D. spent approximately Rs. 23 million on recurrent expenditure on economic services such as maintenance of roads and bridges. A sum of approximately Rs. 22 million was spent during the year as capital expenditure on road and bridge development projects.

Major works of interest carried out or completed during the year are—

- Weligama by-pass
- Galle by-pass
- Ella-Wellawaya Road
- Widening Galle Road through Kalutara Town
- Anuradhapura-Padeniya Deviation
- Northern approaches to New Kelani Bridge.

The activities of the P. W. D. in road and bridge construction and maintenance together with other connected items of interest were given wide publicity through the medium of two Exhibitions. A whole Railway carriage attached to the Railway Centenary Exhibition Train was fitted up with exhibits of road and bridge activities and this train toured the Island from 1.12.64 to 20.1.65. At the Industrial Exhibition held in Colombo from 1.2.65 to 10.3.65 a large stall was similarly but more extensively fitted up with exhibits pertaining to roads and bridges in the Island.

Motor Transport

The Commissioner of Motor Traffic is responsible for the administration of the Motor Traffic Act. The scope of its functions in the year 1966 included the Registration and licensing of motor vehicles, registration of transfers of motor vehicles, issue of driving licences, ticket inspectors' and conductors' licences, certificates of fitness for commercial vehicles and examination of vehicles involved in serious accidents, the regulation of passenger-carriage services and carriage of goods by motor vehicles, implementation of the Finance Act, No. 11 of 1963, relating to the sale of certain cars, the control of supply and distribution of motor vehicles, and the regulation generally of motor traffic on highways. To carry out these tasks, the Commissioner of Motor Traffic, who is also the Registrar of Motor Vehicles, is assisted by a staff of five Assistant Commissioners, a Technical Assistant, Seven Divisional Road Transport Officers, of whom three are attached to the Kandy, Jaffna and Kurunegala Kachcheries, an Accountant, 33 Examiners of Motor Vehicles and others.

Registration of Motor Vehicles

The post Independence period saw a rapid expansion of road transport until 25.1.61 when a virtual ban was imposed on the importation of motor vehicles in order to conserve Ceylon's external assets. However, in order to assist Industrial and Agricultural development projects, a limited number of commercial vehicles was allowed to be imported for the use of certain essential categories. Statistics of the number of motor vehicles in the Registers for the last ten years are given below :

1957	104,001
1958	112,216
1959	125,302
1960	136,976
1961	142,970
1962	145,216
1963	146,323
1964	147,589
1965	147,760
1966	151,417

Ownership of existing motor vehicles changed more frequently than in the past, and during the year a sum of Rs. 686,395 was collected as revenue by way of stamp duty on transfers.

Licensing of motor vehicles

The Commissioner of Motor Traffic who is also the Registrar of Motor Vehicles is the Accounting Authority for the collection of licence duties on motor vehicles. He also collects the licence duty in respect of motor vehicles garaged in the Revenue District of Colombo, which amounts to nearly one half of the total number of motor vehicles in the Island. The Government Agents are the licensing authorities of motor vehicles in their respective districts.

Statistics of Revenue collected by the Department of Motor Traffic and Government Agents for the year 1965/1966 are as follows :—

	Rs.
Registrar of Motor Vehicles	5,906,570
Government Agents	5,167,813

Driving Licenses

A driving licence is issued only after subjecting an applicant to a trial in driving and a test in road rules. The applicant must satisfy the Examiner of Motor Vehicles in both tests to qualify for a driving licence. An applicant who is aggrieved by the decision of an Examiner is given the right of appeal, and in such cases, he is re-tested by a more senior officer. Licences to drive commercial vehicles like buses, lorries and hiring cars are issued after a test conducted by a Board consisting

of a Staff Officer, an Examiner of Motor Vehicles and a Police Officer. Although there has been a marked decrease in the number of passenger cars imported into the Island there has not been a corresponding decrease in the number of drivers for this class of vehicle. The number of licences to drive private cars and commercial vehicles issued in the financial year 1965/66 was 12,248.

Conductors' and Ticket Inspectors' Licences

Conductors and Ticket Inspectors Licences are only issued to applicants who have been selected by either the Ceylon Transport Board or operators of occasional bus services, for employment, and this provision has tended to restrict the issue of such licenses. During 1965/66, 1,539 licences of the former category have been issued, while there has been no issue of licences in the latter category.

Road Safety Campaign

Motor Traffic (Highway Code) Regulation, 1951, published in the form of a booklet is being sold by the Department at a nominal price of 10 cents and the copies of this booklet are available in Sinhala, Tamil and English. The Highway Code embodies the rules required for the guidance of persons using the roads. The Highway Code itself is in the process of revision, and it is expected that a code more in conformity with modern international standards would be published shortly.

Examination of Motor Vehicles

In Colombo District, Commercial vehicles which are required by law to obtain annually certificates of fitness are examined at the Testing Station attached to the department. In the provinces, this work is being done by the Examiners of Motor Vehicles attached to the various Government Agents.

International Convention relating to Motor Traffic

Ceylon has contributed to the 1949 International Convention relating to Motor Traffic and continues to insist on International Driving Permits. Domestic Driving Licences issued by countries subscribing to the Convention are recognized, and temporary recognition permits are issued to tourists and others.

The Automobile Association of Ceylon has been authorised by the Department to issue International Certificates for motor vehicles and International Driving Permits to Ceylonese going abroad.

Tax on the sale of motor cars

Under the Finance Act, No. 11 of 1963, a tax is payable on the sale after 1.8.63 of motor cars—

- (a) registered for the first time in Ceylon as or after 26.1.61 (the registration number issued on 26.1.61 was 4 Sri 4064) ; and
- (b) imported free of customs duty or on special concessions given to Diplomats and other privileged persons.

During the period of 1.10.65–30.9.66 a sum of Rs. 280,060 was collected. This tax applies to such motor cars for a period of seven years from the date of the first registration of the motor car in Ceylon. The purpose of this tax is to prevent a few owners of motor vehicles who have obtained the privilege and concessions of importing new motor cars into the country from making unconscionable profits by selling their cars at fabulous prices in a booming second-hand market especially when the vast majority of owners and users of motor cars cannot import new cars under the existing import control regulations.

Ceylon Transport Board

The Year 1966 was one of consolidation of the work started in the previous years. Many new services were started and a large number of new schemes both for the benefit of the public as well as for the Board's own employees were inaugurated.

Passenger traffic continued to show a steady increase and the opening up of new routes and the introduction of several operational changes of a far reaching nature contributed to a further increase in the total volume of traffic. As in previous years, the emphasis was on the improvement of the rural services. The total number of additional routes started by the Board during the year was 61. The total number of routes on which bus services were operated was 1,870 as against 1,809 in 1965, 1,609 in 1964 and 1484 in 1963. The consequent increase in the route mileage was 2,024, i.e. 42,736 miles as against 40,712 miles in the previous year. Operational cost was not the only criterion in deciding to start new services. New services were inaugurated though it was felt that some of these would be uneconomical for some time. The reason for the operation of such uneconomical services was to help in the development of areas whose population hitherto had no reliable and regular means of transport.

Apart from the introduction of new services, a number of existing services have also been extended to serve new areas.

The total number of passengers carried during the year increased from 893.7 million in 1965 to 1,052.4 million in 1966. On account of the number of new buses added to the fleet, the increase in revenue did not keep pace with the increased mileage. The revenue per day however increased from Rs. 515,655 to Rs. 685,533 in 1966. The average vehicle utilisation was stepped up from 143 miles per bus to 151 miles per bus.

The schedule requirement of vehicles for 1966 was 4,380 as against 4,005 in 1965. The inauguration of a number of new services, extensions to existing services and the increase in the frequency of urban services accounted for the increase in the number of buses. The benefits from the planning of the Colombo City and suburban services implemented in the previous year became apparent during the year. The linked services had now completely eliminated the need for changing buses frequently to get from one point to another. The re-routing of a large number of services afforded the passenger a greater choice of buses whilst a large number of new areas within the greater Colombo Area, some of which, had not hitherto been served by any buses, were provided with bus transport facilities.

One of the important changes in the Colombo Area was the provision of over 600 new bus shelters.

The welfare programmes inaugurated in the previous years were improved upon and expanded to provide more amenities to the employees. Employee welfare is directed by a Member of the Board. Personnel Assistants solely in charge of welfare have been appointed to all depots. Their main function is to maintain liaison with the employees, see to their welfare and organise welfare activities at the depots. All Depot and regional offices have been provided rest-rooms for the staff.

The facilities provided by the Medical Division have also been extended. A new Medical Centre was opened at Galle making the number of provincial centres to two.

One of the new schemes inaugurated by the Board is the provision of facilities at festival centres for families of Board employees. Hitherto Board employees many of whom had to work round the clock during these festivals were unable to make arrangements for their families. Apart from this, the Board continued to run cost price canteens at festival centres and adequate rest-rooms facilities were provided for bus crews and other staff at these centres.

III—SHIPPING

General

The following is a statement of business transacted during the year 1966 :—

Ship's Masters attended to	1,835
Change of Masters	21
Seamen signed on	3,707
Seamen signed off	3,952
Number of deaths of seamen reported	15
Distressed British Seamen were attended to as follows :	
(a) Repatriated	6
(b) Rejoined other vessels	—
(c) Repatriated by Local Agents	4

Tonnage

No vessels were registered as British Ships under the provision of the British Merchant Shipping Act, 1894. The number of vessels on the register at the end of the year remained the same as follows :

	<i>No. of Ships</i>	<i>Gross Tons</i>
Colombo Registry	10	2,847
Jaffna Registry	117	4,929

Shipping Casualties

Five shipping casualties were reported of which four were investigated by the Receiver of Wrecks, Colombo, under the Shipping Inquiries Ordinance. The other could not be investigated as the casualty had occurred at Negombo and by the time it was reported the suspect vessel had sailed from Colombo. The question of referring one of the casualties inquired into by the Receiver of Wrecks, Colombo, to the District Court is still under consideration.

Seamen's Employment and Welfare

Owing to the unemployment amongst registered Ceylon seamen experienced after the sale of Ceylonese owned vessels recruitment of new seamen was suspended in 1962. Since then the employment opportunities of Ceylonese seamen have improved mainly due to the co-operation of Local Agents and Masters of tramp ships under charter for carriage of Government cargo. The number of engagement of Ceylonese seamen during the last 7 years is given below :—

1960	191
1961	62
1962	98
1963	108
1964	189
1965	169
1966	216

Recruitment of new seamen was therefore commenced in January, 1966, and out of 161 candidates registered as prospective seamen 71 have already secured employment. However, the larger Liner Companies do not still give any employment to Ceylonese although they carry a major portion of our imports and exports. The establishment of a National Shipping Venture will greatly increase employment opportunities of Ceylonese seamen.

At present welfare facilities for seamen are provided by the Buddhist Mission to Sea and Air Travellers, the Mission to Seamen, Colombo, and the British Soldiers and Sailors Institute. The Ceylon Government contributes Rs. 3,000 annually to the Institute. The welfare facilities available at present are adequate.

Marine Survey Office

The following is a list of the survey carried out of vessels registered in Colombo and out-ports :—

(a) Colombo

Passenger launches	62
Passenger cum cargo launches	4
Towing tugs	2
Self propelled barges	6
Fishing trawlers	3

(b) Out-Ports

Passenger launches	16
Passenger cum cargo launches	2
Lighters	12

Examinations

A total of one hundred and eighty four (184) applicants were examined for Certificate of Competency under the provisions of Chapter 152 of the Master Attendant's Ordinance. Ninety five (95) applicants were successful in obtaining certificates. With the introduction of higher powered diesel engines for main propulsion, there has been a marked increase in the number of applicants for diesel certificates.

Miscellaneous Surveys

Surveys on various other classes of vessels have also been carried out, specially in connection with the issue of extensions to Safety Equipment Certificates, Load Line and assignment, determining cargo carrying capacities, conversion from 'Closed' to 'Open' shelter deck condition, etc.

There had been a few unfortunate accidents in the Port, due to improperly maintained cargo handling gear. The Port (Cargo) Corporation has had to take stricter measures to ensure the safety of cargo handling gear. On a few occasions the Port (Cargo) Corporation have had to stop working cargo on certain ships where the gear was suspected to be defective. The Government Engineer and Ship Surveyor has quite often been called on to examine various cargo gear, prior to this equipment being put into operation.

General

There has been a progressive increase in the volume of work undertaken by the Marine Survey Office. The Fisheries Corporation has steadily increased its fleet of fishing vessels, specially in the '11 Ton' class, resulting in several additional tests and trials being carried out. Some of the Fisheries Corporation Trawlers which were classified under the Lloyds Register of Shipping, have now been taken off Lloyds Register and these surveys too have now to be undertaken by the Government Engineer and Ship Surveyor.

Colombo Port Commission

IMPORTS AND EXPORTS OF DRY CARGO

The quantity of Exports (including Coconut Oil in drums) for the year 1966, amounted to 689,260 tons, and Imports to 2,365,953 tons (including Coal).

Port Railway

The total tonnage handled by the Port (Railway) during 1966, amounted to 476,846 tons approximately.

Passenger Traffic (Disembarked, Embarked and through Traffic). The Passenger Traffic in the Port during the year 1966 was 89,604.

Merchant Vessels

The total number of Merchant Vessels engaged in Foreign Trade, which entered the Port and the total net registered tonnage are as follows :—

<i>Year</i>	<i>No. of Ships</i>	<i>Net Registered Tonnage</i>
1966	2,187	9,460,995

Coal Imports and Bunkers

The quantity of Coal Imported and bunkers during the year 1966 are as follows :—

<i>Year</i>	<i>Imports (Tons)</i>	<i>Bunkers (Tons)</i>
1966	196,116	14

Bulk Liquid Fuel Oil Imports and Bunkers

The quantity of Liquid Fuel Imported and bunkers during the year 1966 are as follows :—

<i>Year</i>	<i>Imports (Tons)</i>	<i>Bunkers (Tons)</i>
1966	1,044,676	346,187

Bulk Coconut Oil Exports

The quantity of Bulk Coconut Oil Exported during the year 1966 are as follows :—

<i>Year</i>	<i>Bulk Coconut Oil (Tons)</i>
1966	42,468

Water Bunkers to Vessels

The quantity of Fresh Water supplied to Vessels during the year 1966 are as follows :—

<i>Year</i>	<i>Quantity in tons</i>
1966	493,331

Colombo Harbour

The work on the Dry Docks which was started by the Admiralty was completed with modifications by the Colombo Port Commission at the cost of Rs. 5.52 million, and commissioned in May, 1967. This provided additional Dry Docking facilities for smaller vessels in the Colombo Harbour.

The Additional pump and pumphouse with an Electric Sub-Station was completed at San Sebastian.

Electrical Engineering Section

Two Portal Cranes at Delft Quay and Prince Vijaya Quay which were being operated by diesel driven generators have been supplied with electrical power. Even though this necessitated by laying of cables and the installation of rectifier equipment at the sub-stations, the long-term saving in fuel and maintenance costs will more than off set the initial expenditure.

Equipment has been obtained for the installation of another transformer at the Baghdad Sub-Station. This is to cater for the increased load of this area and also to ensure a more reliable electricity supply.

The installation of machinery at the new Admiralty Dock including all control equipment was completed and preliminary tests have been carried out.

A-10 line private automatic exchange was installed together with the necessary stringing of connecting wires to the 10 telephone instruments, to be used by the Traffic and Goods Officer in the Railway working at the Port. This facilitates the working of the railway services inside the Port which was earlier functioning without a reliable medium of communication.

These are in addition to the normal services rendered by this Section such as the distribution of electricity within the port, maintenance of all electrical equipment including all cargo handling plants the provision of street and yard lighting, etc.

Mechanical Engineering

The production group of work shops was loaded with more work than in the previous year. A job of a noteworthy character was the successful machining of a large turbine rotor weighing about 5 tons belonging to the new Kelanitissa Steam Power Plant which no other Department or firm was able to undertake. The programme of converting coal fired tugs, dredgers, locomotives and Cranes is well under way and have been proved successful and now the third steam Berthing Tug "Sinhabahu" is about to take up duties after such a conversion. The 3rd Locomotive and 2nd Crane are also being converted.

Cargo Handling

Mechanical Cargo Handling Equipment such as Fork Lift and Platform Trucks, etc., worked a total of about 120,000 machine hours and cranes about 227,000 machine hours. About 90,000 tons of coal were handled.

Technical Development of Colombo Port

The widening of the Queen Elizabeth Quay shed No. 3 was completed providing a further additional floor space of 25,000 sq. ft.

At Beira 550 Linear ft. of quay wall was completed and work on one half of the storeyed warehouse is expected to be completed by the end of this Financial Year. Work on the balance half of the warehouse cannot be undertaken owing to the presence of squatters. Work has also commenced on the quay wall adjacent to the warehouse put up for the Food Department.

Work on the proposed Muster Shed at Kochchikade which was started at the beginning of this Financial Year is progressing satisfactorily and is expected to be completed by the end of this Financial Year.

Galle Harbour

By the end of the year the quay wall had been completed over a length of 1,170 ft. Half the roof of the 1st warehouse was completed and 13 columns of the 2nd warehouse was erected. The approach road was widened and paved. Railway sidings leading from the main line into the harbour were constructed. Railway wagons could now be shunted into the harbour. Dredging was continued during the north east monsoon periods using these dredgers.

The preliminary work in connection with the main breakwater project was commenced. A quarry was opened and roads leading to it and the route of the proposed breakwater were constructed.

750 ft. and 465 ft. of the two breakwaters providing protection to the Fishery Harbour were completed. 109 cylinders were sunk along the quay, 54 were core concreted and 46 sausages were placed in position. Dredged material was deposited behind the quay wall to reclaim the area. 12 ft. length of cope was completed.

Coast Protection Work

The threat of erosion at various places along the Western and South Western Coasts has been continuing. Large-scale mining of coral in wide pits along the beach at places such as Akurala and Ahangama by well organised establishments went on in contravention of the Crown Lands Ordinance prohibiting such acts. The authority to launch prosecutions under this Act is vested in the Government Agents. Their failure to prosecute the culprits is apparently due to shortcomings in the legislation, and so action to amend the legislation has been taken up with the Legal Draughtsman.

Among the more important works carried out by this section were the construction of two boulder groynes at Seenigama and Weralana, groyne fields at Kalutara North, Wattala and Negombo for beach formation to prevent coast erosion; concrete sea walls at Mount Lavinia, Kepungoda and Kalpitiya; and nearly a total of 5,000 linear feet of boulder walls at Matara, Ahangama, Galle, Hikkaduwa, Beruwala and Kalutara.

Beruwala Fishery Harbour

Work is in progress at the Beruwala Fishery Harbour which is to accommodate 256 fishing craft ranging from small mechanized boats to 70-ton vessels. It is expected to complete the maritime works undertaken by this Department in 1967-68.

Designs Office

Designs and plans for major works were executed during the year 1966, foremost among which were drawings for the Technical Development of the Port of Colombo. The chain sheets of the Colombo Harbour were also revised.

In addition the above, designs, plans, and specifications were prepared for construction work to be given out on contract by the Port (Cargo) Corporation.

Stress Bed

A total of 400 cubes of high quality prestressed concrete was used in the stressebed (152) and casting yard (248) during the year, at an approximate cost of Rs. 450,000 for precast concrete units.

Port (Cargo) Corporation

The P(C)C is a body corporate established by the P(C)C Act, No. 13 of 1958, and it provides "port services" for stevedoring, landing and warehousing cargo, wharfage, the supply of water and the bunkering of coal and services incidental thereto in the Ports of Colombo and Galle with effect from 1.8.58 and 1.10.64 respectively.

Tonnage

The total tonnage of dry cargo handled during the year was 3,055,213 tons which shows an increase of 179,422 tons compared with the previous year's tonnage of 2,875,791 tons.

The total tonnage of water supplied was 493,329—a decrease of 4,949½ tons over the previous year's tonnage of 498,278½. The total tonnage of coal handled during the year was 196,116—an increase of 22,539 tons compared with the previous year's total of 173,577 tons. Interruption of work due to rain during the year was as follows:

	1965	1966
No. of work days affected	167	159
No. of work hours affected	604½	529½

In the Port of Galle, a total of 48,523 tons of cargo were handled during the year.

Freight Increases and Surcharges

The Conferences imposed a freight increase of 7½ both on inward and outward cargo as from 1st June, 1966 and 1st August, 1966, respectively. They made it a point to mention that these increases were necessitated by their increased costs and not due to any deficiencies in the Port. These increases affected ports in neighbouring countries too.

Transshipment

Improved Port Conditions and publicity to attract transshipment cargo has resulted in a further increase in the quantum of transshipment cargo brought to the Port during this period as compared with the previous year.

Bonding Services

The Bonded Warehousing business has had a very successful second year. More importers have made use of the services offered by the Corporation, and this aspect of the Corporation's business is showing profits.

Containerisation

There is worldwide enthusiasm with regard to containers and the Corporation has, in consultation with the Port Commission and the Planning Department, made suggestions for the giving of priority to a Port project for the building of an initial container terminal at the Queen Elizabeth Quay.

Publicity and Public Relations

The Port of Colombo has its own monthly Newspaper catering to over 17,000 workers employed in the Port. News regarding their own activities, religious, social, cultural and literary is given wide publicity. This Newspaper serves as a forum of expressing the ideas of Port workers on various matters connected with the working of the Port. Workers of various categories who have a record of long and unblemished service, are spotlighted every month by featuring their photographs, work and careers. A monthly crosswords puzzle for which prizes are given, provides an opportunity for the children and families of dockers to participate in the Newspaper.

Prominence is given to religious, social and cultural activities of the dockers conducted through their various Societies and organisations. Every encouragement is given to dockers to develop their literary talents in publishing short stories, poems and playlets written by them. This Newspaper is the docker's own and the Corporation has succeeded by this means, in infusing a great amount of enthusiasm and a feeling of oneness and loyalty among its employees and of providing an outlet for their thoughts and ideas.

Labour Relations

The Corporation and its employees enjoyed yet another year of industrial peace. Most labour problems were disposed of by prompt discussion and remedial action, and this was conducive to mutual understanding and appreciation.

The following concessions afforded to trade unions were continued during the year :

- (i) rent-free office accommodation within the port with light and telephone facilities for Unions with membership of over 500 ;
- (ii) release of an employee on full-pay for trade union work for unions with membership over 1,000;
- (iii) deduction of Union subscription from paysheets.

Welfare

Another milestone in the overall welfare programme initiated in 1964 was reached with the opening of a multi-storeyed welfare building in the Admiralty area. This has a spacious meal room and facilities for indoor recreation. A large canteen managed by the co-operative society of employees in the "Admiralty" is also housed in this building.

The formation of co-operative societies of workers to provide canteen services has been encouraged by the Corporation with the grant of financial assistance for capital equipment and necessary buildings. Three large canteens are now catering to the employees at Baghdad, Admiralty and Delft Quay.

The scheme of debt redemption by the Corporation for labour and non-labour grade employees continued to be administered by the Lady Lochore Loan Fund authorities. A sum of over Rs. 7 million has been provided by the Corporation for this scheme so far and over 12,000 employees have been granted relief. In addition, short-term loans which are interest-free were continued to be granted to all employees in cases of long illness, funerals of close relatives, and repairs to houses.

Development

Work was begun on a new 2 storeyed building to serve as a Workshop cum Canteen for the Engineering Division.

Modernisation of the Engineering workshops by the purchase and installation of new Machine Tools and motorisation of shaft driven machines, etc., is in progress.

Finance

The total revenue of the Corporation for the year ended 31.7.66 was Rs. 71.8 million in the Port of Colombo and Rs. 1.1 million in the Port of Galle.

During the year, the rates of contribution to the E. P. F. were increased from 6 per cent to 10 per cent in respect of the Corporation's share and from 4 per cent to 5 per cent in respect of the employee's share. This resulted in the increase of over Rs. 1. million in the expenditure of the Corporation.

IV—CIVIL AVIATION

International Relations

Ceylon is a Member State of the International Civil Aviation Organisation and in common with other Member States continues to implement through the national legislation the international standards and practices which are recommended by the Organisation for the systematic and orderly development of air transport.

Air Ceylon's International Services

Air Ceylon in partnership with B. O. A. C. operates since October, 1965, a VC-10 Aircraft on a weekly service on the route—

East Bound—London/Rome/Karachchi/Colombo/Kuala Lumpur/Singapore.

West Bound—Singapore/Kuala Lumpur/Colombo/Karachchi/Rome/London.

Air Ceylon's Regional Services

Air Ceylon operates a daily service with Dakota Aircraft between Colombo and Jaffna. This service is linked with the Air Ceylon Jaffna-Madras and the Jaffna-Tiruchirappalli services, which are also operated daily.

Air Ceylon's Domestic Services

Air Ceylon operates a daily service to Gal-Oya with DC-3 aircraft. This service is operated to Batticaloa and Trincomalee on Mondays, Wednesdays and Fridays. The weekly service to Anuradhapura has now been suspended.

British Overseas Airways Corporation

B. O. A. C. operates the following services through Ceylon using VC-10 and Boeing-707 aircrafts:—

- East Bound (1) London/Kuwait/Bombay/Colombo/Kuala Lumpur/Singapore.
 (2) London/Zurich/Tel Aviv/Bombay/Colombo/Singapore/Darwin/Sydney/Auckland/Nandi.
 (3) London/Beirut/Bombay/Colombo/Kuala Lumpur/Singapore.
- West Bound (1) Singapore/Kuala Lumpur/Colombo/Bombay/Cairo/London.
 (2) Singapore/Kuala Lumpur/Colombo/Bombay/Cairo/London.
 (3) Sydney/Perth/Singapore/Colombo/Bombay/Beirut/Rome/Frankfurt/London.

Qantas Empire Airways

Qantas Empire Airways operates the following services using Boeing-707 aircraft once a week :—

- East Bound—London/Rome/Cairo/Karachchi/Colombo/Kuala Lumpur/Singapore.
 West Bound—Sydney/Singapore/Kuala Lumpur/Colombo/Karachchi/Cairo/Rome/London.

Indian Airlines Corporation

Indian Airlines Corporation operates four flights per week on the route Madras/Colombo/Madras and three flights a week on the route Madras/Tiruchirappalli/Madras using Vickers "Viscount" Aircraft.

Aeroflot Russian International Airlines

This Airline operates once a week on the route—

- Moscow/Tashkent/Karachchi/Colombo/Djakarta.

Union de Transports Aeriens (U. T. A.) the French Airlines

Operates on the following routes with DC-8 aircraft :—

- (1) Paris/Athens/Colombo/Singapore/Sydney/Noumea.
 (2) Paris/Cairo/Colombo/Phnompenh/Saigon/Djakarta.

Aerodromes

The Customs Airports available for use by International Service are—

- (1) Colombo Airport (Ratmalana) situated eight miles south of Colombo Harbour.
 (2) Katunayake Airport—situated nineteen miles to the North of Colombo Harbour. This Airport is now being developed under the Canada-Ceylon Katunayake Airport Development Project as Ceylon's Premier Civil Airport. It is at present a joint-user airport with the Royal Ceylon Air Force. Its runway was lengthened to 11,050 ft. strengthened and completed for operations in August 1965. The Terminal Building and the apron are expected to be Completed before the end of March, 1968.
 (3) Jaffna Airport (Kankesanturai). This aerodrome is situated on the Northern-most tip of the Island approximately twelve miles north of Jaffna and can be used as the international alternate to Colombo Airport (Ratmalana) or Katunayake in an emergency.

Other Aerodromes

The Aerodromes at Puttalam, Minneriya, Koggala and Vavuniya have been maintained by the Government as emergency landing grounds. Landing strips of 3,900 feet, 3,000 feet and 3,600 feet long have been constructed at Amparai, Batticaloa and Anuradhapura respectively. They are in regular use by internal service aircraft operated by Air Ceylon. An airstrip for Tissamaharama is now under construction.

Other Flying Operations

The aircraft used by the Air Survey-Branch of the Surveyor-General's Department is maintained by Air Ceylon Ltd. *Ab initio* flying training and advance flying training up to Commercial is now made available to Ceylonese at half rates, the balance being subsidised by a Government grant.

Air Ceylon Corporation

Air Ceylon was founded by the Ceylon Government in 1947.

Air Ceylon has been extremely successful this year in negotiating the shipment of bulk tea from Colombo to London. This will ensure that consumers in London will receive fresh tea from Ceylon. The export of Tea by air in bulk is now catching on and in the very near future it is hoped that tea would be carried by air to the Continent too.

The Cargo Sales Development Officer visited London recently regarding the export of fruits and vegetables from Ceylon. Trial shipments have been sent and it is hoped that our fruits such as Mangoes, Pineapples, etc., would move by air in large quantities to the UK and the European Market.

The international services are being operated by a VC-10 service and the route is as follows :

Colombo/Kuala Lumpur/Singapore and

Colombo/Karachchi/Rome/London.

The Regional service continues to be operated in pool with Indian Airlines operating four services to Madras and back and three services from Colombo to Tiruchirappalli and four services from Jaffna to Tiruchirappalli and back. These services have been extremely popular and our load factor very encouraging. On the Domestic services the DC-3 aircraft was replaced by a fully airconditioned pressurised Nord-262 aircraft also reducing flying time by about one-third. The Nord now operates to Galoya, Trincomalee, Batticaloa and Jaffna.

V—POSTAL AND TELECOMMUNICATION SERVICES

Postal Service

To provide better postal facilities to the public, independent delivery facilities have been introduced in 32 new Sub-post Offices during the year 1966, bringing the total number of delivery offices to 1,167.

For the speedy collection of mail matter from the letter boxes, their transport and delivery, Departmental motor vans are being used in Colombo, Kandy and Jaffna. These vans are used for the transport of mail to offices in the Suburbs of Colombo which are not adequately served by means of trains or buses. 86 vans have been used during 1966 for this purpose.

Camp Post Offices were opened at Kataragama, Madhu Church, Talawila, Seruwila, Verugal and Wahacotte for the convenience of the pilgrims during the festival seasons at these places.

For the speedier transmission of mails the inland air mail service was extended to Amparai and Trincomalee with effect from 1.8.66. The service now links Colombo, Amparai, Trincomalee and Jaffna.

To speed up the delivery of mails 13 routes on which mails were conveyed by runners, were motorised during the year. Most of the motorised routes are operated by the Ceylon Transport Board and the total number of mail routes operated by the C. T. B. during 1966 was 284.

The number of Post Office Boxes in use in 1966 was 1,994.

A Philatelic Bureau was set up under the control of the Postmaster-General and Director of Telecommunications. The Bureau has for its chief functions the following :

- (a) the promotion of the sale of stamps with a view to deriving the maximum income from Philatelic Sales, and

- (b) the utilisation of the stamps as a medium of publicising the history, culture and the development of Ceylon.

During the year under review seven new stamps were issued, two of which were definitives, and five commemoratives. The definitives comprise the "birds series" of stamps and the D. S. Senanayake stamp, while the commemoratives were issued to mark—

- (1) the Centenary of the Kandy Municipal Council ;
- (2) the Inauguration of the Headquarters Building of the WHO ;
- (3) the International Rice Year—1966 ;
- (4) the 20th Anniversary of the UNESCO ; and
- (5) the International Hydrological Decade.

The first Stamp Bulletin published by the Philatelic Bureau was issued in December, 1966, and maximum publicity was given abroad for new issues of Ceylon stamps. As a result, the number of inquiries made about Ceylon Stamps and the Philatelic services provided by the Bureau has increased steadily.

Overseas Telecommunication Service

The Overseas Telecommunication Service is responsible for the external telecommunication services of the Island and provides not only telegraph, telephone, telex and picture telegraph services between Ceylon and other countries but also participates with other Commonwealth Administrations in providing relay and transit facilities for traffic between other countries.

Rapid progress has been made in improving and expanding the services provided under the first phase of the O. T. S. development programme costing about Rs. 10,900,600. The average annual profit over the last five years has been Rs. 3,500,000. The work on the new Wireless Station at Kotugoda on a site about 290 acres is due to be completed with the shifting of transmitters and equipment from the present Transmitting Station at Kadirana. Tall and large rhombics to cater for sunspot minimum conditions and five new high power I. S. B. transmitters have already been installed. Two additional Marconi Self-Tuning transmitters and diesel alternators are to be installed. Steps are being taken to convert the existing transmitting station site at Kadirana to a second receiving station site with large rhombics. Construction of the new multi-storey building to house the Overseas Telecommunication Office in Colombo is progressing satisfactorily.

The International Telex which was introduced in 1963 is expanding rapidly and the total subscribers increased to 38. The volume of traffic increased from 72,000 paid minutes to about 98,500 minutes bringing in a total revenue of over Rs. 1.3 million, which is an increase of 33 per cent over the last year's figures. A Semi-automatic International Telex Exchange with national part to cater for 100 subscribers initially, is expected to be commissioned by the end of 1968 and it will then be possible to switch international transit calls at Colombo and provide an internal telex service.

The Overseas telephone traffic increased from 40,000 paid minutes to about 52,800 paid minutes and the telegraph traffic also showed a significant increase in 1966. At present international telex and telephone facilities are available to all important countries of the world while telegraph facilities are provided to all parts of the world.

An ITU, expert Mr. P. A. Rubin, was here from 9th April to 27th July, 1966, to report on the economic feasibility for siting a Satellite Ground Station in Ceylon and to recommend a suitable site for the station.

The proposal to site a Ground Station in Ceylon to work to the Indian Ocean Satellite to be launched in 1968 is under consideration. Ceylon is now provided with all modern facilities for International Telecommunication Services, the efficiency of which could be compared with that of any overseas service.

Ceylon Postal Orders

Postal Orders of the Denominations 50 cents Re. 1, Rs. 1.50, Rs. 2, Rs. 2.50, Rs. 3, Rs. 4, Rs. 5, Rs. 7.50, Rs. 10, Rs. 15 and Rs. 20 can be obtained or cashed at any Post Office or Sub-Post Office.

When Postal Orders are issued, commission at the following rates are charged. 05 cents for Postal Orders of 50 cents to Rs. 1.50, 10 cents for Postal Orders of Rs. 5 to Rs. 10 and 20 cents for Postal Orders of Rs. 15 and Rs. 20.

If a Postal Order is presented for payment after three months from the last day of the month of issue, a second Commission equal to the First Commission is charged. After six months, a second commission of 5 per cent of the face value of the Postal Order or 10 cents, whichever is greater, is charged. A Postal Order is valid for two years from the last day of the month of issue.

CEYLON POSTAL ORDER TRANSACTIONS—1966

Number of Postal Orders Issued	1,227,304
Value of Postal Orders Issued	Rs. 8,654,985
Commission earned from issue of Postal Orders	Rs. 161,652
Number of Postal Orders Paid	1,217,325
Value of Postal Orders Paid	Rs. 8,623,817

Ceylon Money Orders

The issue and payment of money orders are done at all Post Offices of the Island as well as foreign countries. The maximum amount for which an inland money order can be issued is Rs. 600. Although money orders are also issued at A and B grade Sub-Post Offices, the maximum amount that can be sent by an individual for a single day has been limited to Rs. 400 and Rs. 200 respectively. Subject to exchange control regulations, money orders are accepted at all Post Offices to be remitted to India and foreign countries. Money orders, other than Telegraph money orders, are accepted at Sub Post Offices to be remitted to India only and payment of foreign orders are done in keeping with the limits applicable to various Sub-Post Offices. The system of remitting money through telegrams is in vogue among all Post Offices of the Island and with India, Burma, the United Kingdom and Federation of Malaya. In the case of telegraph money orders (inland and foreign), in addition to the normal money order commission, the cost of the message and also a fixed fee of 10 cents is charged.

MONEY ORDER TRANSACTIONS DURING THE CALENDAR YEAR 1966

	<i>No. of Orders</i>	<i>Value Rs.</i>
1. Inland money orders issued	3,634,708	625,015,142
2. Indian money orders issued and paid	26,820	3,064,718
3. Foreign money orders issued and paid	2,154	107,284
4. C. O. D. parcels issued and paid	434	71,138
5. P. B. CO paid	3,402	71,694
6. Lapsed money orders paid to Revenue	8,021	163,728
7. Commission earned on money orders issued	—	2,294,846

Post Office Savings Bank

Post Office Savings Bank business is transacted at all Post Offices and Sub-Post Offices in the Island. Deposits of not less than Rs. 1 will be received, provided, however, that the total of deposits in any calendar year does not exceed Rs. 4,000, and the total amount standing to the credit of a depositor at any time does not exceed Rs. 10,000.

Interest is allowed at 2·4 per cent per annum on every complete sum of Rs. 10. Interest on Savings Bank deposits is free from Income Tax.

The full set of rules governing the Post Office Savings Bank is contained in the Ceylon Post Office Guide. An extract of the rules which apply to the Savings Bank can be obtained free of cost at any Post Office or on application to the Controller, Post Office Savings Bank, Colombo 3.

Ceylon Savings Certificates

Ten-year Savings Certificates obtainable from any Post Office in the Island are encashable at any time. These Certificates appreciate progressively every six months after the first year, culminating in a final interest rate of 5 per cent per annum. The interest on the first Rs. 15,000 invested will be free of income tax.

Any individual or association can now invest any amount in Ceylon Savings Certificates which are available in denominations of Rs. 7.50, 15, 75, 150 and 1,500 at purchase prices of Rs. 5, 10, 50, 100 and 1,000 respectively.

Denominational value of the Savings Certificates issued during 1966 is Rs. 22·9 million. Encashments including Five-Year, Twelve-Year and Ten-Year Savings Certificates totalled Rs. 8·8 million. The investments of the Savings Certificates Fund in local and foreign securities up to the end of the year 1966 stood at Rs. 57·3 million.

Telephones

The most important step taken in 1966 regarding telephones was the opening of the 6,000–12,000 line automatic Exchange at Maradana. The following other automatic telephone exchanges in the Greater Colombo Area were opened :—

- (1) Gampaha
- (2) Kelaniya
- (3) Homagama
- (4) Kaduwela
- (5) Ragama

Outside the Greater Colombo Area the following automatic exchanges were opened :—

- (1) Girulla
- (2) Gurudeniya
- (3) Ibbagamuwa
- (4) Katana

The interdialling facility which operated only one-way in 1965, has now been converted to two-way operation, i.e. the subscriber from Colombo can dial any one of the outstation interdialling exchanges, and the outstation interdialling exchanges can dial Colombo direct. This facility was introduced on the 22nd of March, 1966, and a unit fee of 10 cents was charged on each call dialled direct from a telephone connected to an exchange provided with metering facilities irrespective of distance or duration of the call. With effect from 1.9.66, the dialling call fee was increased from 10 cents to 15 cents per call and the duration of a call remained unlimited.

CARRIER SYSTEM

The Carrier System was introduced on the following circuits :—

Chilaw-Puttalam	3 channels on 1 line
Galle-Matara	3 channels on 1 line
Nuwara Eliya-Hatton	4 channels on 1 line

TRUNK CIRCUITS

The following improvements were made :—

Colombo-Ambalangoda	1 additional circuit
Colombo-Kandy	4 additional circuits (with dialling facilities)
Colombo-Matale	1 additional circuit
Colombo-Matara	3 additional circuits (with dialling facilities)
Colombo-Ratnapura	2 additional circuits
Galle-Ambalangoda	1 additional circuit
Galle-Matara	2 additional circuits
Avissawella-Ratnapura	1 additional circuit
Kandy-Bandarawela	1 new circuit
Kandy-Hatton	2 additional circuits
Nuwara Eliya-Hatton	2 additional circuits

JUNCTION CIRCUITS

Chilaw-Puttalam	3 additional circuits
Galle-Weligama	1 new circuit

Telephone Service to Sub Post Offices

60 Sub-Post Offices were provided with telephone facilities.

Telegraph Services

A direct morse circuit between Mirigama and Polgahawela was provided. The following additional spare telegraph circuits were provided for use as alternate routes in case of breakdown :—

Colombo-Galle
Colombo-Matara
Colombo-Polgahawela
Colombo-Negombo

Mirigama, Mt. Lavinia, Point Pedro and Chunnakam were connected by Teleprinter Circuits with the C. T. O. Sinhala Teleprinter working was introduced between Colombo and Kandy. Telegraph facilities including Swabasha telegraph facilities were provided at 60 Sub-Post Offices.

Telex

The telex service between Ceylon and Overseas countries is becoming popular. 16 new subscribers were provided with this service bringing the total number to 44.

Wireless Licensing

Steps were taken to terminate all wireless licenses (irrespective of date of expiry) on the 31st December, 1966 in order to implement the new licensing system which will be from 1st January to the 31st of December each calendar year.

CHAPTER XXIII

ELECTRICITY, WATER SUPPLIES AND PUBLIC WORKS

I—ELECTRICITY

Existing Facilities

The Department of Government Electrical Undertakings is the principal partner in the electricity supply industry. Others who are engaged in the same industry are, Local Authority Licencees, a few State-sponsored Corporations and some of the Tea and Rubber plantation industries. The Department's activities consist of mainly generation and transmission of electricity. Distribution to a limited extent is also being undertaken by the Department. The distribution is confined to Colombo City, the immediate outskirts of Colombo City, Nuwara Eliya, Diyatalawa, Norton Bridge, Bandarawela and in those villages where rural electrification has been undertaken. During the year under review, the electricity scheme operated by the Gal Oya Development Board was also taken over by the Department. The Department's system now extends not only in the Western and Central regions, but also in the Eastern and Southern regions.

The Department's generating capacity is now 195,000 kW., made up as follows :

Laksapana	50,000 kW.
Norton Bridge	50,000 kW.
Inginiyagala	10,000 kW.
Kelanitissa	50,000 kW.
Kolonnawa	9,000 kW.
Pettah	16,000 kW.
Chunnakam	10,000 kW.

Total	195,000
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The generating voltages are, 11 kV. and 6.9 kV. The main transmission voltages are, 132 kV. and 66 kV., while the sub-transmission lines are operated at 33 kV. and 11 kV., and to a limited extent at 3.3 kV. Supply is normally provided at low voltage. The distribution voltage is 230 Volts for a single phase supply and 400 Volts for a poly-phase supply. Supply to large industrial enterprises are provided either at 11 kV or 33 kV., the frequency of supply being 50 cycles.

The length of transmission lines, sub-transmission lines and distribution lines are as follows :—

Voltage	Over-Head Mains	Underground Mains
	Route Miles	Route Miles
132 kV.	228.54	—
66 kV.	147.45	—
33 kV.	1,373.6	23.87
11 kV.	245.61	165.66
3.3 kV.	11.35	1.55
230/400 Volts	383.56	210.905

1,233 transformer substations were also in commission during the year under review with a transforming capacity of 586,208 kVA.

392.9 million units were generated during the year under review. 22.8 million units were sold to consumers in the Gal Oya Development Board area and the balance was sold to consumers connected to the grid system. In addition 14.5 million units were sold to consumers in the Jaffna Peninsula. Sales to industrial consumers increased by 13.38%, commercial consumers by 6.99%, domestic consumers by 3.13% and Local Authority Licencees by 13.95%.

The financial results of the Undertaking were as follows :—

Gross revenue	Rs. 58,305,908
Total working expenditure	Rs. 23,313,215
Excess of revenue over expenditure	Rs. 34,992,693
Interest and annuities	Rs. 29,955,994
Trading surplus	Rs. 5,036,699

New Projects

Work on the Maskeliya Oya Power Project commenced recently. This involves the construction of Head Works at Mousakelle, a Diversion Dam downstream of the Maskeliya Oya just below Laksapana Power Station, a Tunnel to convey water from the Diversion Dam to a Surge Chamber at Polpitiya, Pipe Lines and a Power Station with 75,000 kW. plant. This Project is estimated to cost approximately Rs. 193 million.

Associated with this Project, the Department is also constructing further transmission and sub-transmission facilities. The transmission facilities consist of a 132 kV. double circuit line from Polpitiya to Colombo and another double circuit line from Polpitiya to Anuradhapura via Dambulla and a 132 kW. single circuit line from Anuradhapura to Chunnakam. The sub-transmission facilities will consist of a 33 kV. double circuit transmission line from Dambulla via Habarana to Trincomalee and a further 500 miles of 33 kW. sub-transmission lines in different parts of the country. Associated with these main and sub-transmission facilities will be 5 grid sub-stations. This Project also provides for the construction of 500 consumer substations in areas outside the Colombo Municipal Limits and 40 distribution substations within the Colombo Municipal Limits.

The Committee appointed by the Hon'ble Minister for Land, Irrigation and Power, to investigate into the power cost and power development of the country, presented Part I of its report during the year under review and is published as Sessional Paper XXII of 1966. The Committee hopes to present the second part of the report shortly. Another Committee which was appointed by the Hon'ble Minister to report on the power requirements for industries, presented its report in August, 1966 and is published as Sessional Paper XXIII of 1966.

II—WATER SUPPLIES

The Department of Water Supply and Drainage which is now known as the Division of Water Supply, Drainage and Local Government Works since 1st October 1966, is at present in charge of a large volume of work in connection with the provision of pipe borne water supply schemes to Urban and Rural Areas and other Village utility works.

This Division is now working on a Five-Year Programme on a priority basis with a view to providing pipe borne water to the most needed areas.

Preliminary steps have also been taken to carry out a pre-investment project study of the South West Coastal Area from Negombo to Galle and to obtain a loan from the I. D. A./World Bank to proceed with the construction of water supply and sewerage. A team of Consultants are expected shortly to carry out the proposed study.

During the year 1966, this Division was engaged on the following works :—

(a) Investigations :

- | | |
|-----------------------------|---|
| (1) Avissawella | (6) Balangoda (extension to Distributions system) |
| (2) Rambukkana | (7) Galagedera |
| (3) Polgahawela | (8) Ambalangoda |
| (4) Katunayake Airport | (9) Jaffna (observations of wells for salt intrusion studies) |
| (5) Uda Walawe Timbolketiya | |

(b) *Designs :*

- (1) Alutgama Surface Drainage
- (2) Tyre Factory, Sewerage Treatment
- (3) Talawakelle (Improvements to distribution system)
- (4) Kegalle Town Distribution
- (5) Katunayake Air Port
- (6) Uda Walawe Timbolketiya Township
- (7) Maskeliya
- (8) Avissawella
- (9) Rambukkana
- (10) Polgahawela

(c) *Constructions :*

	<i>Estimated Cost Rs.</i>
1. Towns South of Colombo, Stage II	21,800,000
2. Kuliyaipitiya	4,650,000
3. Kadugannawa	2,386,500
4. Kurunegala (Treatment of Lake Water)	1,750,000
5. Medawachchiya	920,000
6. Moneragala	550,000
7. Anuradhapura New Town Water Supply Stage II	628,000
8. Kelaniya Rajamahavihara Water Supply	262,800
9. Naipaddimunai-Chenaikudy	272,613
10. Thuraineelavanai	211,113

Some of Major Projects under construction in 1966 are :—

(a) *Towns South of Colombo, Stage II (Kelani Ganga Pumping Scheme).*—This Scheme which is estimated to cost Rs. 21,800,000 was commissioned in May 1966 and a 24 hour water supply is being given to the towns of Dehiwela-Mount Lavinia, Moratuwa, Panadura, Kotte and Kolonnawa. The entire scheme will be completed within the next few months. This scheme is expected to supply 20 million gallons of water per day in the first stage and the capacity could be doubled with certain improvements, to supply Towns North of Colombo, viz. Kelaniya, Wattala-Mabole, Peliyagoda, Kandana, Ragama, Ragama Group of Hospitals and Mahara Prisons, etc.

(b) *Kuliyaipitiya Water Supply Scheme.*—This is a pumping scheme where water is purified and pumped from Dandagamuwa Oya, through a 10" (diameter) pumping main to two water towers each 75,000 gallons capacity and from there onwards distributed to the town and other Government institutions through stand posts and private services. On completion of the Scheme it would supply 250,000 gallons of purified water per day with an ultimate demand of 500,000 gallons per day to an expanded population of about 12,000 persons.

(c) *Kadugannawa Water Supply Scheme.*—This is a river pumping scheme from Nanu Oya and is being constructed to supply 250,000 gallons of purified water per day with an ultimate demand of 375,000 gallons per day. The Scheme will be extended to Pilimalalawa in due course. Water will be distributed to the town through stand posts and private services.

(d) *Schemes Completed in 1966 :*

- (1) Kandy
- (2) Kegalle, Stage I (supply to new hospital)
- (3) Mannar (Augmentation)
- (4) Tyre Factory, Kelaniya Water Supply and Sewerage
- (5) Iron and Steel Factory, Sewerage
- (6) Dehiwela Zoo Water Supply.

The Colombo Water Supply

The Colombo Water Supply is obtained from reservoirs at Labugama and Kalatuwawa, which are both situated in the Western Province at distances of 28 and 31 miles respectively from the city.

Labugama Reservoir and Treatment Plant

This Reservoir was formed by impounding the water of the Wak Oya a tributary of the Kelani Ganga. The catchment of this reservoir is approximately 7,500 acres in extent and is free from human habitation and cultivation. All the land as far as the summit of the water shed has been reserved with a strip 2 chains wide along the adjacent water shed. The top water level is 374 ft. above mean sea level and has a maximum depth of 73 ft., the area of the reservoir at the present top water level is 205 acres, the storage capacity of the reservoir is 1,960 million gallons. The estimated safe yield from this reservoir is $12\frac{1}{2}$ million gallons per day. Filtration works of the jewel rapid gravity type are situated immediately below the reservoir dam. In addition to filtration, water is sedimented and sterilised by the Chloramine method. The water has a very low alkalinity and is quite pure. It is conveyed to the 2 reservoirs in Colombo, namely, at Maligakande and Elie House, each of 8 million gallons capacity through 4 separate pipe lines, one of which has now been extended to the Kalatuwawa Reservoir.

Kalatuwawa Reservoir and Treatment Plant

In order to augment the supply of water from Labugama the construction of another reservoir by impounding the water of the Kalatuwawa Ela, another tributary of the Kelani Ganga in the adjoining catchment was begun in 1949. The construction of the main dam and the 2 subsidiary dams was completed in 1954 and the Treatment Works declared open on the 2nd April, 1960.

The catchment area feeding the new Reservoir is 3,320 acres. The top water level is 370 ft. above mean sea level and has a maximum depth of 60 ft. The area of the Reservoir at the present top water level is 454 acres. The storage capacity of the Reservoir is 3,900 million gallons. The estimated safe yield from this source is 20 million gallons per diem.

The water treatment equipment is designed to purify 20 million gallons of water per day. The water is taken from the Reservoir through one of the three intakes in the Valve Tower, and conveyed in pipes either directly to the Inlet Chamber, or via the turbines situated in the Chemical Block. The Inlet Chamber forms one structure with the Acrator, into which the water flows and discharges over small weirs on to concrete trays. After acration the water flows through a measuring flume, at which the chemicals lime and aluminas are added, and then along an open channel down the centre of the Sedimentation Tanks. Chemical action and sedimentation of solid matter take place in these two tanks while the water is slowly moving back in the direction of the Acrator, with both Sedimentation Tanks in use, and when flowing at 20 million gallons per day.

The next process is filtration, and water is led into the ten Filters after passing through the Sedimentation Tanks. Each Filter has a bed of sand two feet thick, and below this an arrangement of pebbles. The water moves downwards through the filter and then through pipes into the central channel. In this channel are added chlorine for sterilisation, and lime. This completes the water treatment and it flows into storage tanks underneath the filters before being drawn into the pipe line to the city.

As the total carrying capacity of the four existing trunk mains from the Headworks to Colombo is only 20 million gallons per day it was decided to take in hand the laying of an additional 33" diameter trunk main from Kalatuwawa to a new Service Reservoir at Dehiwela. The work was started in 1955 and completed in 1958. The new trunk main and the Service Reservoir are now in Commission.

Supply Pipe Lines

The two Storage Reservoirs at Labugama and Kalatuwawa, feed the City through 5 pipe lines, two of 30" diameter, two of 20" diameter and one of 33" diameter.

Service Reservoirs

The pipe lines serve 3 Service Reservoirs, 2 of 8 million gallons capacity each, situated at Maligakanda and Elie House, Mutuwal and one of 4½ million gallons capacity situated at Dehiwela. These 3 Reservoirs cater for the entire needs of the City.

The Distribution System

The Distribution System leading from the Service Reservoirs to the City consists approximately of 300 miles of piping ranging in diameter from 30" to 3". Approximately 6 miles of piping ranging from 3" to 6" diameter were laid during the year under review and approximately 10 miles of piping ranging from 3" to 7" were cleaned by Mechanical Descaling. The laying of distribution mains in the Kirillapone ward is now almost complete and this area is now being served with water.

Water is available now to almost all premises in the City and also to shipping in the Colombo Harbour. The daily consumption of water in the City for 1966 amounted to nearly 48 gallons per head on an average. The Supply to Shipping for 1966 amounted to 149,750,000 gallons. For the purpose of waste detection, 74 Deacon Meters suitably situated are available throughout the City.

Kandy Water Supply

The cost of the main water supply scheme of Kandy was twenty million rupees. An additional 65 miles of pipes were laid to facilitate the supply of pipe borne water to 4,300 households. A total of 530 public water taps were installed out of which 201 were fixed in the Housing Schemes.

III—PUBLIC WORKS

Details of work undertaken by the Public Works Department during the year 1966 are shown below :-

Bridges completed in 1966

- (1) *Bridge No. 100/3 on Colombo-Galle-Hambantota Road at Matara.*—This is a five span bridge each span of length 76 feet with a 40 feet carriageway and two footwalks each 5 feet wide. The superstructure is formed by placing side by side precast post-tensioned beams resting on concrete rocker and roller bearings. The sub-structure is of reinforced concrete abutment and piers founded on cylinders taken to a depth varying from 65 to 92 feet. Cost Rs. 3,250,000.
- (2) *Bridge No. 51/5 on Pelmadulla-Madampe-Nonagama Road at Mamadala.*—This is a single span bridge of length 23 feet spanning an irrigation channel and having a 24 feet carriageway. The deck is of precast prestressed beams placed side by side. The abutments are founded on rock 17 feet below the bed of the channel. Cost Rs. 240,000.
- (3) *Bridge No. 1/1 Weeraketiya, Middeniya Road.*—The bridge consists of 3 spans each of length 32 ft. and having an 18 feet wide roadway. The sub-structure (abutment and piers) are of mass concrete and founded on rock. Cost Rs. 270,000.
- (4) *Bridge No. 41/1 on Colombo-Galle Road at Induruwa.*—This is a four span bridge each span of length 44 feet providing a 30 feet carriageway and two five feet sidewalks. The superstructure is of precast pretensioned beams placed side by side. The abutment and piers are of mass concrete founded on rock. Cost Rs. 730,000.
- (5) *Bridge at Polwatta on Polwatta-Batapola Road.*—This is a single span bridge 80 feet long. The superstructure is a steel lattice girder bridge with an R. C. C. deck. The abutments are of mass concrete taken down to rock. Cost Rs. 435,000.

- (6) *Bridge at Idangoda across Kalu Ganga on Idangoda-Ayagama Road.*—The above bridge replaces a ferry. The bridge consists of 6 spans—3 of 92 feet and the balance 3 of 32 feet. The superstructure is of precast prestressed beams. The sub-structure is of mass concrete abutments and piers and founded on cylinders taken down to rock. The bridge provided a clear roadway of 24 feet. Cost Rs. 1,600,000.
- (7) *Bridge over Alapalawala Oya on Gevelipitiya Hettimulla Road.*—This is a single span bridge of length 53 feet. The deck is of prestressed beams placed side by side. The abutments are of mass concrete founded on cylinders and bored piles. Cost Rs. 275,000.
- (8) *Bridge across Talagal Oya on (23/1) Padeniya Anuradhapura Road.*—This bridge consists of two spans of 44 feet each providing a carriageway 24 feet wide with 2 ft. kerbs on either side. The superstructure is formed by placing side by side precast pre-tensioned beams resting on lead bearing strips and filling in-situ to provide deck. The sub-structure is of mass concrete abutments and pier taken down to rock. Cost Rs. 500,000.
- (9) *Bridge No. 3/1 Kirindivita-Ganemulla Road.*—This is a single span bridge of length about 75 feet. The superstructure is of plate girder type with an R. C. deck. The abutments are of mass concrete founded on bored piles. Cost approx. Rs. 300,000.

The following new works were undertaken during the year 1966 and are in progress :—

- (1) Re-construction of Bridge No. 72/1 on Colombo-Galle-Matara Road at Mahamodera. Estimated cost Rs. 2,000,000.
- (2) Re-construction of Bridge No. 75/4 on Colombo-Galle-Matara Road (Waggalmodera Bridge). Estimated cost Rs. 940,000.
- (3) Bridge across Naval Aru on Pottuvil-Panama Road. Estimated cost Rs. 800,000.
- (4) Re-construction of Bridge No. 41/1 on Akkaraipattu Sagaman Road. Estimated cost Rs. 1,450,000.
- (5) Construction of an Air Strip at Wirawila.
- (6) Bridge No. 1/2 Pelana-Polwatta-Denipitiya Road. Estimated cost Rs. 650,000.
- (7) Re-construction of Bridge 2/3 Wetara-Weedagama Road. Estimated cost Rs. 170,000.
- (8) Re-construction of Bridge 42/2 Katugastota-Kurunegala-Puttalam Road. Estimated cost Rs. 250,000.
- (9) Construction of Arugam Bay Circuit Bungalow. Estimated cost Rs. 140,000.

In addition to the above work commenced during the year, the following bridges and other works were in progress :—

- (1) Bridge 41/5 Colombo-Puttalam Road. Estimated cost Rs. 700,000.
- (2) Improvements to Prestressed Concrete Yard, Ratmalana. Estimated cost Rs. 73,000.
- (3) Bridge 130/7 Colombo-Hambantota Road. Estimated cost Rs. 350,000.
- (4) Paragastota Bridge on Gonaduwa-Yalagala Road. Estimated cost Rs. 460,000.
- (5) Bridge 3/2 Malimboda-Kamburupitiya Road. Estimated cost Rs. 500,000.
- (6) Alapalawela Oya Bridge. Estimated cost Rs. 275,000.
- (7) Bridge 1/1 Wiraketiya-Middeniya Road. Estimated cost Rs. 270,000.
- (8) Bridge 1/4 Beruwala-Alutgamaweediya Road. Estimated cost Rs. 330,600.
- (9) Hanwella Bridge including portion of approaches. Estimated cost Rs. 3,160,000.
- (10) Kala Oya and Siyambalagam Oya Bridges on Peradeniya Siyambalagama Road. Estimated cost Rs. 2,750,000.
- (11) Polhengoda Bridge on Narahenpita-Kirillapone Road. Estimated cost Rs. 690,000.
- (12) R. C. Structure of Matara Hospital Building extensions. Estimated cost Rs. 310,000.
- (13) R. C. Structure of O. T. S. Building. Estimated cost Rs. 2,200,000.
- (14) Maskeliya Oya Bridge on Maskeliya-Upcot Road. Estimated cost Rs. 1,200,000.
- (15) Sudu Ganga Bridge on Godapola-Bandarapola Road. Estimated cost Rs. 385,000.

Buildings

The Public Works Department carried out a heavy building programme during the year 1966.

Most of the buildings for the Greater Colombo Area Development Scheme of the Telecommunication Service were completed. The Major building under this scheme being the 9 storeyed Central Telegraph Office costing Rs. 6,700,000 is now nearing completion.

Work was recommenced in the seven storeyed building for the Mail Sorting Office costing Rs. 6,900,000. When this building is completed the Postal Department will adopt mechanical methods in handling mails, thereby eliminating delays. Another 7 storeyed building costing Rs. 5,000,000 approximately is in progress at Fort to accommodate offices for the Overseas Telecommunication Service.

Science Teachers' Training College and Science Training Centre at Pattalagedara costing approximately Rs. 7,500,000 is under construction. The scheme provides for a Science Block, Model School, Men's and Women's Hostel, Quarters for Staff, etc.

The New Hospital Kegalle costing approximately Rs. 6,000,000 is nearing completion. The new buildings for the office of the Electrical Department at Parson's Road, Colombo costing Rs. 3,475,000 is now almost complete and a part of it has already been occupied by the Electrical Department.

A Ward of 104 beds at the General Hospital, Jaffna and a very large operating Theatre at Nawalapitiya Hospital are now under construction.

The Nainathivu Hospital and the two storeyed administration block at Point Pedro Hospital have been completed. The Veterinary Laboratory at Peradeniya has been handed over to the Department of Agriculture. The Rock-House Battery at Mutwal costing Rs. 450,000 has been completed and handed over.

Work is under way on a very large Food Stores Building costing approximately Rs. 1,225,000 at Narahenpita.

The Residence and office of the High Commissioner for Ceylon in India for which plans were prepared by this Department were completed and are now in occupation.

State Engineering Corporation of Ceylon

The State Engineering Corporation was established on 1.1.62, under the State Industrial Corporations Act No. 49 of 1957, to carry out the following objects :—

1. Planning, investigation, designing and/construction of industrial and engineering projects in the public sector.
2. Functioning as Consultants to State-Sponsored Corporations and Government Institutions in regard to the above functions.
3. Training of engineering and other technical personnel required for the above.
4. Research into building materials and methods of construction with a view to improving existing materials and methods.

The Corporation was started with an initial authorised capital of Rs. 1 million.

Following the enactment of the State Industrial Corporations Act No. 49 of 1957, a large number of public Corporations were set up to carry out the industrial expansion upon which the Government embarked. The setting up and commissioning of these Corporations involved a great deal of industrial and engineering construction work. Such work hitherto had been the preserve of private engineering concerns set up with foreign participation. It was to fulfill the need for a State Central Organisation to handle the large volume of industrial and engineering construction work resulting from the industrial expansion programme and in order to save the considerable amount of private profits that went out of the country, that the State Engineering Corporation was established. The development of the construction industry is essential for industrial expansion and the growth of the economy in general, particularly in an under-developed country like Ceylon.

Operations

During the calendar year 1966, several major construction projects were undertaken by the Corporation. The estimated total value of these projects is in the region of Rs. 40 million. Following are the new projects undertaken :—

1. Workshop and Stores for Puttalam Cement Factory.
2. Fisheries Harbour, Tangalle.
3. Balance work of Mihintale Mahaseya.
4. Hydro Development Project, Maskeliya.
5. New Hospital, Maskeliya.
6. New Hospital, K. K. S.
7. Fisheries Harbour, Mirissa.
8. Complimentary Civil Engineering Works, Puttalam Cement Factory.
9. Katunayake Airport Development Project.
10. Piling work at Mail Sorting Office, Fort.
11. Approach road to Laggala.

Of the continuing projects the following were substantially completed by the end of the year :—
Ceramics Factory, Piliyandala.

Planetarium & Ceylon Pavilion at the Industrial Exhibition.

Industrial Estates 2nd Stage—Ekala.

Hardware Factory—Yakkala.

Steel Factory—Oruwela.

Tyre Factory—Kelaniya.

Repairs to Maligakande Reservoir.

Balance work of C. T. O. Building, Fort.

The value of construction work done and invoiced during the year is well over Rs. 17 million excluding work in progress not invoiced.

The Corporation's Precasting Yard at Ekala had an output of Rs. 780,000 out of which pre-cast units to the value of Rs. 261,000 were purchased by various Government Departments and Corporations. The rest were used in the Corporation's own construction projects.

In consultancy work an expenditure of nearly Rs. 130,000 was incurred in performing various functions such as preparation of designs, tender documents and supervision of construction of projects.

Organisation

One of the important developments during the year 1966, was the implementation of a new Organisation Structure geared to the expanding volume of work, with emphasis on major construction projects, and providing for further expansion. Three major Technical Departments, each under a Chief Engineer were created, viz :—

- (1) Construction,
- (2) Planning, Production and Development, and
- (3) Mechanical & Electrical.

CHAPTER XXIV

THE PRESS, BROADCASTING, INFORMATION AND PUBLICITY

I—PRESS

There are four main Newspaper groups in Ceylon. The Associated Newspapers of Ceylon Ltd., owns five dailies and six weekly papers. The Times of Ceylon Ltd., publishes three dailies and five weekly papers. The Independent Newspapers of Ceylon Ltd., publishes six dailies and nine weekly papers. The Virakesari Ltd., publishes two dailies and five weekly papers.

On a language basis there are five dailies and 16 weekly papers in Sinhala ; six dailies and five weekly papers in English ; five dailies and four weekly papers in Tamil. Elanadu is a Tamil daily with a Sunday edition and is published in Jaffna.

The oldest of the Ceylon Newspapers is "The Ceylon Observer" the next being, The "Times of Ceylon" each of them counting over a century of continuous publication. The general details of the various Newspapers and periodicals are shown in Table 24.1.

TABLE 24.1—PRINCIPAL NATIONAL NEWSPAPERS AND PERIODICALS

<i>Name of the Publication</i>	<i>Year Estab- lished</i>	<i>Language of Publication</i>	<i>Average Net Sales per publishing day 1966</i>	<i>Publishers</i>
A.—NEWSPAPERS :				
(i) Morning Dailies				
Dinamina	1909	Sinhala	90,975	The Associated Newspapers of Ceylon Ltd., Lake House.
Lankadipa	1947	Sinhala	56,241	The Times of Ceylon.
Dawasa	1961	Sinhala	55,000	Independent Newspapers Ltd.
Virakesari	1930	Tamil	21,900	The Virakesari Ltd.
Thinakaran	1932	Tamil	29,305	The Associated Newspapers of Ceylon Ltd.
Dinapathi	1964	Tamil	11,000	Independent Newspapers Ltd.
Ceylon Daily News	1918	English	64,221	The Associated Newspapers of Ceylon Ltd.
Ceylon Daily Mirror	1961	English	17,705	The Times of Ceylon.
Sun	1964	English	18,000	Independent Newspapers Ltd.
(ii) Evening Dailies				
Janata	1953	Sinhala	27,455	The Associated Newspapers of Ceylon Ltd.
Sawasa	1963	Sinhala	34,000	Independent Newspapers Ltd.
Mithiran	1966	Tamil	22,500	The Virakesari Ltd.
Thanthi	1967	Tamil	16,000	Independent Newspapers Ltd.
Ceylon Observer	1834	English	13,274	The Associated Newspapers of Ceylon Ltd.
The Times of Ceylon	1846	English	12,815	The Times of Ceylon Ltd.
Star	1967	English	4,000	Independent Newspapers Ltd.

TABLE 24.1—PRINCIPAL NATIONAL NEWSPAPERS AND PERIODICALS—*Contd.*

<i>Name of the Publication</i>	<i>Year Estab- lished</i>	<i>Language of Publication</i>	<i>Average Net Sales per publishing day 1966</i>	<i>Publishers</i>
<i>(iii) Poya Day Papers</i>				
Silumina	1930	Sinhala	162,610	The Associated Newspapers of Ceylon Ltd.
Sri Lankadipa	1951	Sinhala	118,561	Times of Ceylon.
Rividina	1961	Sinhala	170,000	Independent Newspapers Ltd.
Virakesari	1931	Tamil	24,000	The Associated Newspapers of Ceylon Ltd.
Thinakaran	1948	Tamil	31,489	The Associated Newspapers of Ceylon Ltd.
Chinthamani	1966	Tamil	19,000	Independent Newspapers Ltd.
Observer Magazine Edition	1923	English	75,009	The Associated Newspapers of Ceylon Ltd.
Times Weekender	1923	English	34,856	The Times of Ceylon.
Weekend Sun	1965	English	45,000	Independent Newspapers Ltd.
Sunday Mirror	1966	English	20,629	The Times of Ceylon.
<i>(iv) Weeklies</i>				
Vanitha Viththi	1957	Sinhala	23,215	The Times of Ceylon.
Visitura	1962	Sinhala	60,000	Independent Newspapers Ltd.
Sarasaviya	1963	Sinhala	52,733	The Associated Newspapers of Ceylon Ltd.
Tikiri	1963	Sinhala	12,500	Independent Newspapers Ltd.
Mihira	1964	Sinhala	77,000	The Associated Newspapers of Ceylon Ltd.
Gitanjali	1964	Sinhala	15,000	Independent Newspapers Ltd.
Iranama	1964	Sinhala	20,000	Independent Newspapers Ltd.
Rasakatha	1965	Sinhala	15,000	Independent Newspapers Ltd.
Budusarana	1965	Sinhala	32,400	The Associated Newspapers of Ceylon Ltd.
Vathkama	1966	Sinhala	7,000	The Virakesari Ltd.
Lassana	1966	Sinhala	15,000	The Virakesari Ltd.
Jothy	1966	Tamil	14,000	The Virakesari Ltd.
Weekly Times	1923	English	364	The Times of Ceylon

B.—PERIODICALS :

(i) Fortnightlies
Nava Yugaya

1956	Sinhala	10,961	The Associated Newspapers of Ceylon Ltd.
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(ii) Monthlies

Rasavahini

1956	Sinhala	14,200	The Times of Ceylon Ltd.
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Sri

1963	Sinhala	28,000	Independent Newspapers Ltd.
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Ceylon Government Press

The Government Press, which is primarily equipped with Letterpress Printing Machinery has Silk screen Printing, Offset Lithographic and Process Block making sections, as well. This department which was in the main required to produce printed matter to meet the demands of the House of Parliament, Government Departments and Ministries has now been entrusted with the production of several School Text Books for the lower school forms and Higher School Text Books and Glossaries from the Secondary School to the University level, in Sinhala and Tamil, though the press is not equipped with the Specialized Machinery for this class of book work production.

Other special items of work executed comprise the production of Sweepstake Tickets for the National Lotteries Board, and cheque books for the People's Bank and its branch Offices. The paper used in the production of the major portion of requirements of printed matter has been supplied by the Eastern Paper Mills Corporation, Valachchenai, Ceylon.

II—ACTIVITIES OF DEPARTMENT OF BROADCASTING AND INFORMATION

The Commission appointed by His Excellency the Governor-General to report on the Broadcasting and Information Services, published its report in May, 1966. The main recommendation of the Commission was that Radio Ceylon should be administered as a public Corporation and that Broadcasting and Information should function independently.

Accordingly, the Cabinet decided in June 1966, to institute a Corporation to be responsible for all Broadcasting Services in the Island.

On 26th September 1966, the Hon. Minister of State, presented a Bill in the House of Representatives to provide for the establishment of the Ceylon Broadcasting Corporation. The Bill having had its passage through Parliament, the Ceylon Broadcasting Corporation was formed on the 5th January 1967.

Administration

There are two main services, namely the National Service and the Commercial Service, each in charge of a Director, working under a Director-General. In addition to the Programme Section, the Director-General, as the Chief Executive is in overall charge of the Engineering Division, News Division, Finance Division and the Administration Division.

National Service

The National Service of Radio Ceylon is one of the two main services. The National Service comprises of six other services, namely, the Sinhala, the Tamil, the English, the Schools, the 'Sandhya' or evening and the External Service. These have a total output of approximately 239 broadcasting hours per week. Sinhala Programmes are broadcast through the Sinhala Service and the Sandhya Sevaya, up to a total number of about 94 hours per week. A period of about 60 hours for the Tamil Service, 36 hours for the English Service, 18 hours for the Schools Service and 20 hours for the External Service has been allocated for the purpose of broadcasting programmes.

Unlike the programmes in the Commercial Service which aim at providing entertainment for the listener, the programmes in the National Service are prepared with the aim of providing spiritual and cultural upliftment of the listener as well as the general progress of the nation.

From the inception of the Schools Service the intention has been to provide an opportunity to the students to broaden their knowledge on various subjects by listening to the programmes in the school itself, following a time-table under the advice and guidance of a teacher. As only a few schools are making the best use of the Schools Service Programmes, arrangements have been made to broadcast Schools Service programmes which go on the air during school hours, through the Sandhya Sevaya too, so that the students can listen in to them again at home. The students listening in to programmes in schools have the opportunity of reference to the teacher for any

difficulty. As the students do not have the same opportunity when listening in to the programmes at home, these evening programmes are prepared in such a way as to avoid the students finding any difficulty in understanding them.

External Service

The programmes broadcast through this service are as follows :

From 0915 GMT to 1030 GMT to South East Asia

From 0700 GMT to 0815 GMT to Europe.

These programmes are broadcast for 1 hour and 15 minutes through 17830 and 15333 Kilocycles respectively. Although these programmes have been on the air for several years, yet the numbers listening in to them is found to be very few. Hence a revision of programmes has been effected and a change of broadcasting hours is also under consideration.

General

A successful attempt has been made by Radio Ceylon to link its programmes with the immediate, social and economic needs of the country. Programmes aimed at development were given priority over those of a purely an aesthetic and artistic nature. Special attention was paid to Rural programmes. It is realised that a well prepared and well presented Rural Broadcasting Service will not only help increase production, but also contribute to the general welfare of the majority of the people of the Island.

Commercial Service

The Commercial Service was started in September 1950, as an experiment. Before long it became a successful revenue earning concern of the Government. Surveys conducted by various organisations have revealed that this service has more listeners than any other Broadcasting Station in South East Asia. Programmes up to a total of 193 hours per week (77 hours for Sinhala, 49 hours for Tamil and 67 hours for English) are broadcast through this service for local listeners.

In addition to local programmes, the Commercial Service broadcasts programmes in English, Hindi and Tamil up to a total of 145½ hours per week, specially for overseas listeners in Asia. The daily listeners' reports show that the people of Central Europe, Norway, Denmark, Finland, Sweden, Germany, Switzerland, Great Britain, the United States of America, South Africa, Australia and New Zealand listen to the English programmes with great interest. English programmes are broadcast daily from 01.30 to 03.30 GMT through 15230 Kilocycles 19 meters, and 9670 Kilocycles 31 meters ; and from 12.30 to 16.45 GMT through 9670 Kilocycles 31 meters and 7190 Kilocycles 41 meters. These programmes were introduced as "This is the Commercial Service of Radio Ceylon."

Hindi and Tamil programmes are broadcast from 01.30 to 04.30 GMT (up to 07.30 and from 06.30 to 08.30 GMT through 11800 Kilocycles 25 meters on Sundays) 9720 Kilocycles 31 meters and 7190 Kilocycles 44 meters, and from 10.30 to 17.30 through 6075 Kilocycles 49 meters. This was introduced as "Ye Radio Ceylon Ka Vya Par Vibhag hy".

News Division

The News Division functions under a News Editor and a group of Sub-Editors and Reporters working under him. The News Division receives foreign news mainly from News Agencies. In addition to this it extracts news from the news broadcasts of several foreign countries. The main sources of obtaining government news are the Press Officers of the Information Department who are always in readiness to report the activities of the Government to the Department. The News Reporters of the News Division obtain Government news by arranging for interviews with Ministers and Heads of Departments as well at Press Conferences. The News Division is capable of presenting its listeners in a matter of few minutes with a basic account of important debates in Parliament, through its Parliamentary Reporters.

Radio Licences and Publications

The authority for the issue of Radio Licences lies with the Postmaster-General. The annual licensing fee is Rs. 15. The main Post Office of the area in which the Radio is used issues the licence. Under this system a single family can maintain more than one radio set for their own use, without paying an additional fee, but this will not apply to places where annexes of the building have been let. Even if a visitor or a boarder uses a Radio Set in a Common Room or in a private room in a house, a separate licence has to be obtained for that Radio. The Rediffusion Service has succeeded to a certain extent in many areas. The licensing fee is Rs. 1.25 per month. For portable radios and those fitted into cars, the licencing fee is Rs. 15.

The total number of working radios and Rediffusion sets at the close of December 1963 amounted to 404,000. The estimated population on this date amounted to 10 million. The Broadcasting Service has become increasingly popular so much so that more than 20 per cent of the population listen to the Radio today.

The fortnightly publication "Radio Times" gives the details of all the programmes that go on the air.

Foreign Relations

Radio Ceylon has closed relations with many Broadcasting Institutions of the world. Ceylon is an associate member of the European Broadcasting Union. Radio Ceylon participates in Commonwealth Conferences, Asian Broadcasters' Conferences, and many other technical conferences.

Radio Ceylon broadcasts special feature programmes on National Days of various countries. The Station receives much material required for programmes from foreign broadcasting institutions and representatives of foreign and Commonwealth countries in Ceylon. By reason of the fact that Ceylon has entered into cultural exchange treaties with many countries, Radio Ceylon endeavours to supply them with various local programmes.

Engineering Division

The Engineering Division of Radio Ceylon is at the service of the National and Commercial Services. The programmes originating from the Studios of Torrington Square are fed through cables and V. H. F. to the medium and short-wave Transmitting Stations at Ekala, Diyagama and Welikada. Medium-wave transmission is limited to a radius of 25 miles. Regional Transmitting Stations were opened at Senkadagala in 1960 and at Anuradhapura in 1966. The services of an expert from the British Broadcasting Corporation were obtained in May 1965 to train Technical Assistants. There is a Chief Engineer and six Engineers assisting him in the operation and maintenance of the Transmitters, Buildings, Studios, Outside Broadcasting apparatus, Laboratory, Control Room, Power House and Air Conditioning Plants, coming within the purview of the Engineering Division.

Information Division

The Department of Information including the Government Film Unit and Publications Bureau, was amalgamated with the Department of Broadcasting on 13th November 1966. The Director of Information functions as the Head of the Department and there are two Assistant Directors to assist him. A number of Press Officers attached to various ministries and a few translators work in the Department. The Information Department is the effective instrument of publicising Government policies, programmes and activities here and abroad. The task of arranging Press Conferences for all Ministries, issuing press communiques for departments and preparing photographs and features, providing background information of Government projects, also lies with the Department of Information. Booklets and leaflets are published by the Department in order to

enlighten the general public on the Government's programmes aimed at Development and social welfare. The three regular publications of the Department are a newsletter published fortnightly in Sinhala, Tamil and English, mainly for local distribution, the monthly magazine "Ceylon Today" published in English and the weekly 'Ceylon Newspaper', published in English for overseas readers. Sri Lanka almanac and a pictorial calendar are published annually in Sinhala and Tamil.

Film Unit

The responsibility for producing films and distributing them in such a way as to make many people as possible see them, rests with the Government Film Unit. The Film Unit produces films primarily for the people of Ceylon with the focus on social and economic development, Industries, National wealth of the country, Arts and Science, Cultural development, Education, Health, modern Agricultural methods and Irrigation, etc. These films are therefore used as a medium of education and information. In the production of Newsreels the Film Unit brings before the public, a comprehensive coverage of Government and public sector activities as well as important local events of general interest. All productions are presented through the Commercial cinema circuits in the island and also through the Film Unit's mobile vans. Film shows are arranged at places such as schools, colleges, Rural Development Societies and Community Centres, at mass rallies and public parks. Documentaries of 35 mm. and 16 mm. produced by the Unit are supplied to Ceylon Missions abroad. These are presented at the various international film festivals. A number of awards, presents and certificates were received for productions of the Film Unit.

Government Publications Bureau

This is the Government Book Shop. The main office is housed in the Secretariat and there is a Sales Counter at the General Post Office.

III—CEYLON TOURIST BOARD

The Board commenced work in May, 1966.

The work of the Board can be reviewed conveniently under the headings: Administration, Development, Resthouses, Education, Travel Trade, Publicity and Promotion, and Statistics, each of which is described briefly hereunder.

Administration

The Staff of the Board now totals 159 personnel organised in sections under a scheme proposed by the U. N. Adviser. It has not been found possible to fill the two top posts of Director General and Deputy Director General. This deficiency has been temporarily met by the Chairman and one Board Member agreeing to work full-time for the Board with the assistance of the U. N. Adviser.

Development

The essential prerequisite to an increase of tourist traffic into Ceylon is additional tourist accommodation. Ten proposals for new tourist accommodation have been approved and many others are under consideration. Among the approved proposals are two major hotel projects in Colombo and another near Colombo involving an investment of Rs. 94 million. A total of 963 additional rooms in Colombo and outstations should be available by 1971 if these projects are completed according to programme. This would constitute a substantial increase to the present room strength in Ceylon on 875 rooms counting both Hotels and Resthouses.

A scheme for the establishment of a tourist village in Bentota, the first of several such schemes to be established in Trincomalee and elsewhere, has been planned and the necessary land acquisitions almost completed. There will be two hotels, a Motel, a Rest House and beach cottages providing 250-300 rooms, accommodation being at different levels to suit both local tourists and those from

abroad. The Board will provide through a controlling agency the necessary *infra*-structure of roads, lighting, water, &c., while tourist accommodation shops, restaurants, &c., will be built and run by the private sector according to plans to be laid down by the Board.

A market and feasibility study of tourist development has been deemed essential in order to indicate the future lines on which the Board should pursue its activities. The necessary field survey by a world famous team of experts has already been completed and their report is awaited. This report will provide a plan for the scientific expansion of the tourist industry in this country.

Education

The expansion of the tourist industry will call for greatly increased numbers of personnel to serve the industry. To meet this need the Hotel School has been established and is now in full operation with three foreign experts and a staff of local teachers. The first batch of 20 students are about to complete the first year of their Three-year Catering Course.

It is intended that brighter students should be permitted a 4th year advanced course in Hotel Management. Special courses have been arranged for Resthouse Keepers and Waiters already in employment in hotels. Craft courses to train new waiters and cooks are about to commence. Twenty-two Guide Lecturers have been trained and certified and their work is now being organized. A small Restaurant and Guest house have been brought into operation in 'Samudra' which will be used for the training of the students when they enter upon their second year of study.

Travel Trade

The process of organising and assisting those employed in the travel trade has been energetically pursued. 128 Travel Agents who applied for recognition have been visited and their working scrutinised. Thirty-six have been granted recognition which will qualify them to secure foreign exchange for advertising and promotion and to travel abroad to secure new business.

A classification Committee consisting of representatives of Travel Agents, Hotels and members of the public, have inspected and classified hotels according to the Star system. A similar classification has been compelled in respect of Resthouses and Guesthouses. Foreign exchange allocations have been secured for distribution among recognized hotels to enable them to import necessary equipment as well as to meet expenditure on imported foods and spirits. The Board has taken advantage of a line of Credit offered by France to provide the travel trade with 75 cars and 20 station wagons.

Publicity and Promotion

The Board has stepped up publicity in the principal markets, but owing to the prevailing lack of accommodation and other facilities it has not ventured to launch on an extensive promotional campaign. The intention is to build up publicity gradually so that its full impact will be felt in two or three years when new hotels will be ready to receive tourists. So far, the Board has mainly used Ceylon's Embassies abroad for public relations work thereby keeping expenditure to a minimum. A fairly considerable expenditure however, has been incurred on the production and distribution of tourists material in the form of booklets, brochures and folders, as well as in playing host to foreign travel writers, photographers, travel agents, &c., who are in a position to publicise Ceylon.

Statistics

A branch of suitably qualified officers, has been set up to secure for the Board the statistical information required for its work. The setting up of this section has taken time and was only recently completed. It has, however, already made available to the Board valuable information as to the volume and sources of the tourist traffic reaching Ceylon. Interesting studies in more specialised fields such as spending habits, tourist requirements, &c., have now been started.

CEYLON

SHOWING

DIVISIONAL REVENUE OFFICERS' DIVISIONS

