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Sri Lanka Year Book



WATER FROM THE MAHAWELI

1977

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DEPARTMENT OF CENSUS AND STATISTICS

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PREFACE

SRI LANKA Year Book is a factual narrative, presenting in a compact form the salient facts on the historical background, geographical features, social and economic conditions of the island and also on the various development activities of the Government. This issue of the Year Book is the twenty fourth in its series and contains for the most part information for the year ended 1976.

Official reports of Government Departments, Public Corporations, Statutory Boards and Private Sector Institutions constitute the sources of information for the Year Book. The co-operation of all these institutions in providing the necessary material for its compilation is greatly appreciated.

Any suggestions that may help to widen the scope and usefulness of this publication will be most welcome.

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7th February, 1978.

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CHAPTER I

HISTORICAL SKETCH

RECENT studies regarding pre-historic and proto-historic ages in Ceylon have revealed traces of pre-historic men. 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' 10" 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 such species as the lion and the gaur which although extinct locally, yet occur in India. 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 'Mahawansa' an Indian Prince named Vijaya, with his band of 700 men, colonized the Island of Ceylon about 543 B. C. The present day Veddhas are the survivors of the legendary tribes of Yakkas and Nagas who inhabited Ceylon at that time. Travellers from the West have also made certain references in their writings to ancient Ceylon. These too help 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 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 his friend King Devanampiyatissa of Ceylon, the Message of the Buddha through his own son, Thera Mahinda. The Island then 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 Ruhunu. The establishment of peace under one sovereign ruler was the direct result. There followed a period of prosperity leading to the spread of learning, the development of art and architecture and the foundation of temples.

Irrigation engineering had attained a 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, the Indian influences have been considerable, particularly the Gupta influence is noticeable in the monuments of the 6th century A. D. The fortress at Sigiriya was converted as the living

palace of Kasyapa where the well known frescoes are still preserved. Somewhat later in the seventh century the Pallava influence was also felt in the Island. The monument at Isurumuniya bears witness to this tradition.

The 9th century is a dark period in Ceylon history. Little recorded evidence, either as rock inscriptions 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 the Cholas and the Pandians, who from time to time overran the capital, burnt buildings and looted wealth. Anuradhapura had to be abandoned. Finally the scattered Sinhalese forces rallied together under Prince Kirti who later defeated the enemy and brought complete victory to the Island. He 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 self-sufficiency in food. After his reign there followed a period of strife and struggle. The Kings at times contended with each other as well as with outsiders to preserve freedom, peace and prosperity. It was with considerable sacrifice through centuries that the nation recovered from intermittent fauds and preserved its spirit.

It was during the fifteenth century when the capital was at Kotte that the first European contact was felt. This was the beginning of a crucial change which was to lead to further complications and difficulties and also 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, ruled the maritime provinces through a Governor. In 1796 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 is now ruled by the elected representatives of the people themselves under a democratic constitution. With the adoption of a New Constitution on May 22nd 1972 the Island became a Free Sovereign and an Independent Republic known as the Republic of Sri Lanka. The Sovereignty of the people is exercised through a National State Assembly of elected representatives. The First National State Assembly was dissolved on 19th May 1977 fixing General Election for the 21st July, 1977. The number of electoral districts was increased as based on the Delimitation Commission giving an overall membership of 168 elected representatives in the Second Session of the National State Assembly.

Further changes in the Republican Constitution were made in 1977, under the Second Amendment to the Constitution which was passed in the National State Assembly in October 1977 and which came into operation on 4th February, 1978.

In terms of the Second Amendment, a presidential form of government was introduced for the first time. The National State Assembly and the President under the Second Amendment are now the supreme instruments of State power of the Republic. The intention of this constitutional change was to vest the executive power of the People in the President. The Second Amendment also stipulated that the legislative power of the People shall be exercised by the National State Assembly.

¹ Based on researches conducted by Mr. P. E. P. Deraniyagala.

CHAPTER II

GEOGRAPHICAL FEATURES

I—GENERAL

Area and Location

Sri Lanka (Ceylon) has an area of 25·3 thousand sq. miles. or 65,000 sq. kilometres.

The Island is situated between 5° 55' and 9° 50' N. Latitude and between 79° 42' and 81° 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 Sri Lanka are the Maldive Islands to its West, the Nicobar and Andaman Islands to its East, and North-East respectively.

Excepting Mannar Island in the North-West, the Jaffna Peninsula in the North and the adjoining Islands, the largest of which are Kayts and Delft, the island has a compact land area. The greatest length of the island North to South is 270 miles, from point Palmyrah 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.

Sri Lanka's position in the Indian Ocean has proved favourable and today Colombo, Trincomalee and Galle form important ports of call (passenger, bunkering repairs, etc.) for ships that cross the Indian Ocean from East to West and vice versa.

With the development of air travel the Colombo Air Port situated at Ratmalana, about 8 miles South of the city of Colombo, and the Bandaranaike International 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

The relief of the Island may, generally be said to comprise a mountainous area about the central part of 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 occupying the rest of the Island 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 fathom 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 SRI LANKA

<i>Mountain Peak</i>	<i>Height in feet</i>	<i>District situated</i>
Pidurutalagala	8,282	Nuwara Eliya
Kirigalpotta	7,837	do.
Totapalakanda	7,733	do.
Kudahagala	7,610	do.
Siri Pada (Adam's Peak)	7,341	Ratnapura
Kikilimana	7,342	Nuwara Eliya
Great Western	7,258	do.
Hakgala	7,118	do.
Conical Hill	7,106	do.
Mahakudagala	6,879	do.
One Tree Hill	6,890	do.
Waterfall Point	6,803	do.
Namunukula	6,679	Badulla
Gommolli Kanda	6,674	Ratnapura-Badulla
Knuckles	6,112	do.
Kotagala	5,750	Kandy-Nuwara Eliya

Source : Survey Department.

The essential frame-work 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 Sri Lanka—Pidurutalagala (8,282 feet), Kirigalpotta (7,837 feet) Totapalakanda (7,733 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 Dunugala ridge. To the North-West 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 in height. 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. Monadocks 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 Sri Lanka with its central hilly mass a general radial 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". The principal rivers of Sri Lanka with their respective lengths are given in Table 2.2.

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	208	Maha-Oya	83
Aruvi-arua	102	Manik-ganga	71
Kala-Oya	92	Kalu-ganga	80
Kelani ganga	90	Kirindi-Oya	73
Yan-Oya	88	Kumbukkan-Aru	72
Deduru-Oya	88	Gin-ganga	70
Walawe-ganga	86	Mi-Oya	68
Maduru-Oya	85	Gal-Oya	67

Waterfalls girdle the central mountain massif and offer some of the best scenic features in Sri Lanka 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 fluctuations in their volume occur as a result of variations in the seasonal rainfall.

III—CLIMATE AND METEOROLOGY

Climate

Although on account of its situation close to the equator within the latitudes of 6° and 10° N yet 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 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° F at Diyatalawa, 4,100 Feet, it is 68° F and at Nuwara Eliya, the chief hill station in the Island, 6,200 feet in elevation 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° lower 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 higher.

Highest Temperatures

Highest Temperatures are experienced in the districts to the north or north-west of the hills and in the north-eastern low country, generally during the period March to June, but they rarely exceed the blood heat (98·4° F).

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 ; at Nuwara Eliya (6,200 feet), the minimum temperatures, which are generally of the order of 45 °F (February), occasionally fall below the freezing (32° F) point.

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. 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 drops. 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 drops 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 200 inches at certain places on the south-western slopes of the hills.

There are four rainfall seasons during the year with corresponding periods which may roughly be considered as follows :—

- (1) the South-West Monsoon period, May to September,
- (2) the inter-monsoon period, following the South-West Monsoon, October and November,
- (3) the North-East Monsoon period, December to February, and
- (4) the inter-monsoon period, following the North-East Monsoon, March and April.

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 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 is also responsible for the thunder showers that occur in the afternoon or evening. These showers may occur anywhere over the island. Another source of rain during these periods is depressional activity.

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.

These four seasons are marked out by the position of the Inter-Tropical Front, which forms the boundary between the Northern hemisphere air and Southern hemisphere air. The ITF, moves north and south with the sun while moving between the Tropic of Cancer and the Tropic of Capricorn. It crosses the Island moving from south to north in May and brings the South-West Monsoon to Sri Lanka and India in its rear. On the return Journey, the ITF moving from north to south, crosses the Island during October and early November, bringing in its rear the North-East Monsoon. The two Inter-Monsoon seasons are the periods when the ITF fluctuates over and in the immediate vicinity of the Island.

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 Sri Lanka since 1880. Meteorological Observatories make daily records of temperature, rainfall, wind, atmospheric pressure and humidity. In addition, upper wind observations with pilot balloons are recorded at 4 stations, while temperature, humidity, atmospheric 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.

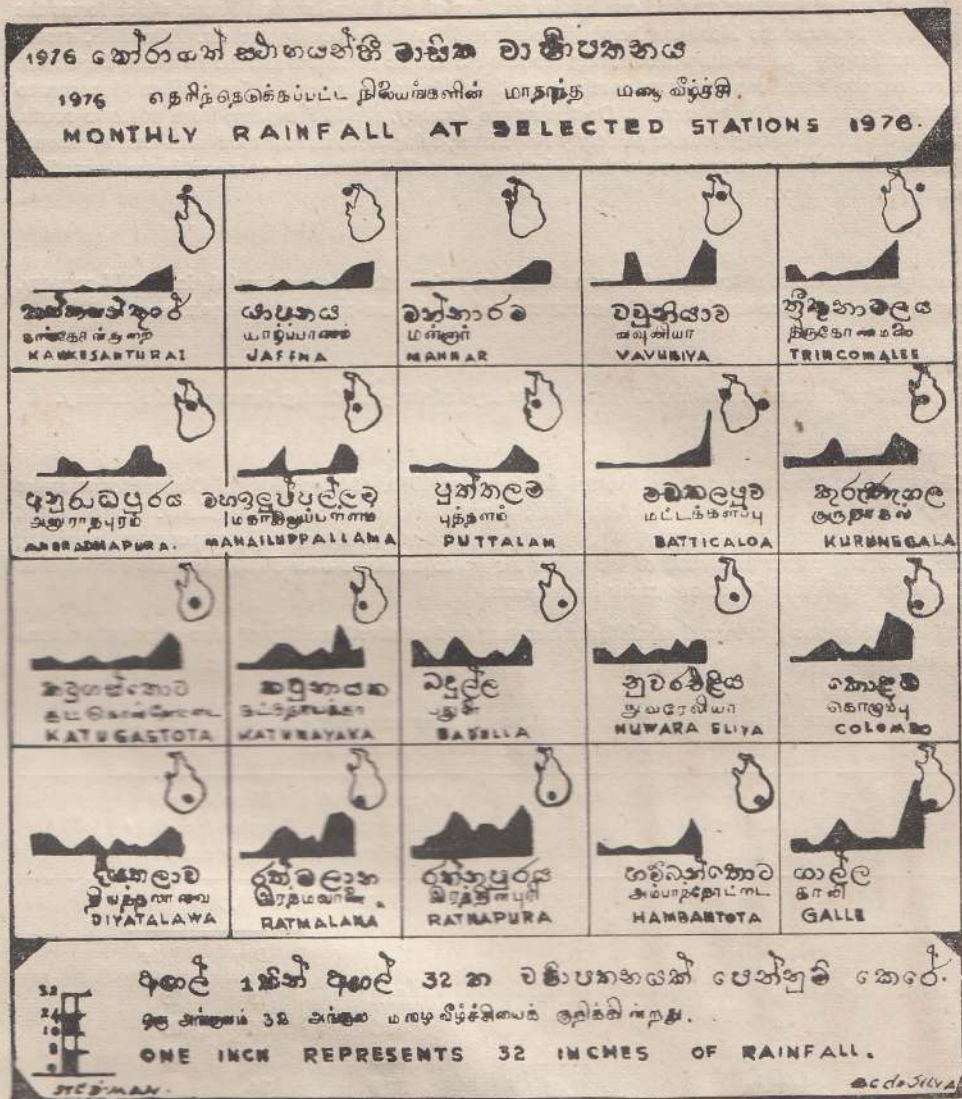
Table 2.3 shows the annual rainfall, temperature and relative humidity at nine principal stations during 1976.

TABLE 2.3—ANNUAL RAINFALL, TEMPERATURE AND RELATIVE HUMIDITY AT NINE PRINCIPAL STATIONS DURING 1976

Station	Annual Rainfall (inches)	Mean Annual Temperature (degree fahrenheit)	Mean Annual Relative Humidity (per cent)	
			1976	
			Day	Night
Colombo	81.71	81.1	75	89
Jaffna	38.87	82.0	75	85
Trincomalee	43.31	83.3	67	78
Hambantota	31.41	80.9	74	85
Ratnapura	131.76	81.7	73	92
Anuradhapura	46.64	81.7	65	87
Kandy	56.06	76.5	69	90
Diyatalawa	55.94	68.3	69	86
Nuwara Eliya	50.54	60.0	78	89

The Colombo Observatory provides 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 the phase of the moon, the times of rise and set of the sun, moon and planets and Seismological work.

CHART NO. 1—MONTHLY RAINFALL AT SELECTED STATIONS—1976



IV—GEOLOGY

The Island is part of a larger "Shield" area which embraces most of South Indian 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 S.W. to N. E. 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, marble, 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, 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 Wellastenite-scapolite 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. Those 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 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 zircon or allanite bearing, as well as a series of diorite 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 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 north-west, south-east and north-east, south-west. In the Vijayan Series, however, the rocks have suffered greater deformation, major folds are fewer and less regular and the trends vary from north-south to east-west.

ECONOMIC REVIEW—1976

CHAPTER III

General

The economic progress experienced in 1976 was somewhat moderate due mainly to a decline in output of the agricultural sector. Though the production of rubber and paddy increased, these increases were not quite adequate to offset an overall decline in the production of the two plantation crops tea and coconut. The completion of Phase I of the Mahaweli Development Scheme during the year, helped facilitate double cropping of paddy land under irrigation schemes in the Dry Zone. Significant increases in the prices of tea and rubber and a certain degree of diversification of the economy, accounted for the substantial improvement in the trade balance during 1976.

Gross Domestic Product

The annual rate of growth in 1976 was 3.8 per cent as compared with an increase of 4.2 per cent in the preceding year. This was mainly due to the poor performance of plantation agriculture. The sector-wise distribution of Gross Domestic Product in 1976 at constant (1963) prices and the percentage change over the preceding year appears in the Table below :—

TABLE 3.1—SECTOR-WISE DISTRIBUTION OF G. D. P. AT CONSTANT PRICES (1963) AND PERCENTAGE CHANGE OVER 1975

Sectors	(Rs. Million)	Percentage change over preceding year	
1. Agriculture, Livestock, Fisheries	3,711.2	..	+ 2.9
2. Mining and Quarrying	205.7	..	+ 33.8
3. Manufacturing	1,428.5	..	+ 1.3
4. Construction	543.4	..	+ 6.0
5. Electricity and Gas	104.1	..	+ 5.8
6. Transport and Communication	1,233.4	..	+ 9.1
7. Wholesale and Retail Trade	1,700.0	..	+ 1.0
8. Banking and Insurance	194.2	..	+ 4.1
9. Ownership of Dwellings	518.7	..	+ 2.0
10. Public Administration and Defence	543.3	..	+ 5.1
11. Services	1,393.2	..	+ 4.0
G. D. P.	11,575.7	..	+ 3.8

The percentage change over the preceding year Mining and Quarrying shows a significant increase of 33.8 per cent and was mainly due to an increase in the value of gem production and a wider coverage of additional commodities in 1976 in the calculation of value-added in this sector. Major increases were recorded in the output of Electricity and Gas, Construction, Transport and Communications and in Public Administration and Defence in 1976, over the level of the preceding

year. If no cognizance is taken of the service sectors on the presumption that the real impact of economic growth should be encountered in commodity-producing sectors, improvements reflected in these latter sectors are reasonably encouraging. The poor level of activity in the manufacturing sector was due mainly to the limited availability of raw materials. Construction work undertaken in the public sector was the main reason for the expansion of construction activity, thus increasing value added in this sector. The levels of activity in the Public Administration and Defence and in Services have shown, significant increases in the year 1976 and were estimated to have risen by 5.1 per cent and 4.0 per cent respectively over the levels obtaining in 1975.

Private Consumption Expenditure

The percentage increases of expenditure on household operation, furniture, fuel and light clothing have increased markedly over the preceding year. On the other hand, the total expenditure on tobacco, has declined in 1976. Table 3.2 shows the components of private consumption expenditure by object and relative percentage change over the preceding year.

TABLE 3.2—PRIVATE CONSUMPTION EXPENDITURE BY OBJECT AT CURRENT PRICES—1976

<i>Object</i>				(Rs. Million)	<i>Percentage change over preceding year</i>	
1.	Food	..	..	10,836.6	..	+ 2.6
2.	Beverages	..	..	612.1	..	+ 3.0
3.	Tobacco	..	..	1,150.6	..	- 10.2
4.	Clothing	..	..	1,687.7	..	+ 17.0
5.	Rent	..	..	707.0	..	+ 1.4
6.	Fuel and Light	..	..	502.6	..	+ 14.5
7.	Furniture	..	..	407.5	..	+ 18.0
8.	Household Operation	..	..	394.7	..	+ 29.5
9.	Personal Care and Health..	..	..	277.9	..	+ 1.8
10.	Transport and Communication	..	..	1,565.7	..	+ 11.3
11.	Recreation and Entertainment	..	..	637.6	..	- 0.5
12.	Miscellaneous Services	..	..	704.1	..	- 7.5
Total				19,226.7*		3.6*

* Including expenditure abroad of residents and excluding expenditure of non-residents.

Private consumption expenditure on Recreation and Entertainment and Miscellaneous Services, declined by 0.5 per cent and 7.5 per cent respectively over the 1975 levels. In percentage terms food expenses constituted 56.4 per cent of total consumption expenditure and shows a somewhat moderate percentage increase over the level of the preceding year.

Domestic Capital Formation

Gross capital formation in 1976, exceeded the amount that was recorded in 1975 by Rs. 913.3 million. Fixed capital formation in the government sector increased by 47.3 per cent due mainly to an increase of various project expenditure under irrigation and construction. The increase of capital expenditure in the government sector by type of capital assets, showed a marked upward trend depicting the amount of money that was channelled to land acquisition and reclamation. Table 3.3 shows the gross domestic capital formation in 1976 and the percentage change over the level of the preceding year.

TABLE 3.3—GROSS DOMESTIC CAPITAL FORMATION—1976

				(Rs. Million)	Percentage change over the previous year
I. Type of Purchaser					
Fixed Capital Formation (Total)	..	..	4,453.1	..	+ 25.8
(a) Non-corporate private enterprises	}	Private Sector	..	3,123.6	.. + 18.5
(b) Private corporations					
(c) Public corporations					
(d) Government enterprises	}	Public Sector	..	1,329.5	.. + 47.3
(e) General government					
II. Type of Capital Asset					
Fixed Capital Formation (Total)	..	..	4,453.1	..	+ 25.8
(a) Land .. .. .	..	..	611.6	..	+ 56.4
(b) Dwellings — ..	..	..	1,812.5	..	+ 17.5
(c) Non-residential buildings — ..	..	..	
(d) Other constructions .. .. .	..	..	336.9	..	+ 10.9
(e) Transport equipment .. .. .	..	..	655.3	..	+ 42.8
(f) Machinery and other equipment .. .. .	..	..	1,036.8	..	+ 23.0
(a) Private Sector					
Planting and replanting .. .. .	..	..	296.3	..	+ 5.0
Building and other constructions .. .. .	..	..	1,602.6	..	+ 17.2
Heavy machinery .. .. .	..	..	234.4	..	+ 4.6
Other machinery and equipment .. .. .	..	..	463.9	..	+ 38.9
Transport equipment .. .. .	..	..	410.5	..	+ 49.3
Locally manufactured machinery .. .. .	..	..	115.9	..	- 25.0
	Sub-Total	..	3,123.6		+ 18.5
(b) Public Sector					
Land .. .. .	..	..	315.3	..	+ 189.3
Dwellings .. .. .	..	..	209.9	..	+ 19.6
Other constructions .. .. .	..	..	336.9	..	+ 10.9
Transport equipment .. .. .	..	..	244.8	..	+ 33.0
Machinery and other equipment .. .. .	..	..	222.6	..	+ 70.7
	Sub-Total	..	1,329.5		+ 47.3
Domestic fixed capital formation	..	..	4,453.1		+ 25.8

The percentage increase in private capital formation in 1976 was 18.5 per cent over the level of the preceding year. A significant increase in the import of transport equipment contributed to augment private sector capital formation pushing it up to a higher level in 1976. The share of locally manufactured machinery in private capital formation declined sharply as compared with year 1975.

Fiscal Policy

Estimated total government revenue for 1976 was Rs. 5,739 million, which exceeded the revenue for 1975 by Rs. 858 million. The increase, which is about 13 per cent was mainly due to the increase in revenue under income tax, import duties, tea tax, turnover taxes and FEECs. Total expenditure of the government for 1976 was Rs. 9,314 million. This shows an increase of 20 per cent over the previous year.

The current account deficit was Rs. 128 million. This was lower than that for 1975 by Rs. 14 million.

The over-all budget deficit for the year is Rs. 3,576 million which was financed from domestic borrowings, amounting to Rs. 2,270 million and foreign loans and grants amounting to Rs. 1,340 million.

Foreign Trade

Sri Lanka's balance of trade in 1976 showed a surplus (as based on customs data) incidentally for the first time since 1966. This significant improvement during the year was due to an increase in export earnings and also a decrease in import expenditure.

Despite a drop in the volume of tea exports by 13 million kilograms from that of 1975, earnings from tea exports in 1976 exceeded that of 1975 by Rs. 168 million. An increase in export prices of tea accounted for this situation in 1976. As regards rubber, though the volume of exports during the year decreased by 24 million kilograms, export earnings nevertheless increased by Rs. 226 million. Export earnings from coconut and coconut products declined by Rs. 14 million from that of 1975, mainly due to a decrease in the quantum of exports.

The island's dependence on export earnings from the three main plantation crops viz., tea, rubber and coconut showed a declining trend from 76 per cent in 1975 to 70 per cent in 1976. Export earnings of other domestic exports and precious and semi-precious stones on the other hand increased respectively by 24.3 per cent and 5.4 per cent. The increasing trend in import expenditure experienced since 1971 saw a reversal during 1976 mainly due to a decrease in import prices. Consumption goods accounted for 36.9 per cent of total imports, while intermediate goods and investment goods respectively accounted for 48.2 per cent and 13.7 per cent. The marked decrease in expenditure on consumption goods in 1976 was facilitated by a decline in both volume and price of rice, imports, flour and sugar.

Balance of Payments

The current account deficit in the balance of payments for 1976 was Rs. 49.8 million. This was remarkable in view of the fact that it dropped from a deficit of Rs. 772 million in 1975 to a meagre Rs. 49.8 million in 1976. The 1976 deficit was in fact the lowest recorded since 1966. Export earnings in 1976 increased by as much as Rs. 800 million although import payments for the year increased over that of 1975 by less than Rs. 100 million. This in the main accounts for the sharp drop in the 1976 deficit as compared with 1975. A deficit of Rs. 597.1 million on the goods and services account was reduced to Rs. 49.8 million by a surplus of Rs. 547.3 million made available under transfer payments.

Increased earnings from non-traditional exports and from rubber, contributed to an improvement in the balance of payments. Despite a decrease in volume of exports of tea, rubber and coconut, their total export earnings expanded over the preceding year due to an increase in export prices.

The rising trend in the international prices of minor agricultural products also contributed substantially to increased export earnings under the non-traditional sector.

Earnings from the non-traditional sector was more marked during the year in view of increases recorded for such items as gems, precious stones, made-up garments, tinned fruits, etc. The share of the non-traditional sector in the total export earnings increased from 24.0 per cent in 1975 to 29.6 per cent in 1976. The 1976 import bill increased over that of 1975 by only 1.6 per cent. Lower commodity prices for rice, flour, sugar and fertilizer helped to a great extent in containing the import expenditure at this level.

The highest increase in the import bill in 1976 was for crude oil and petroleum by-products. This was partly due to an increase in the volume of imports and partly due to a 10 per cent increase in prices as imposed by OPEC in October 1975.

The main 'invisible' contributions to Foreign Exchange Earnings in 1976 were Port earnings and Tourist earnings.

Gross inflow of long-term aid amounted to Rs. 942.9 million. This consisted of :—

	(Rs. Million)
(a) Commodity aid	338.4
(b) Food aid	169.2
(c) Project aid	315.8
(b) Other aid	119.5

The net inflow of long-term aid leaving an allowance for repayments was Rs. 710.4 million. This high level of foreign assistance helped Sri Lanka to decrease her short-term indebtedness by Rs. 91.4 million.

Resources available from the I. M. F. as balance of payments support in 1976 amounted to Rs. 272.8 million. This together with long-term aid was far in excess of the current account deficit of Rs. 49.8 million. The country could thus build up its external assets to the tune of Rs. 568.3 million as at the end of 1976.

Prices

The Colombo Consumers' price index is the country's official indicator of changes in consumer price levels in Sri Lanka. The index increased by 1.2 per cent in 1976 as compared with an increase of 6.7 per cent in 1975. This moderate increase was the net effect of a price decline in the Food Group which partly off set price increase recorded under the Clothing, Fuel and Light and Miscellaneous Groups respectively. Price reductions in flour and bread and an increased quantum of rationed sugar were mainly responsible for the decline in the Food Group Index. Increases in price of firewood caused an upward movement in Fuel and Light Group Index. Increases in the Miscellaneous Group Index was attributable to increases in price of liquor and tobacco due to an upward revision of excise duties on these items. Price controls and rationing continued to play a significant role in containing the pressure on prices of widely used consumer items.

Wages

The special living allowances, of the government sector employees were increased by Rs. 15 per month from January 1976. This increase was extended to cover employees in semi-government sector and also those categorised under wages boards. A proportionate increase was authorised for workers in the plantation sector. With the exception of small scale establishments employing less than 25 persons and approved charities, private sector employers too were required by law to pay this increase provided that these employers were not paying a cost of living gratuity varying with the cost of living index number.

The increase in the minimum wage rate of technical and clerical grades in State Services was 4·8 per cent during the year, while increase in minimum wage rates of school teachers and minor grades in the State service respectively were 5·7 per cent and 6·5 per cent. As regards private sector employees, the percentage increase in wages was somewhat less. Wages of workers in Industry and Commerce increased by 2·58 per cent, while the nominal wages of workers in plantation sector increased by 2·16 per cent.

Employment

Employment in the government departments increased by about 20,000 persons in 1976 as based on an Annual Survey of the Central Bank. The increase in employment opportunities in State-sponsored institutions was over 55,000 and this was entirely due to an employment increase in the State Plantations Corporation. This reflects a 'shift' of employees from the private sector to State-sponsored institutions as this arose merely from a change of ownership of estates from the private sector to these State-sponsored institutions.

Based on the age-structure and age specific activity rates of the population it has been estimated that in 1976, about 125,000 would have entered the labour force with an estimated 'withdrawal' of, about 20,000 persons. From these figures it would appear that the demand for new jobs during the year under review would have been over 100,000.

Adequate data are not available as regards employment in the private sector. The annual change in institutional private sector employment is obtained by using the number of active accounts under the EPF. Thus there was a decline of 14,277 in active accounts under EPF during the year with a corresponding drop in the institutional private sector employment.

CHAPTER IV

CONSTITUTION AND GOVERNMENT

1—GOVERNMENT OF SRI LANKA

Sri Lanka (Ceylon) at present possesses a broad-based democratic Government. Her position is that of a Free, Sovereign and an Independent Republic within the British Commonwealth.

The Law embodying the Constitution is contained in the Constitution of Sri Lanka (Ceylon) adopted and enacted by the Constituent Assembly of the people of Sri Lanka on the 22nd May, 1972.

The Constitution of the Republic of Sri Lanka as enacted on 22nd May, 1972 provides for—

- (a) The State, Sovereignty and the People,
- (b) Buddhism,
- (c) Language,
- (d) Powers, Privileges, Duties and obligations of the Republic,
- (e) State Policy,
- (f) Fundamental Rights and Freedoms,
- (g) President of the Republic,
- (h) National State Assembly,
- (i) Procedure for Enacting Laws,
- (j) Procedure for laws amending the Constitution,
- (k) Constitution of the National State Assembly,
- (l) Control of Finance,
- (m) Executive Government,
- (n) Administration of Justice, and
- (o) Public Security.

The Republic

The Republic of Sri Lanka is a unitary State, its sovereignty is in the people, is inalienable and exercised through a National State Assembly of elected representatives of the People.

National State Assembly

The National State Assembly of Sri Lanka is the supreme instrument of State power of the Republic and exercises (a) the legislative power of the people ; (b) the executive power of the people, including the defence of Sri Lanka, through the President and the Cabinet of Ministers, and (c) the judicial power of the people through courts and other institutions created by law except in the case of matters relating to its powers and privileges, wherein the judicial power of the people may be exercised directly by the National State Assembly.

The National State Assembly shall consist of such number of elected representatives of the people as a Delimitation Commission may determine in accordance with the provisions of the Constitution. The election of members to the National State Assembly shall be free and shall be by secret ballot. Every citizen of the age of eighteen years and over is, unless otherwise disqualified, qualified to be an elector at elections to the National State Assembly.

Unless the National State Assembly is dissolved earlier, every National State Assembly elected under the Constitution shall continue for a period of six years from the date of its first meeting and no longer ; the expiry of the period of six years shall operate as a dissolution of the assembly.

Note.—Information as appearing in Sections I and III of this Chapter does not refer to the Second Amendment to the Constitution which came into operation on 4th February, 1978.

The first National State Assembly was dissolved on 19th May, 1977. In terms of a Delimitation Commission the number of elected representatives was increased from 157 to 168 members. Elections to the Second National State Assembly were held on 21st July, 1977. The United National Party under the leadership of Mr. J. R. Jayewardene swept the polls with an overwhelming majority of 140 seats.

Executive Government

The Prime Minister nominates the President of the Republic of Sri Lanka who becomes the Head of the State, Head of the Executive and Commander-in-Chief of the Armed Forces. He shall be responsible to the National State Assembly for the due execution and performance of the powers and functions of his office under the Constitution and under other law, including the laws for the time being, relating to Public Security.

The executive consists of the Prime Minister and a Cabinet of Ministers. The Cabinet of Ministers with the Prime Minister as its Head charged with the direction and control of the Government of the Republic shall be collectively responsible and answerable to the National State Assembly on all matters for which it is responsible.

The President appoints as Prime Minister the member of the National State Assembly who, in the President's opinion, is most likely to command the confidence of the National State Assembly.

The Prime Minister determines the number of Ministers and Ministries and assignment of subjects and functions to Ministers.

The President appoints, from among the members of the National State Assembly, Ministers to be in charge of the Ministries determined by the Prime Minister and also Deputy Ministers to assist the Ministers in the performance of their duties.

A new Republican Constitution to achieve the goals of a DEMOCRATIC SOCIALIST SOCIETY is envisaged.

The First Appointed PRESIDENT of the Republic of Sri Lanka was MR. WILLIAM GOPALLAWA.

ADDENDUM

Far reaching political changes were made within the frame-work of a democratic socialist society, with the assumption of office by the United National Party Government. The investiture of MR. JUNIUS RICHARD JAYEWARDENA as the first EXECUTIVE PRESIDENT of the REPUBLIC on 4th February, 1978 marked a new era in Sri Lanka's constitutional history. MR. RANASINGHE PREMADASA, Minister of Local Government, Housing and Construction and Leader of the National State Assembly was sworn-in as PRIME MINISTER of the REPUBLIC.

Cabinet

The Cabinet of Ministers of the Republic of Sri Lanka as sworn-in on 23rd July, 1977 were—

Mr. Junius Richard Jayewardene, (Colombo West), Prime Minister, Minister of Defence, Minister of Planning and Economic Affairs and Minister of Plan Implementation.

Mr. Ranasinghe Premadasa (First Colombo-Central), Minister of Local Government, Housing and Construction and Leader of the Assembly.

Mr. Abdul Cader Shahul Hameed (First Harispattuwa), Minister of Foreign Affairs.

Mr. Lionel Gamini Disnayake (First Nuwara Eliya-Maskeliya), Minister of Irrigation, Power and Highways.

Mr. Lalith William Athulathmudali (Ratmalana), Minister of Trade.

Mr. Walter Geoffrey Montague Jayawickrema (Weligama), Minister of Public Administration and Home Affairs.

Mrs. Irene Wimala Kannangara, (Galigamuwa) Minister of Shipping, Aviation and Tourism.

Mr. Nissanka Parakrama Wijeyeratne (Dedigama), Minister of Education.

Mr. Kanapathipillai William Devanayagam (Kalkudha), Minister of Justice.

Mr. Ronald Joseph Godfrey de Mel (Devinuwara), Minister of Finance.*

Mr. Cyril Pinto Jayatilake Seneviratne, (Mahiyangana), Minister of Labour.

* Re-designated as Minister of Finance and Planning.

Mr. Cyril Mathew (Kelaniya), Minister of Industries and Scientific Affairs.
 Mr. Edwin Loku Banda Hurulle (Horowpotana), Minister of Cultural Affairs.
 Mr. Stephen de Silva Jayasinghe (Dehiwela), Minister of Fisheries.
 Mr. Gamani Nanda Jayasuriya (Homagama), Minister of Health.
 Mr. Dingiri Banda Wijetunga (Udunuwara), Minister of Information and Broadcasting.
 Mr. Mathew Vincent Prerera (Colombo—North) Minister of Parliamentary Affairs and Sports.
 Mr. Mohamed Haniffa Mohamed (Borella), Minister of Transport.
 Mr. Edward Lionel Senanayake, (Mahanuwara), Minister of Agriculture and Lands.
 Mr. Asoka Mahanama Karunaratne (Rambukkana), Minister of Social Services.
 Mr. Donald Shelton Jayasinghe (Wattala), Minister of Posts and Telecommunications.
 Mr. Sirisena Bandara Herath (Hiriyala), Minister of Food and Co-operatives.
 Mr. Mahabalage Don Henry Jayawardene (Kaduwela), Minister of Plantation Industries.
 Mr. Wijayapala Mendis (Katana), Minister of Textile Industry.

Deputy Ministers as appointed to the respective Ministries were—

Mr. Tikiri Banda Werapitiya (Patha Dumbara), Deputy Minister of Defence.
 Mr. Mohamadu Haniffa Mahamudu Naina Marikar (Puttalam), Deputy Minister of Planning and Economic Affairs.*
 Mr. Dingiri Banda Welagedera (Kurunegala), Deputy Minister of Plan Implementation.
 Mr. Pema Chandra Imbulana (Ruwanwella), Deputy Minister of Local Government, Housing and Construction.
 Mr. Ranil Wickramasinghe (Biyagama), Deputy Minister of Foreign Affairs.
 Mr. Adikari Mudiyanseleage Somapala Adikari (Kalawewa), Deputy Minister of Irrigation, Power and Highways.
 Mr. Matarage Sirisena Amarasiri (Hiniduma), Deputy Minister of Trade.
 Mr. Percy Samaraweera (Welimada), Deputy Minister of Public Administration and Home Affairs.
 Mr. Nanda Mathew, (Kolonne), Deputy Minister of Shipping, Aviation and Tourism.
 Mr. Lionel Jayatilaka (Kuliyapitiya), Deputy Minister of Education.
 Mr. Shelton Ranaraja (Senkadagala), Deputy Minister of Justice.
 Mr. Joseph Michael Perera (Ja-Ela), Deputy Minister of Labour.
 Mr. Michael Festus Perera (Wennappuwa), Deputy Minister of Finance.†
 Mr. Nicholas Denzil Fernando (Negombo), Deputy Minister of Industries and Scientific Affairs.
 Mr. Weerakoon Mudiyanseleage Gedera Tikiri Banda (Galagedera), Deputy Minister of Cultural Affairs.
 Mr. Sunil Subasiri Abeysundera (Yatinuwara), Deputy Minister of Fisheries.
 Mr. Dharmasena Attygale (Kesbewa), Deputy Minister of Health.
 Mr. Chandra Karunaratne (Nawalapitiya), Deputy Minister of Information and Broadcasting.
 Mr. Don Edwin Tillakaratne (Ratgama), Deputy Minister of Parliamentary Affairs and Sports.
 Mr. Hiripitiyage Kularatne (Rakwana), Deputy Minister of Transport.
 Mr. Mohamedali Ahamed Abdul Majeed (Samanturai), Deputy Minister of Agriculture and Lands.
 Mr. Jasenth Liyana Sirisena, (Bingiriya), Deputy Minister of Social Services.
 Mr. Abeyratne Bandara Pilapitiya (Kalawana), Deputy Minister of Posts and Telecommunications.
 Mr. Sarathchandra Rajakaruna (Dompe), Deputy Minister of Food and Co-operatives.
 Mr. Alick Aluwihare (Matale), Deputy Minister of Plantation Industries.
 Mr. Ratnayake Mudiyanseleage Dharmadasa Banda (Bibile), Deputy Minister of Textile Industry.

* Re-designated as Deputy minister of Finance and Planning.

† Succeeded Mr. S. de S. Jayasinghe as Minister of Fisheries.

II—ELECTIONS

There are two main types of elections in the Island (a) National State Assembly, (b) Local Authority. With the inauguration on 22nd May, 1972 of the Republic of Sri Lanka the former House of Representatives (under the old constitution) gave way to a National State Assembly. In terms of the Constitution of Sri Lanka, elections to the National State Assembly are required to be held every six years unless the Assembly is dissolved earlier.

Local Authorities, of which there are 682 covering the whole Island, have a four-year term of office 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 to the National State Assembly is found in Ceylon (Parliamentary Elections) Order in Council, 1946 (Reprint of 12th April, 1970) subject to the provisions contained in the Constitutions of Sri Lanka. The law governing Local Authorities elections is found in the Local Authorities Elections Ordinance (Chapter 262) and subsequent Amendments.

The responsibility for the conduct of Elections to the National State Assembly and Local Authorities lies with the Department of Elections. The Commissioner of Elections is appointed by the President under the Constitution of Sri Lanka and his removal from Office can only be upon an address of the National State Assembly recommending his removal. His appointment is made and safeguarded in this particular way so that he may be independent and not be subject to ministerial control. The Commissioner of Elections also functions as Commissioner of Elections (Local Bodies) under the Local Authorities Elections Ordinance.

For purpose of Elections to the National State Assembly, the Department (through the 23 Registering Officers who cover the whole Island) annually revise the Electoral Registers. In June each 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 Sri Lanka, 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 been sentenced to imprisonment been convicted of corrupt practices, insanity, etc., These registers are prepared in 'draft' form and exhibited all over the Island, generally about December with due publicity. 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 lists for any general election or by-election. These same registers are the basis for local election too. Any voter to be entitled to vote at a local election has to have his name on the National State Assembly Electoral Register for the time being in operation for the electoral district in which the Local Authority is situated.

Principles on which elections are conducted, whether for National State Assembly or local bodies, are essentially similar. 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 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 could 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 element in an election is liberty of the voter to vote freely in secret for any candidate he wishes. The party system is gaining popularity and the results of

the last three general elections (under the old constitution) and in general election (under the present constitution) held on 21st July, 1977, show that the country by and large votes party-wise.

During the year 1975, three by-elections were held to fill the vacancies in the National State Assembly for the Katana, Kankasanturai, and Colombo South Electoral Districts. A by-election was also held in 1976 to fill the vacancy for the MulKirigala Electoral District.

The Island has a very proud record of peaceful and orderly elections for a considerable period. Very keen interest has been evinced as seen by the fact that the all-island average poll at all Parliamentary General Elections (under the old constitution) since 1960 has been well over 80 per cent. At the last Parliamentary General Election (under the old constitution) in 1970, the all-island average was 85 per cent with an equally high percentage in local elections. At the subsequent by-elections to the National State Assembly, the average poll has been over 86 per cent. Total number of voters at an all-island level as based on the 1975 certified registers was 6,488,957.

The General Election for the Second National State Assembly polled a record of 5.8 million votes with the highest ever average poll at 87 per cent. These figures exclude also include Pottuvil Electoral District which polled on 12th September, 1977, consequent to the death of one of the candidates contesting the Pottuvil Constituency.

There were 6.8 million voters as certified in the electoral registers for the 1977 General Election.

III—THE ADMINISTRATIVE SYSTEM

The Cabinet of Ministers as in other Commonwealth countries is responsible for the formulation of governmental policy. Day to day administration of the island is carried on by State Services comprising officers of various services and grades.

Subject to the provisions of the Constitution, the Cabinet of Ministers shall have the power of appointment, transfer, dismissal and disciplinary control of all State Officers.

For purposes of administration a number of departments of government are grouped under each Ministry. There is a secretary in each Ministry entrusted with the general control and direction of Departments under the Ministry.

Functions of Ministries and Departments of Government

A Secretary, subject to the general direction and control of his Minister, supervises the department or departments of government or other institutions 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 department's acts.

The functions of the various Ministries and important departments under their control appear below :—

Defence

The Prime Minister functions as the Minister of Defence, Minister of Planning and Economic Affairs and Minister of Plan Implementation.

Defence, Police, Citizenship, Immigration and Emigration and Registration of Persons fall within the purview of the Ministry of Defence.

Departments under the Ministry are—

Army, Sri Lanka Navy, Sri Lanka Air Force, Police Department, Department of Immigration and Emigration and Registration of Persons of Indian Origin, and Department for the Registration of Persons.

Note.—Functions as assigned on 23 July, 1977; the Ministries of Defence and Plan Implementation are now under the charge of the President of the Republic. The Ministry of Planning and Economic Affairs has been reconstituted as Ministry of Finance and Planning.

Planning and Economic Affairs and Plan Implementation

The Ministries of Planning and Economic Affairs and Plan Implementation are under the charge of the Prime Minister.

Departments under the Ministries are—

National Planning, Economic Affairs, Department of Census and Statistics, Export Promotion Secretariat, Regional Development, National Youth Council, State Film Corporation, and Plan Implementation Department.

Local Government, Housing and Construction

Local Government, Local Authorities Elections, Local Government Service, Janatha Committees, Town and Country Planning, Water Supply and Drainage, Housing and Construction are functions assigned the Ministry of Local Government, Housing and Construction.

Departments under the Ministry are—

Department of Local Government Service, Town and Country Planning Department, Janatha Committees Department, Local Government Department, National Housing Department, Buildings Department, State Engineering Corporation, Building Materials Corporation, and Common Amenities Board.

Foreign Affairs

Foreign Affairs Division of the Ministry of Defence had hitherto functioned under the Prime Minister. A new Ministry was constituted in July 1977, under the Minister of Foreign Affairs.

Functions of the Ministry of Foreign Affairs include Foreign Relations, International Agreements and Treaties, International Conferences, Protocol, Foreign Government representation in Sri Lanka, and Sri Lanka representation abroad.

Irrigation, Power and Highways

Subjects assigned the Ministry of Irrigation, Power and Highways include Irrigations, Land Development, Electrical Undertakings and Highways.

Departments under the Ministry are—

Irrigation Department, Sri Lanka Electricity Board, Department of Highways, Government Factory, River Valleys Development and Mahaweli Development Boards, Land Development Department, State Development and Construction Corporation, Department of Machinery and Equipment and Directorate of Works (Regional), Colombo District (Low Lying Areas) Reclamation and Development Board, and Central Engineering Consultancy Bureau.

Trade

Commerce and Trade, Government Supplies, Control of Imports and Exports, Commodity Purchase, Marketing, Price Control, State Trading and Insurance are functions of the Ministry.

Departments under the Ministry are—

Department of Commerce, Department of the Registrar of Companies, Department of Government Supplies, Department of Commodity Purchase, Department of Control of Imports and Exports, Department for Development of Marketing, Co-operative Wholesale Establishment, Sri Lanka State Trading (General) Corporation, Sri Lanka State Trading (Textiles) Corporation, Sri Lanka State Trading (Tractor) Corporation, Sri Lanka State Trading (Consolidated Exports) Corporation, Insurance Corporation of Ceylon, Asian Hotels Corporation Ltd., Department of Price Control, and National Metric Conversion Authority.

Public Administration and Home Affairs

Subjects assigned the Ministry include Public Administration, Pensions, Public Service Provident Fund, Widows' and Orphans' Pensions, Home Affairs, Government Agencies, Official Language Affairs, Parliamentary Elections, Mosques and Muslims Charitable Trusts and Rural Development.

Departments under the Ministry are—

Public Administration, Government Agencies (Kachcheries), Department of the Registrar General, Department of Pensions, Official Language Affairs Department, Department of Mosques and Muslims Charitable Trusts, and Department of Rural Development.

Shipping, Aviation and Tourism

Shipping, Tourism, Wild Life Conservation and Aviation are functions of the Ministry.

Departments under the Ministry are—

Department of Merchant Shipping, Department of Coast Lights, Port (Cargo) Corporation, Port Commission, Ceylon Tourist Board, Ceylon Hotels Corporation, Department of Wild Life Conservation, Zoological Gardens, Ceylon Shipping Corporation, Port Tally and Protective Services Corporation, Central Freight Bureau of Sri Lanka, Civil Aviation Department, and Air Ceylon.

Education

The Ministry is in charge of all forms of education in Sri Lanka.

Departments under the Ministry are—

Regional Departments of Education, UNESCO Secretariat Ceylon, Department of Examinations, Department of Educational Publications, Bauddha Sravaka Dharma Peetaya, Education Publications Board, and Ceylon National Library Services Board.

Justice

Subjects assigned the Ministry are—

Administration of the Courts of Justice, Law Reforms, Public Trustee Temporalities, Labour Tribunals and Prison Administration.

Departments under the Ministry are—

Department of the Attorney-General, Department of the Legal Draftsman, Department of the Public Trustee, Department of Government Analyst, Department of Prisons, Department of the Bribery Commissioner, Department of Debt Conciliation, Department of the Registrar of Supreme Court, District and Magistrate's Courts.

Finance

Subjects falling within the purview of the Ministry include Supply and Cadre, Finance, Accounts, State Corporation, Inland Revenue, Customs, Excise, Valuation, Gemming and National Savings.

Departments under the Ministry are—

Treasury, Department of Inland Revenue, Customs, Loan Board, Excise Department, Valuation Department, Department of Credit Councils, Development Finance Corporation of Ceylon, State Mortgage Bank, Agricultural and Industrial Credit Corporation of Ceylon, National Lotteries Board, State Distilleries Corporation, State Gem Corporation, and Department of External Resources.

Labour

The Ministry is in charge of Labour.

The Department under the Ministry is—
Department of Labour.

Industries and Scientific Affairs

Subjects assigned the Ministry are—

Industries, Meteorology, Scientific Research, Geological Survey, and Salt production.

Departments under the Ministry are—

Geological Survey Department, Salt Department, Industrial Development Board of Ceylon, Paranthan Chemicals Corporation, Ceylon Ceramic Corporation, National Salt Corporation, Ceylon Mineral Sands Corporation, Ceylon Cement Corporation, National Paper Mills Corporation, Ceylon Plywood Corporation, Ceylon Steel Corporation, Ceylon Leather Products Corporation, Ceylon Tyre Corporation, Ceylon State Hardware Corporation, Ceylon State Flour Milling Corporation, Ceylon Institute of Scientific and Industrial Research, State Fertilizer Manufacturing Corporation, Ceylon Petroleum Corporation, Department of Meteorology, National Science Council, Bureau of Ceylon Standards, Atomic Energy Authority, State Graphite Corporation, Ceylon Hard-board Corporation, National Apprentice Board, Department of Small Industries, National Small Industries Corporation and Ceylon Tobacco Industries Corporation.

Cultural Affairs

Functions of the Ministry of Cultural Affairs include Cultural Affairs, Promotion of Arts and Crafts, Archaeology, National Museums, and National Archives.

Departments under the Ministry are—

Department of Cultural Affairs, Archaeological Department, National Archives Department, and Department of National Museums.

Fisheries

Functions assigned the Ministry of Fisheries are Administration of the Fisheries Ordinance, Fishing Disputes, Fisheries Research and Development, Pearl Banks, Coastal Fisheries, Registration of Fishing Craft, State-owned Fishing Trawlers, Distribution and Marketing of Fish and Fish Products, Cold Rooms, Ice Plants, and Fishing Rights.

Department under the Ministry are—

Fisheries Division, Fishery Survey and Research Division, Ceylon Fisheries Corporation, and Ceylon Fishery Harbours Corporation.

Health

The Ministry is in charge of Medical Services, Public Health Services, Laboratory Services, and Ayurvedic Medical Services.

Departments under the Ministry are—

Department of Health, Department of Ayurveda and Ayurvedic Drugs Corporation and State Pharmaceuticals Corporation.

Information and Broadcasting

The Ministry is in charge of Information, Broadcasting, Press, and Government Printing.

Departments under the Ministry are—

Department of Information, Sri Lanka Broadcasting Corporation, Department of Government Printing, and State Printing Corporation.

Parliamentary Affairs and Sports

Functions assigned the Ministry of Parliamentary Affairs and Sports include Parliamentary Affairs, Encouragement and Development of Sports and Provision of Recreational Facilities.

Department of Rehabilitation functions under the Ministry.

Transport

Railways and co-ordination of Motor Transport are functions of the Ministry.

Departments under the Ministry are—

Railway Department, Department of Motor Traffic, and Ceylon Transport Board.

Agriculture and Lands

The Ministry is in charge of Agriculture, Agrarian Services, Veterinary Services, Research and Extension, Food Production, State and Co-operative Farms, Land Reform, and State Forests.

Departments under the Ministry are—

Department of Agriculture, Department of Agrarian Services, Land Commissioner's Department, Department of Minor Export Crops, Land Settlement Department, Department of Kandyan Peasantry Rehabilitation, Survey Department, Forest Department, Sri Lanka Sugar Corporation, State Timber Corporation, National Milk Board, Ceylon Fertilizer Corporation, Agrarian Research and Training Institute, Paddy Marketing Board, Land Reform Commission, Livestock Development Board, and Ceylon Oils and Fats Corporation.

Social Services

Social Services including Social Welfare and Vocational Training, Probation and Child Care Services are functions assigned the Ministry.

Departments under the Ministry are—

Social Services Department and Probation, and Child Care Services Department.

Posts and Telecommunications

Posts and Telecommunication services including Overseas Telecommunication and Satellite Stations are functions assigned the Ministry.

Department under the Ministry is—

Post and Telecommunications Department.

Food and Co-operatives

The Ministry is in charge of food supply, control and distribution, Co-operative undertakings, and Co-operative Employees Commission.

Departments under the Ministry are—

Department of Food Commissioner, Department of Co-operative Development and Registrar of Co-operative Societies, and Co-operative Employees Commission.

Plantation Industries

The Ministry has under its charge, Tea, Rubber, Coconut and Palmyrah, Industries Development, Cashew Cultivation, Mulberry and Silk Production, State Plantations, and Agricultural Diversification of Tea and Rubber Lands.

Departments under the Ministry are—

Sri Lanka Tea Board, Sri Lanka State Trading (Tea) Corporation, Tea Small holdings Development Authority, Rubber Research Institute, Rubber Control Department, State Rubber Manufacturing Corporation, State Plantations Corporation, Coconut Development Authority, Coconut Cultivation and Coconut Processing Boards, Coconut Marketing Board, Coconut Research Board, Sri Lanka Cashew Corporation, Janawasama, Uswasama, Silk and Allied Products Development Authority.

Textile Industry

Development, Control and Regulation of Textile Industries, Management and Supervision of State-owned Textile Manufacturing Enterprises, Supervision and Co-ordination of Private and Co-operative Sector Textile Industries and Production of Textile Manufacture Exports are functions of the Ministry of Textile Industry.

Departments and State-owned Ventures under the Ministry are—

Textile Industries Department, National Textile Corporation, Weaving Supplies Corporation and State-owned Business Undertakings, Wellawatte Spinning and Weaving, Ceylon Silks, J. B. Textiles, and Libra Industries.

IV—JUDICIAL SYSTEM OF SRI LANKA

The hierarchy of Courts in the Republic of Sri Lanka established under the Courts Ordinance (No. 1) of 1889, was replaced on 1st January, 1974, by a new system brought into operation under the Administration of Justice Law, No. 44 of 1973. The Judiciary under the administration of Justice Law consists of the Supreme Court, High Courts, District Courts and Magistrate's Courts. The High Courts, District Courts and Magistrate's Court are established respectively for the Zones, districts and divisions. The Judges of the Supreme Court and the High Courts are appointed by the President of the Republic. The age of retirement of the Judges of the Supreme Courts is 63 years while that of High Court Judges is 61 years. District Judges and Magistrates are appointed by the Cabinet of Ministers on the recommendations of the Judicial Services Advisory Board.

Supreme Court

The Supreme Court consists of the Chief Justice and 19 other Judges. It exercises appellate and revisionary jurisdiction in all cases and is the only superior court of record with jurisdiction for the rectification of omissions in fact or in law committed by any subordinate court. The Supreme Court may also grant and issue mandates in the nature of writs of *mandamus*, *quo-warranto*, *certiorari*, *procedendo*, *prohibition* and *Habeas Corpus*. The appellate jurisdiction of the Supreme Court in respect of judgements of Magistrate's Courts is exercised by at least 2 judges and that in respect of the judgements of District Courts and High Courts exercised by at least 3 judges. The Supreme Court may also transfer cases out of any court of lower jurisdiction. A judgement of the Supreme Court is final and conclusive. It has also the power to punish in a summary manner any offence of contempt committed in dis-respect of itself or any other court.

High Courts

There are at present 16 High Courts in the Island sitting in the 16 Zones. Criminal jurisdiction of the High Court extends to all prosecutions upon indictment, which include the more serious offences as, murder, homicide, man-slaughter, rape and robbery. A High Court may impose any sentence authorised by law. Every trial before a High Court is by a jury before a High Court Judge. A High Court may grant and issue injunctions to prevent irremediable mischief and has jurisdiction to hear admiralty cases and election petitions. The trial of offences against the State shall be triable before a High Court at Bar by three Judges without a Jury. The Chief Justice may in his discretion order that any trial be held by Jury before three High Court Judges to be nominated.

by him. The Minister of Justice may also direct under Chapter 2 of the Administration of Justice Law (Criminal Procedure) that any offence of public importance be tried by a High Court at Bar by three Judges without a Jury.

District Courts

There are 44 District Courts in Sri Lanka presided over by District Judges. The District Courts have original jurisdiction in all civil, revenue, matrimonial, insolvency and testamentary matters and of the persons and estates of those with unsound mind, minors, wards and of the estates of *des-tui-que-trust* and of guardians and trustees. The Public Trustee has been declared the sole Competent Authority to deal with uncontested testamentary matters. The criminal jurisdiction of the District Court extends to all prosecutions upon indictment that do not merit a trial before a High Court. The District Court may impose any of the following sentences :—

- (a) Imprisonment for a term not exceeding 5 years.
- (b) A fine not exceeding Rs. 5,000.
- (c) Whipping.
- (d) Any lawful sentence combining any two of the aforesaid.

A district Court may try offences affecting revenue laws of Sri Lanka and impose fines appertaining to such offences although the same may exceed the maximum sum which such court is authorised to impose.

The Magistrate's Courts

There are 67 Magistrate's Courts in the Island, 39 of which are presided over by Magistrates while 28 are presided over by Magistrates who are concurrently appointed District Judges. The Magistrates Courts have civil jurisdiction to hear all cases involving property which does not exceed Rs. 1,500 in value. The criminal jurisdiction of Magistrate's Courts tends to the adjudication of all offences for which the maximum punishment prescribed is not in excess of 7 years imprisonment or a fine of Rs. 7,000. The Magistrate's Court may impose any of the following sentences :—

- (a) Imprisonment for a term not exceeding 18 months.
- (b) A fine not exceeding Rs. 1,500.
- (c) Whipping
- (d) Any lawful sentence combining any two of the aforesaid.

There are 8 Magistrate's Courts sitting in Colombo one of which is a Juvenile Court and the other a Municipal Magistrate's Court. Under the Maintenance Ordinance special jurisdiction is conferred on the Magistrate's Court to make orders for the maintenance of wives and children.

The Administration of Justice Law also empowers the Minister of Justice to nominate a court of specific categories of offences. Accordingly the High Court of Colombo has been nominated to hear admiralty cases and the District Court of Colombo to hear cases on the offence of bribery.

Detailed information as regards Courts, Judges and Magistrates, appear below :

<i>Courts</i>	<i>Place of sittings</i>	<i>Judges</i>
Supreme Court	1	A Chief Justice and 20 Puisne Judges
High Courts	16	16 High Court Judges
District Courts	44	48 District Judges (there are five Judges for the District Courts of Colombo)
Magistrate's Courts	39	43 Magistrates (there are four Magistrates for the Magistrate's Court of Colombo) One Juvenile Court Magistrate
Juvenile Court	1	Only one court functions in Colombo. (in the other Judicial Divisions the Magistrates perform such Functions)

Conciliation Boards

Conciliation Boards Act (No. 10) of 1958 empowers the Minister of Justice to form panels of conciliations consisting of not less than 12 persons for three year periods for every village area and other areas as determined by the Minister. The purpose of these boards is to bring about an amicable settlement of disputes arising in these areas before parties go to formal Courts of Law. These boards apart from relieving the pressure on the formal Courts provide an acceptable way of settling disputes expeditiously and without any form of expenditure. Speedy settlement of disputes by these boards naturally tends to reduce incidence of crime. Statistics collected indicate that the Conciliation Boards are rendering a great service to the people.

The Criminal Justice Commissions

Under the Criminal Justice Commissions Act, No. 14 of 1972, the President of the Republic may establish a Criminal Justice Commission to try—

- (i) offences in connection with, in the course of, or during any rebellion or insurrection, or
- (ii) offences in relation to currency or foreign exchange of such a scale a nature as to endanger the national economy or interest, or
- (iii) widespread offences of destruction, damage or destroying of factories, industrial plant and other installations, whether public or private.

where in his opinion the practice and procedure of the ordinary courts are inadequate to administer criminal justice for the purpose of securing trial and punishment of the persons who committed such offences. Membership of Criminal Justice Commission are confined to Judges of the Supreme Court.

Language of the Courts

With the promulgation of the Republic Constitution, the language of the Courts and Tribunals, empowered by the Law to administer Justice and all Courts, Tribunals, other institutions established under the Industrial Disputes Act and Conciliation Boards became Sinhala throughout Sri Lanka. The Constitution, however, enables parties, motions and petitions to participate in the proceedings in Tamil Language in the Northern and Eastern provinces.

Judicial Services Advisory Board

The Judicial Services Advisory Board, established under Section 125 of the Constitution, consists of the Chief Justice as the Chairman and of four other members appointed by the President. Of the four members, one is appointed from amongst Judges appointed under the Administration of Justice Law, No. 44 of 1973, and another member appointed from amongst Presidents, Labour Tribunal, or such persons as may be empowered by the National State Assembly to exercise the powers and functions of Labour Tribunals.

A Member of the National State Assembly is precluded from being a member of the Board.

A Secretary to the Board is appointed by the Cabinet of Ministers in consultation with the Chairman of the Board.

The functions of the Board are to submit to the Cabinet of Ministers a list of persons recommended for appointment as Judicial Officers and State Officers administering Justice, together with a list of applicants and effect the transfer of such Judges and other State Officers, subject to an appeal to the Minister of Justice. These provisions apply only to transfers not involving an increase in salary.

The power to make certain acting appointments of Judges and State Officers administering Justice has been delegated by the Cabinet to the Secretary to the Board.

Every member of the Board holds office for four years unless he ceases to be a member earlier.

Judicial Services Disciplinary Board

The Judicial Services Disciplinary Board is established under section 127 of the Constitution to exercise the powers of dismissal and disciplinary control of Judges of Courts established under the Administration of Justice Law, No. 44 of 1973 and of other State Officers administering Justice.

The Board consists of the Chief Justice who is the Chairman and two other Judges of the Supreme Court nominated by the President of the Republic.

The Secretary to the Judicial Services Advisory Board also functions as the Secretary to the Judicial Services Disciplinary Board.

When the Judicial Services Disciplinary Board exercises its power of dismissal, the Board forwards through the Minister of Justice a report thereon to the Cabinet of Ministers. A copy of such report shall be transmitted to the Speaker of the National State Assembly. Any Judge or State Officer administering Justice found guilty of misconduct may be removed from office by the President on an address of the National State Assembly.

The Judicial Services Disciplinary Board reports to the Speaker of the National State Assembly on such particulars of the charge as are alleged in a motion for removal from office of any Judge or State Officer administering Justice brought before the National State Assembly, and the findings of the Judicial Services Disciplinary Board on the particulars of such charge are final.

V—LOCAL GOVERNMENT

Of the 25,332 square miles of land in Sri Lanka, all areas, excluding Trincomalee Dockyard, comes under some local authority or other. A Total of about 682 Local Authorities in the island comprised 549 Village Councils ; 83 Town Councils; 38 Urban Councils and 12 Municipal Councils.

Village Councils

Village Councils have very limited revenue resources and other facilities in comparison to Town Councils, Urban Councils and Municipal Councils and have more or less no Urban outlook. There is no limit in the number of wards of Village Councils. The Minister concerned may decide on any number of wards in terms of the powers vested in him.

Town Councils

Town Councils have been established in small towns with an urban outlook. There are however, a few councils in the Island which are more developed than some of the Urban Councils as regards population and urbanity. The number of wards in a Town Council has been limited to a minimum of 3 and a maximum of 8 wards. Representations from local residents ensure granting of Urban Council status to progressive town council areas.

Urban Councils

Urban Councils have been established in towns where urbanity is more conspicuous than in town council areas. These councils rank next in order to Municipalities. Although the difference is apparently marked by such factors as population, community development and welfare activities, there are in fact Urban Councils which are more Urbanised than some of the Municipal Areas. The maximum of wards in an Urban Council is not fixed but the maximum number is 12.

Municipal Councils

Municipal Councils cover the densely populated and vastly developed areas in the Island. Of the various types of Local Government Authorities, Municipal Councils occupy the foremost as regards population, Social and other Welfare Activities. The number of wards in a Municipal Council is not fixed.

The Department of Local Government which was re-organised in 1973, has achieved the main purposes for which reorganisation was designed. There has then been an efficient development of the local government system ; supervision and effective control of local government work and an equitable distribution and proper utilization of central government assistance. This has been made possible with the division of the Department into three main working groups viz :—Planning, Development and Control and Management which function under three Deputy Commissioners of Local Government.

Local Government Service

There are 2 categories of employees in local authorities, Viz.—

- (1) Members of the Local Government Service ;
- (2) Employees recruited direct by the various local authorities.

The local government service was constituted under the L. G. S. Act, (No. 16 of 1974, and consists of monthly paid employees of Municipal, Urban and Town Councils and also Village Councils other than those employees whose posts are specified in the schedule of the Act. Members of the local government service constituted under the Local Government Service Act, No. 18 of 1969, are deemed to be members of the service constituted under the new Act. Posts specified in the schedule of the Act which are deemed as non-local government service are :—

- (1) Any appointment of a temporary or casual nature in any local authority,
- (2) Any appointment in a Municipal Council if the maximum of the salary scale assigned to such appointment does not exceed Rs. 4,000 (consolidated) per annum.
- (3) Any appointment in an Urban Council, if the maximum of the salary scale assigned to such appointment does not exceed Rs. 3,500 (consolidated) per annum ;
- (4) Any appointment in a Town Council or a Village Council if the maximum of the salary scale assigned to such appointment does not exceed Rs. 3,000 (consolidated) per annum.

The Minister of Local Government is responsible for and has powers of appointment, transfer, dismissal and disciplinary control of members of the local government service.

The Local Government Service Advisory Board and Local Government Service Disciplinary Board have been established to advise the Minister in the discharge of such powers and functions.

Conditions of service applicable to the local government service are somewhat similar to those of state service. The Local Government Service Pension Scheme and Local Government Service Widows' and Orphans' Pension Fund are now in operation. Employees who do not hold pensionable posts could contribute to the Local Government Service Provident Fund.

Department of Local Government Service.—Recruitment, appointment, promotions, transfers, remunerations, disciplinary control of members of the local government service, administration control and supervision, etc., of Local Government Service Pension Scheme, W. and O. P. Fund and the Provident Fund are the main functions of the Department. A sum of Rs. 2,173,870 was expended in the performance of these functions during 1975.

With a view to regulating the local government service, schemes of recruitment have been revised and re-drafted equating posts in the service with parallel posts in the state service.

A decentralised scheme of transfers was implemented in 1975, for local government service employees. Transfers within a district were accordingly made by the District Transfer Board composed of the Regional A. C. L. G. while transfers from one District to another were effected by the Central Transfer Board of the Department.

There were 2,004 pensioners and a sum of Rs. 7,815,737 had been paid as pensions under the local government service up to the end of 1975. Beneficiaries in the local government service Widows' and Orphans' Pension Fund stood at 559 as at end of the year involving a sum of Rs.1,137,119 payment as pensions.

Local Government Service Advisory and Disciplinary Board

The Local Government Service Commission which dealt with appointments, promotions, transfers, disciplinary activities, pensions and allowances of employees of the local government service since 1946, was re-organised under the terms of Local Government Service Act, No. 16 of 1974. The Local Government Service Advisory Board was incorporated on 23 May, 1974, to deal with such matters as appointments, promotions and policy matters concerning employees of local government service.

The Local Government Service disciplinary Board was established on 23 May, 1974, in pursuance of Act, No. 16 of 1974, by the National State Assembly.

The Board submits recommendations regarding punishments and other disciplinary matters of local government service employees on appeals made to the Minister of Local Government.

VI—DIPLOMATIC SERVICE

Information on the Diplomatic Service as at 31 December, 1975, appears below :—

Countries which have established diplomatic relations with Sri Lanka, are :

Afghanistan	Laos
Arab Republic of Egypt	Lebanon
Argentina	Malaysia
Australia	Maldives, Republic of
Austria	Mexico
Belgium	Mongolia, People's Republic of
Brazil	Nepal
Bulgaria	Netherlands
Burma	New Zealand
Canada	Nigeria
China, People's Republic of	Norway
Chile	Pakistan
Cuba	Philippines
Czechoslovak Socialist Republic	Poland, People's Republic of
Denmark	Portugal
Finland	Romania, Socialist Republic of
France	Singapore
Germany, Federal Republic of	Spain
Germany, Democratic Republic of	Sudan
Ghana	Sweden
Greece	Switzerland
Hungary, People's Republic of	Syrian Arab Republic
India	Thailand
Indonesia	Trinidad and Tobago
Iran	Turkey
Iraq	United Kingdom and Great Britain
Italy	United States of America
Japan	Union of Soviet Socialist Republic
Jordan	Vietnam, Democratic Republic of
Kuwait	Yugoslavia, Socialist Federal Republic of

Diplomatic Corps

<i>Country</i>	<i>Name of the Head of Mission</i>	<i>Designation</i>
Afghanistan	Dr. M. Rahim Sherzoy	Minister-Counsellor and Charge d'Affaires (Resident in New Delhi)
Arab Republic of Egypt	His Excellency Mr. Mohamad Atef El Nawawi	Ambassador
Argentina	Dr. Emso Italo Alberto	Charge d'Affaires (Resident in New Delhi)
Australia	His Excellency Mr. A. H. Borthwick	High Commissioner
Austria	His Excellency Dr. Wolfgang Schalenberg	Ambassador (Resident in New Delhi)
Belgium	His Excellency Mr. Jean Charles Solmon	Ambassador (Resident in New Delhi)
Brazil	His Excellency Mr. Roberto Duiz Assumpcao de Aranjó	Ambassador (Resident in New Delhi)
Bulgaria	His Excellency Mr. Stoyan Zaimov	Ambassador (Resident in New Delhi)
Burma	His Excellency U Mahn Tha Myaing	Ambassador
Canada	Her Excellency Miss Marion Adams Macpherson	High Commissioner
China, People's Republic of	His Excellency Mr. Huang Wing-ta	Ambassador
Cuba	Her Excellency Mrs. Ana Maira Gonzalez Suarez	Ambassador
Czechoslovakia	His Excellency Mr. Frantisek Malik	Ambassador
Denmark	His Excellency Mr. Henning Halck	Ambassador (Resident in New Delhi)
Finland	Her Excellency Miss Ritta Oro	Ambassador (Resident in New Delhi)
France	His Excellency Monsieur Pierre Anthonioz	Ambassador
Germany, Federal Republic of	Her Excellency Dr. (Miss) Hildegunde Feilner	Ambassador
Germany, Democratic Republic of	His Excellency Mr. Kraft Bumbel	Ambassador
Ghana	His Excellency Mr. Paul Boakye Duah	High Commissioner (Resident in New Delhi)
Greece	His Excellency Mr. Basil Vitsaxic	High Commissioner
Guyana, Republic of	His Excellency Mr. Rahaman Gajraj	High Commissioner, (Resident in New Delhi)
Hungary	His Excellency Dr. Ferenc Tuir ..	Ambassador
India	His Excellency Shri Gurbachan Singh	High Commissioner (Resident in New Delhi)
Indonesia	His Excellency Mr. Soekirman ..	Ambassador
Iran	His Excellency Mr. Manoutcher Selli	Ambassador (Resident in Islamabad)
	His Excellency Mr. Towfiq Abdul Jabber	Ambassador
	His Excellency Dr. Fabrizio Fabbricotti	Ambassador

<i>Country</i>	<i>Name of the Head of Mission</i>	<i>Designation</i>
Japan	His Excellency Mr. Akira Yoshioka	Ambassador
Jordan	His Excellency Mr. Wajih Kailani	Ambassador (Resident in New Delhi)
Kenya, Republic of	His Excellency Mr. S. K. Kimalal	High Commissioner (Resident in New Delhi)
Korea, Democratic People's Republic of	His Excellency Mr. Yu Song Jin	Ambassador (Resident in New Delhi)
Kuwait	His Excellency Mr. Essa Abdul Rhaman Al-Essa	Ambassador (Resident in New Delhi)
Laos	His Excellency Mr. Phagua Souk Upravan	Ambassador (Resident in New Delhi)
Lebanon	His Excellency Mr. Mahmoud Hafea	Ambassador (Resident in New Delhi)
Libya, Arab Republic of	His Excellency Mr. Abdussalam El Miladi	Ambassador
Malaysia	His Excellency Mr. Mustapha Dato Mahmud	High Commissioner
Maldives, Republic of	His Excellency Mr. Hussain Ali Didi	Ambassador
Mexico	His Excellency Mr. Carlos Gutierrez Macias	Ambassador (Resident in New Delhi)
Mongolia	His Excellency Mr. Buyantyn Dashtseren	Ambassador (Resident in New Delhi)
Nepal	His Excellency Mr. Krishna Bom Malla	Ambassador (Resident in New Delhi)
Netherlands	His Excellency Mr. T. J. A. Meurs	Ambassador (Resident in New Delhi)
New Zealand	His Excellency Mr. R. E. B. Peren	High Commissioner (Resident in Singapore)
Nigeria	His Excellency Mr. Soji Williams	High Commissioner (Resident in New Delhi)
Norway	His Excellency Mr. Torbjora Cristiansen	Ambassador (Resident in New Delhi)
Pakistan	His Excellency Mr. Abdur Rauf Khan	Ambassador
Philippines	His Excellency Mr. Librado D. Cayco	Ambassador
Poland	His Excellency Mr. Wiktor Kinecki	Ambassador (Resident in New Delhi)
Romania	His Excellency Dr. Petre Tanasie	Ambassador (Resident in New Delhi)
Singapore	His Excellency Mr. K. M. Byrne	High Commissioner (Resident in New Delhi)
Spain	His Excellency Mr. Guillermo Nadal	Ambassador (Resident in New Delhi)
Sudan	His Excellency Mr. Sayed Ali Ahamed Sahoul	Ambassador (Resident in New Delhi)

<i>Country</i>	<i>Name of the Head of Mission</i>	<i>Designation</i>
Sweden	His Excellency Mr. Lennart Finnmark	Ambassador (Resident in New Delhi)
Switzerland	His Excellency Mr. Francois P. Chatelain	Ambassador
Thailand	His Excellency Mr. Owart Suthiwart Narueput	Ambassador (Resident in New Delhi)
Trinidad and Tobago	His Excellency Mr. Solomon Satcumar Lutchman	High Commissioner (Resident in New Delhi)
Turkey	His Excellency Mr. Gundogdu Uskun	Ambassador (Resident in New Delhi)
United Kingdom of Great Britain	His Excellency Mr. H. Smedly	High Commissioner
United States of America	His Excellency Mr. Christopher Van Hollen	Ambassador
Union of the Soviet Socialist Republic	His Excellency Mr. Rafik Nishanov	Ambassador
Vietnam, Democratic Republic of	His Excellency Mr. Chu Van Bien Mr. Nyuyen Ngoc Singh	Ambassador (Resident in New Delhi) Charge d' Affaires, ad interim
Yugoslavia, Socialist Federal Republic of	His Excellency Mr. Slobedan Martinovic	Ambassador

Consular Corps

Countries represented by Honorary Consuls are :—

Austria	Greece	Norway
Brazil	Liberia	Spain
Denmark	Mexico	Sweden
Dominican Republic	Netherlands	Turkey

Other Representation

Other Representation in Sri Lanka include Trade Representations of the People's Republic of Bulgaria, the Hungarian People's Republic, the People's Republic of Rumania and the Republic of Korea, the Colombo Plan Council for Technical Co-operation in South and South East Asia, the United Nations Development Programme, the United Nations Information Centre, the United Nations Children's Fund, the World Health Organisation and the Food and Agriculture Organisation.

Sri Lanka Representation Abroad

Sri Lanka has established Diplomatic Missions in the following countries :—

Arab Republic of Egypt	Japan
Australia	Kenya
Belgium	Malaysia, Federation of
Britain	Pakistan
Burma	Philippines
Canada	Sweden
China, People's Republic of	Switzerland
France	Thailand
Germany, Federal Republic of	United Nations, New York
India	United States of America
Indonesia	Union of Soviet Socialist Republic
Iraq	Yugoslavia
Italy	

Names and designations of Resident Representatives in these countries are :—

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Arab Republic of Egypt	His Excellency Mr. H. O. Wijegoonewardena	Ambassador
Australia	His Excellency Mr. T. S. Fernando Mr. P. Nagaratnam	High Commissioner Trade Commissioner (Resident in Sydney)
Belgium	His Excellency Mr. Tilak E. Gooneratne	Ambassador
Britain	His Excellency Mr. V. L. B. Mendis	High Commissioner
Burma	His Excellency Mr. H. R. Premaratne	Ambassador
Canada	His Excellency Dr. H. W. Tambiah	High Commissioner
China, People's Republic of	His Excellency Mr. R. L. A. I. Karannagoda	Ambassador
France	His Excellency Dr. V. R. E. Sarachchandra	Ambassador

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Germany, Federal Republic of	His Excellency Mr. M. C. W. Pinto	Ambassador
India	His Excellency Mr. Justin Siriwardena Dr. S. U. Kodikara Mr. W. Tennekoon	High Commissioner Deputy High Commissioner (Resident in Madras) Trade Commissioner (Resident in Boombay)
Indonesia	His Excellency Mr. K. Shinya	Ambassador
Iraq	His Excellency Mr. Feisal Junaid	Ambassador
Italy	His Excellency Mr. J. E. J. Rodrigo	Ambassador
Japan	His Excellency Mr. B. P. Tilakaratne	Ambassador
Kenya	His Excellency Mr. W. T. Wijekulasuriya	High Commissioner
Malaysia, Federation of	His Excellency Dr. K. L. V. Alagiyanne	High Commissioner
Pakistan	Her Excellency Mrs. Theja Gunawardhana Mr. T. G. Ariyaratna	Ambassador Trade Commissioner (Resident in Karachchi)
Philippines	Mr. J. Oliver Perera	Charge d' Affaires
Sweden	His Excellency R. C. S. Koelmeyer	Ambassador
Switzerland	Mr. W. S. L. de Alwis	Consul-General
Thailand	Mr. L. B. C. Monerawela	Charge d' Affaires
United Nations, New York	His Excellency Mr. H. S. Amerasinghe	Permanent Representative
United States of America	His Excellency Mr. N. T. D. Kankaratna	Ambassador
Union of Soviet Socialist Republic	His Excellency Dr. C. E. S. Weerasingha	Ambassador
Yugoslavia	His Excellency Mr. E. W. P. S. Jayawardena	Ambassador

Sri Lanka is concurrently accredited to the countries given below :

Afghanistan	Luxembourg
Algeria	Mexico, United States of
Austria	Mongolia
Brazil	Nepal
Cambodia	Netherlands
Cuba	New Zealand
Czechoslovakia	Norway
Denmark	Philippines
Ethiopia	Poland
Finland	Rumania
German Democratic Republic	Singapore
Hungary	Sudan
Iran	Switzerland
Jordan	Tanzania
Korea, Democratic People's Republic of	Thailand
Laos	Uganda
Lebanon	Vietnam, Democratic Republic of
Libya	Zambia

Names and designations of Sri Lanka Representatives in these countries are :—

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Afghanistan	His Excellency Mr. Justin Siriwardena	Ambassador (Resident in New Delhi)
Algeria	(Vacant)	Ambassador (Resident in Belgrade)
Austria	(Vacant)	Ambassador
Brazil	His Excellency Mr. H. S. Amerasinghe	Ambassador (Resident in New York)
Cambodia	(Vacant)	Ambassador
Cuba	(Vacant)	Ambassador
Czechoslovakia	His Excellency Dr. C. E. S. Weeraratunga	Ambassador (Resident in Moscow)
	Mr. A. J. Obesekera	Trade Representative
Denmark	His Excellency Mr. R. C. S. Koelmeyer	Ambassador (Resident in Stockholm)
Ethiopia	(Vacant)	Ambassador
Finland	His Excellency Mr. R. C. S. Koelmeyer	Ambassador (Resident in Stockholm)
German Democratic Republic	His Excellency Dr. C. E. S. Weeraratunga	Ambassador (Resident in Moscow)
Hungary	His Excellency Dr. C. E. S. Weeraratunga	Ambassador (Resident in Moscow)
Iran	Her Excellency Mrs. Theja Gunawardhana	Ambassador (Resident in Islamabad)
Jordan	(Vacant)	Ambassador
Korea, Democratic People's Republic of	(Vacant)	Ambassador
Laos	(Vacant)	Ambassador
Lebanon	(Vacant)	Ambassador
Libya	(Vacant)	Ambassador
Luxembourg	His Excellency Mr. Tilak E. Gooneratne	Ambassador (Resident in Brussels)
Mexico, United States of	His Excellency Mr. N. T. D. Kanakaratna	Ambassador (Resident in Washington)
Mongolia	His Excellency Mr. R. L. A. I. Karannagoda	Ambassador (Resident in Peking)
Nepal	His Excellency Mr. Justin Siriwardena	Ambassador (Resident in New Delhi)
Netherlands	His Excellency Mr. Tilak E. Gooneratne	Ambassador (Resident in Brussels)
New Zealand	His Excellency Mr. T. S. Fernando	High Commissioner (Resident in Canberra)
Norway	His Excellency Mr. R. C. S. Koelmeyer	(Ambassador Resident in Stockholm)
Philippines	His Excellency Mr. B. P. Tilakaratna	Ambassador (Resident in Tokyo)

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Poland	His Excellency Dr. C. E. S. Weera-tunga	Ambassador (Resident in Moscow)
Roumania	His Excellency Dr. C. E. S. Weera-tunga	Ambassador (Resident in Moscow)
Singapore	His Excellency Mr. H. R. Premaratne	High Commissioner (Resident in Rangoon)
Sudan	(<i>Vacant</i>)	Ambassador
Switzerland	His Excellency Dr. V. E. R. Sarachandara	Ambassador (Resident in Paris)
Tanzania	(<i>Vacant</i>)	High Commissioner
Thailand	His Excellency Mr. H. R. Premaratne	Ambassador (Resident in Rangoon)
Uganda	(<i>Vacant</i>)	High Commissioner
Vietnam, Democratic Republic of	His Excellency Mr. R. L. A. I. Karannagoda	Ambassador (Resident in Peking)
Zambia	(<i>Vacant</i>)	High Commissioner

Sri Lanka representation abroad also includes the following countries which have as official representatives, Honorary Consul Generals, Consuls and a Trade Commissioner :—

Austria	Mr. K. Hawlicok	Honorary Consul-General
Denmark	Mr. U. M. Jorgenson	Honorary Consul-General
Federal Republic of Germany		
Hamburg and Schleswig-Holstein	Mr. Olav Ellerbrock	Honorary Consul-General
West Berlin	(<i>Vacant</i>)	Honorary Consul
Munich	Mr. Franz Joseph Delonge	Honorary Consul
New Zealand	Mr. D. M. P. Hay	Honorary Trade Commissioner
Singapore	Mr. U. W. de Silva	Honorary Trade Commissioner
United States of America		
Chicago	Mr. George F. Sisler	Honorary Consul
Los Angeles	Mr. Maxc Donald Becket	Honorary Consul
New Orleans	Mr. C. C. Walther	Honorary Consul-General
Seattle	(<i>Vacant</i>)	Honorary Consul

VII—DEFENCE

Sri Lanka Army

The Sri Lanka Army functions under the Minister of Defence and has been assigned security duties, agricultural work, conducting training courses and also affords assistance to other state departments.

The army has continued to deploy personnel of the Regular Force as well as mobilised personnel of the Volunteer Force to assist in the amaintenance of law and order in the country. Further, troops were continuously deployed in the anti-illicit immigration and the anti-smuggling drive.

Apart from training courses conducted at the ATC Diyatalawa, overseas training courses were arranged in the U. K., India, and Pakistan for certain selected officers and other ranks.

In the field of agricultural development assistance was afforded to the Agricultural Department to repair unserviceable tractors.

Assistance to the Health Department in the Anti Malaria Campaign, the Food Department in the transportation of urgent food commodities and the Department of Highways in the construction of the Colomb-Katunayake highway were other activities the Army carried out during the year.

Under the scheme of development projects the Army constructed buildings for storage of explosives of the phosphate project at Eppawela. Jungle clearing was undertaken in connection with the crash food production campaign under the Ranbima State I—Mahiyangana, Stage II—Kudulla, Stage III—Kalawewa under the Mahaveli Development Schemes. A vast extent of land for cultivation purposes has also been undertaken by the army.

Clearing and levelling of the building sites for the spinning factory of the National Textile Corporation at Minneriya, the Mosart tile factory at Balangoda and the agricultural Centre at Dompe were other items of work undertaken under the scheme.

Army teams have participated in National Championships in various items of sports winning laurels. They have also competed with foreign teams showing prowess in sports activities.

Sri Lanka Navy

The Navy Act (Chapter 358) of the Revised Edition of the Legislative Enactment of Ceylon provides the regulations and administrative procedure of the Regular Naval Force, Volunteer Naval Force, Regular Naval Reserve and Volunteer Naval Reserve.

The cadre of the Regular Naval Force is 193 officers and 2,370 sailors and that of the Volunteer Naval Force is 50 officers and 500 sailors. The Naval Headquarters are located in Colombo with bases at Trincomalee, Karainagar, Welisara, Tangalla and Kalpitiya.

The main naval base is at Trincomalee with the Base Stores, Workshops and the Naval and Maritime Academy. The Naval and Maritime Academy being the main naval training centre conducts basic and refresher courses for officers and sailors. Training is also afforded to Shipping Corporation and Fisheries Corporation personnel. The Naval Fire Service at Trincomalee is called on to deal with fires ashore in Trincomalee and on board vessels in the harbour. The Port of Trincomalee is administered by the Naval Officer-in-charge (Trincomalee) who also functions as the Deputy Master Attendant.

The Main Wireless Station at Welisara serves as a link between the Central Telegraph Office and merchant ships and also monitors weather forecasts broadcast by other meteorological stations and ships at sea, and also foreign news bulletins.

The Navy continues its main role of carrying out anti-illicit immigration and anti-smuggling patrols in the northern and north-eastern waters of Sri Lanka. Value of contraband seized during 1975 was Rs. 334,169, SLNS GAJABAHU, SAMUDRA DEVI, HANSAYA, LIHINIYA, SOORAYA, WEERAYA, BALAWATHA, RANAKAMEE and DAKSHAYA together with the Thornycraft Patrol Craft are engaged in continuous sea patrols off the coast of Sri Lanka.

The Navy extends its specialist services to other Government Departments and Corporations; 8 officers and 55 sailors were loaned to the Ceylon Shipping Corporation, Ministry of Fisheries and the Colombo Port Commission.

Sri Lanka Air Force

The Sri Lanka Air Force officially came into being by an Act of Parliament in 1949. Initially it consisted of seconded personnel including a Royal Air Force Sri Lanka Platoon, Royal Air Force and directly enlisted personnel. Ceylonisation of the Air Force was completed in 1965 with the departure of the last seconded R.A.F. officer who held the post of Station Commander R. Cy. A. F., Katunayaka. The first Ceylonese to command the Air Force assumed office in October, 1962.

The Air Force Commander is responsible to the Minister of Defence (who, under the Constitution, is also the Prime Minister), for the operation, administration and organisation of the Air Force. The President of the Republic of Sri Lanka, as the Commander-in-Chief of the Armed Forces, exercises overall control.

The Air Force, has been organised into different formations comprising Bases, Units, Depots and Operational Squadrons situated at Katunayake, Ekala, China Bay and Diyatalawa.

The operational role of the Air Force in the main, consists of :

- (a) Provision of support to the Army and Navy deployed in northern coastal strip to combat illicit immigration and smuggling.
- (b) VIP air transport.
- (c) Internal Security Patrols.
- (d) Crop spraying, aerial photography and reconnaissance flights.
- (e) Search and location of vessels in distress at sea up to 50 nautical miles off the coasts and Air/sea rescue operations.
- (f) Casualty evacuation.
- (g) Tourist flights and charters for purpose of earning foreign exchange.
- (h) Flying Training.

Commercial

The Air Force embarked on commercial flying in 1972 and its fleet of transport aircraft, comprise the Convair 440, Cessnas, Riley Herons, De Havilland Herons and Doves and the Bell Jet Ranger Helicopters. Those chartered to tourists, foreign missions and the Maldivian Government. As at the 1975, total earnings (in foreign exchange) was in the region of Rs. 3,240,725.

The Air Force has been awarded a contract to provide Technical and Management services to Air Maldives, the National Airline of the Maldivian Republic—

S. L. A. F. has launched a number of agricultural projects, including cultivation of paddy, vegetable and other food crops, dairying and poultry farming. Bases and Units of the Air Force undertake urgent agricultural projects ; at Morawewa off Trincomalee, an Air Force (Volunteer) Detachment has been established for agricultural work. The area under cultivation at this location is over 250 acres.

The approved cadre for the regular air force is 189 officers and 2,099 airmen. The fleet of operational transport and trainer aircraft consists of Chipmunks, Cessnas, Doves, Riley Herons, De Havilland Herons, Jet Provosts, MIGs Convair 440, and the Jet Ranger, Bell 47G KA 26 Helicopters and DC 3 (purchased from Air Ceylon in December 1975).

Officers of the Air Force are either recruited directly and given permanent commissions, or enlisted as Cadets and on completion of training, commissioned into one of the branches of the service. Provision also exists, for non-commissioned Officers who have proved themselves in the ranks, to be granted Commissions.

After an initial recruit training, an airman is given professional training in the trade to which he has been mustered. On completion of the training successfully he is reclassified as a " Leading Aircraftsman " (LAC). Recruitment/enlistment to the Air Force is periodic, the number of Officers and airmen recruited depending on vacancies, due to resignation and retirement in the ranks and also those who have been discharged from the force.

Initial/recruit training, for all ranks is carried out at the Ground Combat and Recruit Training Unit at Diyatalawa. General Service Training and Refresher Course for all combatant personnel are also carried out at this Unit throughout the year. Technical, administrative, instructor, continuation, familiarisation and basic and advanced trade training is carried out at the Air Force Academy, China Bay. On-the-job training, where necessary, is carried out at formations Katunayake.

The Sri Lanka Volunteer Air Force, was formed in April 1971. The approved cadre is 100 officers and 1,000 men. Volunteer Air Force personnel, not required for operational duties, are available for immediate mobilisation in times of emergency. Volunteer personnel are at present mobilised :

- (a) to undertake building construction projects within Air Force premises,
- (b) Agricultural and Food Drive projects.
- (c) Airfield security.

The youngest of the three Armed Services, the S. L. A. F. celebrated its XXVth Anniversary in March 1976.

VIII—OFFICIAL LANGUAGE AFFAIRS

The Department of Official Language Affairs was initially set up to assume responsibility for the introduction of Sinhala into the administration of the country. As the transition from English to Sinhala was accomplished the Department was reorganised with a view to enabling the officers to play a meaningful role in a changing society. Progress in the extensive use of Sinhala in Courts of Law, became a reality with the posting of translation staff of the Ministry of Justice. A separate division was also set up in the Ministry of Public Administration to undertake—

- (a) Implementation of the Official Language Policy,
- (b) Teaching of Sinhala to Public Officers,
- (c) Training of external students in Sinhala shorthand and typewriting, training of officers in government departments and corporations in Sinhala typewriting,
- (d) Assisting Government Departments and Corporations as regards rendering of important official documents into Sinhala and Tamil, and
- (e) Provision of Glossaries of Sinhala and Tamil equivalents for English terms and phrases in the day to day use.

A series of oral classes were organised to teach Sinhala to public officers recruited through Tamil and English media. Correspondence courses were handed to those officers who are unable to attend such classes. A total of 1,500 public officers were benefited under this scheme.

The department trained 63 external students in Sinhala shorthand and 64 in Sinhala typewriting. A total of 45 public officers were trained in Sinhala Typewriting.

As regards provision of Glossaries editorial work was completed in the following publications :—

Standard Legal Terms Glossary—English-Sinhala Part II

Standard Legal Terms Glossary—English-Sinhala Part III (*in print*)

Composite Glossary Supplement English-Sinhala Part II (*in print*)

Composite Glossary Supplement English-Sinhala Part III (*in print*)

Standard Legal Terms Glossary English-Sinhala-Tamil Part I

Standard Legal Terms Glossary English-Sinhala-Tamil Part II

Glossary of Names of Government Organisations and Designations—English-Sinhala-Tamil (*in print*)

IX—BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL

The Bandaranaike Memorial International Conference Hall is an outright gift from the Government and the people of the People's Republic of China. The BMICH is intended to serve as a medium for the fulfilment of the high ideals cherished by Mr. S.W.R.D Bandaranaike.

This conference hall affords most up-to-date facilities for the holding of international conferences and seminars. With its present capacity it could cater for a maximum of 90 delegations of 6 members each or 540 delegates. The technical services are most modern of their kind and ensure the efficient and smooth conduct of meetings as well as the personal comfort and convenience of the delegates. Facilities for simultaneous interpretation in seven languages are also provided. There is accommodation for the press and for observers. The total seating capacity of the main hall is 1,500. Facilities available at the BMICH have been sought on a number of occasions for several International Conferences. The highlight of such International Conference held in 1976 was the fifth Non-Aligned Summit Conference which was hosted by the Sri Lanka Government.

X—PUBLIC ADMINISTRATION AND ALLIED SERVICES

The Sri Lanka Administrative Service was instituted on the 01st May, 1963. The scheme of reorganisation was initiated and subsequently implemented by the government with the following objectives :—

- (a) Rectification of anomalies resulting from the rules of absorption adopted in 1963 thus providing more effective utilisation of man-power possible.
- (b) Professionalisation of the service to make it a more competent body to man managerial positions in the public sector.
- (c) Provision of a career salary structure for recruitment to the grade attracting best talent available in the employment market.
- (d) Removal of existing impediments for effective career advancement of members in the administrative service.

Two special schemes of promotion were undertaken and implemented reducing the five class structure of the service to a three-tier one and an increase in cadre of the middle class to facilitate large-scale promotions. Provision exists under the new minute on the Sri Lanka Administrative Service for introduction of a Diploma in Public Administration to achieve an objective of professionalisation in the Service.

Academy of Administrative Studies

Details of activities of the Sri Lanka Academy of Administrative Studies are outlined below :—

(i) Courses for managerial grades	62
(ii) Diploma in Public Financial Management	1
(iii) Courses for Grama Sevakas	1
(iv) Courses conducted for Government Departments and State Corporations	2

A total of 2,688 applications were received from State and State-sponsored institutions for participation in the various courses at the Academy.

Participants selected were—

Sinhala Medium	797
English Medium	1,035
Total	1,832

Fees payable to the Academy from State and State-sponsored institutions were in the region of Rs. 22,000.

Engineering and Management Services

ENGINEERING SERVICE DIVISION

The Engineering Service Division of the Ministry of Public Administration and Home Affairs deals with establishment matters of the engineering service in government departments. The Division also services the Engineering Service Board established in terms of the Minutes on the Sri Lanka

Engineering Service as published in the *Government Gazette Extraordinary* No. 15,001/8 of March 14, 1972. The main functions of this division relate to recruitment, promotions, training, transfers and disciplinary matters of the state engineering service.

The Sri Lanka Engineering Service has a total cadre of 1,020 posts, grouped into 11 distinct engineering groups. A total of 64 appointments were made during 1975, comprising civil, mechanical and electrical engineering grades.

Management Services—Major assignments carried out during 1975, are outlined below :—

- (1) *Operational Manual for the Local Government Department.*—This Manual was prepared with a view to facilitating work in the Local Government Department and enabling them to adopt uniform procedures to eliminate delays.
- (2) *Operational Manual for the Kachcheri Land Branches.*—The Operational Manual was drafted with a view to standardising procedures in kachcheries as regards land work.
- (3) *Standardised List of Responsibilities for Assistant Commissioners of Local Government.*—Duty lists were drawn up for the different grades of officers indicating functions and responsibilities respectively under administration, accounts, establishments and development.
- (4) *Amalgamation of the Colombo Municipal Council Assessments and Rates Departments.*—A Study was undertaken to centralise rates assessment and collection and eliminate the duplication of registers.
- (5) *Revision of the Establishment Code.*—The main objective of the revision is to up-date the Establishment Code. The existing code was reduced to logical flow charts and decision tables.
- (6) *Establishment Manual.*—An Establishment Manual was drafted for the office of the Ministry of Public Administration with a view to standardising procedures as regards establishment work and personnel administration.
- (7) *Survey of work of the Valuation Department.*—A study of the Chief Valuer's Department was carried out with a view to the decentralisation of its activities, the streamlining of its organisational set-up and the improving of its work procedures so as to enable it to meet the increasing demands resulting from the Land Reforms Commission work, etc. The Study Report has been accepted and action to implement it, is now under consideration.
- (8) *Study of the Accounting System of the Overseas Administration Division of the Ministry of Foreign Affairs.*—This Study was carried out with a view to standardising procedures both at the Division and in the Sri Lanka Missions abroad and also to increasing the effectiveness of accounting controls.
- (9) *Incentive Scheme for Staff at Railway Workshops, Ratmalana.*—A Study has been undertaken in regard to the various activities at the workshops with a view to devising an incentive scheme that would increase output and productivity.
- (10) *Accounting System, Local Government Service Department.*—The accounting system of the Local Government Service Department was reviewed and a new system of accounting introduced.
- (11) *Re-organisation of the Public Trustee's Department.*—The Division examined the working of the various units of the Public Trustee's Department. A report for simplification and eliminating unnecessary procedures as well as the introduction of improved procedures for the efficient functioning of the Public Trustee's Department was prepared.
- (12) *Financial Regulations (Courts).*—A set of Financial Regulations for Courts was drafted.

The Management Services Division, in addition, undertook numerous studies on the form design and office machine requirements in state and state-sponsored institutions.

CHAPTER V

POPULATION, VITAL STATISTICS AND MIGRATION

I—THE GROWTH OF POPULATION

THE first decennial Census of Sri Lanka was undertaken in 1871. The Census of that year gave the population as 2,400,380 which rose to 12,689,897 at the Census of 1971. In one hundred years, therefore, the population of Sri Lanka (Ceylon) has increased by 10,289,517 or 428·7 per cent.

The following table indicates the population of Sri Lanka (Ceylon) as recorded at the various decennial censuses beginning from 1871, the amount of increase and percentage increase during intercensal period :—

TABLE 5·1—POPULATION OF SRI LANKA (CEYLON) IN CENSUS YEARS 1871 TO 1971

<i>Census Year</i>	<i>Population</i>	<i>Real Increase</i>	<i>Percentage Increase</i>
1871	2,400,380	—	—
1881	2,759,738	359,358	19·0
1891	3,007,789	248,051	9·0
1901	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	10·8
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
1971	12,689,897	2,107,833	19·9

The growth of the Island's population has been occasioned by two factors, viz. ; the natural increase, the increase of births over deaths and the difference 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	218,051
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	2,513,248	29,079	2,484,169
1963-1971	2,186,815	78,982	2,107,833

Births and Deaths

The increase in population in recent years has been in a very large measure due 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 1945-1976.

TABLE 5-3.—BIRTHS, DEATHS AND NATURAL INCREASE 1945-1976

<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
1966	369,153	32.3	94,419	8.3	274,734	24.0
1967	369,531	31.6	87,877	7.5	281,654	24.1
1968	384,178	32.0	94,903	7.9	289,275	24.1
1969	372,774	30.4	99,841	8.1	272,933	22.3
1970	367,901	29.4	94,147	7.5	272,785	21.9
1971	382,480	30.1	97,209	7.7	285,281	22.4
1972	384,066	29.7	104,080	8.0	279,966	21.7
1973	366,186	27.8	100,850	7.7	265,336	20.1
1974	365,685	27.3	119,141	8.9	246,630	18.4
*1975	373,138	27.7	115,501	8.5	279,872	19.2
1976	378,833	27.6	109,098	8.0	321,353	19.6

*Provisional.

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.

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

During the fifteen-year period 1931-1945, the mean crude birth rate fell to 36.5 from 39.8 which was the mean for the decade immediately preceding it. The death rate declined from 26.5 in the period 1921-1930 to 22.0 in the period 1931-1945.

During the following intercensal period 1946-1953, though 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 while the number of deaths was 89,003. In 1960 the death rate was 8.6. In 1967 it dropped to 7.5. In 1972 the death rate was 8.0, 8.9 in 1974 and 8.0 again in 1975 with 115,501 deaths.

II—CENSUS OF POPULATION—1971

A Census of Population was taken on 9th October, 1971. The total number of persons enumerated at this Census was 12,689,897 as compared with 10,582,064 persons enumerated at the Census of 1963. The population increase since the 1963 Census was 2,107,833 or 19.9 per cent. The number of males enumerated at the 1971 Census was 6,531,361 and the number of females 6,158,536. Percentage composition in the total population was respectively 51.4 and 48.6 per cent.

Tables 5.4, 5.5 and 5.6 show the population of Ceylon by Ethnic Groups, by Religion and by Districts respectively.

TABLE 5.4—POPULATION OF SRI LANKA (CEYLON) BY ETHNIC GROUPS AS ON 9TH OCTOBER, 1971

	<i>Number</i>	<i>Per cent</i>
All Ethnic Groups	12,689,897	100.0
Low Country Sinhalese	5,425,780	42.8
Kandyan Sinhalese	3,705,461	24.2
Ceylon Tamils	1,423,981	11.2
Indian Tamils	1,174,606	9.3
Ceylon Moors	828,304	6.5
Indian Moors	27,420	0.2
Burghers and Eurasians	45,376	0.4
Malays	43,459	0.3
Others	15,510	0.1

TABLE 5.5—POPULATION OF SRI LANKA (CEYLON) BY RELIGION AS ON 9TH OCTOBER, 1971

	<i>Number</i>	<i>Per cent</i>
All Religions	12,689,897	100.0
Buddhists	8,536,858	67.3
Hindus	2,238,666	17.6
Christians	1,004,326	7.9
Muslims	901,785	7.1
Others	51,383	0.1

TABLE 5-6—POPULATION OF SRI LANKA (CEYLON) BY DISTRICTS AS ON 9TH OCTOBER, 1971

Sri Lanka (Ceylon) Total	12,689,897
Colombo	2,672,265
Kalutara	729,514
Kandy	1,187,925
Matale	314,841
Nuwara Eliya	450,278
Galle	735,173
Matara	586,443
Hambantota	340,254
Jaffna	701,603
Mannar	77,780
Vavuniya	95,243
Batticaloa	256,721
Amparai	272,605
Trincomalee	188,245
Kurunegala	1,025,633
Puttalam	378,430
Anuradhapura	388,770
Polonnaruwa	163,653
Badulla	615,405
Moneragala	193,020
Ratnapura	661,344
Kegalle	654,752

III—VITAL STATISTICS

Registration of Marriages, Births and Deaths

For purposes of registration of marriages, births and deaths each revenue district in Sri Lanka is divided into several small units called "registration divisions". A marriage registration division is co-extensive with a D. R. O's division and functions under one or more Registrars. A births and deaths registration division is a sub-division of a D. R. O's division generally comprising several Grama Sevaka divisions. Each such division could only have one Registrar of births and deaths who exercises exclusive jurisdiction over his division in the matter of registering births and deaths. Excepting Registrars of births and deaths in certain towns—towns which are "proclaimed" and

functions under "medical registrars", the other registrars of births and deaths are generally Registrars of marriages as well, of the marriage registration division in which their births and deaths registration divisions are situated. Thus, in the matter of registration of marriages all the Registrars of marriages in a marriage registration division (viz. in a D. R. O's division) exercise concurrent jurisdiction over entire marriage registration division. Registrars of general marriages in Kandyan areas generally function as Registrars of Kandyan marriages as well.

Important aspects of vital statistics relating to the years 1975 and 1976 are enumerated below.

Population

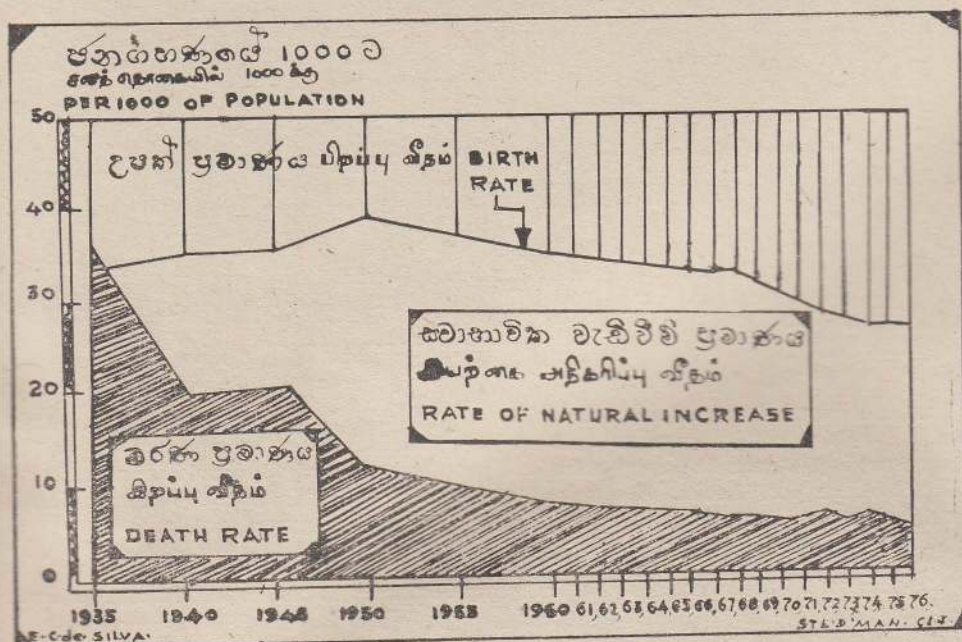
The estimated population of Sri Lanka at the beginning of 1975 was 13,494,000 at mid-year 13,603,000 and at end of the year 13,632,000. The increase in the Island's population during 1975 was 1.7 per cent, while excess of births over deaths was 257,647 and excess of emigrants over immigrants 22,225. Mid-year estimate of population in 1976 was 13,730,000 which increased to 13,850,000 at end of the year. The Island's population increased by 1.6 per cent. Excess of births over deaths was 269,735 while excess of emigrants over immigration was 51,618.

Marriages

There were 85,042 marriages registered under the General and Kandyan Marriage Registration Acts, 74,390 being under the General Marriage Act and 10,652 under the Kandyan Marriage Act. A total of 7,987 Muslim Marriages were registered during the year compared with 7,987 the preceding year. Under the General Marriage Act, 82,788 marriages were registered in 1976 and 11,883 marriage. also registered under the Kandyan Marriage Act giving an overall figure of 94,671 marriages registered under these two acts in 1976. There were 7,987 Muslim marriages registered during the year.

CHART No. 2

BIRTH RATE, DEATH RATE AND RATE OF NATURAL INCREASE OF POPULATION
(1935-1960), (1961-1976)



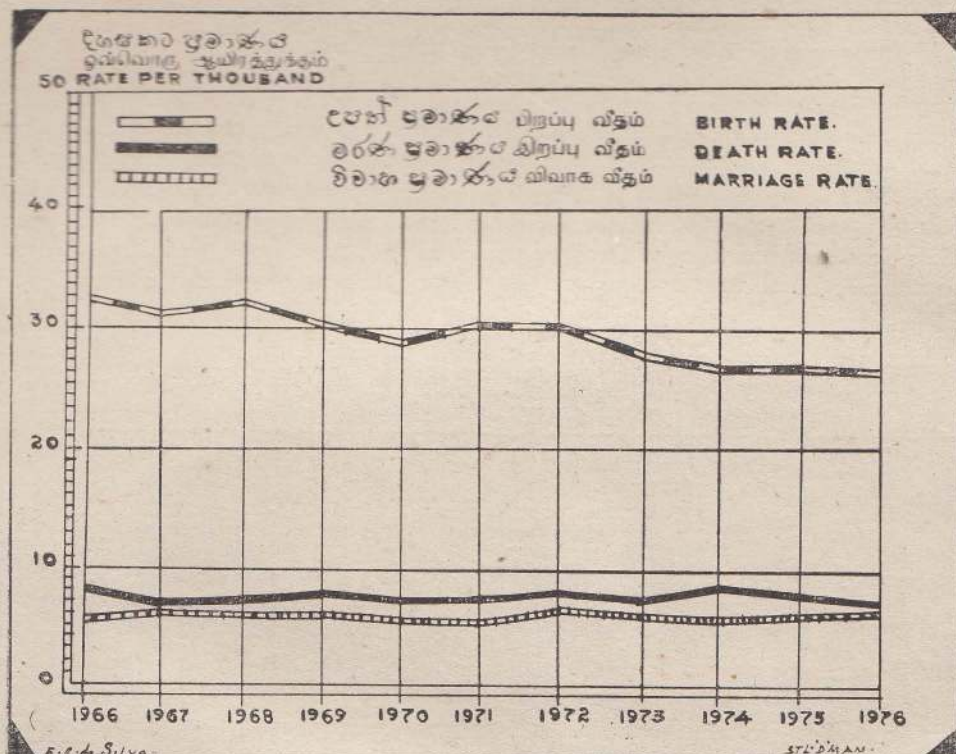
Births

Births registered in 1975 were 374,228 (189,849 males and 183,379 females) as against 365,685 (186,072 males and 179,613 females) in 1974. The sex ratio at birth was 1,036 males per 1,000 females. Rate per 1,000 population was 27.7. There were 378,833 births (193,125 males and 185,708 females) registered during 1976. The ratio at birth was 1,040 males per 1,000 females. The birth rate per 1,000 population was 27.6 compared with 27.7 in the preceding year. Births registered in Colombo Town were 30,830 in 1976 compared with 29,428 in 1975.

Deaths

A total of 109,098 deaths (61,500 males and 47,598 females) were registered in 1976 as compared with 113,578 deaths in 1975. The death rate for the year 1976 was 8.0 showing a decrease of 0.5 the preceding year. Deaths registered in Colombo Town declined from 9,636 in 1975 to 9,64 in 1976.

CHART No. 3
REPORTED BIRTH, DEATH AND MARRIAGE RATES, 1966-1976



IV—MIGRATION

The Department of Immigration and Emigration and the Department for the Registration of Persons of Indian Origin both function under the Ministry of Defence. The Department of Immigration was set up in 1949, with the passage of the Immigrants and Emigrants Act in Parliament to Control Immigration into Sri Lanka. A separate Department for the Registration of Persons of Indian Origin was set up in 1966 for implementing the Indo-Ceylon Agreement of 1964.

The main functions of the Department of Immigration and Emigration are —

- (a) Issue of Sri Lanka Passports and Emergency Certificates to citizens of Sri Lanka for travel abroad.

- (b) Issue of visas to foreigners coming to Sri Lanka as tourists or short-term visitors, issue of residence visas to foreigners for residence and employment purposes and ensure that foreigners leave the country on the expiry of their visas, and
- (c) The arrest and removal of illicit immigrants from Sri Lanka.

The Department for the Registration of Persons of Indian Origin deals with the grant of Sri Lanka Citizenship to persons of Indian Origin covered by the Indo-Ceylon Agreement of 1964 and the repatriation of those recognized as citizens of India.

Travel Documents

Following are the categories of travel documents issued by the Department :—

- (a) Sri Lanka Passports,
 (b) Emergency Certificates,
 (c) Identity Certificates.

A Sri Lanka Passport is issued to a citizen of Sri Lanka and is valid for travel to any country endorsed in the passport.

Emergency Certificates issued to Sri Lanka nationals are valid for travel to India, Pakistan and Nepal.

An Identity Certificate is issued to a person who is not a citizen of Sri Lanka and who is unable to obtain a national passport for some reason or other and needs urgent travel abroad.

Particulars as regards Sri Lanka travel documents which have been issued during the last five years appear below :—

	1971	1972	1973	1974	1975	1976
Sri Lanka Passports	12,060	14,133	22,781	20,943	24,268	21,277
Emergency Certificates	3,288	5,771	9,796	10,884	12,275	10,668
Identity Certificates	155	193	472	302	240	266

Visit Visas

Nationals of several countries have been exempted from the requirement of obtaining prior visas for entry to Sri Lanka provided they are coming as *bonafide* tourists. These nationals are given permission to land at the port of disembarkation by an endorsement made on their passports, provided they possess a valid passport and an onward ticket or foreign exchange for purchase of a ticket.

Countries, whose nationals are exempted, are—

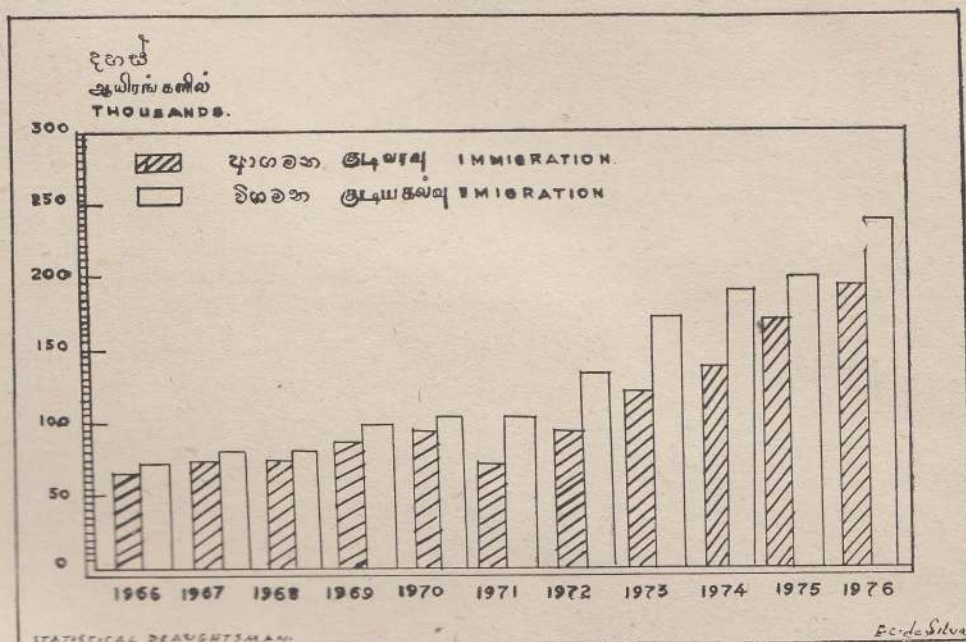
Australia	Malaysia
Austria	Japan
Britain and Colonies	Luxemburg
Belgium	The Netherlands
Canada	New Zealand
Denmark	Norway
Eire	Singapore
Federal Republic of Germany	Sweden
Finland	Switzerland
France	Thailand
Indonesia	U. S. A. and
Italy	Republic of the Philippines
Pakistan	

Statistics of Foreigners, who came to Sri Lanka as tourists or short-term visitors appear below:—

Year	Indians and Pakistanis	Other Commonwealth Citizens	Aliens
1971	6,722	8,368	23,386
1972	8,959	10,705	21,106
1973	9,507	13,589	35,527
1974	8,098	13,052	65,332
1975	10,143	16,778	79,430
1976	10,565	18,954	89,797

CHART NO. 4

IMMIGRATION AND EMIGRATION, 1966-1976



Residence Visas

A residence visa, unlike a visit visa, is issued for a longer period to enable a foreigner, who is subject to the immigration control, to reside or to be employed in Sri Lanka. Visas for employment, which were formerly issued on a quota basis are now issued, only if Sri Lanka nationals are not available for a particular type of employment. Foreign businessmen too do not qualify for issue of visas even on the basis of capital they have invested in the country.

Statistics of residence visas issued or extended from 1971 to 1976 were—

Year	Indians and Pakistanis	Other Commonwealth citizens	Aliens	Total
1971	7,211	831	1,195	9,237
1972	5,708	704	1,173	7,675
1973	2,629	626	1,150	1,405
1974	4,800	522	1,071	6,393
1975	2,646	492	1,066	4,204
1976	4,368	531	1,247	6,146

Illicit Immigration

The responsibility of preventing the entry of illicit immigrants into Sri Lanka has been entrusted to an organization in which the Army, Navy, Air Force and Police participate. This organisation popularly known as TAFII (abbreviation for Task Force Illicit Immigration) is under the immediate command of a senior Army Official who directs operations in the field.

The TAFII now covers the entire coast-belt in the North from Kalpitiya to Trincomalee. The Navy carries out patrols to detect illicit immigrants in territorial waters. The Air Force with their reconnaissance flights helps the Navy in these patrols to spot suspicious crafts. Patrols on the coast belt is carried out by Army personnel either on foot or in small fibre-glass boats equipped with outboard motors. Civil authorities in the areas concerned co-operate with TAFII in this arduous task.

It could confidently be stated that TAFII has been able to bring under effective control further illicit immigrants into Sri Lanka.

While services personnel are deployed along the coast to prevent entry of new illicit immigrants, the Police and the Department of Immigration carry out 'combing operations' to arrest illicit immigrants, who had come to Sri Lanka earlier. A total of 834 suspected illicit immigrants were arrested and 299 deported during 1976.

Indo-Ceylon Agreement

Under provisions of the Indo-Ceylon Agreement of 1964, 525,000 persons of Indian origin are to be repatriated to India and 300,000 persons granted Sri Lanka citizenship. This Agreement is implemented under provisions of the Indo-Ceylon Agreement Implementation Act, No. 14 of 1967, as amended by the Indo-Ceylon Agreement (Implementation) Amendment Act, No. 43 of 1971. The Act, provides for granting of Sri Lanka citizenship in terms of the provision of the Agreement, issuing Residence Permits to persons who have been recognized as Indian citizens repatriation of such persons and for other matters connected with the implementation of the Agreement.

Sri Lanka citizenship is granted on the ratio of 4 to every 7 persons leaving the country.

The Indian High Commission had issued Indian Passports to 285,576 persons eligible under the Agreement, i.e., those born prior to 31 October, 1964 and 190,814 of this number have left the Island as at end of 1976. Sri Lanka citizenship has been granted to 109,029 and 26,651 children eligible under the Agreement.

V—REGISTRATION OF PERSONS DEPARTMENT

The Department for the Registration of Persons is responsible for implementing the Registration of Persons Act, No. 32 of 1968 as amended by Act, No. 28 and Act, No. 37 of 1971. All persons over 18 years of age lawfully resident in Sri Lanka, except those who are exempted, have to be registered and issued with identity cards. Persons entering Sri Lanka and liable to be registered should apply within six months of his arrival. Any person reaching the age of 18 years should apply for registration before he reaches the 19th year.

Application should be made on a prescribed form, affixing stamps to the value of Rs. 1.50 and attaching 3 copies of a photograph taken by a registered photographer.

Steps have been taken to issue identity cards to students appearing for examinations held by the department of examinations. This has resulted in an approximate saving of Rs. 600,000 to parents of these students.

Statistics relating to registration and issue of identity cards for the period 1st January, 1975 to 31st December, 1975, were—

(1) Number of new applications received at head office	..	..	72,268
(2) Number of applications registered	..	..	189,797
(3) Total number of identity cards despatched (carried over from the preceding year)			350,591

Applications received from students were 62,282 and a total of 62,197 identity cards were issued in 1975.

Total revenue of the department was Rs. 169,787 with a corresponding expenditure figure of Rs. 1,523,051.

CHAPTER VI

LAND DEVELOPMENT

I—LAND DEVELOPMENT DEPARTMENT

THE Land Development Department plays a fundamental role in colonisation settlement programmes. The necessary infra-structure for the creation of new communities in colonisation schemes rests with the land development department. Provision of roads, clearing of jungles, asweddumization of paddy lands, construction of cottages and latrines for colonists and community buildings continued to be a function of the department. Work under this programme has now been considerably reduced.

In the course of 1976, the construction of buildings for other Government Departments and Corporations, which, hitherto constituted a lesser responsibility, has now become its main function. This department has gradually been converted into one of construction activity. Building programmes were carried out for the Ceylon transport board, government agencies, fisheries department, the lower Uva development project, Mahaweli development board, Ceylon electricity board, etc.

The expenditure incurred under the votes of the department—Project 102, capital expenditure on economic development during 1976, was Rs. 5,218,112. In addition a sum of Rs. 17,001,992 was incurred through 'Work Done Advance Account' on account of work undertaken for other Departments.

Some important assignments of the land development department during 1976, are given below:—

Fencing and roads	522 chains
Construction	257 units
Jungle clearing and ridging	243 acres
Metalling and tarring	350 squares
Stumping	54 lots

II—LAND COMMISSIONER'S DEPARTMENT

Land resources constitute the basic infra-structure with regard to agricultural development of Sri Lanka. In that context during the year 1976, the department continued its normal function of alienating land under the various schemes throughout the Island. In addition, emphasis was laid on evaluating projects and activities, and taking appropriate remedial measures with a view to stepping up their productivity and maximising returns on such capital investments.

The principal ordinances administered by the Land Commissioner are—

- (a) Sale of State Lands (Special Provisions), Law, No. 43 of 1973 ;
- (b) The Land Development Ordinance, No. 19 of 1935, Land Development (Amendment) Act, No. 16 of 1969 ;
- (c) Crown Lands Ordinance, No. 8 of 1947.

The Land Development Ordinance and Sale of State Lands Law provide for the disposition of state lands to peasants and other citizens of Sri Lanka to foster agricultural development. The lands alienated fall within the following five types of Settlement Projects viz. :—

- (1) Village expansion projects
- (2) Major colonization projects ;
- (3) Highland colonization projects ;
- (4) Youth settlement projects ;
- (5) Middle class projects.

Village Expansion Projects

A total of about 862,498 acres of land have been alienated so far to 605 299 permit-holders. During the year, 7,572 acres were alienated on 12,065 permits. These projects fall into two categories.

- (a) Residential village expansion projects ;
- (b) Agricultural village expansion projects.

Most of the Projects are for residential purposes. The unit of alienation in residential projects ranges from $\frac{1}{4}$ – $\frac{1}{2}$ acre, depending on the man-land ratio in the locality. The farm size in the agricultural village expansion project ranges from 1–3 acres and in some instances 5 acres. The latter sized allotments are generally found in the dry zone where landlessness among peasants is not as acute as in the wet zone districts.

The peasants in residential projects are entitled to financial assistance. The subsidy for the construction of an agricultural well has now been increased to a maximum of Rs. 2,800. During the year the total amount spent on all development works in the Village Expansion Projects amounted to Rs. 2,145,841. Of this, a sum of Rs. 85,680 was spent from departmental funds for supply of planting material and special agricultural subsidies. The balance expenditure was met under provisions of the decentralized budget operated by the Ministry of Planning and Economic Affairs.

Village expansion projects on acquired lands cover an extent of 46,971 acres for which 77,081 permits have been issued to date. This year 2,566 acres have been alienated and 2,389 permits issued. Rs. 1,702,625 was paid as compensation for lands acquired during the year. 3,475 colonists were settled during the year in 15 major colonization schemes. These colonists were drawn into the schemes after providing irrigation facilities to their paddy lands. This facilitated reaping a good harvest in their first year of settlement.

Special Projects

The FAO/IBRD Mission that visited Sri Lanka in 1956, recommended an integrated programme of development in major colonization schemes. The main objects of this package programme were—

- (1) To maximize production through improved methods of cultivation.
- (2) To introduce irrigation rehabilitation to increase production.
- (3) To strengthen institutional arrangements for the issue of credit and marketing of the required inputs and the produce.
- (4) To encourage community development with the object of achieving a self-sustained growth in these schemes.

The special projects package Programme now operates in 23 major colonization schemes covering a total of 146,996 acres. Consequent to the adoption of intensive agricultural methods, paddy cultivation became popular among the colonists in the special projects areas. There is a steady increase in the use of pureline seed varieties by the farmers. The practice of adhering to the cultivation calendar also fell in line with the farmers. There has been a uniform increase in the use of fertilizer, and weedicides. The initiation of lift irrigation projects has resulted in the farmers reaping substantial harvests in principal field crops such as chillies, cow-pea, onions, yams, green gram, black gram, maize, vegetables and Bombay onions. The marketing of the entire produce has been successfully completed due to the institutional arrangements that were planned for the respective cultivation seasons.

Highland Colonization Schemes

At present there are 52 highland colonization schemes in the island, 18 of which are cultivated with tea, covering an extent of 8,233 acres ; 4 schemes, rubber with an extent of 2,325 acres, 29

schemes, coconut and mixed crops covering an extent of 16,415 acres ; and one scheme, cocoa covering an area of 332 acres. Production in these schemes during the year 1976, is as follows :—

<i>Name of Crop</i>	<i>Harvest</i>
Tea (Green leaf)	15,065,875 (lbs.)
Rubber (Sheet)	2,224,800 (lbs.)
Coconut	1,720,860 (Nuts)
Cocoa	8,000 (lbs.)

Youth Schemes

4,217 youths are now resident in 48 youth schemes covering 18,484 Acres.

UNDP/FAO Farm Mechanisation Projects

The objectives of the project are to improve agricultural production through the greater use of farm machinery in youth settlement schemes. During the year, 260 youths were trained in efficient use and maintenance of agricultural machinery. 72 youths were trained in repairing agricultural machinery at the central work shop run by the department in Colombo.

Production figures of three main crops are as follows :

<i>Crop</i>	<i>Extent (Acres)</i>	<i>Harvest (Cwt.)</i>
Chillies	2,500	25,000
Red Onions	2,000	160,000
Passion Fruit	1,035	25,820

During the year a sum of Rs. 100,821 was spent for constructing 06 miles of internal roads ; Rs. 28,288 on the construction of 18 wells ; Rs. 754,723 for the supply of planting material and providing financial assistance to 1,557 allottees.

Encroachments

There was a change in the policy towards encroachment during the year. It was decided to regularise encroachments which had taken place prior to 4th August, 1975, by permitting encroachers to purchase the lands under the sale of state lands act. Persons utilizing lands for commercial purposes are being issued leases under the Crown Lands Ordinance. The eviction of certain types of encroachers such as non-alienable lands like stream reservations, continues to be followed.

In accordance with the policy now being adopted, 1,232 encroachers were alienated in an extent of 1,490 acres. By the end of the year 1976, there remained 152,906 encroachments covering an extent of 172,129 acres, and investigation into these encroachments are being continued.

Special Leases Scheme

Under the provisions of the Land Reform Law, No. 18 of 1972, the maximum extent that can be owned by an individual has been limited to 50 acres. In pursuance of this requirement 5,097 acres continue to be on lease among 61 leasees.

Cashew Cultivation

About 7,000 acres of land have been given out for cashew cultivation in Batticaloa, Mannar, Jaffna, Vavuniya and Puttalam Districts. Cadju has been successfully cultivated in an area covering an extent of about 3,000 acres. The department of minor export crops has assisted in constructing communal wells and internal roads in these schemes out of its own funds. As a result of these additional facilities, new extents have been brought under cashew cultivation.

Sale of State Lands

Regulations for implementing the Sale of State Lands Law, No. 43 of 1973, were made by the Minister of Agriculture and Lands on 9th January, 1975 and published in the *Gazette* of 7th February, 1975. A total of 1,410 allottees have opted to pay the determined sale price in a lump sum, Rs. 1,800,000 has been collected by sale of these allotments during the year.

III—LAND SETTLEMENT

The connotation of the term "Land Settlement" in Sri Lanka 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 State. Under the provisions of the Land Settlement Ordinance claims to such lands are investigated and settled. Claims are consolidated, and indefeasible title is granted in place of vague, scattered and undivided interests. The title of the State is also finally and conclusively established in the areas to which private claims are not admitted. Both the private sector as well as the State 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 state land. Summary ejectment of encroachers is possible under several Land Ordinances only in the case of land declared the property of the state under the Land Settlement Ordinance (or its predecessor, The Waste Land Ordinance) acquired under the Land Acquisition Act or resumed under the provisions of the Land Resumption Ordinance.

The areas to be taken up for settlement operations are decided annually 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 on the scale of one mile to an inch 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 1976, settlement operations were conducted in the Administrative Districts of Anuradhapura, Kurunegala, Badulla, Nuwara Eliya, Matale, Trincomalee, Amparai, Ratnapura and Puttalam.

Settlement operations were possible to be accelerated with the introduction of the scheme of 'Programme Budgeting'.

Since the inception of this Department an extent of nearly 7 million acres has been finally settled and about 4 million acres of land are under various stages of settlement.

IV—SRI LANKA STATE PLANTATIONS CORPORATION

Sri Lanka State Plantations Corporation was established by Act, No. 4 of 1958, with the object of raising, developing, maintaining and managing plantations for the State. Initially, emphasis was stressed on opening up of large extents of Crown land with commercial crops in the hinterland of Western, Southern and Sabaragamuwa Provinces. The cost of raising new plantations had perforced to be high by reason of heavy labour commitments and substantial ground work involved in jungle clearing and also providing necessary infra-structure for the development of such land. Work of such a nature had to be logically in the hands of a State Agency.

In 1976, some estates that came under stage II of the land reform commission act were handed to the corporation comprising 149 units of tea, rubber, coconut and other minor crops. In all, the corporation had a total of 248 units.

Regional offices were opened in the plantation districts for better performance of the corporation activities.

The total acreage under cultivation during the year was 209,578 acres. of which 937 acres were under Tea and 1,692 acres of Rubber.

1,806 Males, 2,167 Females and 41 children were given employment in 1976. The Sri Lanka State Plantation Corporation had a total labour force of 160,583 in 1976.

V—IRRIGATION

A considerable amount of work was done by the Department in providing irrigation and drainage facilities for cultivation. The Department geared itself to ensure completion of the programme, on major irrigation, lift irrigation and drainage projects that fell directly under its scope. During the year nearly 15,000 acres were provided with irrigation and drainage facilities.

Construction work on three new schemes was commenced during this year. These are Bomurella Reservoir Scheme in Nuwara Eliya district, Gin Ganga Regulation Project in Galle District, and Dewahuwa Augmentation Scheme in Matale District.

The Bomurella Reservoir will have a storage capacity of 1,100 acre ft. to feet 1,500 acres. Government has allocated a sum of Rs. 5,000,000 for this purpose. The Gin Ganga Regulation Project will protect 12,150 acres of paddy lands from floods and the total estimated cost is Rs. 210,000,000 which is to be financed entirely by the People's Republic of China. The existing Dewahuwa Tank near Galewela is to be supplied with additional water from Nalanda Oya Reservoir through a pick up anicut and inlet channel. This will provide a more assured supply of water to 2,340 acres. The scheme estimated to cost Rs. 6,800,000 is to be completed by 1979.

Work was continued in Muthukandiya, Makandura-Pannala Schemes, Nagadeepa Augmentation Scheme, Wahalkade Project Channel System, Kaudulla Scheme—channel system in stage II and in number of other projects.

Under drainage and reclamation, work in six projects financed by the I. D. A. continued during the year and by the end of December was almost complete except in the case of Kiralakkale Scheme. The rehabilitation project at Hingurana sugar plantation work proceed according to programme.

About 25 tube wells were constructed in various institutions in Colombo by the Department to overcome the acute water scarcity due to the drought of 1976 and also to meet the heavy demand during the Non-Aligned Summit Conference. Short-term investigations were carried out for location of sites for these tube wells. Work regarding tube well drilling programmes in Murunkan basin, Mulankavil basin and at Paranthan were continued during the year.

The research branch of the department provided laboratory and other facilities in hydraulic model testing, hydrology, soil mechanics, and material testing, geological investigations, and land use surveys for project studies done by the department as well as other government departments, corporations and private agencies.

During the year the department continued to provide services to other departments and corporations that appear below :

1. Territorial Civil Engineering Organisation
2. Mahaweli Development Board
3. Fertilizer Manufacturing Corporation
4. Sri Lanka Sugar Corporation
5. Ministry of Industries and Scientific Affairs
6. Ceylon Electricity Board
7. Central Engineering Consultancy Bureau.

Feasibility Studies had been undertaken for the diversion of the Kelani Ganga to North-Western Province. Drainage and reclamation projects, under investigation were Attidiya, Kalu Ela-Dandugan Oya and Mahara Mudun Ela. Investigation work of Kotmale reservoir project was in progress and the investigation work on the Ingimitiya Reservoir, Rambukkan Oya reservoir, Lunuganvehera reservoir and Heda Oya reservoir projects were completed.

Colombo District (Low-lying areas) Reclamation Board

During the year 1976, work on the following projects were continued :-

1. Crow Island
2. Heen Ela Project Stage I (Kadurugastuduwa)
3. Orugodawatte Project Stage I
4. Bauddhaloka Mawatha Project Stage I
5. Bauddhaloka Mawatha Project Stage II
6. Kirillapone Project

Crow Island Project

The total extent of marshy lands to be reclaimed under this project is about 54 acres. The are reclaimed till end of 1976, is about 29 acres. Of the land reclaimed, 14 acres have been disposed of to the Department of Fisheries.

Heen Ela Project Stage I (Kadurugastuduwa)

The area of marshy land to be reclaimed under this project is about 11 acres. This work has been entrusted to the State Development and Construction Corporation. Only a portion of about 8 acres has been so far reclaimed.

Orugodawatte Project Stage I

The extent of land for reclamation under this project is about 31 acres. This area is being reclaimed for the Commissioner for Development of Marketing for the establishment of a wholesale market. During the year about 20 acres have been reclaimed and part of the reclaimed land has already been handed over to the State Engineering Corporation to carry out building operations.

Bauddhaloka Mawatha Project Stage I

The area taken up under this project is about 18 acres. Reclamation work on about 15 acres has been completed. The balance area is occupied by squatters and work is held up in this area until these squatters are ejected. Of the area reclaimed half an acre has been sold and negotiations are proceeding for the sale of the balance land.

Bauddhaloka Mawatha Project State II

Under this project about 4 acres of marshy land has to be reclaimed. Only 0.38 acres has been reclaimed. The balance portion of the land is occupied by squatters and as such reclamation work has been heed up.

Kirillapone Project

An extent of 6.5 acres under this project has been reclaimed and completed. 3.3 acres of this land has been disposed of to the Buildings Department for a Housing Project.

VI—MAHAWELI DEVELOPMENT PROJECT

The Mahaweli is the longest river in Sri Lanka and accounts for a little over 200 miles in length. It rises in the Horton Plateau, in the heart of the central mountains which receives an annual rainfall of 175-200 inches and flows down encircling Kandy through the parched dry zone, benefiting the region of Polonnaruwa before it empties itself into the sea near Trincomalee.

The Mahaweli development project is the largest combination of water and land resources development ever undertaken in Sri Lanka. This project is the diversion of the river at Polgolla through the Polgolla-Ukuwela tunnel of 5 miles in length to Sudu Ganga and Amban Ganga through another tunnel at Bowatenne, 4 miles long through North Central Province to the northern dry zone of the island.

This diversion of the Mahaweli river to the Dry Zone would prove a very significant event in the history of economic development in Sri Lanka. This project is a multi-purpose national endeavour which calls for considerable engineering technology, organisation and co-ordination in controlling and diverting vast volume of water. It also forms the basis for a major agricultural programme that is aimed at a speedy expansion of the country's domestic supplies of rice.

The area extends over the Mahaweli Ganga basin, the basins of Maduru Oya and adjoining rivers in the North Central part of the island.

The 'Master Plan' of development envisages development of 900,000 acres of land (246,000 acres existing land under paddy and sugar cane, and 656,000 acres of new land) and the production of 2,611 million KWH units with a total installed capacity of 507 MW. The proposed development is divided into 3 phases to be undertaken over a period of 30 years at an overall cost of about Rs. 6,700 million.

The Mahaweli development board which was established on 3rd May, 1970, by Act of Parliament (Act, No. 14 of 1970) was responsible for implementing project I of phase I of the 'Master Plan'.

The 'Special Areas' declared for development under project I, phase I covers the Polgolla and Bowatenna headworks. The development area which includes land in the Kala Oya basin, the region extending from Elahera to Kantalai and land presently cultivated under the Anuradhapura city tanks. These lands are situated in Anuradhapura, Polonnaruwa, Trincomalee, Kurunegala and Matale Districts. The board is responsible for promoting, operating and co-ordinating irrigation, drainage and water supply schemes. Agricultural and economic development of the 'Special Area' is also the responsibility of the board.

Project I envisages the development of 235,000 acres of land under irrigated agriculture including 120,000 acres of land irrigated from existing major irrigation schemes and the development of 40 MW of hydro-power. Project I is further sub-divided into three stages for purposes of implementation.

Stage I

- (a) The construction of Stage I is nearing completion. This comprises the Polgolla complex, a diversion dam across Mahaweli Ganga at Polgolla, a five mile length diversion tunnel from Polgolla to Ukuwela and a Power Plant at Ukuwela,
- (b) The Bowatenna Complex—diversion dam across Amban Ganga of Bowatenna, a 4 mile length diversion tunnel to divert a part of the Mahaweli waters into Kala Oya Basin,
- (c) Taming the Sudu Ganga to cope with the Polgolla diversion, and
- (d) Improvements to existing Elahara weir and Yoda Ela to divert the balance water to lands under the Elahera, Minneriya, Giritale, Kaudulla and Kantalai schemes.

The existing canals and distributory systems would be utilised for irrigation of the lands under Stage I after necessary improvements, to augment the water supply to 41,500 acres of paddy land in the Kala Oya basin, some 72,800 acres in the Elahera Kantalai region, 9,700 acres under the Anuradhapura city tanks. These lands get additional water for dual season cultivation. Several investigations would be undertaken during this stage for purpose of land classification, water management, farm management, size of holdings, settlement patterns, industrial development and other allied fields.

Stages II and III

Stage II of project I of the Mahaweli development plan envisages the development of 71,000 acres of new land with irrigated agriculture for 2 to 3 crops per year in the Kala Oya basin. Stage II includes settlement of some 28,000 farmer families, provision of infra-structure facilities, training of farmers and community development. In Stage III 20,000 acres of new land in Polonnaruwa and Trincomalee districts would be taken up mainly for agricultural and suitable agro-industrial development. A large number of colonists would be settled with provision of appropriate social and community services.

Progress

Major works relating to the Polgolla and Bowatenna headworks, Elehera weir and canal and the Sudu Ganga improvement scheme were completed by the end of 1976 and the diversion of Mahaweli waters to several tanks in Anuradhapura and Polonnaruwa districts was possible during the year. The Ukuwela power station started operating on waters of the Mahaweli with a capacity of 20 MW.

The Items of work completed as at end of 1976 are outlined below:

Project I, Stage I

Polgolla Complex.—The construction of the Polgolla dam, tunnel and Ukuwela power house was completed and the Polgolla diversion was ceremonially commissioned on the 8th January, 1976, by the Prime Minister of Sri Lanka. Mahaweli waters so diverted through the tunnel were sent through the irrigation by-pass to Dhun Oya and Sudu Ganga. The first power unit of the Ukuwela Power Plant was operated and connected to the national grid in July 1976. The second power unit was operated from 1st October, 1976. The operation of the power unit was handed over to Sri Lanka Electricity Board.

Bowatenna Complex.—The construction of the dam is almost complete. All 6 radial gates are placed in position and 4 gates are in working order. All essential safety devices of the Bowatenna tunnel were completed, and the diversion through the tunnel to Kalawewa basin was commissioned by the Acting Prime Minister and Minister of Irrigation, Power and Highways in early 1976. 700 Cusecs of water was sent to Kalawewa and the balance available from Polgolla diversion and Amban Ganga flows to Minneriya. The work on the Bowatenna-Kandalama Canal was completed and water was diverted to Kandalama tank. In May 1976, the Prime Minister inaugurated the issue of water for yala cultivation to the fields under Kandalama by the ceremonial opening of the Kandalama sluice.

Elahera headwork improvements were nearing completion. Gates for the head sluice and scour sluice have been placed. Sudu Ganga Bridges, 9 foot bridges and 1 road bridge have been completed. Work on the 16 mile length Bowatenna-Huruluwewa canal was completed.

Project I, Stage II

Preliminary work commenced in 1974, with a provision of Rs. 15 million by the Government. It was programmed to carry out construction works in 6,000 acres on the left bank area of Kalawewa. The main canals, main roads, work in the Kalawewa main embankment, etc., have been done using heavy machinery by private contractors and state construction organizations.

Kalawewa Headworks.—87 per cent of the work is completed in the raising of the existing spill. Gate fabrication is complete and erection work is to be done. 70 per cent of the work has been done on the Kalawewa embankment. Work in connection with the Kalawewa right bank sluice is nearing completion. All work on the left bank sluice is complete and excavation has been completed on the approach canal.

Kalawewa.—6,000 acres in the Kalawewa left bank area were cleared by March 1976 and 2,200 farmers were settled in HI area. A Yala cultivation has been allowed under the Purana tank. Jungle clearing and construction of channel systems was complete in 4,500 acres in M2 area. Work is nearing completion on 5,500 acres in HI area. This will be available for settlement of farmers by early 1977. Work is in progress in the Kalawewa right bank main canal.

Kandalama.—Facilities were extended, to 7,600 acres in the Kandalama area, covering about 50 per cent of the expected target.

Dambulu Oya Reservoir.—Excavation is nearing completion in the Dambulu Oya spill. About $\frac{1}{3}$ of the concrete work on the dam is complete. Work with regard to the approach and tail canals is nearing completion.

Settlement and Development.—The resettlement of persons displaced at Polgolla and Bowatenna. The persons who were displaced at Polgolla due to the construction of Polgolla reservoir, were resettled on the land acquired in and around Kandy.

253 families affected under Bowatenna Reservoir were settled under the Left Bank settlement scheme in Kala Oya. These were the first batch of settlers to be settled under Mahaweli Development Project.

Selection and Settlement of Farmers.—2,259 farmers from HI area were selected and mostly settled in settlements on the Left Bank of Kala Oya, during this period.

Assistance and Subsidy Programme of new settlers.—Action was taken to supply subsidies and assistance to farmers already settled.

Socio-Economic Studies.—The socio-economic survey of the Huruluwewa Colonization Scheme, and proposed settlement area of Kandalama comprising H7 and H9 encroachment survey on Kantalai Colonization Schemes were completed during this period.

Infra-Structure Facilities.—Negotiations were conducted with the relevant Departments and Ministries for providing necessary infra-structure facilities for new settlements in Stage II of Mahaweli Development Scheme.

Agricultural Activities.—The Department of Agriculture continued research on development system of irrigated farming and macro scale land and water management studies for the Mahaweli Development Board.

The management of pilot settlement projects at Maha Illuppallama and Polwehera has been changed from government officials to farmer institutions directly financed by the People's Bank.

A 5 acre irrigable unit was found to be unsatisfactory and 16 new farmers were settled at Maha Illuppallama Pilot Project on redemarcated units of $2\frac{1}{2}$ acre in extent. Farmers with $2\frac{1}{2}$ acre units practised intensive production methods and showed good progress. Adherence to farmer selection criteria led to improved farming practices and better income generation.

Nearly 2,000 farmers settled in newly developed land of the Mahaweli Stage II Project obtained rice yields of over 80 bushels per acre in Yāla 1976 and Maha 1976-77 seasons. Cultivation of subsidiary crops was not satisfactory especially in the Maha season due to the combined effect of rainfall and seepage from newly constructed irrigation canals.

Expenditure

Of a committed expenditure of Rs. 554 million on various activities of the Mahaweli Project Rs. 121 million had been spent during the year 1976.

Acceleration of Mahaweli Project

A change of government in mid 1977 saw the United National Party Government in office. The new Government decided to accelerate the Mahaweli Development Project within a shorter period of 5 to 6 years as against the former programme of completing it in 30 years. This accelerated development programme, envisages solving the pressing problems as mass unemployment, scarcity of food, etc. with the utilization of 6 million acre feet of water available in the Mahaweli Ganga and other streams in the environs.

The accelerated project is estimated to cost 15,000 million rupees as compared with the original estimates of 6,700 million rupees.

The River Valleys Development Board

The River Valleys Development Board continued its activities in the development programme of Uda Walawe Multi-Purpose Project during the year 1976.

In 1976 the River Valleys Development Board concentrated its activities on the left bank on the project to irrigate 15,000 acres for the cultivation of cotton and subsidiary food crops. A total of 244 colonists were settled during this period in the left bank area. They were provided with 2½ acres of irrigable land for the cultivation of cotton during the season and subsidiary food crops in the other. At the same time, irrigation was provided for the cultivation of 3,000 acres of paddy by colonists who had been settled during the early part of the project.

In the right bank area, the board concentrated mainly on the settlement of colonists on the land already irrigated for the cultivation of paddy, subsidiary food crops and cotton. A total of 67 colonists were settled during this period. Paddy, which is the mainstay of the settled agricultural area, showed tremendous improvements during this period. The yields in the various tracts ranged from 73 to 117 bushels per acre. The increase in paddy production in the project area necessitated the establishment of mills with large capacities. Hence, two rice mills were installed with milling capacities of 3 to 4 tons per hour.

Subsidiary food crops, such as pulses and cereals, accounted for an additional source of income to the settlers and contributed well to the government's food production campaign.

The development of livestock in the Walawe project continued with the up-grading of local cattle, streamlining of artificial insemination programmes, and adoption of disease control measures to protect village cattle. Veterinary demonstrators were appointed to every tract to prevent outbreaks of contagious diseases. These measures helped to increase the milk production in the project area and a milk collecting centre was also established.

VII—REGISTRATION OF DOCUMENTS ORDINANCE

Under this law, registration of land is not essential to the validity of a deed but merely confers priority on it i.e. an unregistered deed is void against any later registered deed adverse to it, if executed for a 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 consequences to the public, such as loss of title to land.

The nature and number of deeds affecting immovable property registered during the year 1973 are shown in the table below :—

TABLE 6.1—NATURE AND NUMBER OF DEEDS REGISTERED AFFECTING IMMOVABLE PROPERTY

<i>Nature of Deed</i>	<i>Number</i>
Transfers by sale, gift &c.	193,530
Mortgages	50,213
Discharges	31,486
Leases	62,616
Other Deeds	18,051

Land Valuation

For official purposes, land valuation is a statutory function of the Valuation Department. The department's role in the evolution of an advanced social and economic structure is therefore of particular significance. The main functions of the valuation department could broadly be classified under :

- (a) Assessment of capital value of properties
- (b) Assessment of rental values
- (c) Assessment of rental values for local Authorities.

Assessment of Capital Value.—Assessment of capital value is undertaken for purposes as outlined below :—

- (a) Valuation for acquisition of land for public purposes in pursuance of Land Acquisition Act, No. 9 of 1959, as amended by Land Acquisition (Amendment Act, No. 28) of 1964.
- (b) Furnishing estimates for government departments, local authorities and semi-government Institutions on proposed acquisitions.
- (c) Valuation for estate duty under Estate Duty Ordinance.
- (d) Valuation for stamp duty under the Stamp Ordinance.
- (e) Valuation for semi-government institutions as local authorities, the State Mortgage Bank, Central Bank etc. for *ad hoc* purposes.
- (f) Valuation for the Commissioner of Inland Revenue for purpose of Wealth Tax.
- (g) Valuation for the Land Reform Commission.
- (h) Valuation by the Chief Valuer under statutory provisions.

Valuation for Acquisitions

Acquisition for public purposes is on the increase primarily for village expansion schemes, housing schemes road-widening projects, hospital construction and extension of schools. Valuation reports of approximately 2,500 blocks of land under the Colombo Katunayaka International Airport road-widening scheme were completed during the year 1976. Valuation work regarding the acquisition of land under the Mahaweli Project, the Nugegoda Development Project, the Gin Ganga Project and lands in North-Central Province were carried on successfully.

In addition to these works, valuation and estimation reports regarding semi-government departments such as the Savings Bank, the Loan Board, local authorities and the Public Trustee were furnished to such authorities. Valuation work was completed and a consensus of opinion was reached with regard to acquisition of property of ESSO and Shell companies. Valuation reports under confidential cover were furnished to the Bribery Commissioner under the bribery act, concerning certain properties. Services of the department were also extended to the Housing Department under the Ceiling on House and Property Act, 1973. The major task undertaken by the department was the valuation of neraly eight thousand acres of land for the Land Reform Commission.

Among other activities of the department were the assessment of rentals on house and property given and taken by the government institutions on rent.

VIII—LAND SURVEYS

No land can be alienated or otherwise dealt with by the Government unless it has been surveyed and demarcated by the Survey Department.

Triangulation

Records of systematic triangulation in Sri Lanka began with the measurement of a base at Negombo on the west coast in 1857 and the subsequent survey of a net work of triangulation.

During the year triangulation of 22 triangles and 2 bases were completed under Samanala Wewa. This was necessary to provide a system of control for the proposed tunnel.

Levelling

The earliest recorded levels were taken in 1865, the average determination of mean sea level being based on data at five tidal stations. Since then primary and secondary levelling has been carried out providing the level net work for the Engineering Surveys undertaken in parts of Sri Lanka.

During the year, 225 return miles of Primary, Secondary and Reciprocal Levelling were done. 23 miles of tertiary Levelling was done.

Topographical Surveys

The Topographical Survey of Ceylon commenced in 1897. Preparation of a set of maps on the scale of One Inch to One Mile covering the whole island was completed in 1934. Systematic revision of individual one Inch sheets is being carried out and new additions issued from time to time.

Sinhala Editions of Kandy, Rukam, Buttala, Padawiya, Tunukai, Nilweli, Alutgama and Nalanda ; and English Editions of Chilaw, Iranamadu, Buttala, Polonnaruwa, Aluthgama and Nalanda sheet; have been printed. In addition electoral maps of Marichukaddi, Vavuniya, Kudiramelai, Horowpathana, Kokkilai and Nilveli were printed.

Engineering Surveys

A total of 143,840 acres were surveyed under major irrigation schemes and village tank surveys. In addition 792 miles of channel traces and road traces were completed.

Block Topographical and Demarcation Surveys

Block and Topo preliminary plan surveys are carried out for large areas of land in connection with the final settlement of claims made by private parties.

The survey of a total extent of 360 acres in Wannu Hatpattu area, 2,782 acres in Aralu Bulu Nelli forest reserve, 27,132 acres in Panama forest reserve and 261 acres in Campbell land. Forest Reserve Surveys were completed and plans issued to the settlement Officer.

In addition 41 demarcation surveys, 142 crown requisition and 177 acquisition surveys for land reform commission and 48 settlement plans were completed and plans issued to the settlement officer.

Air Surveys

18 Flight lines and 10 flight index sheets, 5,338 contact prints, 702 rectification enlargements, 375 mosaic prints and 350 dia positives were made in photographic laboratories for issue to the members of the public, government departments and corporations.

Town Surveys

A total of 61,184 acres of town assessments and contour surveys were completed. Towns included Colombo, Nallur, Sravastipura, Hatton and Dick-o-ya.

Resources Surveys

The Resources centre completed land-use mapping of 197,000 acres.

Land Development Surveys

A total of 83,000 acres for land development purposes and 278,500 acres under middle class schemes, forest surveys and regularisations of encroachments were completed.

Land Reform Surveys

346,400 acres have been surveyed for the land reform commission.

Miscellaneous Maps and Diagrams

Printing of various types of maps and diagrams were undertaken during the period.

Topographical maps on the scale of one Inch to a mile plans of town assessment surveys, town contour surveys, maps in Sinhala, Tamil and English, land utilisation maps and printing of various types of maps and diagrams for government departments, corporations and boards were undertaken during the period.

IX—JANATHA ESTATES DEVELOPMENT BOARD

Janawasama

The Board was incorporated on 6th February, 1976, in terms of the State Agricultural Corporations Act, No. 11 of 1972. This order was subsequently amended by the *Gazette Notification* of 4th October, 1976.

Effective operations were commenced in April, 1976, when the Statutory Trusteeships of the former agency houses, which managed private sector estates, vested in the state were terminated. These estates totalling 227 and comprising an acreage of 234,073 acres were entrusted to the management of the board.

The entire staff of the former agency houses was recruited on new terms and conditions of the janatha estates development Board. All estates Superintendents, staff and labour grades were continued in employment on the same terms and conditions as existed earlier.

Capital

The initial capital of the board was Rs. 10 million. Only Rs. 2½ million has been received to date.

The board consists of five directors including the chairman. Two of the working directors were appointed for the general supervision of regional operations ; and another for financial operations.

The board decentralised the management of estates with the creation of regional offices at Avissawella, Hatton, Nuwara Eliya, Badulla, Kandy, Ratnapura and Kurunegala.

The main divisions of the organisation operating under a general manager, concentrated in head office are as follows :

- (1) *Management and Production Division*.—The management and production division has three managers. They are in charge of seven regions namely, Avissawella, Badulla, Hatton, Kandy, Kurunegala, Nuwara Eliya and Ratnapura, act as co-ordinators for their respective regions and are responsible to the general manager in head Office.

The management and production division ensures that decisions of the board are carried out uniformly in all the regions.

- (2) *Supplies Division*.—The supplies division is administered by the supplies manager who is directly responsible to the general manager.

The division performs a centralized function in purchasing and transporting various categories of items that are required by the head office, the regional office and the estates managed by the board. These various items consist of packing material, fertilizers, general supplies, etc.

- (3) *Marketing Division.*—The functions of this Division briefly cover sale of produce both locally and abroad from all Janawasama estates, the testing and reporting on tea samples, warehousing and accounting of sale proceeds to the regional offices, estates and government organisations.

Janawasama's share of teas to be consigned to the London auctions during the year is approximately 35 million pounds on the basis of the allocation given by the London Tea Advisory Committee. Janawasama has up to date shipped approximately 17 million pounds which was more or less the largest for the period.

The marketing division has a separate tea division covering all aspects of quality control for well over 250 tea estates, with an approximate crop of 81 million kilogrammes, covering high, medium and low grown tea-land coming under the purview of Janatha Estate Development Board.

- (4) *Insurance Division.*—This division is a centralised unit handling all classes of Insurance, with the exception of Life Insurance and was registered with the Insurance Corporation as a commission agent for the purpose of transacting all classes of General Insurance for other corporations and private clients as well.

The duties discharged are of a complex and specialised nature extending a great degree of assistance to the Insurance Corporation of Sri Lanka.

- (5) *Finance Division.*—This division is responsible for budgetary control, financial operation and banking, accounting, financial delegation of authority, surplus funds and financial position and general activities, which includes accounting policy and implementation, etc.
- (6) *Internal Audit Division.*—This division is under a chief internal auditor and is expected to play a dynamic role rather than carry out routine Internal Audit functions.
- (7) *Abministration Division.*—This division is responsible for the recruitment, welfare, administration and general, which supervises the work of the postal section.
- (8) *Consumer Service Division.*—This division has sale outlets of consumer items in places like Kirillapone Pola, Campbell Park Pola and at Wellawatta Savoy car park for the benefit of consumers. This service was started in bringing down the cost of living.
- (9) *Fertilizer Division.*—This division is primarily concerned with the supplying of tea, rubber and coconut fertilizers to the Board's estates.

CHAPTER VII

AGRICULTURE AND FOOD

I—GENERAL

Agriculture continues to occupy an unrivalled position in the national economy. Foreign exchange earnings from the three major traditional export crops which had recovered significantly during 1975 from a low 72 per cent, in 1974 to 76 per cent slumped again to about 70 per cent in 1976. Tea and coconut production declined as compared with the preceding year, while rubber production showed an increase.

The full benefit of improved export prices of the three plantation crops was thwarted due to declining export volume recorded during the year.

Sri Lanka's three main export crops and paddy accounted for approximately 3.8 million acres in 1976. The asweddumized paddy land viz., the potential cultivable area under paddy increased from 1,535,840 acres in 1975 to 1,557,680 acres, the largest acreage under any single crop in the island.

Apart from plantation agriculture, much attention has been focussed on the cultivation of minor export crops, horticulture and on the promotion of animal husbandry.

The Land Reform Law (No. 1 of 1972) with its amendment (No. 39 of 1975) provides for the vesting of company and individually-owned estate lands in the Land Reform Commission. A total of 417,957 acres of company-owned agricultural land comprising 237,992 acres tea, 94,835 acres rubber, 6,406 acres coconut and 79,124 acres mixed crops were vested in the Commission as at end of 1975. Company ownership of these lands was categorized as :—

	<i>Acres</i>
Local Rupee Companies	... 222,813
Sterling Companies	... 195,144
	<hr/> 417,957 <hr/>

An estimate of the total land area vested in the Commission under the Land Reform Law of 1972 is 563,400 comprising plantation crops, chena clearings, jungle, patna and uncultivated agricultural, land.

II—TEA CULTIVATION

The tea industry accounted for 44 per cent of Sri Lanka's export earnings in 1976, and maintains its position as the largest industry in the island. Sri Lanka also ranks as the second largest producer of Black Tea in the world.

Acreage

The tea plant grows at elevations up to 6,000 feet above sea level and requires an evenly distributed rainfall of not less than 80 inches a year. Tea lands are commonly classified under three elevational categories, viz., high, medium and low grown. A tea land is said to produce 'high grown' tea if its mean elevation is 4,000 feet or more above sea level ; 'medium grown' tea if its mean elevation is above 2,000 feet but below 4,000 feet ; and 'low grown' tea if its mean elevation is 2,000 feet or less.

The total area under tea in Sri Lanka at the end of December 1976, was 594,481 acres. A broad classification of total area into acreage groups is given below :—

	<i>No. of Holdings</i>	<i>Total Acreage</i>	<i>Percentage of total acreage</i>
(i) Small-holdings	122,804	118,425	19.92
(ii) Estates 10 acres and above but below 100 acres	3,089	80,493	13.54
(iii) Estates 100 acres and above but below 500 acres	536	139,334	23.44
(iv) Estates 500 acres and above	286	256,229	43.10
	<u>126,715</u>	<u>594,481</u>	<u>100.00</u>

The following tables gives the distribution of the Island's tea acreage among different ownership categories :—

TABLE 7.1—DISTRIBUTION OF SRI LANKA'S TEA ACREAGE BY OWNERSHIP CATEGORIES

	<i>No. of Estates</i>	<i>Acreage</i>
<i>Public Sector :</i>		
Sri Lanka State Plantation Corporation	177	123,501
Janatha Estates Development Board	204	149,010
Udarata Co-operative Estates Development Board	84	33,299
Janawasa	54	6,399
Land Reform Commission	83	10,821
Electoral Co-operative Societies	213	34,637
Multi-Purpose Co-operative Societies	21	2,894
Sri Lanka Tea Board (Tea Research Institute)	12	4,655
Bank of Ceylon	2	566
Estates and Small holdings managed by other State Agencies	31	402
	<u>881</u>	<u>366,184</u>
<i>Private Sector :</i>		
Sri Lanka Individuals	2,965	103,981
Non-National Individuals	73	4,329
Sri Lanka and Non-National Individuals	11	1,660
Small Holdings owned by Private Individuals	122,785	118,327
	<u>125,834</u>	<u>228,297</u>
Total	<u>126,715</u>	<u>594,481</u>

Production

The total quantity of tea produced in 1976 was 433.4 million pounds (196.6 million kilogrammes) as compared with 471 million pounds (213.6 million kilogrammes) in the preceding year. The average yield per acre in 1976 is estimated at 380.7 kilos (839 pounds).

Exports

The total quantity of made tea exported from Sri Lanka during 1976 was 200.0 million kilogrammes (440.8 million pounds) as compared with 212.7 million kilogrammes (468.9 million pounds) in 1975. The total value of tea exported was Rs. 2,100.0 million, with an average f.o.b. price per kilo of made tea at Rs. 10.49.

Pakistan retained its position as the largest buyer of Sri Lanka tea during the year with a total of 29.2 million kilogrammes (64.8 million pounds). The United Kingdom, with purchases totalling 27.5 million kilogrammes (60.5 million pounds) came next followed by U. S. A., with 20.4 million kilogrammes (44.9 million pounds). The same countries shared the bulk of Sri Lanka's tea exports in the preceding year.

Licensing of Tea Dealers

All dealers in made tea and green tea leaf are required, under the Tea Control Act, to obtain annual licences from Tea Commissioner. There were 3,594 such licensed dealers at the end of 1976. Business premises of these licensed tea dealers are regularly inspected by officials of the Tea Commissioner's Department to ensure dealers conforming to requirements of the Act.

New Planting

The planting of new areas in tea is prohibited except on the authority of a permit issued in terms of the Tea Control Act. An extent of 1,918 acres of new tea area comprising unregistered tea land newly planted area and extent replanted under the Rubber into Tea Replanting Subsidy Scheme, was registered during the year.

Tea Nurseries.—In terms of the Tea Control Act, a permit is necessary for the establishment of a tea nursery. Permits are issued for different types of nurseries, as V. P. Nurseries, Seedling Nurseries, Multiplication Nurseries, Ordinary Multiplication and Commercial Multiplication Nurseries.

Analytical Control

To ensure that the lead content of Sri Lanka tea is well below the maximum limit prescribed by consumer countries, the Tea Commissioner's Department regularly obtains samples of tea from estates in different planting districts to be analysed by the Government Analyst.

A total of 60 samples for lead content were analysed during 1976.

The Tea Commissioner's Department was reconstituted in January 1976, with the establishment of the Sri Lanka Tea Board under the Tea Board Law of 1975. Activities handled by the Tea Control Department and the Tea Export Control Unit of the Department of Imports and Exports, fell within purview of the Tea Commissioner's Division of the Sri Lanka Tea Board.

Apart from regulatory functions administered by the Tea Commissioner's Department within provisions of the Tea Board Law, (No. 14) of 1975, Tea Control Act (No. 51) of 1957 and the Tea (Tax and Control of Exports) Act (No. 16 of 1959), subsidy schemes sponsored by the State for the promotion of the Tea Industry as undertaken by the Department are :—

- (a) The Tea Replanting Subsidy Scheme ;
- (b) The Tea Factory Development Subsidy Scheme ;
- (c) The Tea Fertilizer Subsidy Scheme ;
- (d) The Crop Diversification Subsidy Scheme ;
- (e) The Tea Chest Subsidy Scheme ;
- (f) The Tea New Planting Subsidy Scheme ;
- (g) The Rubber into Tea Subsidy Scheme ; and
- (h) The Tea Export Duty Rebate Scheme.

Replanting Subsidy Scheme

The Tea Replanting Subsidy Scheme is designed to improve productivity of tea lands on a planned replacement of old seedling tea with vegetatively propagated clonal tea capable of a potential of high yields. Since the introduction of the scheme in 1959, a total of 70,686 acres have been already replanted and total subsidies paid out amounted to Rs. 252 million.

To ensure more participation in the Subsidy Scheme, the subsidy payable was increased under the "Package Deal" for the Tea Industry from Rs. 3,750 to Rs. 4,750 per acre.

A sum of Rs. 17.0 million has been paid as subsidies under the scheme during 1976.

Rubber into Tea Replanting Subsidy Scheme

The scheme envisages replanting of old rubber land with high-yielding varieties of vegetatively propagated tea. Funds for the purpose are made available from the Rubber Subsidy Fund established under the Rubber Replanting Subsidy Act (No. 36) of 1963.

The total area replanted under the scheme as at the end of 1976 was in the region of 5,097 acres, 263 acres of which have been replanted during the year.

A sum of Rs. 0.6 million was paid as subsidies under the scheme in 1976.

Crop Diversification Subsidy Scheme

With a view to replacing uneconomic tea land by more remunerative crops, the government introduced a Crop Diversification Subsidy Scheme on an experimental basis. The scheme provides for payment of subsidies for cultivation of alternative crops as Coconut, Pepper, Timber, Rubber, Sugar-cane, Spices, etc., on uneconomic tea lands. Since the introduction of the pilot study in 1974, a total of 6,600 acres of uneconomic tea land have been diversified. Total subsidies paid out was in the region of Rs. 5.1 million. Approximately 1,000 acres were diversified during the year involving payment of a sum of Rs. 1.6 million as subsidies.

Tea Fertilizer Subsidy Scheme

Prior to 1974, the issue of subsidised tea fertilizer was confined only to tea lands under 100 acres in extent. Coverage was confined to approximately 60,000 acres of tea. The annual government outlay as subsidies was in the region of Rs. 3 million. The issue of subsidised fertilizer at half cost has been extended to all tea lands under the "Package Deal".

A sum of Rs. 77.2 million has been spent to meet half the cost of fertilizer issued to tea land owners.

Factory Development Subsidy Scheme

Financial inducements afforded the tea factory owners to improve and modernise their machinery and equipment in keeping with modern technological trends during 1976 were :—

- (a) An outright grant of one-third cost of approved items of machinery and equipment installed in tea factories ;
- (b) One half of interest payable on loans taken for factory development. Where loans have been taken by factory owned co-operatives, the entire interest is subsidised.

The payment of one-third grant has been extended to cover capital cost incurred in procuring electricity supply from the national grid and installing water turbines or pelton wheels to harness hydro-power to tea factories.

Since introduction of the tea factory modernisation scheme in 1966, cost of factory development Projects undertaken amounted to Rs. 87 million involving payment of Rs. 21 million as subsidies.

Tea Chest Subsidy Scheme

The cost of tea chest panels for packing of tea is subsidised by government under the 'package deal'. The current price of a complete set of chest panels is Rs. 26.00 and that of a half set of chest panels Rs. 24.00. The present subsidy payable on a complete set of chest panels is Rs. 12.60 and for half a set is Rs. 10.50.

Subsidies under the scheme in 1976, totalled Rs. 45.9 million.

Tea Export Duty Rebate Scheme

Under this scheme, teas fetching low prices at the Colombo auctions are granted a rebate of a part of export duty on such teas. The maximum rebate paid in 1976 was 20 cents per pound on teas fetching a price between Rs. 4.40 and Rs. 5.14 per kilogramme. The total export duty rebate paid in 1976 was Rs. 3.5 million.

Leaf Collecting Centres

Marketing of small-holders' green leaf has been traditionally dominated by intermediaries as collecting agents and dealers. To improve returns to small-holders, the Tea Commissioner's Department actively promoted establishment of leaf collecting centres eliminating some of the links in the marketing chain. These leaf collecting centres helped provide an improved infra-structure for the marketing of small-holders produce.

As an incentive in the scheme of green leaf collection, the department has supplied weighing scales to such centres where necessary. A subsidy up to 50 per cent of cost of a green leaf 'shed' subject to a maximum of Rs. 250.00 is also given to each collecting centre. Further incentives offered in this regard include supply of coir bags to leaf packers.

There were 104 leaf collecting centres at the end of 1976, catering to the needs of the small-holders. A sum of Rs. 34,446 has been spent on this scheme from the Tea Board Fund.

The membership of these collecting centres stands well over 10,000 at present.

III—RUBBER CULTIVATION

Sri Lanka ranks as the fourth largest producer of natural rubber in the world. The rubber plant grows best at elevations up to 1,200 feet, above mean sea level with an even distribution of rainfall.

Acreage

The total area under rubber in Sri Lanka on December 31, 1976, as registered under the Rubber Control Act, was 652,179 acres compared with 652,802 acres at the end of the preceding year.

Although the acreage under rubber registered by the Rubber Control Department is 652,179 acres, acreage cultivated in rubber is estimated to be 500,872 acres. The balance extent of 91,307 acres although "registered" is now virtually abandoned since the elevations at which it was originally grown was found unsuitable for rubber cultivation.

The Rubber Control Department is required by the Rubber Control Act, to maintain a register of all rubber estates and small-holdings in the Island. An "estate" is defined in the Act, as an area of land not less than 10 acres in extent and a "small-holding" as an area less than 10 acres in extent planted in rubber. The Island's total registered rubber area of 652,179 acres grouped into 'small-holdings' and 'estates' of varying sizes was :—

TABLE 7.2—RUBBER ACREAGE BY SIZE OF HOLDINGS—1976

Category	No. of Holdings Registered	Total Extent Acres
	1976	1976
Small-holdings (Below 10 Acres)	154,445	215,689
Estates 10 Acres and above but below 100 Acres	6,873	159,802
Estates 100 Acres and above	827	276,688
Total	162,145	652,179

Departmental records show that 472,331 acres of Sri Lanka's total registered rubber acreage have been planted with high-yielding material (clonal seedlings or budded stumps), while the balance has been planted with ordinary seedling rubber. The major part of this high-yielding rubber has been planted after the government's Rubber Replanting Subsidy Scheme was launched in 1953.

Production

The total production of rubber in Sri Lanka in 1976, is estimated at compared 149,739 tons as with 146,402 tons in the preceding year.

The break-up of the 1976, production figure (in tons) under various categories with the corresponding 1975 figure appears below :—

Year	Sheet	Sole Crepe	Scrap Crepe (tons)	Latex Crepe	Technically specified rubber	Latex (dry rubber content)	Total
1975	86,000	4,428	12,346	41,157	1,534	937	146,402
1976	85,118	4,017	14,241	43,142	2,230	991	149,739

On the basis of the cultivated acreage as estimated by the Department of Census and Statistics, the actual area in tapping during 1976, excluding areas not of tappable age was 474,626 acres.

Local Consumption

Returns furnished by local consumers of rubber and the Ceylon Tyre Corporation show that a total of 7,153 tons of rubber had been consumed locally in 1976, as compared with 6,488 tons in the preceding year.

Rubber consumed locally is used in the manufacturing and retreading of motor tyres, and manufacture of cycle tyres and tubes, rubber goods such as foam rubber cushions, rubber mats, surgical gloves, rubber soles and heels and rubber toys.

It is expected that local consumption of rubber would be even greater than at present with progressive increases in the manufacture of tyres and tubes by the Ceylon Tyre Corporation.

Exports

The total quantity in respect of which entries had been passed in 1976, based on Customs Returns, is 134,776 tons valued at Rs. 889.5 million compared with 158,332 tons at Rs. 654.5 million in 1975. These figures however are liable to adjustment in view of certain quantities being shipped in the following or preceding periods specified.

Customs entries also reveal that the People's Republic of China was once again Sri Lanka's best customer followed by the U. S. S. R. and Italy which was, basically the same pattern of international trade as in the preceding year. The Federal Republic of Germany, U. S. A. and Pakistan were among the other buyers of local rubber.

Rubber Dealers

All rubber dealers are required to obtain licences under Section 13 of the Rubber Control Act. There were 3,038 licensed rubber dealers at the end of 1976, as compared with 3,023 licensed dealers in 1975. Licensed rubber dealers are required to maintain certain prescribed registers showing purchases and sale of rubber and furnish monthly summaries of transactions to the Rubber Control Department.

Rubber Prices

Average Colombo price of sheet rubber (RSS No. 1) during the whole of 1976, was Rs. 1.97 cts. per lb. as compared with an average price of Rs. 1.30½ cts. a lb. in 1975. Average price of crepe rubber during the entire year was Rs. 2.86 cts. a lb. compared with Rs. 1.85½ cts. a lb. in the preceding year.

The Rubber Replanting Subsidy Scheme

Rubber land owners who intend replanting their lands with high-yielding varieties are paid subsidies on a graded scale. Rates of subsidy have now been increased :—

- (i) if the area to be replanted forms part of an estate 100 acres or more in extent, the subsidy payable is Rs. 2,000 per acre.
- (ii) holdings under 100 acres in extent are also paid a subsidy of Rs. 2,000 per acre.

Under normal conditions it takes about 6 years for budded rubber to come into bearing. To ensure that the plants are satisfactorily maintained after the replanting is completed, the subsidy is not paid in one lump sum but is spread over 6 instalments in the case of estates over 100 acres in extent and 7 instalments in the case of small-holdings 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 new rubber plants have been planted. The third and subsequent instalments of the subsidy are payable thereafter at yearly intervals, subject to maintenance of the replanted area satisfactorily.

Progress made under the Subsidy Scheme

The acreage replanted under the Rubber Replanting Subsidy Scheme upto end of 1975, was 325,922 acres. An extent of 6,290 acres, was replanted in 1976, giving a total replanted area of 332,221 acres as at 1976.

Issue of Fertilizer and Planting Material to small-holders

Small-holders particularly those resident in remote areas, void of transport and delivery facilities have been afforded necessary assistance to take delivery of the comparatively small quantities of fertilizer required by them. To obviate 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, located in the principal rubber-growing districts of the island.

Planting material is also distributed by the department to small-holders participating in the Rubber Replanting Subsidy Scheme.

Diversification of Uneconomic Rubber Lands

The scheme to diversify uneconomic rubber lands for planting of other crops initiated in 1970 continues. Approved crops, the minimum extent to be planted and the subsidy payable on each crop is outlined below :—

<i>Crop</i>	<i>Minimum extent</i>	<i>Total subsidy payable per acre</i>
	<i>Acre</i>	<i>Rs.</i>
Coconut	1	800
Cocoa	1	1,200
Cardamom	$\frac{1}{2}$	900
Cloves	$\frac{1}{2}$	800
Nutmet	$\frac{1}{2}$	800
Pepper	$\frac{1}{2}$	900
Passion Fruit	$\frac{1}{2}$	1,000
Pineapple	$\frac{1}{2}$	1,000
Pasture	2	500
Timber	5	600
Oil Palm	5	1,500
Mulberry	$\frac{1}{2}$	500
Lemon Grass	5	500
Sugar Cane	$\frac{1}{2}$	800

A total of 2,167 permits covering an acreage of 11,859 have been issued under this scheme as at the end of 1976. Of this acreage, 6,189 acres have been uprooted and 5,430 acres planted with approved crops. The total subsidy payable under this scheme stands at Rs. 10,928,300 as at the end of 1976.

Rubber Factory Development Scheme

The Rubber Factory Development Scheme was initiated in 1974, with a view to assisting producers of premium grades of rubber as latex crepe, pale crepe and new forms of rubber apart from increasing manufacturing capacities of factories.

Under the Rubber Factory Development Subsidy Scheme, factory owners are paid one-third cost of machinery, appliances, etc. Items that qualify for the subsidy or an outright payment from the Rubber Replanting Subsidy Fund, are power supply ; bulking and coagulating tanks ; macerating, creping and laminating mills ; floor tiling, extractor fans and blowers for preliminary drying of laces ; drying tower and water supply equipment and various other items of machinery and equipment essential for the production of technically specified rubber.

Apart from subsidies payable, the Ministry of Plantation Industries in collaboration with the People's Bank has launched a scheme for payment of loans to assist those intending to modernise their factories for production of crepe and new grades of rubber.

Factory modernisation and subsidy paid during the two years 1975 and 1976 were :—

Year	No. of Factories	Amount of Subsidy Rs.
1975	5	125,496
1976	3	53,865

IV—COCONUT CULTIVATION

Sri Lanka's coconut acreage stands at 1,152,428, the second largest acreage under any single crop in the island. The tempo of replanting activity and fertilizer application has declined considerably during the year. The replanted area as estimated by the Central Bank is in the region of 13,100 acres.

Production and Exports

Coconut production continues to be subject to varying fluctuations. Adverse weather conditions contributed substantially to a drop in nut yield during 1976. The extensive application of fertilizer in the preceding years had its impact in 1975. Overall nut production which was estimated at 2,398 million nuts in 1975, fell by 12.7 per cent in 1976. At a provisional estimate of 2,093 million nuts, this figure showed a drop of over 300 million nuts over the preceding year. The spell of drought retarded extension activity in the application of fertilizer, which continues a declining trend.

Export earnings from the three major coconut products which had remained virtually static during the preceding years, recorded a slight decline attributable to a drop in the f.o.b. price of coconut oil, despite an increase of 6.1 million kilogrammes in the quantum of exports.

Coconut Cultivation Board

The Coconut Cultivation Board was established in March, 1972, by the Minister of Plantation Industries, by an order published in the *Government Gazette*, in terms of the powers vested in him under section 2 (1) of the Coconut Development Act, (No. 46) of 1971.

Among major functions of the Board are (a) faster development of productivity in coconut plantations ; (b) assist in promoting cultivation of land with coconut ; (c) promote establishment of pasture and other intercrops on coconut lands and also promote livestock farming ; (d) popularize suitable cultivation methods as regards coconut cultivation and other crops on coconut plantations ; (e) develop new techniques in processing of coconut products and provide advisory and extension services to assist the coconut industry.

Extension activities carried out by the Board during 1976, envisaged the distribution of coconut seedlings among cultivators particularly in the dry zone. A total of 264,038 coconut seedlings were distributed during the year.

Fertilizer Stores were established at Mahayaya, Mohettegoda, Devivimana and Johnnydale estates and at the demonstration centre, Mundel. These estates are being managed by the Board.

Subsidy Schemes.—1,169 permits in respect of 5,947 acres were issued during 1976, for the establishment of pasture involving payment of Rs. 272,201 as subsidy.

Under the Replanting/Underplanting Subsidy Scheme initiated in July 1976, 4,307 applications were received during the period July to December. These applications cover an extent 2,880 acres of land.

The rehabilitation of coconut land between 1 acre and 20 acres was first commenced in May, 1974. There were 3,614 applications during the year, in respect of 16,817 acres. Permits were issued to cover an extent of 13,831 acres of land. Subsidy payment for rehabilitation work was in the region of Rs. 651,024.

Agricultural productivity committees at Pothuhera, Mawathagama, Kudalgamuwa, Yakwila, Dambadeniya, Polgahawela and Hamongalle served as 'agents' of the Board to assist in the implementation of the scheme in these areas.

Estate Management.—15 coconut estates covering an extent of 4,000 acres, vested in the Coconut Cultivation Board by the Land Reform Commission continue to be managed by the Board. A systematic programme for improvement of these estates was initiated during the year. Despite a severe spell of drought during the year, total nut production in these estates reached 7.55 million nuts. Intercropping with crops as, chillies, cowpea, coffee, pepper was carried out in about 300 acres.

Animal Husbandry.—A scheme for the multiplication of upgraded cattle was initiated at Rajgammelle, Bopitiya, Mahayaya, Nagansola and Passikudah estates with a breeding stock of 421 animals. Sheep rearing was also commenced in Mahayaya and Bopitiya estates. Sheep population at the end of the year was 450 animals. Poultry farming was carried out successfully at Mahayaya, Rajgama, Passikudah and Randeniya Estates.

Publicity work to popularise the Board's activities was carried out with participations at the 'Esala Mela' Kandy, the agriculture exhibition at St. Joseph's College, Colombo, the annual exhibition at Richmond College, Galle, the agriculture exhibition, Kurunegala and also at the opening ceremonies of agricultural service centres at Panadura and Nugape. Film shows were also arranged at these exhibitions.

Coconut Processing Board

Kernel Products.—Arising from restriction of exports and the “quota system” of desiccated coconut manufacture there were a host of problems particularly lack of full employment for D. C. mill workers. A relief wages scheme for mill employees was initiated under which a sum of 50 cents per kilogramme of desiccated coconut sold was collected from millers and placed in a fund for payment of relief wages.

A total of 70 desiccated coconut millers and 61 coconut oil millers sought registration with the Coconut Development Board. 46,000 metric tons of desiccated coconut and 45,800 metric tons of coconut oil were produced during the year.

Since the question of Aflatoxin in Coconut Products is gaining momentum at present, the Board organised a seminar on “Aflatoxin in Coconut Products” for the benefit of oil millers and copra dealers to alert them on the dangers of Aflatoxin contamination in their products.

Non-Kernel Products.—Fibre—647 Fibre Mills, 89 Hacklers and Dyers and 59 Fibre Processors were registered with the Board in 1976. The number of fibre processors (i.e. twist, polish and bale fibre operation for export) had increased over the 1975 figure.

87,749 metric tons of fibre was exported in 1976 reflecting a recovery from the 1975 position where production was approximately 75,000 metric tons. Demand for mattress fibre was poor while the demand for bristle and twisted fibre was strong. The local price for mattress fibre was Rs. 37 per 50 kilogrammes, while the price of bristle fibre was Rs. 50 per 50 kilogrammes.

Mill Modernisation.—A scheme was drawn up for the modernisation of the fibre mills whereby loans would be made available from the People's Bank to millers carrying out certain approved improvements, as electrification. The scheme includes a subsidy of one-third cost to millers.

Coconut Shell Grit.—156 manufacturers of coconut shell grit and 1 manufacturer of activated carbon were registered during the year. There is growing interest in setting up of activated carbon plants and some feasibility studies are being carried out on this project. Two manufacturers of coconut shell flour were also registered with the Coconut Development Board during the year.

Service to Millers.—The Board continues to import and supply a limited number of items for use, mainly of desiccated coconut millers. The Coconut Development Board imports and supply scarce items, as Camel Hair Belting, V-Belts and other such spares necessary for the coconut processing industries. A loan was requested under the World Bank, IBRD Loan Scheme. The IDA approved a loan of Rs. 4 million for the scheme. The Board imported and supplied 100,000 paper sacks and liners to d.c. shippers to overcome shortage of packing material for desiccated coconut.

Laboratory.—13,028 samples of desiccated coconut were examined for bacteriology and quality. Of these 58 per cent of the samples were found contaminated with salmonella and 7.11 per cent samples were resampled for quality defects. The laboratory also carried out analysis of water samples and special investigations on mills contaminated with salmonella.

The Quality Advisory Unit was established by the Board to better utilise data available in the laboratory and help maintain hygienic standards of mills.

A seminar on aflatoxin in coconut products was organised by the Kernel Products Division of the Board in conjunction with the laboratory.

Research.—A paper was read at the S. L. A. S. sessions on physico-chemical and bacteriological studies on desiccated coconut during storage. A report "Progress of the D. C. Industry 1970—1974" was also prepared. Studies are proceeding on utilisation of coconut juice for—(a) propagation of yeast and (b) as a diluent for toddy in the manufacture of vinegar.

Fluid Bed Drier.—Experiments were conducted in collaboration with the Colombo Commercial Co. Ltd., and the Tea Research Institute with the Batch Driers loaned by the T. R. I. for the purpose. No conclusive results have so far been obtained from these experiments.

White Fibre Project.—Extension of buildings and installation of decorticating drums were completed. The quality of white fibre produced by using these drums were found acceptable to the local market. A fibre extracting machine is on order from the State Engineering Corporation for defibering unretted green husks. Experiments conducted were :—

- (a) most suitable age of husks for retting ;
- (b) optimum retting period for mechanical extraction and manual extraction of fibre.

Coconut Cream.—Experimentation into manufacture of a stabilised coconut milk for domestic use continued during 1976. The project has been found acceptable to the local market.

A total of 5,168 bottles of coconut milk were processed. This included two batches of 1,000 bottles each manufactured specially for the 21st Anniversary Exhibition of the C. I. S. I. R. and the Kandy Esala Mela Exhibition.

The price factor appears a deterrent after the product has been found acceptable for the local market.

Brown Fibre.—Cemented retting tanks were constructed at the Brown Fibre Mill, Nattandiya/Kirimetiyanala leased by the Coconut Development Board. An Ennor husk-crushing machine and a defibering machine were installed and tested. A low cost fibre cleaning machine for cleaning dry fibre was constructed and installed. This has proved quite successful in getting a cleaner fibre.

Mill Management.—The Mill Management Division of the Board was separated from the Technical Division and mill management activities now function as separate unit of the Board.

Mirigama Mills.—Constructional improvements effected to the mill were :

- (a) wet section modified and improved,
- (b) dry section floors re-laid,
- (c) heat exchanger furnace converted from oil to wood firing, thus effecting considerable saving in cost of production,
- (d) an extra desiccator installed,
- (e) a new copra kiln constructed according to plan specifications of the Coconut Research Board.

Nattandiya Mills.—Improvements were effected to furnaces and desiccators. Many improvements were also made to the fibre mill. Construction of two cement tanks, use of a husk crusher and a low cost fibre cleaning machine helped improve quality of fibre.

Finance.—The Board received a grant of Rs. 1,409,810 from the Treasury for Board activities and also a loan of Rs. 500,000 from the Coconut Development Authority for Mill Management.

The operation of Nattandiya and Mirigama mills resulted respectively in profits of Rs. 90,556 and Rs. 210,454 during the year.

V—RICE AND SUBSIDIARY FOOD CROPS

Rice forms the staple food of the people in Sri Lanka. The cultivation of rice (paddy) is therefore of special significance. The paddy crop is a seasonal one, pattern of cultivation roughly corresponding to the two monsoonal periods—N. E. and S. W. monsoons. The two main cultivation seasons distinguishable in Sri Lanka are (a) Maha (September-March) and Yala (April-August) the intermediary crop being termed 'MEDA' cultivation. Asweddumized paddy land, viz. potentially cultivable area as enumerated during cultivation year 1975 was 1,555,840 acres. This figure increased to 1,557,680 acres during cultivation year 1976.

The extent sown in the Maha season 1975-76 was in the region of 1.14 million acres, while in Yala 1976 an extent of 0.64 million acres was brought under the plough.

Paddy production declined drastically during 1975, attributable to adverse weather conditions that prevailed for most part of the year. The estimated paddy (grain in husk), production at 55.3 million bushels in 1975 was a drop of 28 per cent as compared with an estimate of 76.8 million bushels recorded in the preceding year. An estimated production of 60 million bushels was recorded in the cultivation year 1975-76 giving an increase of 8 per cent over the 1975 figure. A prolonged spell of drought in the Yala season thwarted an otherwise increased production in that season.

Increased rice production is one of the objectives of the government's agricultural development plan. With a view to achieving this objective, the government affords such facilities to farmer cultivators as good quality seed of high-yielding strains, subsidized-fertilizer, credit facilities and an attractive guaranteed price.

High yielding strains are being developed by the Department of Agriculture. The popular varieties available to farmer-cultivators are Bg 11-11 (4 months), Bg 34-6, Bg 34-8 and Bg 33-2 (between 3 and 3½ months) which are issued from state seed farms and agricultural productivity centres. A total of 1.38 million acres were under improved strains during the cultivation year 1975-76.

District wise break-down of extent cultivated during Maha and Yala seasons and average yield per net acre harvested during the cultivation year 1975-76 appear respectively in Tables 7.3 and 7.4. Seasonal coverage during the year includes cultivation on high land, tank and river beds.

TABLE 7-3—EXTENT SOWN, HARVESTED AND AVERAGE YIELD—MAHA 1975-76

District	EXTENT SOWN (Acres)				EXTENT HARVESTED (Acres)				Average Yield (Bushels)
	Asweddumised Land		Total	Highland Cultivation	Asweddumised Land		Total	Highland Cultivation	
	Irrigated	Rainfed			Irrigated	Rainfed			
SRI LANKA	626,648	503,582	1,146,962	16,732	579,988	457,676	1,051,943	14,279	47-17
Colombo	9,182	55,580	64,762	—	6,893	50,510	57,403	—	43-24
Kalutara	5,387	44,798	50,185	—	4,911	40,889	45,800	—	31-56
Kandy	31,065	17,607	48,672	—	30,747	17,482	48,229	—	55-49
Matale	20,938	7,042	27,980	—	20,303	6,771	27,074	—	53-87
Nuwara-Eliya	17,370	795	18,165	—	17,341	794	18,135	—	58-97
Galle	1,468	56,980	58,448	—	1,080	52,442	53,522	—	29-87
Matara	18,130	32,065	50,195	—	16,264	29,994	46,258	—	38-50
Hambantota	42,728	4,390	47,118	—	39,853	4,116	43,969	—	58-60
Jaffna	23,876	49,315	73,191	—	23,073	43,196	66,269	—	35-44
Mannar	8,419	741	9,160	—	2,314	17	2,331	—	59-12
Vavuniya	19,306	11,477	32,461	1,678	14,576	7,430	22,405	399	27-59
Batticaloa	33,870	56,686	94,379	3,823	31,418	52,370	87,204	3,416	43-10
Ampara	79,837	19,983	99,820	—	78,843	19,572	98,415	—	45-94
Trincomalee	24,891	20,213	47,828	2,724	24,275	16,727	43,459	2,457	42-17
Anuradhapura	56,747	3,178	63,060	3,135	44,378	1,603	48,966	2,985	54-61
Polonnaruwa	59,208	3,637	62,845	—	59,019	3,337	62,356	—	80-77
Kurunegala	60,562	67,082	127,644	—	55,704	63,851	119,555	—	45-65
Puttalam	15,147	5,563	20,710	—	13,167	4,437	17,604	—	33-44
Badulla	32,756	5,221	37,977	—	32,681	4,528	37,209	—	59-08
Moneragala	16,606	7,057	25,573	1,910	15,143	4,767	21,470	1,560	46-47
Ratnapura	25,549	12,331	37,880	—	24,633	11,781	36,414	—	38-29
Kegalle	6,258	21,841	28,129	30	6,098	21,062	27,190	30	51-96
Udawalawe	17,348	—	20,780	3,432	17,274	—	20,706	3,432	82-10

(1) Irrigated Land denotes land cultivated under major and minor schemes.

(2) Net acreage under regular asweddumised land harvested during the season is 882,014. On this basis total harvested area including highland cultivation is 896,293 acres giving an estimated production of 42,278,000 bushels of paddy with upper 95 percent confidence limits of 42,861,000 bushels and a lower limit of 41,705,000 bushels. Estimated paddy production of 868,200 tons is an equivalent of 590,300 tons rice.

(3) In view of its agricultural importance UDAWALAWA has been treated as a separate stratum.

TABLE 7-4—EXTENT SOWN, HARVESTED AND AVERAGE YIELD—YALA 1976

District	EXTENT SOWN (Acres)				EXTENT HARVESTED (Acres)				Average Yield (Bushels)
	Asweddumised Land		Highland Cultivation	Total	Asweddumised Land		Highland Cultivation	Total	
	Irrigated	Rainfed			Irrigated	Rainfed			
SRI LANKA	366,920	274,733	276	641,929	312,745	205,459	134	518,338	40-30
Colombo	4,969	42,881	—	47,850	4,672	39,595	—	44,267	30-19
Kalutara	5,503	43,863	—	49,366	5,136	41,135	—	46,271	27-04
Kandy	17,034	8,768	—	25,802	15,831	7,645	—	23,476	51-23
Matale	8,202	2,525	—	10,727	7,257	2,158	—	9,415	39-87
Nuwara-Eliya	11,462	261	—	11,723	11,286	261	—	11,547	59-90
Galle	1,336	55,377	143	56,856	1,294	51,282	134	52,710	23-56
Matara	17,767	29,504	133	47,404	16,786	27,515	—	44,301	29-94
Hambantota	15,901	2,616	—	18,517	13,141	1,827	—	14,968	45-21
Jaffna	10,612	—	—	10,612	10,056	—	—	10,056	37-96
Mannar	2,044	—	—	2,044	1,823	—	—	1,823	53-28
Vavuniya	746	—	—	746	746	—	—	746	32-50
Batticaloa	18,135	1,128	—	19,263	16,251	1,069	—	17,320	50-92
Ampara	63,389	19	—	63,408	62,610	13	—	62,623	49-38
Trincomalee	3,165	22	—	3,187	2,905	22	—	2,927	44-26
Anuradhapura	18,746	04	—	18,750	16,868	—	—	16,868	69-34
Polonnaruwa	45,211	—	—	45,211	44,279	—	—	44,279	59-62
Kurunegala	48,527	56,020	—	104,547	14,719	8,443	—	23,162	31-89
Puttalam	7,375	1,373	—	8,748	3,997	248	—	4,245	31-44
Badulla	15,744	187	—	15,931	15,511	97	—	15,608	45-58
Moneragala	4,256	85	—	4,341	4,084	79	—	4,163	46-36
Ratnapura	23,240	10,836	—	34,076	22,660	10,458	—	33,118	38-28
Kegalle	5,486	19,264	—	24,750	4,346	13,612	—	17,958	34-51
Udawalawe	18,120	—	—	18,120	16,487	—	—	16,487	52-16

(1) Irrigated Land denotes land cultivated under major and minor schemes.

(2) Net acreage under regular asweddumised land harvested during the season is 440,473. On this basis total harvested area including highland cultivation is 440,607 acres giving an estimated production of 17,756,000 bushels of paddy with upper 95 per cent confidence limits of 18,113,000 bushels and lower limit of 17,404,000 bushels. Estimated paddy production of 364,000 tons is an equivalent of 248,000 tons rice.

Paddy Marketing Board

The Paddy Marketing Board was established on 29th March, 1971, under Act (No. 14) of 1971 with its general objects as :—

- (a) to carry on the business of purchasing, selling, supplying and distributing paddy and rice ; and
- (b) to carry on the business of milling, hulling and processing of paddy and rice.

Purchasing paddy for the Government, a function hitherto handled by the Agrarian Services Department, was transferred to the P. M. B. with the take over of rice mills, store buildings, etc. The P. M. B. commenced purchasing paddy from Janaury 1972, deploying M. P. C. SS generally, as its purchasing agents and has contracted a few Agricultural Productivity Committees to serve as 'authorised purchasers'. While all M. P. C. SS in paddy producing areas have been appointed as authorised purchasers, actual purchasing is being done by their net-work of branches known as 'Pradeshikas'. There are over 4,000 such centres in the island.

Paddy purchased by the Co-operatives or A. P. CC is sent to the 283 stores of the P. M. B. for storage until paddy is handed to mills or private millers and a few co-operative-owned mills for conversion to rice. The greater portion of rice milled is thereafter transferred to the Food Commissioner for distribution under the government's rationing scheme. A small quantity however, is sold by the Board to institutions, canteens, hospitals, hotels, etc.

There were 20 mills owned by the Paddy Marketing Board and a number of co-operatives and private mills, of which 335 were functioning during 1976.

Paddy purchases, since the P. M. B. commenced operations were :—

	<i>Tons</i>
1972	541,193
1973	470,557
1974	428,640
1975	233,043
1976	263,294

Quantities of rice delivered to the Food Commissioner during these years were :—

	<i>Tons</i>
1972	415,729
1973	337,175
1974	259,026
1975	195,241
1976	181,178

A total of 30,323 tons of rice were sold direct outside the ration during the years 1973, 1974, 1975 and 1976.

Collection of paddy as undertaken by the P. M. B. solely depends on voluntary sale of the marketable surplus by farmer cultivators. The weather in Sri Lanka was generally unfavourable for paddy cultivation as reflected in the drop in quantities purchased in ensuing years since 1973. Purchases in 1976 showed a slight increases over the 1975 figure.

The Paddy Marketing Board has since taking over these functions made a careful study of the rice industry and embarked on a programme for improving the systems of collection, as well as modernization of storage and milling activities. The first item of work undertaken in this regard was the adoption of 'weight system' in the purchase of paddy. The purchasing unit earlier, was the bushel. The P. M. B. introduced a system of conversion by pound weight commencing 1973, covering the entire island by the end of 1975.

Bulk storage facilities are being provided with the construction of silos at four sites. Three of these silos were ready for commissioning. Eight new rice milling plants, mostly of 2-tons (per hour) capacity have been imported five of which been installed in 1976.

VI—DEPARTMENT OF MINOR EXPORT CROPS

The three plantation crops, Tea, Rubber and Coconut which had fetched record export earnings over the past years, continue a declining trend. Cultivation of minor export crops, particularly those with an export potential and also orchard crops have in recent years figured significantly in the agricultural economy of the island. State endeavours in the development and promotion of minor export crops became a reality, when a separate department was established in 1972. The Department of Minor Export Crops has as its functions :—

- (a) Promotion and development of cultivation and processing of export crops of a perennial nature other than Tea, Rubber and Coconut; Crops dealt with at present are—Cocoa, Coffee, Cinnamon Cardamom, Pepper, Cloves, Nutmeg, Citronella, Papaw (for papain production) and Oil Palm.
- (b) Organisation of Cultivation of these crops.
- (c) Promotion of cultivation practices and new crops with export potential.
- (d) Financial aid for the construction or rehabilitation according to specified standards of units for distillation of essential oils from leaves or spices.
- (e) Implementation of policy resulting from Project Study on agricultural diversification on un-economic tea and rubber lands.

Minor Export Crops Assistance Scheme

Implementation of targets for the above crops are channeled through the extension services of the Department. Assistance afforded in this regard is :—

In Cash—Subsidies or grants provided to cultivators at various stages of new planting or rehabilitation of crops. The Department also recommends to the People's Bank granting of loans for cultivation purposes.

In Kind—Free planting material in appropriate quantities is issued in the first instance. In case of crop failure, a further free issue is made within specified limits provided that such failure is not attributable to negligence of the cultivator. Out-break of pests and diseases is controlled by free issue of agro-chemicals.

Fertilizer Subsidy Scheme—This scheme continued to function till April 1976, when the Ceylon Fertilizer Corporation introduced its General Fertilizer Subsidy Scheme.

The performance of the Minor Export Crops Scheme during 1976 is outlined in Table 7.5 Cashew and Mulberry are now dealt with by the Ministry of Plantation Industries.

TABLE 7.5—MINOR EXPORT CROPS ASSISTANCE SCHEME—1976

	Cinnamon		Cocoa		Cardamom		Cloves		Nutmeg		Pepper		Coffee		Papaw	
	New plant-ing	Re-plant-ing	New plant-ing	Re-plant-ing	New plant-ing	Re-plant-ing	New plant-ing	Re-plant-ing	New plant-ing	Re-plant-ing	New plant-ing	Re-plant-ing	New plant-ing	Re-plant-ing	New plant-ing	Re-plant-ing
Permits issued	—	310	655	73	17	5	58	—	4	—	1,425	—	482	—	8	—
Extent covered (acres)	—	676	1,191	163	239	12	77	—	8	—	2,050	—	6,596	—	105	—
Acreage planted	—	156	617	33	63	—	1,386*	—	574*	—	644*	—	687*	—	27	—

Re-planting includes Rehabilitation of Crops.

*Inter-plantation with mixed cropping.: actual acreage covered on permits is therefore not obtainable.

Subsidiary Food Crops

The 'national food drive' exerted its impact on the agricultural economy of Sri Lanka. Apart from paddy/cultivation, the government continues to focus much attention on the cultivation of subsidiary food crops as yams, root crops, pulses, chillies, red-onions and fruits. Important subsidiary food crops during 'Maha' and 'Yala' seasons are :—

Yams root crops :

Manioc
Sweet potatoes
Other Root crops

Pulses :

Maize
Sorghum
Green Gram
Soya Beans
Cow-Pea
Ground-nut

Milletts and other crops :

Kurakkan
Meneri
Thanahal
Gingelly
Chillies
Red-onions

Chilli production during the two seasons of the cultivation year 1975-76 was estimated at approximately 378,000 cwt., while red onion production from these two seasons was in the region of 1,509,000 cwt. Potato production during the cultivation year was 763,000 cwt. from an extent of 6,900 acres.

Passion fruit and pine-apple have a potential export market particularly with the tourist 'influx' attributable to a developing tourist industry in Sri Lanka. Fruit growers are afforded such incentives as loans and marketing facilities.

VII—ANIMAL PRODUCTION AND HEALTH

Animal Production

The high cost of stock feed constitutes a major problem for the promotion and development of the animal industry.

Dispersal of stock in certain areas consequent to the implementation of the land reform law affected production temporarily. Large-scale issue of cattle from some state farms to meet the needs of breeders and special projects, thwarted normal production of milk. The main sources of milk supply from state farms and animal projects are :—

Tamankaduwa Project	Ridiyagama Farm
Ambewela/Bopatalawa	Wirawila Farm
Undugoda Farm	Kallagoda/Uyangoda
Nikaweratiya	

Sheep and Goats.—Wirawila Farm in Hambantota District maintains Bikeneri Sheep and their cross-breeds. The Goat Project at Kottukachchiya (Puttalam District) maintains a herd consisting of local breed, Jamnapari and their cross-breeds.

Pigs.—The pig farms at Welisara maintains different breeds, viz., Large Whites, Large Blacks' Landrace and 'Blue' Pigs for purpose of breeding and multiplying breeds for the private sector.

Poultry.—The country's requirements of commercial layer chicks are supplied from 2 sources—(i) private hatcheries which hold monopolistic rights for production of day-old chicks from imported parent stocks of well known strains, and (ii) government poultry farms at Karandagolla and Marawila. Government farms supply sexed and unsexed day-old chicks and broilers at subsidised rates.

Animal Health

The field Veterinary Services continued to perform a vital role in the control of animal diseases both in state-owned projects and private sector farms.

The Incidence of Foot and Mouth and H. Septicanisa and B. Quarter among cattle is kept under strict control by routine immunisation of stock every 6–7 months. The requisite quantities of vaccines are locally produced at the Vaccine Centre, Peradeniya, thus maintaining a satisfactory standard of animal health in the island. Government Veterinary Staff provide vaccination services for immunisation of livestock against animal diseases and poultry.

Artificial Insemination.—A complete survey and evaluation of the artificial insemination service in the Dry Zone and Mid-country was undertaken in 1975. The 2 centres at Kundasale and Tinnevely supply chilled semen to veterinary surgeons in carrying out these inseminations.

A Senior Adviser on artificial insemination under SIDA has assisted the Department of Agriculture in promoting these activities.

Development Programmes

Apart from subsidies for establishing pastures in uneconomic coconut, tea and rubber lands, government has approved a subsidy scheme for establishing pastures in waste lands to be operated under aegis of Agricultural Productivity Committees. This scheme has benefited many dairy farmers. The bulk of planting material for these pasture lands was supplied from the Karandagolla nursery.

Financial assistance was also given dairy farmers under the Sri Lanka International Development Association, Dairy Development Project to establish pasture, construct dairy buildings, supply water service and purchase of cows.

Milk Collection.—Farmers throughout Sri Lanka receive assistance from the extension staff to sell their milk through dairy co-operatives and multipurpose co-operatives.

Extension Work in the Dry Zone Areas.—Selected colonists in the Aluthwewa and Minneriya Colonisation Schemes were issued cows and buffaloes from the state farms. Two satellite milk collection centres have been opened by the Hingurakgoda and Polonnaruwa multi-purpose co-operative societies.

A National Livestock Board was established under the Ministry of Agriculture and Lands with the prime objective of ensuring regular meat supplies to consumers.

Apart from constructing a large-scale abattoir, arrangements were also finalised to acquire land to house slaughter animals and provide necessary grazing ground.

Under the economic relations agreement between Sri Lanka and the Indian Government facilities would be afforded the Sri Lanka Government to obtain livestock breeds and training of the Board's personnel in India.

The National Milk Board

Apart from the 44 milk collecting centres operated by the National Milk Board 6 co-operative milk collecting centres were functioning by the end of 1976. The total milk collection was 104.8 million pints, an increase of 35 per cent over the preceding year's collection of 77.4 million pints. The increase was attributable to a price hike of milk by 30 cents in September 1975 and also steps taken to foster dairy farming activities by offering financial assistance, etc., for the dairy industry.

Of the total quantity of milk collected, 57 per cent was used for production of full cream milk powder at the Ambewela factory, 21 per cent for processed liquid milk, 18 per cent for condensed milk and the balance for other milk products.

Due to an increase in the intake of milk, the Board was able to reduce imports of full cream milk powder to a considerable extent. The spray dried milk factory at Ambewela produced 11 million pounds of full cream milk powder during the year. This works out to 56 per cent of total quantity of "Lakspray" full cream milk powder packed for sale, as compared with 6.7 million pounds produced locally the preceding year. Production in 1975 was about 40 per cent of total packed for sale.

The Sterilized Milk Plant installed with an effective capacity of 20,000 pints per 8 hour-shift, was commissioned in March 1976. The Board commenced commercial production of cheese incidentally the first time since it commenced operation in June 1976.

Production and sales of the Board's Milk products in 1975 and 1976 appear below :—

	1975		1976	
	Production	Sales	Production	Sales
<i>Liquid Milk</i>				
Pasteurised Milk ('000 pints)	16,138	15,798	15,082	15,022
Sterilized Milk ('000 pints)	4,440	4,391	7,007	6,662
	20,578	20,189	22,089	21,684
<i>Powdered Milk ('000 pounds)</i>				
"Lakspray" Full Cream Milk Powder	16,671	16,645	19,723	19,404
"Vitamilk" Infant Milk Powder	1,046	1,013	1,300	1,421
"Vitamalt" Malted Milk Powder	1,199	996	361	551
<i>Condensed Milk '000 (14 oz. tins)</i>				
"Perakum" '000 (14 oz. tins)	17,040	16,092	16,767	17,110
off-grade ('000 pounds)	75	56	669	329
<i>Roller Dried Skim Milk Powder</i>				
Produced at Pallekelle from October 1976 ('000 pounds)	—	—	69	22
Cheese from June 1976 (pounds)	—	—	14,919	9,722
Butter ('000 pounds)	273	324	423	426
Ghee ('000 pounds)	54.0	20.5	22.5	21.5
Ice Cream Bulk (gallons)	17,920	17,083	6,149	5,918
Ice Cream Cups ('000)	—	—	61	32
Yoghurt ('000) (cups)	—	—	695	682
Moru ('000 pints)	167.5	151.5	63.6	55.2
Cream ('000 pints)	3.1	2.5	4.9	3.9

An agreement was entered into with the International Development Association (I. D. A.) and Sri Lanka Government in August 1974, under which I. D. A. would provide a loan of Rs. 90,000,000 repayable in 40 years commencing 1984 for the development of milk production including technical assistance and credit to dairy farmers and such facilities as milk collection, transport and marketing. On completion of this project, milk production in Sri Lanka is expected to increase by a further 43,000,000 pints per year from its present level.

VIII—AGRARIAN SERVICES

Agrarian reforms in Sri Lanka are being geared by the Rural Institutions and Productivity Laws Division of the Ministry of Agriculture and Lands with effect from 1st January, 1974.

The Agricultural Productivity Committee is a recent institution fostering agricultural development. Responsibility in preparing annual agricultural implementation programme is being entrusted to the Productivity Committees. Preparation of the Agricultural Lands Register under the Agricultural Productivity Law commenced during 1975.

The construction of 48 agricultural service centres which function as agricultural productivity committee centres and centres serving farmers' needs were completed during 1976. 52 more centres are under construction involving a sum of Rs. 2,820,304 on construction work.

Apart from construction of agricultural service centres, work commenced on construction of 100 fertilizer stores of 40 ton capacities attached to Agricultural Service Centres. Of these, 35 Fertilizer Stores were completed at the end of 1976.

Of the agricultural service centres constructed during the year, 54 were opened giving a total of 366 such centres functioning as at end of 1976. 38 branches of the Bank of Ceylon attached to Agricultural service centres extending loan and other banking facilities to agricultural productivity committees and farmers were opened during the year. Action was initiated to obtain overdraft facilities for agricultural productivity committees for purchase of tractors, mammoths, seed paddy, etc. Agricultural productivity committees have also been supplied two wheeled tractors, tractor spares and alkathene piping.

Under the scheme for the issue of farmers' identity cards, a total of 5,567 Identity cards were issued during 1976. The total number of farmer's identity cards issued as at end of 1976 totalled 1,35,268.

The division implements an extensive training programme. A total of 22,607 members of A. P. C. C. were trained in management and organisational functions. There were 22 Agricultural Tribunals set up by the end of 1976, in all districts to inquire into agricultural disputes of farmers. Of these, 21 Tribunals (excepting Moneragala) are conducting enquiries at present.

On the basis of information available, 10,644 tenant cultivators' disputes were taken up for hearing, and enquiries were completed in respect of 3,140. In 669 cases where decision had been made by the Agricultural Tribunal, these cases were forwarded to courts, to decide on tenancy.

The responsibility of the distribution of paddy fertilizer under the subsidy scheme also rests with the division. Fertilizer issues during 1976 totalled 75,276 tons.

IX—AGRICULTURAL INSURANCE SCHEME

The Crop Insurance Scheme for paddy cultivation initiated by the Agrarian Services Division of the Ministry of Agriculture has since widened its scope of activity to cover other agricultural crops livestock.

Paddy Premium collections for 1975-76 Maha season were finalised. Around 260,000 farmers participated in the scheme contributing about Rs. 3.85 million to the insurance fund. Satisfactory progress was achieved in Jaffna, Vavuniya, Anuradhapura, Polonnaruwa, Mannar, Kalutara, Galle and Kandy districts. By the end of December 1976, a sum of Rs. 4.73 million was paid as indemnities to farmers who suffered crop loss, in all districts of the Island.

The 1976 Yala insurance operations commenced during April 1976 and by the end of December a sum of Rs. 1.35 million was collected as premia. Progress in premia collection during Yala 1976 is satisfactory as compared with Yala 1975 showing an increase from 10 to 15 per cent in Yala 1976.

The increase in progress is mainly attributable to active participation of farmers in Matara, Anuradhapura, Polonnaruwa, Vavuniya, Amparai, Kurunegala and Kegalle districts. A sum of Rs. 1.7 million has so far been paid to farmers who suffered crop losses during 1976 Yala season.

Insurance operations for 1976-77 Maha season commenced during September 1976 and upto end of December a sum of Rs. 1.8 million has been collected as *premia* covering all the 22 districts.

Livestock

The scheme for insurance coverage of dairy cattle supplied to farmers under the Sri Lanka/IDA Dairy Development Project was finalised. A sum of Rs. 9 million is being channelled under this project through the Bank of Ceylon and People's Bank as loans to farmers in mid country, and coconut 'triangles'. Insurance coverage for cattle purchased on these loans is compulsory. The scheme would be administered in close liaison with Project Technical Unit of the Agriculture Department and lending institutions. All heifers and cows under this project would be covered by insurance at a premium rate of 3 per cent of value, to indemnify against loss through death of the animal insured resulting from accident or diseases. Additional premium of .5 per cent is charged to cover loss against theft.

The Agricultural Insurance Board has insured around 983 herd of cattle valued at Rs. 1,953,944 and premium collected is Rs. 64,546. A total of 76 claims were received during 1976 and amount claimed is Rs. 125,360.

Actuarial Operations

(a) *Revision of Premium Rates.*—Based on experience in the past two cultivation seasons and crop damage statistics available, premium rates for the paddy sector were revised. The rates computed on the basis of crop damage statistics (both total and partial) of the Department of Census and Statistics for a period of 5 years by DROO divisions were applied to the respective APC areas and adjusted taking to cognizance of local variations. Main features of these computations are :—

- (i) Premium rates computed for each Rs. 100 coverage.
- (ii) Premium rate is directly related to damage rate in the locality.
- (iii) Optional levels of *premia* based on desired level of coverage offered to farmers.

This new scheme came into operation during 1976-77 Maha season.

(b) *Identification of tracts (Yayas) as unit of insurance.*—A survey is being carried out to identify tracts (yayas) as insurance unit on the basis of uniform level of risk and productivity. On completion of the survey 'Yaya' will be treated as one unit in determining *premia* and indemnities.

Arrangements were made to incorporate this survey to the education curriculum. As a result of discussions held with officials of the curriculum development centre, the survey was conducted in Bandaragama APC with assistance of Wewita Maha Vidyalaya. Similar surveys were also conducted in Kalutara, Galle, Polonnaruwa and Kegalle districts.

(c) *Training of loss adjustors.*—Training of loss adjustors to improve personal judgement in eye estimating the damage to standing crops by conducting a series of objective yield surveys was undertaken. Technical assistance in this regard has been sought from Sweden.

(d) *Prosecution of defaulters.*—Since the insurance coverage for the paddy crop is compulsory, *premia* are considered due for collection before sowing/transplanting. A. P. CC have been authorised to prosecute *premia* defaulters commencing Maha 1975-76 seasons.

Publicity and Training

(a) Training course on agro-technical aspects of agricultural insurance for agriculture insurance officials and graduate trainees at the inservice training centre, Gannoruwa.

(b) Training classes for agricultural productivity centre officials, administrative secretaries and graduate trainees.

(c) Press releases on agricultural insurance issued.

(d) Classes for students following a course in development studies at the Colombo-campus of the university of Sri Lanka. As part of the training course these students were deployed for a field study on agricultural insurance. A seminar on agricultural insurance was also held at the Vidodaya campus for students following a similar course.

(e) A two-day training session for each batch of Graduate Trainees and Agriculture Insurance Officials who had served 6 months on the job-training in the districts.

TABLE 7.6—PROGRESS OF AGRICULTURAL INSURANCE (PADDY CULTIVATION)—1976

<i>District</i>	<i>1975-76 Maha</i>		<i>1976 Yala</i>	
	<i>Premium Collected</i>	<i>Indemnity paid</i>	<i>Premium Collected</i>	<i>Indemnity paid</i>
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Colombo	128,558	239,176	34,600	10,409
Kalutara	177,288	173,015	62,943	33,843
Kandy	157,857	129,920	94,269	60,595
Matale	91,973	63,806	25,626	20,993
Nuwara-Eliya	10,161	28,500	4,802	5,726
Galle	145,222	169,784	89,971	133,724
Matara	57,384	93,300	79,100	117,869
Hambantota	101,834	111,222	82,457	339,406
Jaffna	558,504	164,070	112,580	2,922
Vavuniya	510,020	464,400	810	300
Mannar	202,875	195,718	7,500	—
Batticaloa	134,146	83,110	94,692	—
Trincomalee	64,964	59,603	5,550	1,620
Ampara	195,980	152,653	75,050	74,746
Kurunegala	118,750	37,575	100,222	156,716
Puttalam	124,971	160,182	18,866	33,565
Anuradhapura	524,820	1,991,630	126,458	27,121
Polonnaruwa	331,419	216,490	158,040	78,050
Badulla	59,300	92,564	372	—
Moneragala	38,507	79,836	3,000	1,762
Ratnapura	41,496	25,890	8,605	1,461
Kegalle	47,570	42,924	144,954	574,681
Walawe Region	30,423	19,073	23,316	7,098
	3,854,022	4,794,441	1,353,783	1,682,607

X—FOOD SUPPLY

A major problem for most of the third World Countries is to find food to feed their teeming millions. Sri Lanka too is no exception with an increasing population and beset with the various other problems as severe shortage of essential foodstuffs, escalating prices and recurrent spells of drought both at home and in various producing countries. Despite all these, the Government has ensured an adequate supply of foodstuffs available for distribution to all parts of the island.

Quantities of rice, flour and sugar imported by the Food Department in 1976 were :—

<i>Commodity</i>	<i>Source</i>	<i>Quantity Imported in Nett Long Tons</i>	<i>Value (Cost and Freight)</i>
			<i>Rs.</i>
Rice	China	36,798.49	74,572,659
	Burma	24,867.70	42,236,636
	Burma Rice (under China Contract)	99,940.20	188,902,384
	Thai Rice (under China Contract)	39,514.67	70,938,670
	Thai Rice (under Private Contract)	27,114.15	42,595,755
	Thai Rice (Government Contract)	16,197.74	23,071,539
	Thai Rice (Japanese Gift)	3,364.93	9,700,343
	Pakistan	170,552.07	271,844,721
		418,349.95	723,862,707
Flour	Australia	45,833.62	106,230,146
	France	108,349.76	211,509,715
	Belgium	32,503.19	61,688,627
	Italy	10,681.77	20,048,168
	Singapore	13,588.69	22,451,409
	America (PL. 480)	98,390.39	207,658,401
	U. N. Grant (E. C. M. Origin)	10,309.86	19,398,067
	Canadian (Gift)	16,071.90	42,279,442
	F. R. G. (Gift)	11,732.19	20,386,538
	Australian (Gift)	7,501.78	17,334,781
	French (Gift)	9,098.74	20,696,701
	Netherland (Gift)	3,395.51	6,856,005
	Sweden (Gift)	12,302.59	24,280,687
	Total	379,759.99	780,818,687
Sugar	Thailand (Cane Raw Sugar)	31,465.54	84,259,100
	Indian (White Crystal Sugar)	11,908.90	36,322,083
	Food aid from West Germany—(White Sugar F. F. H. C.)	489.01	1,475,668
	Thailand (Cane Raw Sugar) Gift under the World Food Programme	2,066.83	6,219,212
	Total	45,930.28	128,276,063

Imported rice, flour and sugar were distributed to the consumers through a network of Multi-purpose Co-operatives. In addition a quantity of 3,526 tons of flour and 2,874 tons of sugar were distributed to consumers throughout the Island under the World Food Programme (Project Nos. 431, 748, 2,009 and 2,223). The Food Commissioner's Department is also responsible for effective control and distribution of maldivian fish on ration.

Changes were effected in the ration scheme of rice and flour during 1976. Issues to consumers during the year were :—

Rice	(Fresh Issue)			
		Imported rice	192,386 tons	} 306,454
		Locally produced	114,068 tons	
	Sold at subsidised rate of Re. 1 per lb.			
		Imported	214,694 tons	} 295,761
		Locally produced	81,067 tons	
			Total	602,215

Flour 496,014 tons

Sugar	Local Tons	Imported Tons	Total Tons
Rationed	15,302	43,206	58,508
Off-ration	4,322	13,763	18,085
Total	19,624	56,969	76,593

The issue of sugar to consumers was increased during latter part of the year from $\frac{3}{4}$ lb. to 1 lb. on each ration book, with no variation in the price of this commodity.

XI—PRICE CONTROL ACTIVITIES

The Price Control Department enforces the Price Control Act, the Weights and Measures Ordinance and the Licencing of Traders Act. It enforces the price orders issued by the National Price Commission and has the Deputy Warden of Standards of the weights and measures division as Chairman of the National Metric Conversion Authority.

Price Control

The items which continued to be under price control in 1976 were :—

Wheat Flour, bread, sugar, coriander, infants' milk foods, condensed milk, full cream milk powder, beef, mutton, sheet glass, cement, formic acid, drugs (more than 6,000 items) exercise books, monitors exercise books, pencils, coloured pencils, slates, slate pencils, mathematical instrument boxes, mantles, asbestos sheets, bicycles, umbrellas, infants' feeding bottles, tyres and tubes for motor vehicles, motor vehicle spares, synthetic textiles, sewing machines, tooth-paste, margarine, pelargon and nestogen.

More items were brought under price control by the Emergency (Regulation of Trade) Regulations in May 1976. These includes bicycle tyres and tubes, rubber slippers, electric bulbs, socks, ball point pens, soap, sewing thread, biscuits, tooth brushes, paints, torch and transistor batteries, milk board milk, tea chest compartments, fertilizer, aerated waters, ayurvedic drugs, water pumps, boxes of matches, disinfectants and insecticides, canvas shoes, canned products of the marketing department and Talcum toilet powder.

The enforcement of price control measures continued during the year through the price control station in Colombo and price control units in the Kachcheries. The price control staff of the Department carried out 10,807 raids on trading establishments and 2,375 cases filed in courts for offences under the Price Control Act. A sum of Rs. 244,275 was recovered during the year as fines.

Powers under the Price Control Act, and the Food Supplies Ordinance were used to requisition the following items :—

Beedi Tobacco	Paper
Poonac	Fishing Nets
Soap	Beef
Tumeric	Mutton
Shirts	Boxes of Matches
Synthetic Sarees	Lakspray Milk powder
	Suitings

The draft of a new law to replace the Licensing of Traders Act was presented in the National State Assembly during the year.

Weights and Measures

Enforcement of the Weights and Measures Ordinance includes the annual testing and stamping of weights and measures and weighing and measuring instruments. The ordinance covers detection and prosecution of traders who use unstamped or false weights or who deliver short weight or short measure. The Weights and Measures personnel of the department tested and stamped 915,649 British Units and 26,426 Metric Units of Weights and Measures and Weighing and Measuring instruments collecting a sum of Rs. 496,244 as stamping fees. A total of 2,996 trading establishments were inspected detecting 1,178 offences. Fines collected in the relevant cases totalled Rs. 41,062.

Metrication

The programme of the National Metric Conversion Authority outlined for the year 1976 was :

- (a) the consolidation of changes made in the preceding years
- (b) the extension of changes to the producers of primary export products
- (c) metrication of the import trade
- (d) commencement of changes in industry
- (e) initiating studies in connection with engineering skills

The department of highways installed Kilometer signs on 'A' class roads.

The factories, viz., the Lanka Wall Tiles Factory at Balangoda and the National Textile Corporation Factory at Minneriya were designed and executed in metric units.

New publications issued by the National Metric Conversion Authority in 1976 were :—

- (1) Metrication Guide for the Tea Grower
- (2) Metrication Guide for the Rubber Grower

A publicity campaign on the metric system was carried out in the press and a Metrication Stall was run at the Agro-Exhibition in Nuwara-Eliya.

XII—THE DEVELOPMENT OF MARKETING

The main activities of the Department for Development of Marketing are :—

- (i) Vegetable and fruit marketing.
- (ii) Fruit processing and canning.
- (iii) Sri Lanka Products Shops.
- (iv) Hospital supplies
- (v) Cold storage of fish, meat, butter and eggs.
- (vi) Food Research and Marketing Intelligence Service.

The department also maintains a kitchen and bakery to cater to the public and private needs. The prime objective of the department is to afford facilities to producers and producer societies of vegetables, fruit and other agricultural commodities to market their produce and assist the consumer to purchase these items at reasonable prices. These activities are now being implemented through vegetable purchasing centres, people's shops and 'mahajana polas' established throughout the Island.

Vegetables and Fruits

The quantities of vegetables and fruits bought from local producers by the 47 collecting centres scattered over the island during the years 1975 and 1976 were :—

	<i>Vegetables</i> (lb)	<i>Fruits (Weight)</i> (lb)	<i>Fruit (Bulk)</i> (No.)
1975	23,813,194	11,031,554	3,394,551
1976	26,638,964	10,432,206	3,609,307

The quantities of vegetables and fruits received at the Mahajana Pola, Janatha Pola and Tripoli Market during the Two years were :—

	1975	1976
Vegetables (lb)	27,929,033	16,756,952 (a)
Fruits (lb)	3,140,816	3,372,797
Fruits (Bulk (Nos.))	1,616,455	2,438,424

(a) Janatha Pola was not held from July, 1976.

A total of 5,338,518 eggs were received at the Tripoli, compared with 1,300,511 eggs the preceding year.

The total Sales of these commodities including grain and subsidiary food items were :—

	<i>Sales</i> <i>Rs.</i>
Vegetable Wholesale Floor	3,121,985
Wholesale Floor—Grains	3,029,507
Peoples' Shops	33,790,102

New Peoples' Shops were opened during the year at Dematagoda, Kolonnawa, I. D. H., Narāhen-pita, Battaramulla and Angoda.

	<i>Sales</i> <i>Rs.</i>
Mahajana Pola	8,169,540
Tripoli Sales at retail outlets	11,738,852
Janata Pola	557,528

The canning factory at Narahenpita earned Rs. 3,585,189 from export of canned fruit.

The department's kitchen at Narahenpita earned an income of Rs. 2,295,819 from supply of food preparations to various government departments and government sponsored institutions. The bakery had an income of Rs. 4,218,600 from sale of Bakery products.

Hospital supplies continue to be channelled through the department. The items so supplied include vegetables, provisions, meat, fish and other commodities involving government hospitals and allied institutions located in various parts of the Island.

The second canning factory at Attanagalla was completed in June 1976. Reclamation of land for the proposed wholesale market at Orugodawatta by the Colombo District (Low lying Areas) Reclamation and Development Board is also complete. Construction work in this regard is being undertaken by the State Engineering Corporation.

XIII—SRI LANKA NATIONAL FREEDOM FROM HUNGER CAMPAIGN BOARD

The Sri Lanka National Freedom from Hunger Campaign Board was set up in March 1973 as a Statutory Body under the Ministry of Agriculture and Lands in terms of Sri Lanka National Freedom from Hunger Campaign Law (No. 15) of 1973.

The General objects of the Board as out lined in the Law of 1973 are :—

- (i) to secure the aid of non-governmental agencies, both foreign and local, for social and economic development in accordance with the programme of development formulated by the Government.
- (ii) to assist institutions and other bodies in carrying out schemes of public utility, social welfare and economic development ;
- (iii) to aid, promote and co-ordinate specific projects directed towards agricultural and industrial development ;
- (iv) to stimulate non-governmental agencies in the implementation of projects for increasing agricultural and industrial production ;
- (v) to collaborate with the International Freedom from Hunger Campaign and other similar institutions, associations or societies abroad.

Field of Activity

The major fields of activity of the Board are land reclamation, agricultural extension, seed production and seed certification, agricultural, industrial and vocational training.

A large number of projects have been processed and applications made for assistance. Main fields covered since institution of the Board include agriculture, agricultural vocational training, soya milk processing, dairy farming and fisheries development. Other projects connected with agriculture, Industry, vocational training, health and settlement are being examined with a view to supporting their claims for assistance from abroad. Value of foreign assistance channelled to non-governmental organisations has been in the region of Rs. 3.5 million.

Location of Projects

The Board is solely concerned with assisting non-governmental organisations in agricultural industrial and training projects. Future objectives of the Board would be to assist non-governmental organisation in securing a well planned, co-ordinated effort and thus making a greater impact on the agricultural and industrial fields so as to generate a high level of productivity and employment opportunities in the non-governmental sector.

CHAPTER VIII

INDUSTRY

I—INDUSTRIAL DEVELOPMENT BOARD OF CEYLON

The Industrial Development Board of Ceylon was established in May 1966, as an autonomous body under the State Industrial Corporation Act, No. 49 of 1957. The activities of the Board in 1976, were directed towards consolidating its resources for the effective performance of its role in promoting and developing the small industry sector. Active collaboration with such organisations as the CISIR, NERD, RRI and Bureau of Standards were continued. A meaningful programme which would have an impact on productivity of the small scale sector and its contribution to the national economy is envisaged.

There were in all 4,071 industrial units approved by the Ministry of Industries and Scientific Affairs as at end of 1975. Approximately 90 per cent of these units covered small scale industry sector. A total of 420 units were approved by the Ministry during 1976. Industrial units serviced by the IDB fall into a very wide range presenting problems as regards organisational aspect of work of the Board itself. The provision of general extension services has been concentrated on a few selected priority areas, particularly in regard to machinery and process technology. Selections on the basis of importance of various industrial fields were made with due consideration of the potential for development and resources made available to the Industrial Development Board. Such selected fields were :—

- | | |
|--|--|
| (1) Rubber products | Machinery, testing processes, product development, viz., adhesives and paints |
| (2) Food processing | Canning, Fermentation, dehydration and allied preservation processes of fruits, vegetables, fish, meat and vegetable |
| (3) Metals | Ferrous and non-ferrous foundries, testing, heat treatment and metal work |
| (4) Wood industries | Seasoning, preservation, tableware, toys and furniture |
| (5) Agro-Industries and agricultural waste utilisation | Fibres, bio gas, compost, product development of waste matter from rice, sugarcane, coconut, casava and fruit |
| (6) Mineral based industries | Processing and product development from graphite, micadolomite, limestone, abrasives and paints |
| (7) Building materials | Brick, cement and cement substitutes, clay, masonry cement work |
| (8) Leather and foot wear | Machinery, processing, product development, waste utilisation |
| (9) Packaging | Materials, machinery, designs |

Small Scale Industry

The role of the IDB in the promotion and development of the small-scale industry sector is undoubtedly a 'challenging' one and beset with the problem of making quantitative assessment of its performance. With such difficulties as experienced in actual quantitative assessment, it was decided to adopt criteria as listed below for purposes of evaluation of the work undertaken particularly in the regional set-up.

- (i) New units opened during the year.
- (ii) Approval of new units by the LIAC of the Ministry of Industries and Scientific Affairs.
- (iii) Applications from entrepreneurs to set up new units.
- (iv) Quantum of loans recommended by the IDB and approved by banks.
- (v) Adequate supervision of loans granted to industrial units.

Analysis by purpose of 'visits' to the regional offices of the I. D. B. by prospective industrialists showed a 63 per cent coverage for finance considerations while industry approvals had a 22 per cent coverage. It thus appears that major aspects for which assistance is sought are those of financing, marketing and approval of industrial ventures.

New Industrial projects

The work undertaken in this regard is identification of projects, their feasibility, project reports and subsequent implementation as development or multiplication projects. Feasibility studies of 42 products were undertaken during the year, of which 28 have been completed while 14 have been selected for preparation of project reports.

These studies include manufacture of ferrites, dextrine, groundnut products, tartaric acid, dehydrated fruits, stretched tape woven sacks, press moulded glassware, fishing nets, agar-agar and corrugated cartons. Action has also been initiated to prepare model project reports in respect of products and services for multiplicity projects to be set up in different parts of the country, particularly in the rural sector.

New development projects set up during the year were :—

- | | |
|-----------------------|------------|
| (i) Turkey Red Oil | Katubedde |
| (ii) Peanut Butter | Pallekelle |
| (iii) Pineapple Fibre | Dompe |

The Turkey Red Oil Project is based on process technology developed by the CISIR. The plant has been commissioned and would be handed over to the Sri Lanka Industrial Development Co. for commercial operation. The work on the Peanut Butter Project has been completed. The pineapple fibre project relates to product development.

The other projects undertaken on an experimental basis were wood charcoal, distillation of acetic acid from pyrolignous liquor, banana fibre board, commercial use of coconut juice, smoked fish, manufacture of boxes of weights, dolomite powder and utilisation of copir dust for fuel and in the rubber industry. Work has also been initiated on the manufacture of natural dyes in collaboration with the Vidyodaya campus and Stearic Acid from rubber seed oil with the Colombo campus of the University of Sri Lanka.

Work on the manufacture of banana fibre board has been completed and a project report has been prepared. The project would be set up in proximity to Dambulla.

Consultancy services were provided for the setting up of a number of other projects. These include two tile factories at Divulapitiya and Dambadeniya, two Lime Kilns at Hikkaduwa and Dodangaslanda and a number of projects manufacturing jaggery from coconut, palmyrah and sugar cane.

Special Studies on the Small Scale Sector

Programme of the work undertaken includes in-depth studies of the cast iron foundry industry, motor spares industry essential oils, and rubber products. The report on the study of cast iron foundry industry in Sri Lanka was published during the year. The services of an Engineer from Technonet Asia, a project of the IDRC, was obtained in the preparation of a programme of follow-up action on major recommendations as outlined in the report.

A study on the electronics industry in Sri Lanka was undertaken by Dr. Ram K. Vepa, UNIDO Expert on Small Industry Development. The report has made several recommendations for the expansion of the industry, which has made tremendous strides abroad in the recent past. The study on the motor spares industry has been completed.

The work on the survey of 'unapproved' industrial units was started with the assistance of the district administration. The first part of the survey has been completed. This survey would assist the IDB in the selection of entrepreneurs for further development.

A Directory of industrial products and manufacturing units in Sri Lanka, was published in December 1976. A follow-up to the Directory of Approved Industries was published the preceding year.

The lack of basic statistical information as regards small-scale industry sector continue to thwart planning and programming of development activity in this field. The Ministry of Industries and Scientific Affairs in collaboration with the IDB and other organisations conducted a survey of all approved industries during the year. Information collected in this survey would reveal the significant contribution of the small-scale industrial sector to the economic development of the country.

Extension Services

The extension services division of the IDB undertook a co-ordinated programme as regards all forms of assistance required by the industrialists. These services mainly took the form of assistance as financing, marketing and approval of the industrial projects. Assistance was also sought as regards machinery and process technology.

The I. D. B. concentrated its attention on a few selected product fields with a view to providing a package programme for the up-grading of the industry sector. Products identified were starch, water colours and rubber products. Assistance was rendered in process technology, quality control, availability of raw material and packaging. The National Textile Corporation and the Ministry of Education afforded necessary assistance. As regards the rubber industry, action has been initiated in collaboration with the CISIR and the RRI to formulate a quality control system to ensure the quality of products manufactured. As a first stage a centralised unit for the sale of dry rubber compound and centrifuged latex has been established. The industrialists are provided raw material at reasonable prices. Centralised import of raw material required for the rubber industry is being examined with a view to ensuring regular supplies of good quality material.

A potential for the development of the rubber industry especially in the rural sector exists.

As a part of the extension effort, a series of training programmes were conducted during the year. A training course in basic accounting methods was organised on a regional basis with the participation of 253 industrialists. The training courses in industrial safety held in collaboration with the Department of Labour were attended by 85 industrialists. Seminars and workshops were also conducted for small-scale rubber manufacturers with the assistance of the RRI.

The Eight officers participated at training courses sponsored by TECHNINET ASIA, a project of the IDRC in industrial extension and information held at the University of Philippines—Institute of Small Scale Industry, Manila.

Financing Small-Scale Industry

Credit requirements constitute an important component of assistances required by the small-scale industry sector was reviewed and an expanded credit scheme was introduced in March 1976, with the participation of the Bank of Ceylon.

A total of 154 loans for Rs. 2,721,925 had been released to small industrialists under the original loan scheme with the People's Bank. The expanded scheme provides for a maximum loan of Rs. 400,000 with an extended period for repayment. The loans approved by banks for the period March to December 1976, totalled Rs. 3,460,225 for 145 industrialists in the small-scale sector.

Marketing

Product marketing is a vital function of the small-scale industrialists and is beset with problem particularly where the owner entrepreneur has to engage himself in a variety of functions.

The marketing centre for small-scale industry was established in Colombo in June 1976. Attempts are being made to organise small-scale manufacturers to meet large orders of Government Organisations and various private sector institutions.

The advisory services afforded by the marketing division of the I. D. B. has evinced much popularity.

Water colours, manufacture of starch, banana fibre and educational aids receiving special attention. Considerable improvement in marketing arrangements of these products, quality and packaging has been achieved.

Under the marketing credit scheme operated with the People's Bank, a sum of Rs. 601,427 was made available to 73 industrialists during the year.

Development (Machinery)

The programme of development and adaptation of machinery covered prototypes of a fretsaw, a maize sheller and a foot operated bellows pump. Designs of the two-wheeled tractor developed by the IDB were made available to the Hambantota DDC.

The sugar cane crusher programme continues. It has been estimated that major manufacturers would be in a position to meet the demand for 3-roller crushers.

The engineering division completed the design and manufacture of strawboard machinery and equipment for safety match units.

Industrial Estates

Work on Pallekelle and Atchuvely Industrial Estates was completed during 1976. All 42 units in the Ekala Estate have been occupied throughout the year. Occupancy at Pallekelle and Atchuvely has not been quite satisfactory attributable, perhaps to high rentals charged for accommodation in these two estates. A rent purchases scheme is envisaged in these industrial estates, to ensure optimum occupancy levels.

It has also been decided to develop an additional extent of 5 acres in Ekala with six units to cater to growing demand for industrial accommodation in Colombo suburbs. An extent of 8½ acres would be made available to suitable industrialists as developed plots.

The establishment of "mini" industrial estates, as growth centres specially in the rural sector, to cater not only to manufacturing industry but service industry as well is being mooted. Feasibility study for establishment of such an estate at Keppetigollawa, Anuradhapura district has commenced.

Bio-Gas Generator Programme

The energy crisis focussed much attention on the development of novel forms of energy. The popularisation of bio-gas consumption using 'dung' and other waste material received considerable attention during the year.

A suitable bio-gas generator for use in Sri Lanka has been developed. The plant of 110 cubic ft. capacity established at its premises in Moratuwa was tested and 'designs' made available to interested parties. A programme to popularise these plants with the establishment of demonstration units in the regions, mainly in schools has been decided on.

Demonstration units were established in Colombo, Matara and Badulla. Additional plants at Kandy, Jaffna, Anuradhapura and Kurunegala would be commissioned shortly.

A new model generator was designed at an estimated cost of Rs. 1,200 through the initial figure envisaged was in the region of Rs. 3,500. This consists of a concrete tank constructed under ground level. Laboratory scale model has so performed satisfactorily.

Boron Rubberwood

The work on Boron Rubberwood Project continues. A total of 26,500 cubic feet of rubberwood valued at Rs. 500,000 were processed at Kandana and the 4 satellite mills. An export promotion four has revealed that considerable prospects for export of rubberwood to the Middle East and Europe exist. Exports during 1976 were 2,000 cubic feet valued at US \$ 6,000 at f.o.b. prices.

Advisory and Information Services

The UNIDO made available the services of Dr. Ram K. Vepa on a nine-month assignment for small-scale industry development. Most of the recommendations of the Report have been accepted for implementation by the Board. The services of Dr. R. H. Kirby, Expert in Fibre Technology was also made available by UNIDO on a two-month assignment. Dr. Kirby made a survey of resources available and made recommendations as regards further development in this field. Services of Dr. R. H. Rao of the Kanpur Institute of Sugar Technology were made available by the Indian Government on a three-month assignment. Dr. Rao had contact with a large number of industrial units producing jaggery and allied products from sugar cane, coconut and plamyrarh.

The IBD's monthly issue 'Karmanthé' has evinced much popularity with an increase in membership which now stands at 4,000 Sinhala and 2,500 English copies of the publication.

II—PRIVATE SECTOR

Private Sector Industries

Significant characteristics of the private sector manufacturing industries as surfaced in the preliminary report of a recent survey on manufacturing industries reveal the predominant position small-scale units occupy with each capital investment of less than Rs. 1 lakh. These small-scale units comprise 78 per cent of industrial units in the private manufacturing sector in the country. About 55 per cent share of the value of annual output is accounted by 181 industrial units each with a capital investment of over Rs. 1 million and constitutes 8 per cent of total number of approved industries in the private sector. These characteristics are summarised below :

<i>Value of Fixed Capital Assets (Plant and Machinery) Size of Industry</i>	<i>Establishment</i>		<i>Percentage value of output (Ex-Factory)</i>
	<i>Number</i>	<i>Per cent</i>	
(i) Over Rs. 1 million	181	8	55.6
(ii) Less than Rs. 1 million and over Rs. 100,000	337	14	16.0
(iii) Less than Rs. 100,000	1,850	78	28.4
	2,368	100.0	100.0

The private sector manufacturing units recorded a modest growth rate in (real terms) of 1.2 per cent during 1976 main sub-sectors where an expansion in value of output recorded were :—

<i>Sub-Sector</i>	<i>Ex-factory value of production (Rs. million)</i>	<i>Ex-factory value of production (Rs. million)</i>
	1975	1976
Manufacture of food beverages and tobacco	782.4	999.5
Textiles, wearing apparel and ready-made garments	332.3	516.7
Base Metal Industries	32.8	41.2
Manufacture of fabricated metal products	407.2	456.2

The increase in production in the sub-sector food beverages and tobacco could be attributed to the fact that 63 per cent of the total value of raw material used in this sector was of indigenous origin and as such the foreign exchange constraint is not an obstruction to the expansion effort. In the other sub-sectors increase in production was mainly due to the availability of raw material from foreign sources as *vital industries were granted foreign exchange to gear production to optimum capacity.* These sub-sectors were also successful in obtaining local raw material.

New Industries

A total of 372 New Industries were approved in 1976. These industries which would be financed solely from domestic sources. Detail composition of these units appear in the table below :—

TABLE 8.1—DATA ON INVESTMENTS AND EMPLOYMENT IN APPROVED INDUSTRIES BY INDUSTRIAL SECTORS—1976

<i>Industry Sector</i>	<i>Category</i>	<i>Total employment</i>	<i>Total Investment (Rs. '000)</i>	<i>Total No. of Units</i>
401	Meat, Fish and Milk products	60	490.0	01
402	Fruit and Vegetable Products	59	2,551.0	04
403	Confectionery, Bakery Cereal and products	335	1,023.0	10
404	Spirits, Alcoholic Beverages and Areated Waters	—	—	—
405	Other food products and tobacco	288	659.9	16
406	Spinning Weaving and Finishing of textiles and woven textile products	1,869	3,154.5	13
407	Manufacture of made up garments	8,616	55,524.8	16
408	Petroleum, Petroleum products and petro chemicals	31	179.0	04
409	Salt and salt based chemicals	—	—	—
410	Other Chemical Products	595	580.0	08
411	Pharmaceuticals, Medical supplies and Cosmetics	77	1,101.0	03
412	Soap, Vegetable and animal oils and fats	1,976	5,246.7	199
413	Leather and rubber products	208	1,370.8	16
414	Manufacture of wood, paper and pulp	455	2,307.6	18
415	Clay, Sand and Cement products	196	1,257.0	08
416	Basic Metal Industries (excluding transport machinery)	109	1,233.6	09
417	Ferrous and Non-Ferrous Metal products other than machinery	288	1,066.6	20
418	Transport Equipment Spares	311	2,556.0	11
419	Electrical goods	169	197.0	12
420	Optical and Photographic goods and precision products	70	129.7	04
Grand Total		*15,712	*80,628.2	372

* Arithmetic Total

Investment to the tune of Rs. 55.5 million has been approved in the Sub-sector Garment Manufacture. This investment is being geared exclusively to make garments for export market. Total investment envisaged in new industries is in the region of Rs. 80.6 million as compared with Rs. 6.6 million in 1975 and Rs. 21.0 million in 1974. A total of 15,712 job opportunities would be created once these industries are established.

III—STATE—SPONSORED CORPORATIONS

Ceylon Cement Corporation

The Ceylon Cement Corporation was established in 1959 under the State Industrial Corporation Act (No.49) of 1957. Production capacity of the production units of the corporation, viz., Kankasanturai cement factory, Puttalam and ruhunu cement works is in the region of 710,000 tons. Entire consumer demand of the island's cement requirements is being met by the Corporation. A total of 899 tons of cement were exported to the middle east countries earning a foreign exchange component, viz., Rs. 368,077 inclusive of FEECs.

Production and sales figures for the year 1976 were :—

<i>Production</i>	<i>Tons</i>
Kankasanturai Cement Factory	196,213
Puttalam Cement Works	184,191
Ruhunu Cement Works	36,045
Total	416,449
<i>Sales</i>	<i>Tons</i>
Kankasanturai Cement Factory	179,798
Puttalam Cement Works	183,064
Ruhunu Cement Works	58,485
Total	421,347

Sales include stock-in-hand.

The production and sale of concrete fabricators of the Corporation during 1976 were :

	<i>Rs.</i>
Production	990,580
Sales	747,086

The employees strength of the Corporation as at end of 1976 was 2,625 including administrative, technical and labour grades.

Paranthan Chemicals Corporation

The Corporation was set up under Section (2) of the Government-sponsored Corporations Act (No. 19) of 1955 by Incorporation Order published in Government *Gazette* of March 1, 1956, for purpose of taking over, erecting, commissioning and operating the Government Chemicals Factory at Paranthan. Subsequently, in 1957, the Corporation was brought under the State Industrial Corporations Act (No. 49) of 1957.

The main activities of the Corporation are :

- (i) manufacture and sale of Caustic Soda and Chlorine :
- (ii) manufacture and sale of by-products, viz., Hydrochloric Acid, Zinc Chloride, Ferric Chloride, Table Salt, etc., and
- (iii) import and sale of Caustic Soda.

The production targets and performance for the two years 1975 and 1976 were :—

Product	Target	Performance	Target	Performance
	1975	1976	1975	1976
Caustic Soda Liquid	1,341	1,400	1,239	1,546
Liquid Chlorine	609	750	576	692
Hydrochloric Acid	391	650	411	600
Table Salt	406	480	402	494
Ferric Chloride	66	240	69	29
Zinc Chloride	56	120	62	89

(Production figures in Metric Tons)

Substantial increases in production have been recorded during 1976, as compared with several preceding years. The production of 1,546 metric tons of caustic soda liquid was the highest ever recorded. Power failures and voltage fluctuations continued to hamper production at the factory and stoppages of plant due to commissioning of the Expansion Project thwarted further progress.

Caustic Soda Liquid.—The quantity of caustic soda liquid produced during the year was 1,546 metric tons. Caustic soda is mainly used by manufacturers of soap, textiles, batik and paper and also cleansing bottles by the National Milk Board.

Issues of caustic soda continues to be made on the basis of quotas determined by the Ministry of Industries and Scientific Affairs and the Ministry of Food and Co-operatives which granted allocations to small industrialists. Sale of caustic soda liquid earned a profit of Rs. 1,472,026.

Caustic Soda (Solid).—The corporation imported a quantity of 4,300 metric tons of caustic soda (solid) to supplement local production and cater to balance requirements of the country. A larger quantity of imports during the year was necessitated consequent to the approval of several new soap industries by the government.

There was a net profit of Rs. 5,841,328 gross sale of caustic soda (solid) during the year.

Chlorine.—The corporation produced 692 metric tons of chlorine during 1976. The main chlorine consumers continue to be the National Paper Corporation, National Textile Corporation, Colombo Municipality and other local authorities servicing water purification schemes. swimming pools are also provided with their chlorine requirements. The corporation has been geared to meet entire requirements of chlorine.

Sale of chlorine recorded a profit of Rs. 356,722.

Hydrochloric Acid.—A quantity of 600 metric tons of hydrochloric acid was produced during the year. The main consumer, Ceylon Steel Corporation, was supplied with its entire requirements thus eliminating import of sulphuric acid.

Difficulties were encountered as regards transport of hydrochloric acid in bowser due to frequent breakdown. Action has now been taken to import new trucks for purpose of transport. There was a net profit of Rs. 90,000 from sale of hydrochloric acid during 1976.

Table Salt.—The total quantity of table salt produced was 494 metric tons, a significant increase as compared with the preceding year. The corporation recorded a profit of Rs. 40,878 from sale of table salt.

Research and Development.—The Rubber Research Institute of Sri Lanka has successfully conducted experiments on the use of hydrochloric acid in the coagulation of rubber latex. The institute is now in the process of extending these experiments to field trials in various rubber-producing areas. Hydrochloric acid could be substituted for imported formic and acetic acid saving foreign exchange to the tune of approximately Rs. 2.1 million a year. Cost of coagulating latex to the rubber producer would also be comparatively less due to low price of hydrochloric acid.

Discussions were held with the National Water Supply and Drainage Board as regards initiating necessary steps to convert the brackish water supply schemes for an in-take of ferric chloride in place of imported alum. The water supply scheme at Galle has been designed for this purpose. An initial quantity of the product was supplied to the Board for experimental purposes.

In view of the difficulties that may arise in the transport of approximately 6,000 tons of the product, steps are being taken to request the National Water Supply and Drainage Board and the Colombo Municipal Council to examine possibility of localising of manufacture of ferric chloride at the consuming centres.

Action has been initiated to evaluate economic feasibility in the manufacture of :—

- (a) Bleach lye for pharmaceutical purposes ;
- (b) Poly vinyl chloride ;
- (c) Chlorinated rubber ;
- (d) Titanium dioxide (through titanium tetrachloride).

Expansion Project.—Stage I of the Expansion Project was commissioned during the year. A major difficulty that arose during the commissioning stages was the non-availability of supplying monel and nickel pipes required for the evaporator. Locally available mild steel pipes and cast iron pipes were used for the purpose and the evaporator was successfully commissioned to produce 50 per cent caustic soda liquid. Production could not be maintained continuously as the pipes substituted did not withstand heavy corrosion of caustic soda under high temperature.

With the commissioning of Stage I of the Expansion Project, the corporation would increase its output from 1,600 metric tons of caustic soda and 1,400 metric tons of chlorine to respectively 3,200 metric tons and 2,800 metric tons a year.

Stage II of the project envisages an increase in the capacity of the Plant to 5,100 tons of caustic soda and 4,400 tons of chlorine a year.

Total output of caustic soda from stages I and II of the expansion project would meet about 90 per cent of requirements of the entire Island.

Second Caustic Soda Chlorine Plant.—The government of the Federal Republic of Germany during discussions with the Ministry of Planning and Economic Affairs, had indicated its interest in financing a feasibility study for the establishment of this project. Negotiations were conducted in consultation with the Ministries of Planning and Economic Affairs and Industries with Messrs Kreditanstalt Fur Wiederaufbau of the Federal Republic of Germany and draft financing and special agreements on the feasibility study for the project were finalised.

The Project envisaged manufacture of—

- (1) Either the manufacture of 20,000 tons of poly vinyl chloride a year with a corresponding production of 15,000 tons of caustic soda, or
- (2) The manufacture of 10,000 tons of polyvinyl chloride with a corresponding annual production of 7,500 tons of caustic soda.

The basic raw materials for the project would be salt, limestone and coke. Salt and limestone are available in the island while coke would require to be imported. Electricity for the electrolytic process and production of calcium carbide would also be available from the national grid.

Finance

Financial operations of the corporation resulted in an over-all profit of Rs. 7.7 million as compared with Rs. 5.2 million the preceding year. The break down of the over-all profit in 1976 is —

Imports	Rs. 5.8 million
Manufacture	Rs. 1.9 million
	—
	7.7 million
	—

A sum of Rs. 8.8 million has been contributed to government revenue during the year and consists of —

	<i>Rs. million</i>
FEECS	6.6
Customs duties	1.0
Consolidated Fund	1.0
Business Turnover Tax	0.2
	—
Total	8.8
	—

Employment.—The employee-strength of the corporation totalled 403 comprising of executing, supervisory, clerical, allied and labour grades. Employment opportunities are in offing with the implementation of stages I and II of the expansion project.

National Paper Corporation

The National Paper Corporation (Eastern Paper Mills Corporation as known earlier) was incorporated under the Government Corporation Act (No. 19) of 1955, to take over the paper factory from the Department of Industries and reconstituted under the State Industrial Corporation Act, No. 49 of 1957.

The total finished production for the year 1976 was 17,257 tons compared with 18,725 tons the preceding year. The production capacity constitutes various grades of paper and paper board.

Printing paper, writing paper, corrugated medium and box board accounted for bulk of production, material covering approximately 10,634 tons.

The production for 1976, fell short of the target of 23,870 tons due to lack of water in Vakaneri Tank which serves as a source of water supply to the mills. Unprecedented drought in the months September to October 1976, compelled the mills to be closed down for almost two months. If however, under normal conditions production would have exceeded 90 per cent of the rated capacity.

Average manufacturing cost of a ton of paper was Rs. 5,133 which compares favourably with Rs. 5,182 the preceding year.

Apart from 14,642 tons of paddy straw, 102 tons of maize, 240 tons of kenaf and 22 tons of guinea grass used in pulp production, 'waste' paper was also used as a basic raw material accounting for 6,830 tons compared with 7,800 tons in 1975. In addition, 28,730 tons of straw were purchased by the corporation in 1976 through its purchasing centres, viz :

Mills—Valaichchenai, Koduamadu, Punanai, Sammanturai, Nintavur, Veerapura, Oluvil, Thumbankerni, Uhana and Arasadichchenai.

The corporation paid over Rs. 2.15 million to farmers for these purchases.

Embilipitiya Mills.—Although the pulp and paper mill at Embilipitiya was expected to be commissioned during the latter part of 1976, construction and erection work could not be completed by this date.

With the commissioning of the Embilipitiya Mill, the total production capacity of both mills together would be 37,500 tons (38,100 metric tons) a year.

Carbon Paper Factory.—The construction of a Carbon Paper Factory was completed in December 1976 and trials are being carried out. Commercial production is expected to commence shortly. The factory has a production capacity of 1,940 boxes (100 sheets per box) on an 8 hour shift. Under ideal conditions however capacity of the factory would be 300 boxes each work shift.

The net foreign exchange savings on manufactured paper for the year 1976 was Rs. 44.6 million compared with Rs. 42.4 million the preceding year.

Employment.—There were nearly 2,900 permanent employees in the corporation's service as at December 1976.

Ceylon Plywoods Corporation

The Ceylon Plywoods Corporation was established in 1956. The wood work complex of the corporation at Kosgama commenced production during latter part of 1973. Shortfalls in timber supplies constitute a major constraint to capacity utilisation in all factories. Pressing commitments thwart the State Timber Corporation—chief supplier of timber in maintaining target levels of timber supply. Higher veneer prices during second half of 1976 restricted import of veneer to supplement local supplies.

The bulk of local timber supplies of the corporation during the year was obtained from the corporation's timber extraction project at Kenneliya/Dediyagala/Nakiyadeniya. A total of 743,631 cubic feet of timber were supplied by the K. D. N. Project—bulk of supplies being diverted to the Gintota factory. A total of 425,245 cubic feet of timber had been supplied from the State Timber Corporation to both Salawa and Gintota factories.

Despite all these hazards in timber supplies, the corporation continues forge ahead in maximising utilisation of existing resources. Investigations in the use of rubber-wood has proved successful and about 7 per cent of the total tea chest production presently utilizes rubberwood as basic material.

The two factories of the corporation produced an aggregate of 46,583 152 square feet of 3 ply equivalent in 1976 comprising 25,949,376 square feet, and 20,633,776 square feet of 3 ply equivalent respectively at Gintota and Salawa.

Tea chests constitute main line of production of the corporation. A total of 2.2 million tea chests were produced by the corporation and sold at a value of Rs. 49,575,372. Distribution of tea chests is presently handled by the Ministry of Plantation Industries. Doors, door-frames, block-board, veneered and unveneered chipboard, commercial plywood and veneer constitute other products sold by the corporation. The corporation's sales amounted to Rs. 66,371,760.

The carpentry division which had earlier constituted the National Small Industries Corporation and presently absorbed into the Plywood Corporation comprises 3 major units—Velona, Amparai and Kandy and Small Workshops at Bandarawela, Koggala, Jaffna and Batticaloa. With a view to making the division a viable unit, re-organisation schemes were introduced in 1974. These schemes have exerted their impact on production and sales. Furniture valued at Rs. 92,630,016 was produced in 1976 reflecting an approximately increase of 20 per cent over 1975. Sales figures of the carpentry division in 1976 were in the region of Rs. 8,117,125 an increase of 15 per cent over the preceding year. Several export orders were received though local commitments have curtailed acceptance of these export orders.

Ceylon Petroleum Corporation

Established in June 1961, under a Special Act of Parliament, viz., the Ceylon Petroleum Corporation Act (No. 28) of 1961, the Petroleum Corporation initially confined its activities to the import and marketing of petroleum products in competition with three existing private oil companies. The corporation subsequently took over the entire business pertaining to import and distribution of oil in Sri Lanka in 1963.

There has been a rapid expansion in the activities of the corporation since inception in 1961. It has *inter alia* the responsibility for management of the Oil Refinery at Sapugaskanda, which refines imported crude oil and produces a number of petroleum products including solvents and liquid petroleum gas, a lubricating oil blending plant for blending of imported base oils and a candle factory both located at Kolonnawa. The activities of the corporation have expanded over years to include production and supply of marine bunkers to ships and turbine aviation fuel to air craft as well as the blending and marketing of agro-chemicals.

Production.—Production figures of the corporation during 1976 were :—

	<i>M. Tons</i>
'Super' Petrol	73,344
'Regular' Petrol	26,164
Auto Diesel	276,136
Marine Diesel	88,318
Furnace Oil	513,678
Kerosene	188,331
Chemical Naptha	103,484
Bitumen	26,921
L. P. G.	2,130
Aviation Fuel (Autor)	76,884
Solvents	1,863

Total .. 1,377,253

Lubricating oils	3,866,379 (gallons)
candle factory	19,506 (packets)

Sales during the year were :—

	<i>Quantity (M/tons)</i>	<i>Value (Rs. million)</i>
'Super' Petrol	77,471	289.7
'Regular' Petrol	23,666	89.6
Auto Diesel	257,558	351.7
Black Diesel	33,004	44.2
Furnace Oil	126,197	130.9
Kerosene	206,888	320.6
<i>Bulk Sales</i>		<i>Value (Rs. million)</i>
Bitumen	5,647,092 (gallons)	38.5
Lubricating oil	4,096,845 (gallons)	84.1
Grease	1,294,593 (lb.)	6.5
Petrol Artrun	67,976 (lb.)	0.3
Other Products	42,994 (gallons)	1.2
Wax	1,625,015 (lb.)	4.8
Agro-Chemicals	784,420 (lb.)	13.7
Candles	21,627 (Boxes)	2.3
L. P. G.	4,423,476 (lb.)	2.0
Solvents	832,337 (gallons)	15.1
Brake Oil	53,557 (gallons)	4.3

Bunkers and Aviation Value Rs. 49.9 million

Foreign Sales Value Rs. 346.4 million

Imports of Crude and base oil

A total of 1,447,141 metric tonnes of crude oil and 12,913 metric tonnes of base oil were imported during the year. The value of crude and base oil imports was in the region of Rs. 1,115.2 million grease oil and waxes imported during 1976, accounted for Rs. 3.6 million.

Exports.—The export of naphtha and furnace oil fetched Rs. 150.5 million, while other imports were in the region of Rs. 3.5 million.

Nylon 6 Project.—A contract has been entered into with NISHOEI, Japan for provision of long-term credit to finance the project. The foreign component of the project would be in the region of Rs. 154 million.

Oil exploration.—On-shore exploration seismic surveys have been completed during the year.

Employees.—There were 3,744 employees in the corporation's service as at end of 1976 and comprised administrative, technical, clerical and labour grades.

Ceylon Oils and Fats Corporation

The Oils and Fats Corporation at Seeduwa, originally a division of the Department of Industries became the Ceylon Oils and Fats Corporation on 1 August, 1955, under the Government Sponsored Corporation Act. It was reconstituted in 1958, under State Industrial Corporations Act, No. 49 of 1957. Initial authorised capital was Rs. 19,750,000 and total subscribed capital as at 31 December, 1975, is Rs. 25,780,000. Objectives of the corporation as stated in the Incorporation order published in the *Gazette Extra-ordinary* No. 11,466 of 1.8.1958, are as follows :—

- (1) The manufacture and sale of all kinds of oils, oleaginous and saponaceous substances, food products, detergents, emulsifiers, fats, waxes and resinous substances.
- (2) The manufacture and sale of pharmaceuticals, medicinal, chemical, industrial and agricultural preparations and compounds of all kinds, toilet preparations, plastics, dyes, manures and surface coatings, including paints and enamels.
- (3) The manufacture and sale of any by-product which may be produced in the process of manufacturing any of the above items.

There are at present four production units, viz., (a) oil mill, (b) fat splitting and fatty acid distillation unit, (c) glycerine concentration unit, (d) provender plant.

- (a) The oil mill consists of three pressure expellers, a continuous solvent extraction plant and a batch solvent extraction plant. The expeller unit handles expelling of oil from copra, polkudu (coconut refuse), and other oil bearing seeds, while the residual oil left in expeller 'poonac' is removed by the solvent process in the extraction plant. There is also an oil refinery for production of refined deodorised oil.
- (b) The extracted coconut oil is supplemented with white coconut oil and is split in the fatty acid splitting plant into crude mixed fatty acid and 'sweet water' which is glycerine with very low concentration. Crude mixed fatty acid is distilled in the distillation unit to yield mixed fatty acid.
- (c) The 'sweet water' is concentrated in the glycerine concentration plant to produce hydrolyser saponification crude glycerine 88 per cent ; and
- (d) The residual extracted meal left over after oil extraction from poonac is mixed with other feed ingredients as protein substances, brans, vitamins, minerals, etc., in the provender plant to produce poultry, pig and cattle feed.

Production.—As a result of drop in demand for provender feed during the first half of 1975, production of animal feed had to be curtailed to 39,681 tons. Production of fatty acid and glycerine which are mainly for export market also declined considerably due to unfavourable market

conditions the world over. The fatty acid plant was shut down for nearly a full quarter of the year and the total production achieved was, 1,042 tons of fatty acid and 136 tons of glycerine. The value of production at sale prices was Rs. 50.9 million.

Item	Capacity Plant (in tons)	Production (1975)
Provender	90,000	39,681
Fatty Acid	3,000	1,042
Glycerine	360	136

Sales.—The corporation was able to maintain an appreciable level of sales during the year.

Comparative sales and value for the years, 1974 and 1975 were :—

Item	1974		1975	
	Quantity (Tons)	Value (Rs. million)	Quantity (Tons)	Value (Rs. million)
Provender	42,946	39.83	39,798	45.26
Fatty Acid—				
High Grade	1,060	3.19	748	2.59
Low Grade	321	1.49	305	1.19
Glycerine	87	0.43	132	0.89

Ceylon Leather Products Corporation

The Ceylon Leather Products Corporation was established in 1956 as a state-owned industrial venture.

Leather

Leather production in 1976 showed a marked improvement over the preceding year :—

	1975	1976
Chrome Leather (sq.ft)	1,004,363	1,232,645
Bark Leather (lb)	186,450	200,152
Kattai and other Leather (sq.ft)	86,332	151,467

The Indo-Ceylon Leather Co. produced in addition 573,695 square feet of chrome leather for the corporation as against 469,288 square feet in 1975.

Faced with stiff competition in marketing of products from users of synthetic material, restriction was placed on production of some footwear items in 1976.

The value of production of miscellaneous leather goods was Rs. 3,686,000 in 1976 as compared with the corresponding figure Rs. 3,204,000 in 1975.

The turnover from local sales increased from Rs. 14.5 million to Rs. 16.0 million in 1976.

Local Sales	
	Rs.
Footwear	7,181,569
Leather	5,705,375
Misc. Leather Goods	3,101,784
Other Sales	22,737
Total Sales	16,011,465
Wholesale Trade (Local)	
	Rs.
Leather	2,719,657

A considerable progress in export trade has been made during the year. The corporation established new markets and obtained better prices in 1976. The value of exports increased from Rs. 1.26 million to Rs. 2.47 million.

	Export Trade
	Rs.
Footwear	508,897
Leather	1,442,448
Miscellaneous Leather	520,827
Total	2,472,172

The net profit for the year (before taxation) was Rs. 1.12 million compared with Rs. 0.86 million in 1975.

There were 990 employees on roll as at end of 1976 :—

Executive grades	28
Technical and allied grades	35
Clerical and supervisory grades	220
Manual and operative grades	707
	990

The construction of a go-down for the storage of dyes, chemicals and spares of the tannery, is in progress. Work on glue projects is estimated to cost Rs. 250,000. A financial commitment of approximately of Rs. 490,000 has been made at the end of the year for new machinery as required for the Tannery.

Ceylon Fertilizer Corporation

The Ceylon Fertilizer Corporation was established in January 1964, under the State Industrial Corporation Act, No. 49 of 1957.

Demand for fertilizer had shown a +24.4 per cent increase over the preceding year attributable to factors as :—

- (i) Introduction of a 50 per cent general subsidy scheme with effect from 26 April, 1976, sans permits for all crops other than Tea.
- (ii) Fixing of maximum recommended prices under the above scheme by *Gazette* notification.
- (iii) Consequent to the take-over of C.C.C. (F) Ltd. in January 1976. Private fertiliser distributors spare mixing capacity utilisation was optimised showing an increase of 46 per cent over the preceding year.
- (iv) Distribution was rationalised by the transfer of Tea and Rubber mixtures from the corporation to C.C.C.(F) Ltd.
- (v) Improvements in marketing techniques as attractive discounts, increasing distribution outlets, and establishing a retail centre to facilitate supply of small quantities of fertilisers for home garden purposes in Colombo and suburbs.

The introduction of manual mixing units at district level under Menikdiwela agricultural productivity committee with a mixing capacity of 100 tons per day, this project, in addition would provide employment opportunities.

With the assistance of the Federal Republic of Germany, a Project is being carried out for the promotion of fertiliser distribution and consumption. A mixing unit of 20,000 tons per annum capacity under the project is envisaged.

The functions of marketing liaison officers have been decentralised under the administrative control of assistant directors, rural institutions, thus strengthening the marketing technique of rural institutions and the co-operatives.

<i>Sales</i>	<i>1973</i>	<i>1974</i> (Tonnes)	<i>1975</i>	<i>1976</i>	<i>1977</i> (Estimates)
Paddy	125,534	95,270	48,606	70,388	125,000
Coconut	38,605	39,300	26,521	20,631	25,000
Sundry crops	22,633	15,398	12,976	31,028	37,500
Other sales	104,683	142,090	120,358	137,320	160,635
Total	291,455	292,058	208,461	259,367	348,135

Mixed Fertilizer

<i>Receipts</i>	<i>Issues</i>	<i>Quantities Mixed Manual Mixing Plant</i>	
(Tonnes)		(Tonnes)	
64,508	91,873	34,187	28,971

The main constraint with the mixing plants is that both infeeding and production could now be carried out simultaneously since infeeding time is approximately double production time. Necessary designs to modify the plants in line with rated capacity are being carried out. These modifications would virtually double rate of production.

Storage of additional fertilizer outdoor had been completely stopped. The hardened stocks due to outdoor storage has been reduced to 18,000 tonnes of triple super phosphate and 1,500 tonnes in muriate of potash. Construction of two warehouses of 10,000 tonnes capacity each estimated to cost Rs. 2 million would help storage and transport problems.

Fertilizer purchases and finance

Following a deliberate policy of reducing stock levels, the imports for the year were +17.8 per cent over the previous year contrasted to +24.4 per cent in the case of sales. The relevant statistics are given below :—

<i>1975</i> (tonnes)	<i>Ingredient</i>	<i>1976</i> (tonnes)
65,553	.. Sulphate of amonia	69,250
51,770	.. Urea	73,241
18,300	Rock phosphate	33,000
11,074	Triple super phosphate	—
23,500	Muriate of potash	30,500
5,000	N. P. K.	7,500
7,986	Others	2,350
183,183		215,841

Personnel of the corporation totalled 474 employees :—

<i>Executive Staff</i>	<i>Clerical and allied grades</i>	<i>Technical grades</i>	<i>Others</i>
29	231	54	160

Fertilizer Manufacture

State Fertilizer Manufacturing Corporation

Foreign finances for implementation of the urea project were finalised and loan agreements were entered into with the following :—

Financing Authorities

	<i>Date of Loan</i>	<i>Amount (in million)</i>	<i>Approx. Equivalent in US\$ (in million)</i>
(a) Government of India	4 November, 1975	Ind. Rs.	100
(b) Asian Development Bank	2 October, 1975	U.S. \$	30
(c) KFW of West Germany	9 December, 1975	Deutsche Mark	60
(d) Kuwait Fund	22 September, 1975	Kuwait \$	7.5
(e) Government of Sri Lanka		U.S. \$	5.5
			97.5

The government of Sri Lanka was to finance the entire local component of expenditure.

With the concurrence of the Financing Authorities and Government of Sri Lanka, offers for the general contractor services were invited from five pre-selected International Firms, three of whom submitted their Bids. These bids were evaluated and the evaluation subsequently examined by the Board of Directors of the corporation at an inter-ministerial committee. On the basis of evaluation studies made, the lowest valued bid, Kellogg Overseas Corporation of U. S. A. was awarded the general contract.

Persuant to signing of the General Contract with Kellogg Overseas Corporation for the urea project, project implementation within the contractual scope commenced in 1976. Project activities comprised mainly of process/engineering designs, procurement work in connection with the examination/pre-loading of soil at the main site, and construction of the housing scheme.

Urea Project.—By end of 1975, all financing arrangements had been completed and signed except that between the Government of Sri Lanka and the Corporation. This was signed on 5th January, 1976. An agreement was also signed between the Ceylon Petroleum Corporation and the corporation for supply of naphtha and fuel oil basic raw material for manufacture of urea.

The State Fertilizer Manufacturing Corporation had commenced work towards end of 1975, on the proposed housing scheme at Batalanda. The housing scheme includes a total of 68 houses of A and B Units.

Apatite Project.—Following a visit made to the Peoples' Republic of China by a delegation from the Ministry of Industries and Scientific Affairs and the corporation letters were exchanged between the Government of Sri Lanka and People's Republic of China as regards assistance in apatite mining, crushing, grinding and experimental production of ground phosphate.

State Graphite Corporation

The State Graphite Corporation was incorporated on July 1, 1971, under the State Industrial Corporation Act, (No. 49) of 1957.

The two large scale commercially operated mines of the Corporation are Bogala and Kahatagaha / Kolangaha mines.

The production figures of these mines in 1976 were :—

	<i>tons</i>
Bogala mines	5,033
Kahategaha/Kolangaha mines	2,974
	<hr/> 8,007 <hr/>

There was a production increase of 214 tons as compared with the preceding year. Export of graphite which in 1975, showed a substantial drop, increased by 1952 tons during 1976.

A total of 7,887 tons graphite were exported during the year fetching an export value of Rs. 29,967,597. Local sales were 270 tons at a value of Rs. 700,541.

Prospecting mines of the corporation are at Ragedera (Kurunegala) and Rangala (Kegalle) where scientific prospecting continues.

Ceylon Mineral Sands Corporation

The Ceylon Mineral Sands Corporation was established in December, 1957. The production of ilmenite in 1976, amounted to 54,932 long tons compared with 63,999 long tons in 1975. The shortfall in production in 1976, is attributable to a five day week consequent to restricted purchases by the corporation's principal buyer. Restriction on purchases had to be effected due to closure of the pigment plant for some months on account of the fall in demand for titanium products in world market as a result of industrial recession. A total of 1,023 long tons of rutile were produced during first four months of 1976, compared with 3,062 long tons the preceding year. The rutile zircon plant at China Bay was permanently closed down from 30th April, 1976, for dismantling and integration with the Pulmoddai processing complex.

Exports of mineral sands in the year 1976, were :—

Ilmenite	52,259 long tons
Rutile	2,177 long tons

A sum of Rs. 11,160,641 was earned by way of foreign exchange and Rs. 7,254,412 as FEECs on exports of mineral products during the year. Income from local sales amounted to Rs. 841,955. The total revenue earned by the corporation during the year was Rs. 19,257,008 giving a gross profit of Rs. 12,584,000 before taxation and contribution to the Government Consolidated Fund, amounting to Rs. 2,500,000. The gross profit for the preceding year was Rs. 11,670,444.

US \$ 5.15 million has been provided by the Asian Development Bank to the Government of Sri Lanka for meeting foreign exchange expenditure and cost of Consultancy services in connection with expansion of the mineral processing complex at Pulmoddai. All major items of mineral processing equipment and about 50 per cent of accessory equipment were received during the year from member-countries of the Asian Development Bank. Major civil construction work undertaken by local contractors on tenders has been completed.

There was a low demand for minerals consequent to world economic recession in 1976. Permanent cadre employment of the corporation as at end of 1976, totalled 420 employees.

Salt Industry in Sri Lanka

The National Salt Corporation came into existence as a legal entity consequent to an order made by the Minister of Industries and Fisheries under Section 2 of the State Industrial Corporation Act, (No. 49) of 1957, published in the *Ceylon Government Gazette*, No. 11,212 of 3rd December, 1957. The objectives of the corporation are :

- (1) The processing, recovery, purification, manufacture and sale of salt and other chemicals and product derived from inland and marine waters.
- (2) The processing, manufacture and sale of any by-products which may be produced in the course of manufacturing any of the aforesaid articles, and
- (3) The sale of electrical energy, water and other amenities not required for the purposes of the corporation.

Salt, chemically known as sodium chloride, has been a commonplace item of consumption from the very beginning of civilisation. The importance of solar sea-salt industry for the industrial progress of the country received official recognition when in 1956, the Minister of Industries and Fisheries listed the salt and by-products industry among the seven basic or strategic industrial ventures undertaken by the State.

The intake of salt and water to combat heat exhaustion and heat cramps had become virtually a standard 'norm'. Consumption of salt tablets by armed forces, those engaged in mines, or working in furnace rooms, is quite essential until acclimatisation is achieved.

Salt perhaps is the oldest industry in Sri Lanka. The present salterns, both government and private, are now being controlled by the National Salt Corporation. The salt manufactured in Sri Lanka is solar salt which is obtained by solar evaporation of sea-water.

Although salt production is technically complex, the chemistry of it is essentially simple. Scientists call it a process of 'Fractional crystallisation'. Sun and wind are the main natural agencies in the process. With sea water, which contains 3.5 per cent by weight of salt, no deposition occurs until the volume has been concentrated by evaporation to nearly one half of its original bulk when a trace of carbonate is precipitated. Gypsum is deposited when the volume reaches about one fourth. Sodium chloride or common salt when it reaches about one tenth.

The rehabilitation and improvement of the salterns has already paid dividends as shown in the production increase in succeeding years. Import of salt which commenced in 1962, ceased in 1967.

TABLE 8.2—SALT PRODUCTION AND CONSUMPTION

Year	Production Tons	Consumption Tons
1959	32,979	56,665
1960	55,732	61,143
1961	34,781	65,326
1962	36,442	64,029
1963	21,440	67,570
1964	44,934	70,109
1965	57,939	69,439
1966	63,468	75,920
1967	74,611	76,034
1968	96,842	79,231
1969	112,353	78,244
1970	68,352	83,107
1971	84,785	87,537
1972	155,185	89,603
1973	121,097	96,001
1974	118,982	100,260
1975	119,056	103,160
1976*	138,285	101,268

*Official sales declined in 1976, due to extensive illicit collection. Consumption figures denote sales.

Elephant Pass and Kurinchativu.—The existing saltern at Elephant Pass is about 505 acres in extent and had an average yield of 50 tons per acre. Another 600 acres, Kurinchativu saltern—adjacent to it have also been converted to a saltern and is now in production. In 1975, the new saltern produced 34,838 tons. Only 17,510 tons were produced in 1976, due to curtailment of production.

Palavi.—The saltern at Palavi which was about 344 acres in extent with an average annual yield of about 5,000 tons has been expanded to 600 acres with a potential of 16,000 tons of salt annually. A total of 17,050 tons were collected in 1976.

Maha and Koholankala in Hambantota.—Improvements to the Maha and Koholankala Lewaya at Hambantota have been effected. These salterns operated together are expected to yield an average annual output of about 25,000 tons. Some 43,600 tons were harvested in 1976.

Puttalam.—Improvements have been made to this private saltern to produce an average of at least 10,000 tons per annum. The collection in 1976 was in the region of 25,200 tons.

Palatupana.—Improvements are being planned to Palatupana Lewaya to yield quick results within the next few years. The harvest in 1976 was over 5,600 tons.

Bundala Lewaya.—The development of this saltern is important not only for increasing salt production, but also as a measure of providing employment to the people of the area. The saltern has been completed and production is due to commence early.

Future Development.—The present average capacity of the existing salterns is in the region of 128,000 tons per year. Local annual demand is in the region of 111,000 tons. The proposed establishment of a second caustic soda-chlorine factory and a soda-ash factory would ensure an increase in demand. This would be met by developing Karagan and Palatupana Lewayas, and if necessary, by expanding Puttalam and Palavi salterns.

By-products.—A number of by-products would be obtained from bitterns or residual liquor from the salt pans. So far only some gypsum that deposits in the condensers of the salterns have been recovered. This is so in view of the manufacture of by-products as magnesite, potash, magnesium sulphate, gypsum, etc., which demands installation of a set of high cost equipment. A plant for the manufacture of 1,000 tons a year of agriculture grade Epsom salts has been commenced at Maha Lewaya.

Washed Salt.—Manufacture of washed salt in a small scale commenced in 1971 as a trial study. This product was sold in 2 lb polythene packets. Sales have improved steadily 225,000 packets in 1974. 237,860 packets in 1975 and 282,000 packets in 1976. A mechanised unit is being installed, at Elephant Pass saltern.

Exports.—Export of salt has been investigated and found to be a difficult process. There is no port or shipping in proximity to a major saltern and for bulk shipments, the cost of transport of salt from saltern to shipping point, lighterage etc (i.e. transport of salt by barge to ship, etc.) has proved much more than the bare direct cost of production of salt in the saltern. The feasibility in salt export is being explored. Small quantities have, in recent years, been exported to the Maldives, but large scale shipments have not so far materialised.

Sri Lanka Sugar Corporation

The Sri Lanka Sugar Corporation was established as a state sponsored institution under Industrial Corporation Act, (No. 46) of 1957.

The corporation recorded a production of 23,275 Metric tons of sugar compared with 18,258 metric tons in 1975. The percentage improvement was 28 in respect of production while recovery performance at Kantale and Hingurana respectively were 9.73 and 8.55 per cent.

The planting programme fixed at the beginning of the year was 3,000 acres at Kantale and 3,700 at Hingurana. Though a spell of severe drought prevailed, 1,235 acres were planted at Kantale and 3,446 acres at Hingurana.

Sugar substitutes as jaggery, sugar syrup amounting to 1,303,023 pounds and 100,406 gallons respectively were produced at Uda Walawe. The corporation produced 1,460,182 proof gallons of rectified spirits and 109,730 bulk gallons of methylated spirits during the year.

Hingurana.—A record tonnage of 157,508 cane and a production 13,881 metric tons of sugar had been achieved, during 1976.

The full components on farm machines purchased under A.D.B. Loan (US \$ 2.8 million) have arrived in Sri Lanka. This would help ease dependability on private contractors. Provision of farm machinery required for development of new land of 2,500 acres is being considered by the U.K. Overseas Development Mission (UK/ODM).

Kantale.—The sugar industry at Kantale produced 9,394 tons of sugar from cane during the year as against 9,051 tons the preceding year.

The year would record a climax of one of the worst spells of drought experienced in the history of Sri Lanka in recent years. Water in the Kantale tank fell below the dangerous 500 acre feet (1.5 feet) level long before the crushing season could be completed.

Preliminary feasibility studies on Kantale stage II were undertaken and completed in 1976. This would involve development of approximately 18,000 acres of land. The cropping area envisaged would be nearly 9,500 acres.

The Canadian International Development Agency (CIDA) has prepared a feasibility report. The Sugar Corporation has obtained 1.5 million US Dollars from the International Development Agency (IDA) for agricultural machines and equipment for completion of stage I under the Kantale scheme.

Walawe.—The Jaggery industry at Walawe has produced 1,303,023 pounds of jaggery and 100,406 gallons of sugar syrup. Apart from saving valuable foreign exchange the industry has eased problem of scarcity of sugar.

Sevanagala Project.—The corporation has proposed that Sevenagla project, irrigated under Walawe Tank be taken up for factory development. The A.D.B. has identified the project as suitable for purpose of financing.

Cane Industry.—The cane acreage in Badulla and Moneragala districts increased from 12,416 in 1975 to 24,551 acres in 1976 largely due to the extension services and other facilities afforded cultivators by the cane Industry Service. Cane crushers in the two districts also increased from 282 to 414 in 1976. Jaggery production in the two districts more than doubled from 6,200 tons to 13,600 tons.

As regards estates taken over by the corporation, the most significant feature was the opening of a cane plantation at Pelwatte between Wellawaya and Buttala. The area ear-marked for this plantation is 1,000 acres and 125 acres of cane have already been planted. A second new cane plantation was started in Kolongastanne, 6 miles south of Koslanda in virgin jungles where 32 acres were cleared and planted under nurseries. A total of 847 acres have been planted in these estates. New crushing centres were installed at Monerakalle in Moneragala and Oakfield estate, Koslanda. A total of 198,591 pounds of jaggery and 8,573 gallons of syrup were processed from farmers cane. The corporation pays a minimum price of Rs. 4 per pound of jaggery with a view to stabilising the jaggery prices.

On an estimated per capita consumption of jaggery at an ounce per day production is expected to be in the region of 144,000 tons. An output of 25,000 tons, which is 18 per cent of the island's requirements is envisaged. Potential for an increased production of 75 per cent from the Uva, district does not offer an impossibility within a space of 3 to 4 years.

PRODUCTION STATISTICS—1976

<i>Product</i>	<i>Total Production</i>
1. Sugar (long tons)	22,908.69
2. Cane (long tons)	253,247.49
3. By-products—	
Jaggery (pounds)	1,329,173
Syrup (ranwan) (gallons)	100,406
Rectified spirits (proof gallons)	1,450,182
Methylated Spirits (bottles)	571,975
Dry Gin * (gallons)	3,846
Lemon Gin* do.	221
Brandy Std* do.	6,871
Whisky* do.	882
White Rum* do.	659
Vodka* do.	910
Special White Arrack* do.	4,109
Finest Blend Arak* do.	56,224
Red Rum* do.	2,498
Cabe Arak* do.	11,028
Orange liquor* do.	659

(* Bulk Supply—Gallons)

Employment.—There were 3,746 permanent employees of the corporation as at end of 1976 comprising various grades of employment. Over 10,000 persons were found casual employment during the year.

Ceylon Steel Corporation

The Ceylon Steel Corporation was established in September 1961 under the State Industrial Corporation (Act No. 49) of 1957 in pursuance of an agreement signed between Sri Lanka and the U.S.S.R. in 1958.

The Production activities of the corporation are mainly concentrated in the rolling and wire mills together with the steel foundry which commenced operation in October 1975. New products introduced to the market, welding electrodes, stains and soldering lead were improved in quality standards. As regards the stage II of the project, considerable progress in civil work had been made. The corporation was associated with the Department of Geological Survey on new discoveries of iron ore for the third stage of development.

The production programme has been drawn up after a careful study of the potential demand and the optimum runs in production of various profiles and products. Output in 1976 and labour productivity showed a considerable increase. The production in the two major production units, the rolling mill and the wire mill had to be curtailed due to short-fall in supply of raw materials.

PRODUCTION (METRIC TONS)

	1975	1976
Rolled products	21,243	28,295
Wire and wire products	10,344	9,030
Foundry products	234	402
Fabrications	374	531
Machine tools	34	—
Welding electrodes	15*	33
Stains	3*	30
Soldering lead	2*	09

(* Production commenced in October 1975).

Production at the Rolling mill recorded an increase. The total output of the mill amounted to 28,295 metric tons, an increase of 33 per cent more than in the preceding year. Profiles of 21 different sizes were rolled during 1976.

Tor Steel production was below target largely as a result of poor performance of the twisting operations. Action was initiated to fabricate an additional twisting machine.

The production of rolled products during the year were—

	(Metric Tons)
Rounds	13,326
Ribbed Bars	11,927
Angles	3,041

The production of wire and Wire products was 8,941 metric tons, a drop of 13 per cent over the 1975 figure. Short supply of wire rods, a basic raw material for most of the wiring products, machine breakdown, and maintenance delay hampered production programme during the year.

Job galvanizing during 1976 showed significant increase ; 58,334 d-brackets, 649 panels, 3,154 milk crates and 7,778 shackle straps were galvanized.

There were only two machines available for production of barbed wire. Single-strand barbed wire production was introduced to save foreign exchange and also as a novelty to reduce production costs.

The new Steel Foundry commissioned in October 1975 achieved 86 per cent of the set production target of 475 metric tons. Production for the year was 402 metric tons comprising of 181 metric tons of Pig Iron, 113 metric tons of grinding media and 108 metric tons of general castings. Experiments carried out to cast billets for the Co-operative Steel Industries Society at Ratmalane have proved successful.

Machine Tools.—The machine tools department of the corporation ventured into production of two new products, viz. the bench drill and the 'Arbor' press. These two machines are specially produced for small and medium sized industries.

Besides machine tools imported from Messrs. Stankoimport of U. S. S. R. imports were also made from Messrs. Kiroloskar Ltd., India, in accordance with the agency agreement entered into in 1975. It has also been planned to assemble a simple lathe under a collaboration agreement with Hindustan Machine Tools Ltd., India.

Structural Shop.—The structural shop showed considerable increase in production during 1976. The total production of fabrications was in the order of 531 metric tons as compared with 734 metric tons in the preceding year, a 40 per cent increase in production. Orders were accepted from Government Departments and corporations. A bulk order for 200,00 crates from the National Milk Board was accepted. Fabrication of a large variety of components for the Department of Telecommunications was also handled.

Stains.—A stains project which commenced in October 1975 utilising the waste pickled "liquor" from the wire mill, proved successful. A variety of colours were produced. Production during the year amounted to 30 metric tons.

Welding Electrodes.—Welding Electrodes prepared with fluxes developed by the corporation conform to international standards. 3 types of hardfacing Electrodes were produced. The total output during the year was 33 metric Tons.

Soldering Lead.—Soldering lead manufactured at the corporation was first introduced to the market in October 1975. A unit of 40 tons capacity was installed during the year. The total production during 1975 was 9 metric tons.

Engineering.—Regular maintenance work as electrical, mechanical and other auxilliary services was provided by the engineering division. Excess workshop facilities were used to manufacture spares and services provided both to private and public sectors. The manufacture of trolleys for the National Salt Corporation and Graphite Corporation, modification of cranes required by the Kosgama Plywood Corporation and winding of motors for the State Engineering Corporation were among important items of work undertaken. Customer services were in the region of Rs. 210,000.

Stages II and III of the Steel Project.—Civil construction work of the State Engineering Corporation was in progress. A fair volume of work of the refractory stores, central stores extension and bulk material stores was completed during the year. Construction of the rolling mill extension and the extension to the compressor and refrigeration plants was commenced.

The Special Committee appointed by the Board of Directors to investigate into commencement of the third stage of the project also considered the various alternatives available for converting local ore to foundry grade. Specifications were drawn up and quotations called for an electric arc furnace. Other development projects were :

Calcium Carbide Project.—The required machinery and equipment for the project was to be imported from Japan. The contract for civil work had been awarded to the State Engineering Corporation.

Lime Plant.—A contract was signed with Messrs. Milex of Hungary for the supply of equipment for this plant. The construction work has been handed over to State Engineering Corporation.

Ilmenite Smelting Project.—The economic feasibility of the project was taken into consideration and tests carried out in the U.S.S.R.

Laboratory.—The reaserch and control laboratory stressed emphasis on quality and process control. Testing facilities of the laboratory were made available to other industrial organisations.

Sales.—The volume of sale including internal issues during 1976 with Corresponding figures for the preceding year appears below :

	1975	1976
	(Metric Tons)	
Rolled Products	23,334	27,203
Wire and Wire Products	5,915	6,600
Foundry Products	137	178
Machine Tools	74	96
Fabrications	278	533
Stains	05	24
Soldering Lead	07	05
Welding Electrodes	10	27

Construction activities during the year showed a relatively high demand for steel. Though these figures compare favourably with the preceding year, nevertheless the volume of sales was far below anticipated targets attributable to scarcities of tor steel, barbed wire and barbing wire in the manufacturing processes. Market surveys were carried out on sale of stains and pig iron.

Supply.—Supplies position as regards major raw materials were barely satisfactory. A few instances of delayed deliveries resulted in the stoppage of production for about a month. Contracts were entered into with U.S.S.R and Indian suppliers for supply of 10,000 and 7,000 metric tons respectively of steel billets. A contract was also entered into with a Soviet supplier for supply of 1,000 metric tons of low carbon wire rods for the wire mill. Other contracts signed with the Japanese and Indian suppliers were in respect of 1,300 tons of low carbon wire rods and 550

tons of hot rolled steel wire rods. Imports were in the region of Rs. 62 million (cost and freight) while local purchases were approximately Rs. 21 million. A major constraint of maintaining adequate stocks of raw materials, accessories and spares was the delay in obtaining foreign exchange allocations.

Employment.—There were 1,361 employees as at end of December 1976 compared with 1,264 employees in 1975. Personnel strength of the corporation in various grades during the year was :

Staff (technical and administration)	111
Supervisory and clerical	322
Skilled and semi-skilled	863
Unskilled	65
	<hr/>
	1,361
	<hr/>

Ceylon State Hardware Corporation

The Ceylon State Hardware Corporation was established in August 1963.

Production and sales during 1976 were—

Item	Production (Units)	Value	Sales (Units)	Value
		Rs.		Rs.
Mammoties	199,476	4,531,160	328,626	7,400,513
Other agricultural implements	37,771	1,416,460	39,511	1,428,998
Door and window fittings	647,257	2,002,862	946,663	3,068,299
Brass water fittings	63,630	2,326,588	69,698	2,291,742
Cutlery	129,796	783,789	123,859	765,525
Engineering Tools	20,397	697,919	6,553	603,327
Other items	19,174	400,517	21,977	318,348
Foundry products	—	7,563,799	—	6,590,294

There were 1,600 employees as at end of 1976 and comprised professional, administrative clerical and labour grades.

National Textile Corporation

The National Textile Corporation was established by an Incorporation Order published in *Government Gazette* No. 11,237 of 10th January 1956.

Veyangoda Mill.—Output of the mill during the year in relation to the budget was :

	1975 Actual	1975 Budgeted	Performance
Yarn (lbs)	3,003,963	3,177,860	94.5 per cent
Grey cloth (yds)	8,014,124	10,000,000	80.1 per cent
NTC finished cloth (yds)	8,300,602	10,000,000	83.0 per cent
Commissioned finished cloth (yds)	17,948,717	15,500,000	115.8 per cent
Sized beams (yds)	1,043,077	—	—

The increase in production was mainly due to effective co-operation between management and the workers, efficient maintenance of machinery, etc.

Sales during the year were :—

	1975
Yarn (lbs.)	1,032,730
NTC finished cloth (yds.)	7,630,220
Commissioned finished cloth (yds.)	18,492,480
Sized beams (yds.)	1,043,077

Polyester/Cotton Blended Materials.—The corporation's mill at Veyangoda successfully undertook production of polyester/cotton blended yarn on an experimental basis. Certain modifications had to be carried out in the existing machinery. Weaving of grey cloth with this yarn was carried out satisfactorily although it is too early to take a decision on production of this type of cloth as a commercial venture.

Thulhira Mills.—Output of the mill during the year in relation to budgetary provision was :

	1975 Actual	1975 Budgeted	Performance
Yarn (lb.)	7,942,513	10,646,000	74.6 percent
Grey cloth (yd.)	4,875,628	10,375,900	47.0 percent
NTC finished cloth (yd.)	5,427,903	10,839,100	50.1 percent
Commissioned finished cloth (yd.)	16,775,171	17,600,300	95.3 percent
Sized beams (yd.)	2,568,785	2,944,400	87.2 percent

Total output during the year fell short of targets due to reasons as high absenteeism and acute shortage of spares.

Sales during the year were :—

	1975
Yarn (lb.)	6,145,173
NTC finished cloth (yd.)	5,878,325
Commissioned finished cloth (yd.)	15,813,929
Sized beams (yd.)	2,568,785
Sodium hypochlorite (litres)	16,838

Pugoda.—The mill was opened for commercial production on 14th March, 1975.

The output of the mill during the year was :—

	1975
Yarn (lb.)	1,699,048
Grey cloth (yd.)	6,126,966

Sales during the year were :—

	1975
Yarn (lb.)	414,735
NTC finished cloth (yd.)	6,603,575

Thultex show room and sales centre.—This is the one and only direct outlet for the marketing of quality textiles as poplins, printed fabrics, voile etc., produced at the corporation's textile mills. Piece lengths are supplied to Sri Lanka State Trading (Textiles) Corporation (Salu Sala) and cut lengths ranging from 2 to 10 yards are marketed through this outlet.

Mattegama Project.—The Coarse Count Spinning Mill at Mattegama is being set up with assistance of the Government of the German Democratic Republic. This mill would have a capacity of 4.43 million lb. of yarn per annum.

Besides the factory, the corporation is establishing a housing scheme in proximity to the factory site. Construction work on the factory buildings and the housing scheme commenced in June, 1974.

The technical services unit of this project carried out consultancy services in civil engineering work for the other mills/projects of the corporation, thus saving a considerable amount of money which would under normal circumstances have been paid as consultancy fees to various other organisations.

Spinning Mill Project, Minneriya.—The spinning mill at Minneriya is being set up with assistance of the Government of the People's Republic of China.

The mill is designed for an annual output of 3.5 million lb. of yarn of count 40s and 30s in the proportion 1: 2. Annual raw cotton requirements for the output is estimated at 3.9 million pounds.

Finishing Plant at Pugoda.—In pursuance of an agreement signed in Peking in June, 1972, and "letter" on construction of a finishing plant exchanged in Colombo in May 1974, between the Governments of the People's Republic of China and the Republic of Sri Lanka, a decision has been taken to set up a finishing plant within premises of the Pugoda mill.

This plant will have an annual capacity of 16.5 million yards of finished cotton goods.

Sodium Alginate Project at Thulhiriya.—Sodium alginate is a product used in printing of textiles, as a thickening component in the preparation of printing paste.

Original research on the production of sodium alginate using local raw material (sea weed), sargassum found along the coastal belt of Sri Lanka between Hikkaduwa and Hambantota, was carried out successfully by the C. I. S. I. R.

A decision was taken to set up a pilot plant at Thulhiriya Mill for the manufacture of sodium alginate and work commenced in October, 1974, with assistance of the S. E. C. and I. D. B., the former providing assistance in setting up the plant and the latter in supplying raw material (brown sea weed) from its net work of collecting points in various parts of the island.

Trial runs conducted on the plant have proved successful. It was felt, however, that certain improvements are necessary for operation of the plant on a larger scale.

The pilot plant would have a capacity in the region of 7,500 kilogrammes per year operating on 3 shifts.

Employment.—There were 9,134 employees on the corporation's staff as at end of 1976, consisting of executive, supervisory, technical, clerical and manipulative grades. Employment at the three textile mills, viz., Veyangoda, Thulhiriya and Pugoda was in the region of 8,700.

Weaving Supplies Corporation

The Weaving Supplies Corporation was established under the Sri Lanka State Trading Corporation Act, No. 33 of 1970, for purpose of organising supplies of cotton yarn, synthetic yarn, dyes and chemicals and weaving accessories for the textile weaving industry.

Stocks of cotton yarn as at end of 1976 were in the region of 6.17 million pounds. A total of 10.02 million pounds cotton yarn were purchased for distribution among textiles production units; viz., National Textile Corporation's Textile Mills at Veyangoda, Pugoda and Thulhiriya, Asian Cotton Mills, United Spinning Mills and the recently State vested Wellawatte Spinning Mills. Yarn supplies made available to local textiles manufacturers were in the region of 5.64 million pounds, giving an over-all distribution of 15.66 million pounds cotton yarn during 1976.

The break-down of this figure and percentage distribution to total requirements is:

	Total Requirements	Quantity Supplies	Percent to total requirements
	(Million pounds)		
Direct supplies through co-operatives and the corporation for the handloom sector	18.29	5.61	31
Co-operatives and private owned power looms	2.29	1.91	84
Small-scale industry power looms	9.63	5.36	56
Wellawatte Spinning and Weaving Mills	2.65	1.36	51
Hosiery industries	1.77	1.26	71
Kandy Textiles	0.61	0.17	27
	35.24	15.67	55

Apart from yarn supplies, the corporation has made available dyes and chemicals essential to the textile industry. A total of 12,300 lbs. batik dyes, 66,000 lb. cotton dyes and 329,000 lbs. printing dyes have been supplied during 1976. In addition 370,000 lbs. chemicals were also distributed among textile weavers during the year. Synthetic yarn supplied to co-operatives and synthetic textile manufacturers was in the region of 5.94 million pounds.

The corporation has also afforded necessary assistance for the development of the handloom industry. Handloom weavers are supplied requirements of yarn and warp beams through a net-work of 10 handloom textile service centres.

The production of local handloom weavers is purchased by the corporation.

Action has been installed in collaboration with Sri Lanka Marketing Services for the export of local handloom products and earn foreign exchange.

Sri Lanka State Flour Milling Corporation

The State Flour Milling Corporation is one of the projects financed by the U. S. S. R. Government. The corporation was established under the State Industrial Corporations Act (No. 49) of 1957. The construction of the mill, under the 1958 Economic and Technical Co-operation Agreement with the U. S. S. R., was completed in 1968. Commercial production commenced in December the same year.

In conformity with state policy, the entire production of wheat flour continues to be supplied to the Food Commissioner.

The corporation manufactures small quantities of atta flour and semolina (rulang) to meet consumer demand. Target of production was 126,884 metric tons of wheat during the year. The corporation milled 132,339 metric tons exceeding the target set by 5,455 metric tons.

Production figures as compared with the preceding year appear below :

	1976	1975
	(Metric Tons)	
Flour	93,649	65,292
Atta	1,717	9,042
Semolina	1,257	681
Bran	33,774	21,591
Feed meal	739	797
	<hr/> 131,136	<hr/> 97,403

The daily average milling rate was 485 metric tons in 1976 as compared with 424 metric tons in 1975.

Total earnings from local sales and exports were Rs. 226,846,620 excluding FEECs. Exports were limited to 22,447 tons of wheat bran earning a F.O.B. Value of Rs. 14,346,429 in foreign exchange. The profit before taxation was Rs. 30,394,482.

Commercial purchase of 128,157 metric tons wheat grain was negotiated with the Australian Wheat Board. No consignment as gift wheat was received during the year. Purchase was effected with an optimum advantage to the corporation.

With the total silo storage capacity remaining at 20,000 tons and a gristing capacity averaged at 485 metric tons of wheat milled per day, the corporation has secured maximum freight benefit to lift cargoes of 21,000 tons of bulk wheat per shipment giving a bare replenishment and stock release margin of about six days. This is largely attributable to the gesture of the Australian Wheat Board. Efficiency and enthusiasm, with which the corporation's staff had discharged these vessels, is reflected in a foreign exchange gain of Rs. 340,882 as 'Despatch' earnings.

Second Floor Mill.—A complete project proposal for setting up a second mill to boost capacity to a total of 1,200 tons of wheat milled per day is under consideration. A feasibility study for capital aid financing by donor countries is to be determined by government.

Employment.—The total strength employed at the end of 1976 was 505.

Consequent to enhancement of production capacity of the mill and the consistently high level of capacity utilisation a pressing need arose to formulate a new incentive bonus scheme. In consultation with the National Institute of Management of the Ministry of Industries, the scheme was implemented as from January 1976.

The first ever worker Education Seminar gave a meaningful effect to concept of responsible worker participation in management.

Welfare.—A fully equipped Medical Centre for the corporation's staff was set up during the year.

Sri Lanka Tyre Corporation

The Sri Lanka Tyre Corporation was established in 1962 primarily for the manufacture of tyres and tubes. The Corporation maintained its production output at the same level as in the preceding year.

The corporation's production figures for the two years 1975 and 1976 appear below :

	1976	1975
	(Units)	
Truck Tyres	62,398	69,372
Car and Jeep Tyres	108,782	95,206
Agriculture Tyres	10,231	9,268
Tubes and Flaps	198,192	165,447

The total production in standard tyre units was basically the same during the two years at 122,460 and 122,493 respectively in 1976 and 1975. The selling prices of corporation products were increased in December, 1974 to meet the high cost of production due to a sharp increase in the price of raw materials, especially the petroleum-based products. Price increases helped achieve a record profit of Rs. 22.6 million in 1975 in contrast to a figure of Rs. 17.1 million the preceding year. With a view to passing on a share of the profit to the consumer, the corporation reduced selling prices by 5 per cent as from January 1976 in spite of high cost of production. An over-all reduction in profits was thus inevitable.

The value of production at net selling price for the year was Rs. 92.6 million and turnover was Rs. 87.0 million. The corporation has saved approximately Rs. 16 million by way of foreign exchange during 1976. Cumulative foreign exchange saved upto end of 1976 was Rs. 90 million. This figure is more than double the total foreign exchange component of capital investment in the corporation.

Contribution to the Consolidated Fund was Rs. 21 million as at end of 1975. There were 2,078 employees in the corporation's staff at the end of 1976 as compared with 2,002 employees in 1975.

Under its development programme the corporation would increase its truck tyre capacity with the installation of new bag-O-matic vulcanizer presses. Manufacture of two sizes (scooter tyre) and 7.50-16 (van) tyres is envisaged.

Ceylon Ceramics Corporation

The Ceylon Ceramics Corporation maintains its unrivalled position as one of the most productive state sector institutions in Sri Lanka. Apart from satisfying the local market with a wide range of ceramic-ware, bricks and tiles, the corporation has displayed its dynamic role in the field of export as well.

Porcelain tableware manufactured by Lanka Porcelain Ltd., a subsidiary of the corporation reached a record peak of Rs. 29.4 million, while mosaic tiles and ceramic tableware and sanitaryware exports brought in a further Rs. 3.2 million in foreign exchange.

The corporation made vast strides in diversification of the ceramic industry by setting up new factories to manufacture wall tiles (Balangoda) grinding wheels and graphite crucibles (Gampola), ball clay (Kalutara), hydrated lime (Hungama) and a second (kaolin) refinery (Ambalangoda). A giant factory costing over Rs. 70 million is being constructed at Dankotuwa for the manufacture of sheet glass. People's Republic of China is assisting the ceramic corporation in this project, while a second factory for the manufacture of refractories is to be located at Hanwella. The Czechoslovakian government would assist the corporation to put up this Rs. 50 million factory.

The corporation made a profit of Rs. 11 million in 1976 which excludes the profits of the Lanka Porcelain Ltd., a subsidiary of the corporation.

Targets for the production of crockery, sanitaryware and wall tiles, insulators, bricks and tiles, and mining of (kaolin) were achieved during the year.

Sales during 1976 reached a figure of Rs. 63 million, an increase of Rs. 10.4 million over the preceding year. Apart from expanding the corporation's own retail chain with new shops, multi-purpose co-operatives in the respective administrative districts were appointed, corporation's wholesale agents, ensuring a wider dispersal of ceramicware.

The import substitution programme which commenced in 1970 has been intensified effecting considerable reduction in raw material imports. Foreign exchange saving in pursuance of a policy using maximum utilisation of internal resources is estimated annually at Rs. 8 million. On the other hand consumption of imported raw material in ceramics has dropped appreciably to about 10 per cent during 1976.

Continuation New Projects are :

	<i>Capital Cost (Rs. Million)</i>
(i) Ball Clay Plant	1.37
(ii) Second Kaolin Refinery	5.00
(iii) Grinding Wheels and Graphite Crucibles	3.38
(iv) Lime Plant	4.09
(v) Refractories	49.19
(vi) Central Research Lab.	4.75
(vii) Sheet Glass Factory	70.00
(viii) Lanka Wall Tiles Ltd.	16.00
(ix) Second Blue Factory	2.50
(x) Plaster of Paris Project	0.90
(ix) Ceramic Centre	2.00
	<hr/> 159.18 <hr/>

Proposed Projects include :

	<i>Capital Cost (Rs. Million)</i>
(i) Titanium dioxide	0.6
(ii) Vitreous enamel frit	0.6
(iii) Tile adhesive	4.0
(iv) Granite polishing	4.0
	—
	9.2
	—

Sri Lanka Tobacco Industries Corporation

The Sri Lanka Tobacco Industries Corporation was established in July, 1972, under the State Industrial Corporations' Act No. 49, of 1957. Major functions of the corporation are import, distribution and sale of beedies and other tobacco products, promotion of tobacco cultivation and cultivation of Kadumberiya, a wrapping leaf material in the beedi industry. The corporation imports from India nearly all its requirements of beedi wrapper leaf, average annual requirements being in the region of 4 million pounds. Total value of imported leaf in 1975, was Rs. 3,333,262. The imported leaf is distributed to the corporation's agents and to registered private manufacturers.

Tobacco required for beedi manufacture is grown locally, mainly in Matale and Anuradhapura districts. The corporation purchases the growers' tobacco at a guaranteed price. Total purchases in 1975, amounted to Rs. 1,173,454, while in 1976, purchases were in the region of Rs. 4 million. The corporation has also commenced cultivation of tobacco in its own farm at Kantale.

The production capacity of the corporation is in the region of 150 million 'beedies' per month. 'Beedi' wrapping being one of the most labour-intensive industries provides employment to about 22,000 persons through the corporation's agencies. The beedi industry as a whole provides employment for 50,000 inclusive of the private sector.

The corporation has also commenced production of cigars with local tobacco. Cultivation of special varieties of tobacco for the purpose would be undertaken. Planting of Kadumberiya has been carried out on an experimental basis. Sale of wrapper leaf earned the corporation a sum of Rs. 26,111,640 giving a gross profit of Rs. 18,705,807. Net profit before taxation as at end of 1976, was Rs. 11,445,186.

Jute Industries Corporation

The jute project as a state enterprise commenced in September, 1972, at Malwana and was handled by the National Small Industries Corporation during initial stages. Annual requirement of gunnies is in the region of 25 million for use in the export trade as well as local consumption. This has hitherto been met rather indirectly with the availability of gunnies as packing material in the import of consumer goods.

The gunny trade has been the sole monopoly of a small fraction of non-nationals who often created artificial scarcities, hoarding and subsequent disposal in the blackmarket. Monopolistic pressure coupled with a net-work of subsidiary organisations scattered over the country exerted its full impact on nationals who endeavoured to enter the gunny trade.

The activities of the project have hitherto been confined to the collection of 'second hand' gunnies from the co-operatives and their supply to state corporations, exporters, industrialists, millers and for various packing purposes.

A total of 264 co-operatives enjoined in a scheme of gunny supplies to the corporation as at end of 1975. Progressive development of the project is revealed in the information given below :—

	<i>Gunnies Purchased</i>	<i>Value Rs.</i>	<i>Gunnies Sold</i>	<i>Value Rs.</i>
1974	3,402,073	5,441,108	2,531,379	7,017,949
1975	6,510,437	19,841,370	4,515,036	1,567,272*

The project apart from thwarting monopolistic tendency of non-nationals in the gunny trade had helped provide gainful employment to about 2,500. It has also proved a profitable state venture as reflected in figures below :

1974 Rs. 1,173,001 ;

1975 Rs. 1,856,045 (Approximately 75 per cent coverage of the jute hessian market)

* Provisional : figures exclude closing stocks

The jute project as a state enterprise had the following objectives :—

- (i) The collection, processing and distribution of used gunnies ;
- (ii) Import and export of jute and other material related to the jute hessian industry ;
- (iii) Manufacture of gunnies or any other material from jute with locally available raw material or raw material imported for such purposes ; and
- (iv) The cultivation of any planting material in Sri Lanka which could be processed for the packing industry.

A fair measure of success has so far been achieved by the corporation in the fulfilment of these objectives.

IV—PLANTATION INDUSTRIES

Coconut

Copra.—Copra is manufactured in Sri Lanka 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 variation in oil content of local estate copra with the time of plucking, normal fertilizer treatment or situation of 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 Estate Copra. The usual grades of copra recognised in Sri Lanka are edible white, estate no. 1, no. 2, no. 3 and mixed (fms).

Copra exports in 1976, totalled 1,245 metric tons against 1,230 metric tons in 1975.

Desiccated Coconut.—Desiccated coconut is manufactured in Sri Lanka primarily for export. It is usually exported 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. Desiccated coconut is very susceptible to attack of moulds in excess of more than a minimum amount of moisture. By reason of its oil content (over 75 per cent) desiccated coconut is also liable to rancidity on prolonged storage or exposure to light.

Standard quality desiccated coconut as exported from Sri Lanka 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 oil is usually below 0.2 per cent. Total exports of desiccated coconut in 1976 amounted to 45,454 metric tons as against 51,121 metric tons in 1975.

The laboratory set up by the Coconut Processing Board examines samples of desiccated coconut for Salmonella and renders a great service to the desiccated coconut industry.

Coconut Oil.—As ordinarily prepared in Sri Lanka, coconut oil is a colourless to pale brownish yellow oil, having (unless refined), a more or less pronounced odour of the nut. The vegetable oil is characterised by the presence of high percentages of lauric and myristic acids and notable proportions of the lower matured fatty acids.

Coconut oil prepared from copra, or refined coconut oil, keeps well for a fair length of time.

The coconut oil milling industry of the island is extensive, the bulk of the commercial oil is produced using screw expellers and hydraulic presses. 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. Besides oil used for edible purposes, the local soap industry also absorbs a fair quantity of coconut oil. Exports of coconut oil in 1976 were 58,978 metric tons as compared with 68,876 metric tons the preceding year.

Fibre.—Two kinds of coir fibre-bristle and mattress could be produced from the husk of the coconut. Husks for fibre mills are obtained from estates and small holdings in proximity to these

mills. A few dry decorticating palnts have also been installed in the island. The chief advantage of these plants appears to be elimination of the retting process, so that resulting fibre is of a lighter colour.

Mattress fibre is used for making coir yarn, rope and matting and for certain classes of upholstery. Bristle fibre is widely used for brush making. Coir fibre exports including mattress, bristle and twisted fibre as estimated by the Coconut Development Authority, totalled 84,495 metric tones in 1976.

Arrack.—Arrack is a product of toddy. This industry is a state monopoly and earns a very large excise revenue. The distillation and distribution of arrack from January 1974 are being done under the supervision of the State Distilleries Corporation.

Toddy.—Toddy is mainly obtained from the coconut palm which thrives in the maritime provinces of Sri Lanka. When the flowering stalks of spadices, which contain a large quantity of sachcharine juice supplied by the tree for the formation are tapped before they open out, a juicy liquid known as sweet toddy is obtained. By a process of fermentation the sweet toddy is converted into fermented toddy. Toddy is also similarly obtained from the palmyrah palm found extensively in the Northern and Eastern Provinces and from the Kitul palm which grows in the hilly regions of the island. Sale of toddy is controlled by government licences.

Sweet Toddy.—Toddy is kept sweet (unfermented) by the 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 purpose of obtaining sweet toddy.

Vinegar manufacture.—Vinegar is produced by acetifying toddy and it takes 10 to 14 weeks to complete the process.

State Distilleries Corporation

The State Distilleries Corporation was established on 10th May, 1973, under State Industrial Corporation Act, No. 49 of 1957. The functions of the State Distillery was taken over by the corporation on 1st December, 1973, with the subsequent take-over of blending and distribution processes of arrack on 1st January, 1974.

Production figures of coconut arrack in 1975 and 1976 were :

Distillery	1975	1976
	(gallons)	
Seeduwa	510,149	442,399
Beruwala	179,466	184,444
Co-operative	146,058	155,448
Sri Lanka	186,634	217,638
Rockland	134,529	161,583
Wavulgala	126,512	148,046
Dankotuwa	13,185	12,546
Kaithady	4,373	1,549
	<hr/> 1,300,906	<hr/> 1,323,653

Coconut arrack produced by private distilleries was purchased by the corporation at Rs. 38.40 a gallon from 1st January, 1976, an increase of 30 cents per proof gallon over the price paid in 1975. This includes a payment of Rs. 4 per gallon of pure toddy to the contractor and a payment of Rs. 1.50 per gallon to the tapper.

The operation of the three estates taken over from the Land Reform Commission, Kimbulapitiya (112 acres), Imbulgaswadiya (107 acres) and Galawatte (60 acres) contributed substantially to the supply of 312,047 gallons of pure toddy which when converted gave 39,006 proof gallons of arrack.

The Co-operative Arrack Distillation Society at Dankotuwa produced 12,546 gallons of crude arrack in 1975.

The gallonage sold and value realised from different blends of arrack in 1976 were :—

<i>Blend</i>	<i>Gallons sold</i>	<i>Value Rs.</i>
Special Arrack	3,975,028	312,669,518
Coconut Arrack	1,828,505	179,842,151
V.S.O.A.	55,156	8,370,930
Old Seeduwa	2,058	378,048
10 Year Old Arrack	2,028	476,580
Total	5,862,775*	501,737,227*

An all round increase was recorded in price for all 'blends' of arrack by Rs. 2 per quart (bottle) as from 7th July, 1976. Though there was a consequent drop in the gallonage sold, income realised continues to be more than in the corresponding months for the preceding year.

TABLE 8.3—MONTHLY GALLONAGE OF ARRACK SOLD AND VALUE REALISED—1975 AND 1976

	1975		1976	
	<i>Gallonage</i>	<i>Value Rs.</i>	<i>Gallonage</i>	<i>Value Rs.</i>
January	596,099	41,615,387	532,606	41,160,358
February	514,457	35,814,379	448,322	34,165,248
March	476,533	36,045,189	527,396	42,369,555
April	747,671	52,634,729	724,548	55,909,313
May	566,026	39,773,019	526,130	40,579,934
June	494,413	35,910,541	482,346	39,711,951
July	465,013	37,638,760	390,461	37,860,127
August	479,792	35,995,636	379,684	37,407,208
September	525,833	37,062,615	386,315	38,055,591
October	462,991	36,941,853	471,586	43,955,446
November	430,238	32,384,139	436,344	39,472,216
December	553,724	43,064,308	557,035	50,640,280
	6,312,790	464,880,555	5,862,773	501,287,227

Contributions to government revenue during the three years 1974, 1975 and 1976 with component breakdown in the over-all figure were :—

	1974 (Rs. Million)	1975 (Rs. Million)	1976 (Rs. Million)
Excise Duty	195	187.1	234.0
B. T. T.	20	45.5	78.0
Income Tax	85	69.7	44.0
Consolidated Fund	20	45.0	31.0
Customs Duty	2	2.8	0.6
Total	322	350.1	387.6

* These figures differ from break-down totals appearing on table 8.3.

Rubber Manufacture

The State Rubber Manufacturing Corporation was set up under Section 2 (1) of the State Industrial Corporation's Act (No. 49) of 1957 by Gazette Extraordinary dated October 10, 1973.

Objectives for which the industrial undertaking was constituted are :

- (1) The establishment and running of central factories for the manufacture and sale of new process rubber, pale crepe, scrap crepe, centrifuged latex, latex and dry rubber derivatives ;
- (2) Conduct of demonstration and training programmes ;
- (3) Utilisation or promotion of utilisation of rubber seed or any other by-product for industrial purposes ;
- (4) Promote establishment of any organisation or utilise any existing organisation considered necessary to attain objectives referred to above ;
- (5) Enter into partnership with any private or state-sponsored undertaking dealing with rubber or rubber products.

Initial capital of the corporation was Rs. 15.1 million.

A block rubber factory was established at Mawanella, in collaboration with the Food and Agriculture Organisation of the United Nations. This serves as a demonstration and training plant. The factory utilizes mainly small holders latex to manufacture block rubber. Nearly 3,000 small holders are participating in the scheme. Production figures for the years 1975 and 1976 were :—

1975	1976
Metric Tonnes	Metric Tonnes
1,429.49	1,624.82

Steps have also been taken for establishment of a block rubber factory based on scrap rubber in collaboration with a consortium of private sector establishments.

In pursuance of a programme in providing processing facilities for small holder's latex and for holdings without such processing facilities, factories for manufacture of latex crepe are being set up by the corporation. The two old factories at Yatideriya and Silverdale were taken over by the corporation and are being renovated for the purpose. Three new factories at Badureliya, Waharaka and Kuruwita commenced production during the year.

The corporation maintains 14 collecting centres. New collecting centres envisaged are at Aranyake, Buwelikada, Horewela, Ambagahawatta and Ekneligoda.

Cashew

State endeavours in the promotion and development of the cashew industry became reality with the establishment of the Sri Lanka Cashew Corporation in 1973. The cashew crop has a potential export market.

Plantations under management of the Corporation and planted in Cashew are :—

(a) Kondachchi	... Mannar District
(b) Mankerni	... Batticaloa District
(c) Kamandoluwa	... Puttalam District
(d) Welikanda (Embulpala)	... Polonnaruwa District

Kondachchi—The corporation has incurred Rs. 1.4 million up to September 1976, for maintenance of this plantation. The area under cashew is about, 2,000 acres, of which 1,467 acres are in bearing. The plantation has a labour-force of 296.

Mankerni.—A sum of Rs. 178.9 thousand has been spent as maintenance of the plantation upto September 1976. The plantation covers an extent of 950 acres, of which 640 acres are in bearing. A strip in proximity, infringing the coastal belt has been cultivated under coconut.

Kamandoluwa.—A total of 165 acres have been vested in the cashew corporation under the Land reform law. An extent of about 100 acres is under cashew.

Potential for the development of the plantation exists in view of the availability of about 2,000 acres in Kumar Rajapakse Estate abutting Kamandoluwa Plantation.

Welikanda.—An extent of 600 acres of land under management of the state plantations corporation has since been vested in the cashew corporation.

These plantations grow paddy and other subsidiary food crops, castor seed (oil) and Kenaf grass used in the manufacture of paper.

The cashew industry is beset with problems particularly in the export of the "kernel" which should conform to production standards and also availability of packing material. Competing with the neighbouring sub-continent, India which incidentally is the largest producer and exporter of cashew products, would present stiff opposition unless quality standards are maintained.

Possibilities are also being explored in the manufacture of C.N.S.L. from the shell and a beverage from the "plum". Preliminary "tests" conducted by the Sri Lanka Institute of Scientific Research augur well for the industry.

Based on available figures, the corporation's sales in cashew products have been in the region of Rs. 60,000. A pound of grade I cadju nuts fetches on an average Rs. 9 in the local market.

V—BUREAU OF CEYLON STANDARDS

The Bureau of Ceylon Standards commenced activities in November 1966. Among its major functions are preparation of standard specifications and codes of practice, administration of compulsory standards and standardisation marks scheme and adoption of the metric system of weights and measures. The bureau has been recognised by the government as the central certifying authority to operate the pre-export quality control scheme.

Bureau activities could broadly be categorised under the following divisions :—

- (1) Standardization
- (2) Implementation and Training Division
- (3) Laboratory services
- (4) Library services.

Standardization

Standardization activities fall under the following Divisional Committees :—

- (a) Metric
- (b) Electrical Engineering
- (c) Mechanical Engineering
- (d) Civil Engineering
- (e) Agriculture and Chemicals
- (f) Textiles.

Standards have been finalised in respect of 409 subjects under these divisions, most of which have been printed and available for sale to the public.

A total of 151 subjects are currently under the various divisional committees. 28 standards were finalised whilst a further 25 standards were amended during the year.

It is proposed to finalise approximately 60 standards in 1977. High priority is being given to export-oriented items, those connected with import substitution and consumer items relating to safety and health. In the field of civil and electrical engineering, it is hoped to put forward many more codes of practices which would eventually be documented to form national codes.

The bureau representatives had participated in divisional and regional standardization Meetings abroad.

Implementation and Training Division

Activities under this division are :—

- (a) Compulsory standards ;
- (b) Certification marking scheme ;
- (c) General implementation ;
- (d) Education and training ;
- (e) Pre-Export inspection.

Compulsory Standards.—At the moment only three items mainly razor blades, asbestos sheets and safety matches are under compulsory standards. Standards for stainless steel razor blades would be incorporated into compulsory standards for razor blades.

A few other consumer items would be under this scheme in consultation with the Ministry of Industries and Scientific Affairs.

Certification Marking.—Permits would be issued for use of standardization mark to 10 products. An attempt would be made to issue marks to jams and jellies, fruit cordials, fruit juices and canned food which are meant for export purposes.

Implementation work around 30 consumer items would be continued with a view to introducing a standardization marking scheme.

Training.—The Bureau at present conducts training programmes on industrial standardization and quality control at both management and technical levels. Three programmes were held, one at management level and two at technician level. It is proposed to have six more programmes, two at management level and four at technician level in the future.

Pre-Export Inspection Scheme.—Export consignments of spices, cocoa beans and sesame seeds are being inspected and certified for quality standards under this Scheme. Other products as Betel nuts, Frozen Prawns and Lobster products would be brought under this Scheme in due course.

Laboratory Services

The Laboratory of the bureau is being developed with a view to providing testing laboratory services. The Laboratory development programme was approved in 1974. It is handling about 50 percent of testing work of the bureau. Tests are also being done for private sector industrialists. Over 300 test reports have been issued to the bureau and to industrialists. A new unit for microbiological testing was set up and is functioning at present. The Laboratory work-shop is also being established to provide services for fabrication of equipment, tuning and machining of components. A training programme has been arranged to provide training abroad for personnel of the Bureau.

Library Services

The library provides literature and other material including reference facilities of subjects of standardization and quality control both of local and foreign bodies. It provides adequate services to the bureau's technical staff, drafting committees, divisional committees, technical institutions, state corporations and the private sector.

The bureau is also a sole agent for import and supply of standard publications of all foreign standards institutions.

The bureau continues its membership of the International Standards Organization and the National Electro Technical Commission.

**VI—BUSINESS UNDERTAKINGS VESTED UNDER BUSINESS UNDERTAKINGS
(ACQUISITION) ACT (No. 15) OF 1971**

United Motors (Ltd.) and its Subsidiary Automobile Assembly and Manufacture (Ltd.)

The United Motors (Ltd.) and the Automobile Assembly and Manufacture (Ltd.) were two private companies taken over on 8 March, 1972 under the Business Undertakings (Acquisition) Act, No. (15) of 1971. United Motors serve as sole local agents for American Motors (Ltd.) U.S.A., Mitsubishi Motors Corporation, Japan, Mahindra and Mahindra (Ltd.) India, Chrysler International S.A. U. K. and Motokov, Czechoslovakia.

Activities of these undertakings were mainly confined to importation, sale and servicing of jeep vehicles. Sale of passenger and commercial vehicles was introduced and assembly of jeeps and trucks recommenced during 1976.

Assembly of 5-ton Trucks.—A contract was concluded between United Motors and Auto Export Import, Brasov, Rumania for purchase of 300, 5-ton trucks. These trucks were imported under such conditions to reduce foreign cost with locally substituted components.

Jeep Vehicles.—Consequent to successful discussions with 'Principals' abroad, arrangements were finalised to import Jeep vehicles in 'knocked down' condition to be assembled locally deleting locally substituted items.

Buildings.—Action was initiated to construct required buildings at premises of the Undertakings at Thalakotuwa, Narahenpita to overcome the problem of space availability.

Commercial Profitability.—Net profit for the year was Rs. 4.5 million prior to taxation as compared with a profit of Rs. 3.3 million the preceding year.

Staff.—Staff strength as at end of 1976 was 322 comprising various grades of employees.

Business Undertaking of British Ceylon Corporation (Ltd.)

The Business Undertaking of British Ceylon Corporation Ltd. and its subsidiaries, British Ceylon Milling Company (Ltd.), Orient Company Ceylon (Ltd.), Ceylon Extraction Company (Ltd), were vested in the government on 25th February, 1972, under the Business Undertakings Acquisition Act (No. 35) of 1971. Business affairs of the undertaking are being administered by a Competent Authority.

The Business Undertaking of B. C. C. (Ltd.) is the largest Miller of Coconut Oil with a capacity of approximately 30,000 tons of Oil per annum. Foreign exchange earnings from export of coconut oil is quite substantial. The soap factory of the business undertaking manufactures a wide range of household and toilet soap and has a production capacity of approximately 10,000 tons of soap per annum. The drum plant of the undertaking is the largest in the island and manufactures steel drums for export of coconut oil. The plant also manufactures drums for the Ceylon Petroleum Corporation.

The Business Undertaking of B. C. M. (Ltd.) is primarily concerned with the manufacture of various varieties of cattle, poultry and pig feed, and to a lesser extent with solvent extraction of oil from poonac.

Ceylon Oxygen Limited

The Ceylon Oxygen Limited was vested in the government under the Business Acquisition Act (No. 35) of 1971. Manufacture of industrial oxygen, medical oxygen, high flying oxygen, dissolved acetylene, nitrogen and welding electrodes, is its main activity.

Other functions include supply of industrial and medical gases, oxyacetylene welding and cutting equipment, including rods and fluxes, accessories, electric arc welding machinery, both manual and automatic, welding transformers, generators, engine-driven welding sets, spot welding equipment and quasi-arc electrodes and accessories.

The business undertaking also manufactures equipment for argonarc, sigma, fusarc CO₂ and unionmelt processes, welding manipulators and positioners, ram type welding booms, liquid nitrogen, refrigeration equipment for flash-freezing, storage and transit, polarstream, etc., all anaesthetic and analgesic equipment and accessories, equipment for resuscitation, oxygen therapy, etc.

Vijaya Tiles Limited

The Government-owned Business Undertaking of Vijaya Tiles, Limited, Kelaniya, manufactures roofing tiles, terrazzo floor tiles, refractory bricks and fire bricks.

Total sales realised during the year were in the region of Rs. 2.7 million. Profit before taxation was Rs. 344,562. The organization has a labour force of 236 employees.

Shaw Industries Limited

The tile and pipe manufacture of Shaw Industries, Ltd. located at Kelanimulla, Angoda, was vested in the government on 24th July, 1975 under the Business Undertakings (Acquisition) Act, (No. 35) of 1971.

Shaw Industries Ltd. recorded steady progress during 1976. Production capacity increased appreciably while sales turnover also improved thus ensuring a higher profit.

The production of tiles during 1976 reached 6.3 million units while production of earthenware pipes increased to 60,587 units.

The volume of business transacted during the year amounted to Rs. 4.5 million. This was reached against a back ground of a rise in cost of production and running expenditure of the organization due to external factors. There was a profit of Rs. 557,558 before taxation.

Employee strength of the undertaking was 369 comprising various grades. With a growing demand for both tiles and earthenware pipes in the next few years, plans are being initiated to increase production capacity.

VII—SMALL INDUSTRIES

Apart from state-owned industrial ventures and private sector industries, much attention continues to be focussed on the development of small-scale industry sector, particularly the production of traditional crafts using local raw materials.

Though a classification of the small-scale industry as one with a maximum value of plant and material not exceeding Rs. 10,000 nevertheless the production of cottage craft and such items of ware with exquisite quality and design is significantly important. While the Department of Small industries plays a vital role in this regard its main activity however continues to be the production of local textile materials.

The five-year plan of development envisaged both power loom and hand loom textile production to counter local demand. The 38,895 co-operative handlooms of the department produced 19.3 million yards of cloth while production from 56,999 private looms was in the region of 40.6 million yards. Production targets in the power loom and hand loom sectors could not be achieved mainly attributable to fluctuations in textile prices.

Furnishing material for the hotel industry was hitherto met from imports involving valuable foreign exchange. Improvement in decor and design of the local furnishing material, an ideal substitute for imports, not only helped boost handloom production but also save foreign exchange. Handloom requirements of the Hotel Oberoi and Holiday Inn were solely met from the local industry.

A design division was established to produce elegant and exquisite designs for distribution among local textile weavers. This has helped overcome a deficiency so significant in local production.

There were 67 powerloom units functioning with a total of 3,000 weaving machines. Using 2 and 3 shifts a day, 22.6 million yards of cloth, including poplin, matt cloth, voile, cambric, grey cloth, etc., were produced during 1974. Most of these items would cater to the needs of various government departments. 'Lama Salu', a popular item of children's school-wear, distributed by the Salu Sala. A pilot scheme has been initiated for the production of synthetics.

Six additional power loom units have been completed. The power loom units have been grouped under 12 major projects with the department of small industries providing each such project a 'starch centre'.

Cottage Industries

Apart from fostering industrial development promotion of cottage industries also entails enlarging marketing facilities both locally and abroad. Cottage crafts include pottery, carpentry, coir work, brassware, weaving and cane industry.

The Department of Small Industries maintains 73 pottery units and pottery societies. A total of over 500 workers including trainees and skilled-craftsmen are engaged at these societies in the various stages of production.

The carpentry division, apart from its training programmes, handles the supply of furniture requirements of schools and various government institutions. A total of 58 carpentry schools were functioning during 1976, twenty-six of these being mechanised units. Action was initiated to open up a carpentry school in the Katugampola Electorate, Kurunegala. Total turnover from these units was in the region of Rs. 807,958.

The department of small industries has 4 coir workshops, 32 coir centres and 73 coir societies functioning under its aegis. The five workshops are mechanised and produce carpets and rugs of high quality. A demand both local and foreign for coir manufactures exists. A total of 5,000 corridor rugs were exported to West Germany.

Samples of coir products have been sent to various countries abroad to 'popularise' local manufactures in these countries and earn foreign exchange. An order has been placed by the National Salt Corporation for the supply of 90,000 salt bags. The turnover from coir products was Rs. 1.2 million.

Lak Sala, the departments' main sales centre in Colombo has 11 retail shops functioning in the principal towns of the island. Total sales from Lak Sala shops was in the region of Rs. 9.8 million. Apart from export promotion, the Lak Sala executes trade orders from foreign countries, participates in various international exhibitions and fairs, and also handles the 'gift parcels' scheme for despatch of Lak Sala products abroad.

Departmental participation in the various fairs and exhibitions during 1976 is shown below :—

FRANKFURT	...	International Spring Fair
MILAN	...	Trade Fair
BANGKOK	..	Red Cross Fair
POLAND	..	Trade Fair
BAGHDAD	...	Trade Fair
ENGLAND	..	International Spring Fair
YUGOSLAVIA	..	International Trade Fair

The Lak Sala earned a sum of Rs. 666,250 as foreign exchange from export of local products apart from sales to foreign tourists visiting Sri Lanka.

CHAPTER IX

SCIENTIFIC RESEARCH

I—NATIONAL SCIENCE COUNCIL

The National Science Council of Ceylon was set up by the government under Parliamentary Act, (No. 9) of 1968, as an executive body to co-ordinate scientific activity in Sri Lanka.

The functions and powers of the National Science Council as set out in sections 3 and 4 of the National Science Council Act, (No. 9) of 1968, could briefly be outlined thus :

- (i) to advise the Minister responsible for Science, on all matters pertaining to the application of science and technology in the economic development of the country,
- (ii) to co-ordinate research in the various fields of science and to promote both fundamental and applied research,
- (iii) to formulate a policy for Science and Technology for Sri Lanka.

The National Science Council of Ceylon Act (No. 9) of 1968, was replaced by the National Science Council of Sri Lanka Law (No. 36) of 1975.

Seven members appointed by the Minister of Industries and Scientific Affairs and six ex-officio members constitute the new council. In the performances of its functions the council is assisted by a working committees appointed by the Minister under section (19) of the National Science Council of Sri Lanka Law (No. 36) of 1975.

There are six such statutory working committees in office covering fields of science policy research, science education research, science and technical information, research grants, environment and social science research.

Research Grants and Scholarships Board

The research grants and scholarships board continued to administer the scheme of research grants to encourage and assist research activities in the island. Over two hundred and forty research projects were undertaken during the past six years, by individuals and other institutions with funds provided by the council totalling over Rs. 3 million. The council now functions as chief funding agency for research activities in the university campuses. Fifteen post-graduate degrees have been awarded to research grantees of the national science council. Grants are provided for research in agricultural, biological, chemical, engineering, medical, physical, social sciences and environmental sciences.

In view of the increasingly important role played by the research grants and scholarships board in implementation of the scheme of research grants, the council recommended the creation of a statutory working committee on research grants which gives the body administering this function a statutory status within framework of the council.

The research grants board has appointed specialist panels on different fields to assist in the evaluation of research grants applications in the respective fields.

Research Grants for Approved Projects—1976

A total of 116 applications were received requesting research grants, of which 43 were recommended by the research grants board to the council.

Manpower Training Programme—Plant Sciences

The programme consisting of a scheme of grants for research in the fields of plant science, was initiated in 1974. The programme directed towards training of scientific manpower with emphasis on research in basic sciences connected with plant studies.

Working Committee on Science Policy Research

A working committee on science policy was appointed by the Minister of Industries and Scientific Affairs in May 1976.

Its main task is to encourage and undertake research on science policy and thus formulate a national science policy for Sri Lanka. With this objective in view, the committee has initiated necessary action with reference to :—

- (i) enunciation of a National Science Policy ;
- (ii) advise the government and other bodies to overcome and prevent problems, often caused by incorrect use of science ;
- (iii) to inculcate a scientific bias among people and obtain their involvement in the development of science ;
- (iv) to study the factors responsible for the selection of grantees for fellowships and propose alternatives ;
- (v) to study the problems of instrumentation and related factors ;
- (vi) to enlist maximum patronage and support from the Government to develop science and convince the Government that science should be given its due place.
- (vii) to request the Minister of Industries and Scientific Affairs to implement resolutions drawn up by UNESCO and other committees regarding scientific personnel.

Science Education Research

The working committee on science education research, appointed by the Minister of Industries and Scientific Affairs in May 1976, fulfils the long-felt need for research work in science education. The Ministry of Education has evinced a keen interest in this sphere and is also assisting the committee by contributing to the working fund. Activities of the committee is administered by a director. The committee has initiated a research programme as a co-operative venture between the council and the Ministry of Education.

Science and Technical Information, Environment and Social Science Research

The working committee on science and technical information, environment and on social science research have been appointed by the Minister of Industries and Scientific Affairs towards the end of 1976. A suitable work programme in the respective fields has been drawn up.

National Committees

The Council co-ordinated working of the following committees :

(1) NATIONAL COMMITTEES FOR UNISIST

The national science council has been designated as national focal point for the co-ordination of scientific and technical information activities. The UNISIST, national committee was constituted under the aegis of the science council.

The UNISIST, national committee met several times during the year, to determine the steps to be taken to strengthen material sources.

As follow-up action the library completed a survey of computer facilities in Sri Lanka.

(2) THE NATIONAL COMMITTEE ON MAN AND THE BIOSPHERE

The national committee on man and the biosphere programme commenced in 1971. With the growth of its activities, five Sub-committees were appointed to assist the committee on different aspects of the programme. The Sub-committees relate to forestry and forest ecology, environmental pollution and pollution control, education and training in environmental studies, grass-land ecosystems and on impact of human activities on natural ecosystems. Work carried out in this regard relate to the following projects:

- (i) Demarcation of biosphere reserves in various parts of the island and classification of these areas as strict reserves.
- (ii) Pollution of water in the City of Colombo, especially in the Kelani River.
- (iii) Preparation of background literature for a proposed course at Degree Level on Environmental Studies.
- (iv) Preparation of a check list of *Flora* and *Fauna* in the island.
- (v) Studies on Montane Grasslands.

The committee initiated action on an ecological and agro-economic survey of selected areas under the Mahaweli project.

Seminars and Conferences

Seminar on Science Policy and Planning.—The seminar, organized jointly by the United States information service and the national science council was held at the American Centre, Colombo, in January 1976. Thirty five participants representing university campuses and other institutions attended the seminar. A report has been published as 'National Science Council Seminar Report' (No. 1).

Seminar on Man and His Environment.—The Seminar was held (in collaboration with the German Cultural Institute) at the Sri Lanka Foundation Institute, Colombo, in March 1976, with Dr. Hansjorg Oeltzchner of the Bavarian State Authority on Environmental Protection, Federal Republic of Germany as leading guest participant. Sixty representatives from the university campuses and other related institutions participated in the seminar. The proceedings are being published as 'National Science Council Seminar Report' (No. 2).

Seminar on Sun Drying Methodology.—The seminar was held at the Agricultural Training and Research Institute, Colombo, in May, 1976, with the co-operation of the Australian High Commission in Sri Lanka. Mr. D. McBean, Food Scientist attached to the CSIRO Australia, was the guest speaker. Fifty scientists attached to the campuses and other research institutions took part in the seminar.

Ninth Meeting of the Commonwealth Science Council—Colombo, Sri Lanka

The 9th meeting of the Commonwealth Science Council of Sri Lanka, hosted by the national science council, on behalf of the government, was held in Colombo, from 29th November to 3rd December, 1976, under the chairmanship of the Commonwealth science council and the Secretary-General of the national science council of Sri Lanka. Thirty six delegates from seventeen countries participated in this meeting. Member-countries represented were Australia, Bangladesh, Britain, Canada, Cyprus, Fiji, Guyana, India, Kenya, Malawi, Malaysia, New Zealand, Nigeria, Sri Lanka, Tanzania, Trinidad and Tobago and Zambia.

The formal meeting concluded on 3rd December, was followed by a post-conference tour, a programme of visits to various scientific institutions in Sri Lanka, as the Tea Research Institute, Central Agricultural Research Institute and the Ceylon Institute of Scientific and Industrial Research. The 10th meeting of the Commonwealth science council is due to be held in Georgetown, Guyana in 1978.

The Colombo meeting organized three symposia which focussed attention on :

- (i) the possible alternative energy sources for use in rural development ;
- (ii) the need for science and technology to be fully integrated in plans for selecting national goals and developing national policies ;
- (iii) the need for comprehensive integrated planning in developing infra-structure for rural development.

Third Asian Symposium on Medicinal Plants and Spices—Colombo

Preliminary arrangements are being made for the symposium, which include a workshop, a seminar and an exhibition. This international seminar is organized by UNESCO, jointly with the national science council and the Sri Lanka foundation institute. It would be a 'follow-up' to UNESCO Symposia held earlier in Peshawar, Pakistan in 1960 and Kandy, Sri Lanka in 1964.

The purpose of the symposium is to portray an up-to-date picture of research carried out in Asia on medicinal plants and spices from a botanical, phytochemical, pharmacological and industrial point of view.

Special Programmes

Indo-Sri Lanka Scientific and Technological Co-operation Programme—March, 1976 to February 1978.—The Council was named by the Minister of Industries and Scientific Affairs as the national co-ordinator of the above programme, entered into between the Government of Sri Lanka and the government of India.

Workshop on Natural Products

The Report of the natural workshop has been published by the National Academy of Sciences, U.S.A.

Sri Lanka International Chemistry Programme

A proposal to establish a Sri Lanka international chemistry programme (SLICHEM) was initiated at the workshop on natural products, in June 1975, in Colombo, jointly sponsored by the council and the National Academy of Sciences of the U.S.A. The SLICHEM proposal aimed towards affording opportunities for high level research facilities in Sri Lanka in chemistry by the creation of an international consortium of chemical societies of approximately twelve countries. The SLICHEM proposals which would provide research facilities with both local and international participation has been approved in principle by the Ministries of Industries and Scientific Affairs and External Affairs.

SAREC Programme

In consequence of a report submitted to the government of Sri Lanka by a team from the Swedish Agency for research co-operation with developing countries (SAREC) discussions were held with SAREC representatives in connection with a proposal to establish a research fund for :

- (a) Purchase of scientific equipment;
- (b) International travel to attend scientific meetings, seminars, etc. ;
- (c) An Exigencies Fund for spares for equipment and nominal quantities of consumable material.

Proposals for the establishment of a National Institute on Food Research

At the request of the Ministry of Trade preliminary discussions were held with the relevant ministries and other institutions for the establishment of an institution to centralise and co-ordinate research activities on food science handled at present by different institutions.

National Scientific and Technical Information Centre

Arrangements have been made for the establishment of a national scientific and technical information centre. Original proposals for a centre of this sort was mooted in 1968 and it was expected to obtain UNDP assistance for the purpose.

Guinness Award for Scientific Achievements (GASA)

The Guinness Award for Scientific Achievements (GASA) is a trust foundation, with its office in London. It was established with trustees representing the Commonwealth Foundation, Commonwealth Secretariat and the Arthur Guinness Son and Co. Ltd. The GASA scheme is administered with the active collaboration of the Commonwealth science council and its national member organizations.

The awards are made in recognition of individual or institutional achievement in the application of science and technology in the service of the community in a developing country, as a demonstrated achievement with great potentialities in satisfying basic human needs of food, health, shelter and education. Awards are also made for work done, where importance lies in its potential application by other developing countries.

A nominee from Sri Lanka was one of three scientists from the developing countries of the Commonwealth, honoured with a Guinness Award for work on 'Research and development in essential oils and spices in Sri Lanka'.

Study Group on creation of Artificial Rain for Agricultural Purposes

A proposal on the creation of artificial rain and its economic feasibility was referred to the council by the Ministry of Industries and Scientific Affairs. On the invitation of the council, a group of scientists undertook studying the feasibility of using artificial rain for agricultural purposes.

National Academy of Sciences

The Council considered a proposal made by the Sri Lanka Association for the advancement of Science, for the establishment of an academy of sciences in Sri Lanka. It was accepted in principle that there was a need for an academy of sciences in Sri Lanka and that the establishment of such an academy should evolve from the present organizations concerned with science and technology.

Journal and Science News Bulletins

Volume 4 (No. 1) was published in December, 1976 and

Volume 4 (No. 2) is in print.

Thirty one scripts were submitted for publication during the year. Of these, twelve were accepted for publication. 'Vidurava', the Science News Bulletin is a quarterly publication of the Council and serves to disseminate current information on scientific matters and also as a forum for exchange of views.

International Membership

The Council is the adhering member for Sri Lanka on the following International organizations :

- (a) Commonwealth Science Council (CSC) ;
- (b) International Council of Scientific Unions (ICSU) ;
- (c) Association for Science Co-operation in Asia (ASCA) ;
- (d) International Foundation for Science (IFS) ;
- (e) International Union of Physiological Sciences (IUPS) ;
- (f) International Union of Nutritional Sciences (IUNS) ;

Library, Publications and Documentation Unit

The activities of the library could be classified into (a) development of the collection and dissemination of available information and (b) promotion of facilities for development of the centre for information on science and technology.

- (a) *Development*
- (1) Acquisitions to the library exceeded 3,000 volumes and part of this was obtained as a gift from the British Council.
 - (2) Steps have been taken to prepare these bulletins :
 - (i) Utilization of solar energy (completed) ;
 - (ii) Bibliography of scientific works in Sri Lanka in the field of tea and coconut (in progress) ;
 - (iii) Science education (in progress).

Information supplied by Unit during the year covered subject as :

- (1) Periodicals on environmental pollution with special emphasis been given to industrial pollution.
 - (2) Publications on science development in Sri Lanka for Indian association for the development of science.
 - (3) Scientific organization in Non-aligned countries.
- (b) *Promotion*
- (1) SLSTIC (Sri Lanka Scientific and Technical Information Centre). Considerable volume of preliminary work was done during the year, towards progress of the centre. Publications prepared to obtain material on existing information facilities were :
 - (a) Directory of Sri Lanka Scientific and Technical Periodicals.
 - (b) Union list of indexing and abstracting services and bibliographical serials in Sri Lanka.
 - (c) Directory of research institutes in Sri Lanka.
 - (d) Directory of Computer Facilities in Sri Lanka.
 - (2) Project Studies were prepared for submission to UNESCO and IDRC to obtain financial assistance to establish a Centre. Personnel from IDRC visited Sri Lanka and assisted the council in the preparation on project proposals.
 - (3) With a view to developing information facilities, assistance was extended to the Central Agricultural Research Institute to obtain foreign assistance and draw up project plans.
 - (4) Work was initiated towards establishment of a co-ordinated information network and a report outlining workings of the centre was also prepared.

UNISIST Programme

The UNISIST had evinced a keen interest in the development of information facilities in the island.

It has also taken an active interest in follow-up work of the national centres. A number of guidelines have been prepared in varied aspects of informative material.

A survey was undertaken for UNESCO to obtain information on 'back issues' of periodicals required for library and documentation services.

II—CEYLON INSTITUTE OF SCIENTIFIC AND INDUSTRIAL RESEARCH

The principal organisation since 1955, for general industrial research, technical development and advisory services to the industry has been the Ceylon Institute of Scientific and Industrial Research popularly known as the CISIR.

The CISIR was established by an Act of Parliament dated 12th April, 1955. Its aims and functions as defined in the act 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 Sri Lanka, the institute undertakes a wide range of testing and advisory activities in both public and private sectors.

The re-organisation and development of the Institute continues. A 3-storey structure as a laboratory building was constructed during the year and work commenced on the construction of 2 other 3-storey structures for the expansion of laboratory services.

Under an agreement between the government of Sri Lanka and the USSR, 3 specialists consultants were attached to the C.I.S.I.R., one in the field of mineral raw material technology, another in techno-economic evaluation of industrial research, and the third in the field of engineering.

III—ATOMIC ENERGY AUTHORITY

Functions

The basic functions of the Atomic Energy Authority at present are :

- (1) Promote and encourage development of normal uses of atomic energy;
- (2) Assist in research and training scientists and technicians in the atomic energy field;
- (3) Foster exchange of scientific and technical information on atomic energy;
- (4) Establish safeguards and standards of safety for protection of persons engaged in this field and the general public; and also
- (5) Advise the government on atomic energy matters.

The authority assists research institutions and the university of Sri Lanka to obtain technical assistance from the International Atomic Energy Agency (IAEA). The Authority also helps these institutions to collaborate on matters of research with the Agency, both under the research contract programme and the regional co-operative agreement of the IAEA.

Apart from this, the authority co-ordinates research projects. For this purpose, specialist committees in Hydrology, Agriculture and Medicine have been set up. Two projects on "Studies related to the use of neutron moisture probes for assessing availability and conservation of soil and water in plantation crops in Sri Lanka" and "Evaluation of efficiency of Eppawela apatite rock phosphate as against imported phosphate fertilizers using radioactive labelled fertilizers", have been commenced. As regards hydrology, two projects are functioning at present, viz ; "Groundwater Studies" and "Seepage Studies" using nuclear techniques.

An "Energy Committee" is studying different forms of energy that are applicable to Sri Lanka and also the possible use of nuclear power as an alternative to oil in the future. This would not only supplement hydro-power, but also serve as a thermal 'backup' which is essential for this purpose.

Library facilities are afforded to persons and institutions interested in this field of science and technology. A bulletin, "Nuclear News" is published once in four months by the Authority, and is aimed towards creating a better awareness of 'normal' atomic energy uses among general public and also to impart a knowledge of the progress of such uses in Sri Lanka and countries abroad.

The authority assists research institutions using nuclear techniques in their work in purchasing isotopes and spares for nucleonic equipment. This has proved quite useful to scientists whose work would otherwise have been badly hampered.

The enforcement of atomic energy regulations for the protection of radiation workers and the general public, issuing licences to users of radioactive material and irradiating apparatus continued as routine activities of the Authority. A national radiation protection service is being maintained and steps are being taken for expansion and improvement.

Technical Assistance

The atomic energy authority obtained IAEA assistance in fields as food and agriculture, medicine and radiation protection.

This form of assistance provides equipment and expert services for which US \$ 54,000 had been approved. Five training fellowships were in addition, granted to Sri Lanka personnel engaged in the field of nuclear science.

Under the 1976 research contract programme of the IAEA, the veterinary research institute, the department of agriculture and the faculty of medicine, Peradeniya campus of the university of Sri Lanka, received grants totalling US \$ 5,000 to assist research projects.

Agriculture

The project entitled "Radioisotopes in Agriculture" for which assistance was received from the IAEA covered two different fields, viz., fertilizer efficiency studies and soil moisture studies.

The first sub-project was executed by the authority under an internally co-ordinated research programme with participation of scientists from the tea, rubber and coconut research institutes, faculty of agriculture, Peradeniya campus, the central agriculture research institute and the dry zone agriculture research station at Mahalluppallama. Dr. K. B. Mistry of the Bhabha Atomic Research Centre, India, assists the authority personnel in the programme.

The second sub-project could not be carried out during 1976, though preparatory work in this regard has been carried out.

Hydrology

Two projects of the Isotope hydrology programme formulated by the hydrology committee were commenced during the year 1976. Studies on 'Direct Recharge' Measurements and Seepage from dams and reservoirs were carried out with the assistance of Professor P. S. Goel, an IAEA Expert.

A UNDP project for a study on coastal sedimentology using nuclear techniques has been examined by the Ministry of Planning.

All these projects are implemented as co-ordinated research programmes with active participation to relevant institutions in Sri Lanka.

Energy

The energy committee of the authority formulates guidelines for a national energy policy and maintains a 'watching brief' on development of nuclear power and alternative energy sources in countries abroad.

Medicine

The medicine committee has made recommendations for development of nuclear medicine in Sri Lanka. Of the main recommendations the Ministry of Health has initiated appropriate action : (a) for refunctioning of the radiation protection service at the government cancer institute and (b) providing adequate technical facilities to the technical staff of the electro-medical engineering division of the department of health services.

Other Research Studies

A feasibility study group was formed during the year to examine various aspects of food preservation by irradiation.

A techno-economic feasibility study was carried out with the assistance of Mr. P. Sudarsan, an IAEA expert. Based on his analysis it was concluded that the following food irradiation application offer good prospects in Sri Lanka :—

- (1) Disinfestation and shelf-life extension of fresh tropical fruits for export.
- (2) Disinfestation of dried fish, cashew nut and cocoa beans.
- (3) Radicidation of spices and animal feed for export.
- (4) Sprout inhibition of tubers and bulbs.

Action is being initiated to obtain a multi-purpose irradiator for this purpose. This would also help to sterilize some selected medicinal products, upgrade wood and bamboo-plastic composites and also preserve cutflowers for export purposes.

Sri Lanka is a member of the Regional Co-operative Agreement in Nuclear Science and Technology of the IAEA. Projects which are under consideration under this Agreement are :—

- (1) Improving Grain Legume Production in South East Asia using Nuclear Techniques.
- (2) Regional Project for Industrial Radioisotope Technology ;
- (3) Regional Course on the Production and Control of Radiopharmaceuticals, and ;
- (4) Asian Regional Project on Radiation Preservation of Fish and Fishery Products.

Project participation in this regard includes the department of agriculture and the department of fisheries.

The atomic energy authority continues assist the university of Sri Lanka in training programmes in nuclear science and technology and in nuclear medicine.

IV—AGRICULTURAL RESEARCH

Tea Research Institute of Sri Lanka

The Tea Research Institute of Sri Lanka established in 1925, is financed and maintained by the tea industry. Facilities available to the tea research institute for experimentation and testing recommendations were expanded with the acquisition of Mattakelle, Waltrim and Dambattenne estates, which augmented area hitherto available to the T. R. I. by 1,350 hectares.

Research activities of the institute were oriented with the organisation of project teams, which encouraged an inter-disciplinary approach to investigations of the major problems confronting the tea industry. Intra-divisional projects as well as fundamental research problems were in addition, identified and formulated. This orientation of research activities of the institute would, it is hoped, result in optimal utilization of the available manpower and equipment.

The new laboratory complex has been completed.

Research

A soil survey of all tea lands was initiated in collaboration with the land use division of the irrigation department, with the object of preparing land-suitability maps for tea and other crops.

A detailed study was made of the correlation between effect of soil application of potash on yield and level of potassium in foliage. Methods for extraction of various forms of phosphorus and the fractionation of inorganic forms of this element were investigated. A comparison was made of the nutrient properties of Eppawela apatite rock phosphate, superphosphate and ammonium phosphate. Results were assessed of a field experiment laid down 4 years ago on the effect on yield of 6 different levels of nitrogen in combination with 5 levels of potash. It was found that broadcasting of urea followed by daily watering was superior to folia spraying or injection of urea into the soil. Increasing levels of sulphur had no effect on growth or leaf content of this element.

Studies were carried out to ascertain the variation in yield among individual bushes of clone (TRI 2,023), the shoot density in different zones of the bush, and contribution of different components of a harvest unit towards yield. About 75 per cent of the yield was obtained from the central zone of the bush. Assessments were made on seven consecutive plucking rounds of similar different clones and was found that the yield of a clone was proportional to the number of units harvested rather than weight of an individual unit. The average time taken from harvest of one shoot to production of a new shoot was found to be 46.5 days with an average rate of elongation of a harvest unit of 0.317 centimetres over the entire period.

Field experiments in the low country indicated that sulphate of ammonia gave significantly higher yields than urea or calcium ammonium nitrate. A comparison of two types of zinc (zinc sulphate and zinc oxide), 3 levels of zinc, and two methods of application, on VP tea showed no significant difference in yield between these treatments. The degree of drought damage was found to be associated with soil texture and depth, being most serious in poor-textured gravelly soils of shallow depth.

Measurement of growth of oil palm at the low country station of the institute indicated a response of 0.50 kilogrammes sulphate of ammonia and 0.50 kilogrammes of the institute muriate of potash per palm per year, and no response to phosphate and magnesium.

Trials with 'Roundup' (glyphosate) showed that this compound could control cooch grass for a period of about 5 months under field conditions. Results on the use of dalapon and paraquat for the control of 'illuk' grass were published. Two other papers were published on the effects of soil reconditioning before replanting, and on nitrification rates as an index of fertility of tea soils.

Cambial activity rather than shot hole borer population levels was found to be the critical factor regulating healing of shot hole borer brood galleries and yield. Methods were developed for the laboratory culture of shot hole borer and investigations made of optimal conditions for development of the beetle. The programme of work on the control of shot hole borer was successfully completed during the year.

Use of sex attractants for the monitoring of field populations of tea tortrix moths provided a means of predicting outbreaks of infestation. Methods were developed for rearing of tea tortrix moths in the laboratory, and details of the life cycle of this insect were elucidated. Tea saponin was found to inhabit the population of tea tortrix.

Field observations on occurrence and behaviour of the live wood termite indicated that die back and rot following pruning seemed to facilitate termite attack. Die-back and rot was greatest in high yielding, soft wooded, clonal tea receiving high levels of nitrogen fertilizers under unshaded growth conditions. Tea bushes pruned before the rush crop suffered less die-back and showed better recovery than those pruned immediately after the rush. Peak swarming of the low country tea termites appears to occur just prior to the onset of monsoonal months.

Morestan and kelthane were more effective against mites than new acaricide, Omite 57 EC. Recovery of the nematodes from tea feeder roots showed an inverse relationship to sample size, and evidence was obtained that the presence of polyphenols reduced recovery.

A study was made of the field performance of clones in nematodes infested fields. The results of experiments indicated that treatment with nematicides in planting holes at the time of planting seemed as good as rehabilitation under Gautemala grass for 2 years.

Six new computer programmes were prepared in collaboration with the computer division of the State Engineering Corporation. The relative efficacy methods of sampling to estimate shot holes borer infestation was studied and an investigation made of the influence of meteorological conditions on tea yield. Statistical data of a total of 226 experiments were interpreted.

Quality rating of new clones was investigated. An attempt was made to evaluate the effect of air velocities, temperature and period of wither on static pressure and moisture evaporation in troughs under undisturbed conditions. There was no difference in the rates of drying, during withering of 6 different clones of tea, indicating that it was mainly the leaf surface moisture which was removed during withering. Use of a short fermentation for early dhools and long fermentation for later dhools was found to change quality and valuation of made tea. Dhools fermented for a prolonged period (12 hours) in a closed chamber were found to have more quality than those fermented on the table for a similar period of time. The presence or absence of light during withering was found to have no effect on made tea characteristics. A study was made of the effect of temperature, period of fermentation and low humidity on made tea. The comparison of clones indicated a general correlation of quality to a high level of polyphenol oxidase activity.

Manufacture experiments showed that the main grade out-turn with CRT rollers was lower than that of orthodox or rotorvane-orthodox rolling. It was also found that dhool out-turns had no effect on the grade out-turns, provided the big bulk was reduced to below 10 per cent, and the rollers used did not have a severe cutting action. In an experiment where CTC dhools were passed through the Fluid Bed Drier, the results indicated that efficiency of drying was similar as in the case of rotorvane-orthodox dhools. A gift from China of machinery for green tea production was received.

Studies on the relationship between shot hole borer and the tea plant showed that moisture content, temperature, and the availability of spinasterol were factors determining infestation. The mechanism of operation of climatic factors in influencing development of flavour was elucidated. The cause of Dimbula Disease of tea was found to be a restriction of nutrient conducting vessels in the collar region of the bush. Studies were made of the enzymes present in tea roots. Effect of storage on chemical constituents of tea liquors was investigated. A comparison was made of some polyphenolic constituents of different tea clones. The inhibitory effect of polyphenols on urea was investigated. By-products obtainable from tea were identified. Cattle feeding experiments, carried out in collaboration with the University of Sri Lanka, Peradeniya campus, indicated that waste tea and spent tea leaves could be useful supplements to feed material. Studies on instant tea production were continued. Investigations were made of the chemical changes occurring during the fermentation and firing stages of black tea processing. Trials were made on methods for increasing the valuation of mid-grown teas.

Laboratory studies indicated that waste tea inhibited nitrification of ammonium and urea to nitrate, a similar inhibitory effect was exerted by shade. Vigorous clones showed a higher uptake of nitrogen and had a greater leaf area than slow-growing clones. A weather term was derived, which made it possible to predict, at the beginning of the month, the monthly yield of tea from April to December in the wet zone hill country. Ring barking and grafting experiments indicated that feeder roots controlled the functions of the root and shoot systems, but had no effect on made tea quality, which was itself determined by the characteristics of the shoot system. None of the film, stomatal, or reflectance type antitranspirants tested were found suitable for use on tea. Of a number of compounds tried for defoliation, Ethrel appeared to show promise. Several drought resistance

characteristics were examined. It was found that a deep feeding root system and leaves which are resistant to desiccation increased resistance to drought. Potassium and phosphorus deficiencies influenced stomatal density, stomatal resistance, leaf water potential, and transpiration. Plant growth regulator, ACR 1,093, was found to reduce plant height, dry weight, and leaf production, but increased the number and length of side shoots. Experiments were carried out on effects of growth of (a) application of extracts of tea shoots, (b) different pruning heights and (c) number of branches. Clonal selection trials were continued and multiplication plots laid down for cardamom, pyrethrum and mint.

Detailed studies of incidence and the rate of spread of root diseases were conducted, and recommendations given for control of the five major root diseases of tea. It was found that susceptibility to blister blight was greatest in the young shoots recovering from pruning. This evidence supported the earlier finding that control measures need to be only minimal during the latter part of the pruning cycle. An investigation as made of the fundamental aspects of red rust disease of tea, in collaboration with a research worker from the University of Cambridge, U.K. The use of fungicides for the control of collar and branch canker disease was found uneconomic. Recommendations stressed the advantage of cultural methods of control, and the use of clones which were resistant or only rarely susceptible to the disease. Experiments on the transmission of phloem necrosis virus were continued.

The causes of yield decline of old seedling tea were examined on several estates. The major factor was found to be neglect of the in-filling programme. Recommendations on all aspects of in-filling were issued by the Institute.

Extension Activities

Extension activities of the Institute saw a new orientation consequent to the nationalisation of estates and reorganization of the administrative structure of the plantation industries. With the formation of regional offices by the Sri Lanka state plantations corporation, the Udarata co-operative estates development board and the Janatha estates-development board, extension work was carried out in close liaison with the regional managers of these organizations. Development programmes for individual, estates, valleys and regions as a whole were formulated on a more scientific basis, and three committees on (a) estates amalgamation and extension, (b) crop diversification and (c) factory development and amalgamation were established in Badulla. These committees comprised senior planters, and scientific personnel of the institute and the department of agriculture.

The 'Valley Development' concept of land utilization was introduced and developed. Yield data were collected from several locations, and analysis of such data permitted identification of those fields which should be (a) retained in tea with intensified cultivation programmes (b) replanted, (c) diversified or (d) reserved for urbanization.

Much time and effort has been absorbed in carrying out preliminary inspections of land in connection with the Tea New Planting Subsidy Scheme.

Rubber Research Institute of Sri Lanka

The Rubber Research Institute of Sri Lanka was constituted under the Rubber Research Ordinance (Cap. 302) of the legislative enactments.

The rubber plant was first introduced into South East Asia through Sri Lanka in 1876, incidentally the centenary year since introduction of the most important crop plant into this far region. An International Rubber Conference in Colombo at the end of the year marked the occasion. Representatives from all rubber growing countries participated in the conference which was attended by over a thousand. 'Papers' presented at the conference maintained high standard in the production of scientific material acclaiming it as the best ever held in this country.

Prospects for Natural Rubber

The break up of total rubber demand.—Based on expert opinion, in future 20–25 per cent of the demand will be met by natural rubber, 40 per cent by synthetic rubber and 35–40 per cent either by natural rubber or synthetic rubber. Considering the “floating” demand of up to 40 per cent, there is a large potential market for Natural Rubber in the future.

Natural rubber prices have been subject to violent fluctuations. This is one of the most important set backs in marketing of natural rubber. The recent multi-national agreements on the establishment of a buffer stock system to stabilise prices is bound to increase the penetration of natural rubber into the US market. A large swing in favour of natural rubber in the USA is more likely in a long rather than in a short-term process. “Wear down” in existing plant and machinery in synthetic production a clear and accurate assessment of future investment would swing in favour of the natural rubber industry.

Malaysia has recognised this and she is planning to produce 2.25 million tons of natural rubber by 1980, as compared with her present production of 1.5 million tons. She has started a programme for replanting 1.6 million acres of the original 2.4 million acres of seedling rubber already replanted and by the end of the seventies a further 500,000 acres would be replanted or brought under rubber from jungle land.

Botany.—Over a 6-year span, clone (PB 86) has responded well to tapping daily on a half spiral cut, with the incidence of dry trees remaining within acceptable limits. This is of special significance in relation to the small-holders’ problems during periods following prolonged wet weather, when a majority of them tap daily in periods of fine weather. This also has a bearing on ‘recovery’ tapping on Estates in the wet zone. The clone, (PB 86) appears to be better adopted for daily tapping than any other popular clones grown in Sri Lanka at present.

The recommended clones (IRCI 2 and 9, PR 252, RRIC 36 and 48 and RRIM 600) continued maintain high yields in all large scale trails. Clone (RRIM 600) has recorded the highest yields in all trials sited in both the wet and dry planting districts. Among the clones of the RRIC 100 series, clone (RRIC 101) has recorded a yield of over 100 kilogrammes dry rubber per hectare in the first year of tapping.

All polyclone plantings have continued to maintain higher yields than monoclonal plantings. In large scale planting, a yield of over 1,000 kilogrammes per hectare has been recorded in a polyclone planting in second year of tapping. None of the clones included in this trial has reached this level in monoclonal plantings.

The clonal seed of all commercially planted clones in Sri Lanka appears to be suitable for use as root-stocks as regards both growth and yield of the scion clones. There is no advantage in the periodic thinning of poor growers in seedling nurseries, planted at normal spacing, from the view point of increasing the percentage of plants reaching the buddable girth. The thinning out, however, improves growth of seedlings remaining in the nursery.

The interplanting of rubber during immature phase with perennial crops as bananas, passion fruit, pineapple and fodder grass has not adversely affected growth of rubber. On the contrary, where these subsidiary crops have been adequately fertilized, a distinct improvement in the growth of rubber has been recorded.

Genetics and Plant Breeding.—Studies on 10 modern clones, to assess the effect of genotype on environment, have shown that there is a significant interaction between these two factors. The clones therefore, have to be selected on this basis for various districts. This study is being pursued.

The clone (rric 110) was found to match (rric 101) on consideration of early high yields. Clones, (rric 100) and (102) showed later high yields and (rric 103) was found resistant to drought and develop a spreading canopy in areas as Bibile and Moneragala. This makes the clone suitable for planting on a large scale in these areas.

One of the first small-holdings to plant clones of the (RRIC 100 series) was tapped and (RRIC 103) was found to yield over 800 kilogrammes 1 hectare dry rubber in the first year of tapping.

Pathology.—The wintering pattern, host phenology and incidence of secondary leaf-fall due to infection by *Oidium Heveae* was recorded on four cultivars. Rod traps were successfully used for the first time in Sri Lanka, to trap *Oidium* spores. The pre-and post-penetration behaviour of *O. heveae* on several cultivars were examined. Scanning electron microscopy of leaves, naturally infected by *O. Heveae*, showed several interesting morphological features.

A useful technique was developed to examine the structural details of *Phytophthora* species, by growing fungus on a smear of Lima bean agar on a microscope slide. Biochemical investigations on resistance to *Phytophthora* spp. showed that there were differences in the phenolic compounds present in different *Heveae* clones. Some of those compounds inhibited spore germination in the phytophthoras isolated from rubber. Clone (rric 101) had the highest phenolic content in pods.

The content of phenolics was significantly higher in healthy bark of clone (pb 86) than in bark infected by bark rot, caused by *Phytophthora* spp. The clones which are known to be susceptible to bark rot had a higher bark moisture content than resistant clones. It was found that there was no significant difference in the number of latex vessel rings in virgin and callused bark. Therefore, the excision of bark rot-infected bark in the curative treatment of this disease is not likely to result in reduction of yield, if there is a direct relationship between the number of latex vessel rings in the bark and yield. There were no significant differences between several proprietary and local formulations on the rate of bark renewal. Use of expensive proprietary formulations to encourage bark renewal, after surgical treatment for bark rot control is therefore not warranted. It was observed however that bark of clones (rric 52) and (rrim 5B) call uses even more rapidly and evenly after injury, than that of clone (PB 86). Use of preserved latex as an adjuvant with fungicides gave promising results in controlling Bark Rot.

Clonal susceptibility to *Oidium*, *Phytophthora* and *Gloeosporium* leaf diseases, Bark Rot and White Root disease were determined under laboratory and field conditions. Most of the high yielding Eastern clones were susceptible to *Oidium* and *Gloeosporium* leaf disease, but clones of (F, Fx) and (IAN) origin were resistant. It was found that clones could be screened for bark rot control at an early age. Varying degrees of clonal resistance were noted for Bark Rot.

Soil Chemistry.—Studies on the uptake of soil phosphorus have shown that rubber trees absorb phosphatic fertilizers more efficiently when crushed rock phosphate is placed in bands and a good ground cover is grown in the area concerned. Incubation studies, pot and nursery experiments have shown that local apatite may be substituted for imported saphos phosphate. Forking rock phosphate into the soil has been found to ensure a uniform distribution of the fertilizer in the soil.

A field experiment has confirmed that the growth and yield of rubber trees planted on boralu soils can be imposed by the addition of potassium. It has been shown experimentally that rubber trees, grown in areas previously planted in tea, can produce good growth on lower dosages of fertilizer than those recommended by the Institute areas where the former crop was also rubber.

Studies on ground cover have shown that.—(a) *Mimosa invisa* does not fix nitrogen effectively, (b) the practice of applying rock phosphate to covers is quite beneficial, and (c) it is most important to grow a suitable legume cover in all replanted areas. In its absence about thrice the normal quantity of nitrogen fertilizer must be applied to the rubber for comparable growth during its immature period.

It has been shown that there is a direct relationship between the uptake of aluminium and phosphorous in *Pueraria* plants. The significance of this in the nutrition of *Heveae* is being investigated.

Rubber Chemistry.—A market survey has shown a great potential for sale of sole crepe in overseas markets. Steps are being taken, to step up the present production of 4,500 tons of sole crepe by at least another 4,000 tons annually in the future. Sri Lanka is unique amongst natural rubber

producing countries, in that she produces more than one third of her output in the form of light coloured rubber. The rubber research institute, is of the opinion that rubber trade centres should be set up, in major consuming countries to promote sales and at least maintain Sri Lanka's rubber markets. Vigorous promotional work of other producing countries is eroding the international market and large quantities of SNR (5L) is being used in place of pale crepe.

Steps are being taken to develop research finding on a network bound antioxidants on a commercial scale. This is one of the most important contributions made by the Institute in the field of rubber chemistry.

The establishment of small units for manufacturing rubber products as extensions to existing rubber factories has commenced. Sri Lanka has about 150 crepe rubber factories with the required power, water supply, workshop facilities and management skills to develop this scheme. These factories could produce high quality rubber goods and generate more employment opportunities at minimum cost on a given investment of capital. Rubber products manufactured on estates managed by the institute and at the block rubber factory, Mawanella are :

- (1) Cyclised rubber for use in paints and as a reinforcing filler (elston estate, Puwakpitiya).
- (2) Road marking paints using cyclised rubber (elston estate, Puwakpitiya).
- (3) Prevulcanised formaldehyde stabilised field latex for use in emulsion paints and for waterproofing concrete structures (block rubber factory, Mawanella).

Advisory Services.—The construction of group processing centres (gps) for manufacture of high quality sheet rubber from smallholders' latex has been given priority. One hundred and two (102) gps have been completed to date under the scheme and another 38 have been planned. Apart from this, 3,009 coagulating pans were distributed to gps at a subsidised rate and 308 sq. ft. of monel metal mesh sold at subsidy rates to smallholders and gps.

A survey on economics of production of smallholders was commenced during the year. An analysis was conducted on the effect of fuel crisis on the natural rubber industry. It was found that, despite an increase in the cost of labour and all inputs the national rubber industry continues a profitable venture.

Coconut Research Board

A scheme for coconut research was initiated in the early twenties with the establishment of the Coconut Research Institute. Functions of the coconut research board established under section 58 (i) of the coconut development act, no. 46 of 1971, have been specified to include *inter alia* :—

- (1) Conducting and furthering of scientific research in respect of the growth and cultivation of the coconut palm, growing of other crops and engagement in animal husbandry in coconut plantations and prevention and cure of diseases and pests.
- (2) Establishment and maintenance of experimental stations and nurseries.
- (3) Establishment and maintenance of pilot plants for processing of coconut products and fabrication of experimental processing equipment.
- (4) Guiding and advising the coconut industry on all matters of a technical nature.

Hybridisation, selection and breeding.—Seven hand pollination stations were functioning where CRIC 60 (*typica* × *typica*) and CRIC 65 (*typica* × *pumila*) seednuts are produced. Due to severe drought experienced during the year, yield of hand pollinated nuts may likely to drop. Hand pollination for commercial production seednuts is somewhat costly. A pollination unit consisting of 250 mother palms, where research studies were conducted revealed that cost of production of a seednut is Rs. 8.44. At a rejection rate of 50 percent, a hand pollinated seedling would therefore cost Rs. 16.88, plus nursery upkeep costs. The hand pollinated seedlings are heavily subsidised and

sold to the grower at 75 cents each. In view of the fact that the first seed garden may reasonably be of optimum production within two years, a recommendation has been made such that hand pollination be progressively contracted as seed production from seed gardens becomes sufficient.

Research Nurseries.—9,091 *typica* × *typica* 30,766 *typica* × *pumila* and 44,683 *pumila* × *typica* seednuts were planted in nurseries at Bandirippuwa estate and the first seed garden, Ambakelle. 13,079 (cric 60) and 22,748 (cric 65) hand pollinated seedlings were issued for the two planting seasons of the year.

A trial on methods of mulching nursery beds to eliminate weeding and also improve quality of seedlings is being conducted.

A total of 1,144,460 selected seednuts were supplied to the planting division nurseries from 15 source estates. During the year 5,059 palms at Andigedera Estate and 3,553 palms at Marandawila estate were selected as mother palms for seed purposes.

At the first seed garden, Ambakelle 54,978 *pumila* × *typica* natural cross hybrid seeds from emasculations done in 1975, on 812 palms were harvested. An average production of 68 hybrid seednuts per palm in a drought year is indeed a satisfactory performance; 55,869 button nuts are developing from emasculations done during period January–September, in fields (5) and (9). Ensuring quality of seed produced from a seed garden is an important factor. A total of 5,000 seedlings were screened and it was observed that 97 percent were true hybrid with less than 2 percent pure dwarfs, a very high degree of legitimacy.

Successive droughts have taken heavy toll of the dwarf seedlings that were planted at the second seed garden Horrekelle. An additional 3,000 dwarf green (*pumila*) seedlings were planted in field (7).

The botany division supplied 363 (F_1) hybrids for purpose of under-planting block (3) of Bandirippuwa estate. The planting material consisted of :—

- (1) *typica* × *pumila* (cric 65) F_1 seedlings ;
- (2) *typica* × *typica* (cric 60) F_1 seedlings ;
- (3) (F_1) seedlings of crosses between unselected 'king coconut' palms, the objective being to "fix" the perennial bearing habit as 'king coconut' palms are generally seasonal bearers.
- (4) (F_1) seedlings of crosses between the form *gon thambili* of the variety *Typica* and the form *regia* of the variety *Nana*

The performance of the CRIC (65) hybrid was poor as compared with its performance reported earlier. This may be attributed to the effect of neglect or the poor combining ability of certain parental combinations. Six king coconut palms have been identified to be regular bearers and these are now being used in an extensive crossing programme to breed a population of high-yielding, regular bearing (i.e. non-seasonal) 'king coconut' palms. The *gon thambili* × *regia* F_1 hybrid has proved failure, as the purpose of the cross was not realized due to insipidity of nut juice.

Coconut nutrition and management techniques.—Field Experiments—Short and Long-Term: Ten long-term field experiments were maintained at Bandirippuwa Ratmalagara, Pothukulama, Bingiriya, Veyangoda, Andigedera estate and Mahayaya estate.

One experiment on comparison of ammonium chloride, urea and sulphate of ammonia at Mannankulama estate, Kakkapalliya and another on the effect of two sources of chlorine (sodium and potassium chlorides) were commenced during the year.

The 'magnesium experiment' at Bandirippuwa showed that response to magnesium in respect of height of palms and leaf production had been linear and highly significant.

The downward movement and transformation of phosphorus in the "forms of phosphorus" experiment (at Pothukulama) showed that concentrated superphosphate is much superior to saphos phosphate in dry zone sandy soils.

Soil Moisture Experiments.—The two soil moisture experiments at Bandirippuwa and Ratmalagara were maintained and moisture readings were regularly recorded.

Pot Experiments.—Studies on the performance of Eppawala Apatite were continued. A red yellow podzolic soil from Sirikandura estate, Gonapinuwa was used. Performance of Eppawala Apatite, using *Paspalum commersonii*, proved inferior to rock phosphate.

The Sand culture experiment on iron, manganese and reaction of the medium was concluded. Height of seedlings increased significantly at (pH) 4 and decreased significantly at (pH) 7 when supply of iron was increased. Manganese uptake was largely related to the level of supply, while iron uptake was affected by (pH) but showed no uniformity in relation to the level of supply.

An experiment on the comparison of Eppawala apatite and saphos phosphate on two soils using P-32 labelled super-phosphate was conducted on 8-10 months old coconut seedlings.

Laboratory Investigations.—The study on the distribution of micronutrients in nuts of coconut palm was concluded. The study on the adsorption of (p) by soils was extended to a total of 10 soils belonging to ultisols, alfisols and entisols. Ultisols had the highest capacity for adsorption of phosphorus. Adsorption was related to the free iron oxides and active aluminium in the soils.

An experiment on changes in the labile phosphorus with time was conducted on Eppawala apatite, saphos phosphate and concentrated superphosphate treated soils in the laboratory using (P-32).

Analysis of leaf, soil and nut juice from fertilizer experiments were commenced to study the use of soil, leaf and nut juice tests in determining fertilizer requirement of the coconut.

Soil Survey.—Detailed reconnaissance soil survey of Dandagamuwa 1" sheet was completed. Soil survey of the Pothukulama "Forms of 'N' and 'P'" experiment was carried out.

Effect of irrigation of leaf nutrient concentration.—With a view to studying changes in leaf nutrient concentration of coconut with irrigation, samples were collected from the mid-portion of the 1st, 6th, 9th and 14th leaves from an irrigation experiment at Ratmalagara estate.

A sample of 240 sub-samples collected from the 60 palms under different irrigation treatment were analysed for major nutrients. Statistical analysis of data showed some degree of response in the younger and less mature leaves but the 14th leaf failed to display any response in variation of nutrient content.

Planting systems Pasture Development etc.—Vegetative characters (leaf production, length of leaf, height of palm, girth of trunk, period for initial flowering) of the palms in the Planting Distance Trial were analysed. Although nut yields have yet to be studied, it would appear that 35' x 24' is a useful planting distance for permanent intercropping. This same trial was intercropped with an annual to study growth and yield of cowpea (*Vigna Catiang* Burm. Walp. Var, MI 35) under seven densities of coconuts. The results suggest that coconut land could be intercropped successfully with annuals such as cowpea provided that the coconut plants are widely spaced to allow sufficient light penetration to the intercrop.

Studies were made during the year to measure the amount of N fixed by *Centrosema pubescens* and *Pueraria phaseoloides* growing alone and in association with *Paspalum commersonii* at different levels of added soil nitrogen. The data collected indicates that (a) Considerable amount of N is fixed by these legumes with rhizobia collected from the field. (b) The fixed N is entirely retained in the plant and no nitrogen is excreted to the soil. (c) Amount of N fixed is determined by the soil nitrogen level and is not influenced by an associate grass plant.

These findings were incorporated into a field trial using *Ceintrosema* and *B. miliiformis* to determine total nitrogen output from a mixture of these two plants at different levels of applied nitrogen.

Although several experiments were planned to be set up during the year with promising varieties of pasture and fodder grasses only two could be successfully established and these too towards end of the year. These two experiments were on *Brachiaria ruziziensis* and virus resistant strain of Pangola grass (*Digitaria decumbens*). Apart from these, a trial was commenced to compare the milk production of Sinhala \times Jersey cross bred cows feeding only on fertilized *B. miliiformis* pasture with those that receive concentrates in addition to the normal estate grazing. The data so far obtained showed that there is no significant difference between the two managements showing that the full production potentials of these animals could be obtained from well manured *B. miliiformis* pasture.

A trial as part of an ecological study was carried out at Dodanduwa to ascertain performance of different pasture and fodder grasses in that ecological region. Data so far collected indicate that *B. dactynura* and *B. ruziziensis* as far superior to *B. miliiformis* the grass generally recommended. Further trials have to be carried out in different ecological regions of coconut growing areas.

The soils from Sirikandura estate, Dodanduwa were studied during the year to ascertain soil nutrients. This area receives an annual rainfall of over 90 inches and coconut yields are rather low with a high density of plams showing signs of leaf scorch decline. The principal soil of the region is lateritic gravel. Soil analysis by the Bio. assay technique indicates that the soil is actually deficient in (P) and (Mg) and to a lesser extent in (N) (K) and (a).

Crops other than grass fodder

The project at "Crumo Estate", Mahakumbukkadawela was terminated during the year.

The three intercropping projects at Delgolla, Mulleriyawa and Ingiriya were continued during the year. At Mulleriyawa the principal intercrop Banana, continues to show a profit. At Ingiriya, the operations still continue to run at a loss. Some annual crops however as Cassava, *Dioscorea* and passion fruit showed profits during the year. From the initial observations made, most suitable crops for this high rainfall area appear to be perennial crops like coffee, cocoa and pepper. At Delgolla too, the project continued to run at a loss. Most of the annual short term crops could not be produced at a profit excepting vegetables like luffa and capsicums under irrigation. The banana crop at the project appear to be very severely affected by the drought.

Trials with perennial and long-term intercrops carried out by the research board were :—

- (a) Observational trials continued at Bandirippuwa and Pothukulama on several cocoa selections planted under coconut.
- (b) A trial commenced at Walpita with Robusta coffee planted at three densities and using three levels of fertilizer.
- (c) A trial with four cocoa varieties at three fertilizer levels was commenced at Walpita.
- (d) At Bandirippuwa, a trial was commenced with ten Robusta coffee selections at three levels of fertilizer supply.
- (e) An observation trial on mulberry under coconut at De Soysa Estate, Kirimetiya was maintained.
- (f) A trial to study performance of ten sugarcane varieties under coconut was commenced at the De Soysa Estate, Kirimetiya. Early growth of some varieties showed considerable promise.

Animal Husbandry.—Rotational cross breeding programme was continued during the year. There was no outbreak of any serious disease and health of the herd was satisfactorily maintained. Over a hundred head of animals were transferred to de Soysa estate, Kirimetiya. Already about 75 acres of grass have been established at Kirimetiya.

Due to the failure of the south west monsoon, pasture production was severely affected resulting in a sharp drop in production of milk and an increase in the concentrate feeds from a financial point of view.

Crop Protection.—Biological control activities were continued through the insectories at Lunuwila and Mylambavelly (E.P). Promising indications for control of several pests by the use of systemic insecticides were obtained.

(i) **Coconut Caterpillar : *Nephantis Serinopa***

During the early part of the year severe outbreaks were recorded in different parts of the island. These were effectively controlled by release of parasites. The breeding programme was continued at the two Insectories at Lunuwila and Mylambavelly. A tachinid parasite *Ptychomyia remota* was imported, bred in the laboratories and released in the field. Breeding of *Perisierola nephantidis*, *Eriborus trochanteratus*, *Spoggosia bezziana*, *Elasmus Nephantidis* and the egg parasite, *Trichogramma braziliensis* was in addition carried out by the board.

(ii) **Coconut Scale : *Aspidiotus destructor***

Several reports of Coconut Scale were received, especially during first quarter of the year. Mass-breeding and release of the coccinellid predators was continued. Despite repeated liberations, only indigenous predators, *Chilocorus nigritus* and *Pullus xerampelinus*, have been recovered.

(iii) **The Red Weevil : (*Rhyncophorus Ferrugineus*)**

Reports of the Red Weevil infestations were received from several districts. The recommended insecticide Metasystox, was not available and alternative insecticides were recommended.

(iv) **Promecotheca Cumingi**

Promecotheca cumingi control project has been terminated. After a period of surveillance, it was noted that the original outbreak has now been brought under complete control. A pocket of infestation was observed in proximity to the international airport, Katunayake. The pest was brought under control by the parasite, *Dimmockia javanica*.

(v) **The Black Beetle : *Oryctes rhinoceros***

Occasional infestations of this pest were recorded during the year. A virus, *Rhabdionvirus oryctes*, capable of controlling black beetle, was imported and multiplied in the laboratory.

(vi) **Biological Control of *Eupatorium Odoratum***

The breeding and release of the defoliating caterpillar, *Ammalo insulata*, which feeds on economically important weed, *Eupatorium odoratum* has been continued. A weevil, *Apion Brunneonigrum*, was imported from the Commonwealth Institute of Biological Control, Trinidad and released.

Coconut Products—Preparation of sugar from sweet toddy

Although the process is simple, side reactions and inversion of sugar, causes complications in crystallization. The use of different antiferments and effects on various side reactions are being investigated.

Sugar yields of about 16 ozs. per gallon of sweet toddy were obtained under laboratory conditions.

Jaggery

Jaggery samples produced in the laboratory were analysed for total sugar, reducing sugar, total ash, water insoluble matter, and other contaminants to draw up quality standards for the product.

Fermentation of Sweet Toddy

The present practice of allowing the sap to ferment by natural microflora (yeasts and bacteria) in the atmosphere was found unsatisfactory.

Issues of Planting Material

Fifteen nurseries continue to be maintained. The nursery at Bandirippuwa estate has been shifted to De Soysa estate, Kirimetiya.

Operations carried out in the nurseries were :

	May/June	Oct./Nov.	Total
Seednuts planted	502,905	899,151	1,402,056
Seedlings booked	123,300	305,032	428,332
Seedlings issued	220,422	216,952	437,374

In addition 401,768 seedlings from previous seasons plantings were issued. Of these 220,694 were over-aged seedlings issued free to government institutions through government agencies, agricultural productivity committees, multipurpose co-operatives and rural development societies.

Biometry and Crop Forecasting

A statistical service to the research divisions, crop forecasting, production statistics and the supervision of three meteorological stations were maintained.

An irrigation, trial at Ratmalagara demonstrated significant improvements of coconut yields when irrigated.

Conferences Abroad.—The board's representation at the various conferences abroad is outlined below : First meeting of the working group international board for plant genetic resources (ibpgr) on coconut in Jamaica 27–29 May, 1976.

The Asian and Pacific coconut community “cocotech” workshop on intercropping at Cameron Highlands, Malaysia 17–22 May, 1976.

International symposium on coconut research and development at the central plantation crops research institute, Kasaragod, Kerala, India 25–31 December, 1976.

Agrarian Research and Training

The Agrarian Research and Training Institute, sponsored by the government of Sri Lanka in association with the UNDP/FAO was established by an Act of Parliament in February, 1972. The UNDP/FAO collaboration terminated in 1976 and the institute now functions as a national responsibility. The board of governors of the institute whose Chairman, the Secretary, Ministry of Agriculture and Lands is responsible for the management of the institute. Several Ministries, government departments and other institutions associated with the agrarian sector are represented on the governing board. The institute is headed by a director and has a permanent cadre of research and training personnel.

Objectives of the Institute are :

- (a) conduct and co-ordinate research on socio-economic and institutional factors relating to agricultural development ;
- (b) provide training to state officers, members of rural institutions and farmers ;
- (c) serve as a centre for the collection and dissemination of information on agrarian problems.

The research and training programmes of the institute are directly concerned with problems of rural farmers and are associated with new measures for increasing productivity in agriculture, institutional development and agrarian reform.

Much of the research work undertaken by the institute is inter-disciplinary and action-oriented. The institute works closely with the various ministries and government departments concerned with planning and implementation and also provides necessary data for policy formulation.

The institute has established close liaison with similar institutions within the region and also in various parts of the world. Several joint research and training programmes have already been sponsored in collaboration with these institutions.

In the field of training, the institute's main function is to develop appropriate training methodologies which could be adopted to meet training needs of the various grades of state personnel, members of rural institutions and farmers. The training programmes are constantly evaluated. Necessary changes are made in training methods and curricula in the light of these evaluations.

The institute has established a well-equipped communication unit which issues a farmers' journal in sinhala and Tamil, a newsletter, a synopsis series, etc. Research reports and ad hoc publications of the institute are also printed and published by the communication unit. A field laboratory in the mid-country wet zone has been established for purpose of conducting in-depth studies and testing innovations. The institute collaborates with the department of Agriculture and the Faculty of Agriculture of the University of Sri Lanka in its research work.

The institute has also set up an agrarian data bank which would store data relevant to agrarian and related socio-economic fields in Sri Lanka. This would eventually provide information useful to planners as well as research workers in various agro-socio-economic fields.

V—GOVERNMENT ANALYST'S DEPARTMENT

The government Analyst's Department provides analytical, investigative and advisory services to other government departments and government sponsored institutions. In certain cases, services are rendered, with the approval of the Ministry of Justice, to the private sector. The department also trains officers of other departments in specialised analytical techniques and offers lecture-training courses to police officers, state counsel, medical officers, etc.

These services also include scientific analyses and issue of reports on productions sent by Courts, Police and local bodies for administration of the criminal procedure code : viz ; evidence, excise, factories, poisons, opium and dangerous drugs, petroleum and customs Ordinances, food and drugs, offensive weapons, firearms, explosives and port of Colombo (Administration) Acts. Reports are furnished on specimen sent by the port commission, customs, excise, health and other departments for tariff classifications and quality control purposes. Work of the department covers fields of toxicology, ballistics, serology explosives, questioned documents, the examination of food, drugs, water, liquor, textiles and other miscellaneous articles.

The government analyst functions as approved public analyst for 83 local authorities under the food and drugs Act.

The department is also represented on various committees dealing with the food and drugs act, explosives act and on also committees appointed by the Bureau of Ceylon Standards.

CHAPTER X

MINERAL RESOURCES

I—ECONOMIC MINERALS

The major economic minerals of Sri Lanka being mined at present are gems, graphite, mineral sands, industrial clays, limestone, silica sand, feldspar and quartz.

Gems

Precious and semi-precious stones in large varieties occur within layers of older alluvium and river gravels of quaternary age in the valleys of Ratnapure district in the south-west of the island. These have been derived mainly from the weathering of pegmatites and crystalline gneisses and schists of precambrian age.

The most important gems are delicately coloured varieties of corundum (sapphire and ruby), crysoberyl (alexandrite and catseye), beryl (aquamarine), topaz, spinel, garnet, zircon and tourmaline. Moonstone (a variety of feldspar) is mined from decomposed pegmatites at Meetiya-goda in the Ambalangoda area.

Mining of gem stones in Sri Lanka is carried out by the traditional method, sinking pits and panning gem-bearing gravels extracted from these pits. Value of gems exported in 1976 has been assessed at Rs. 287,147,710. Lapidary and polishing operations are being carried out by modern techniques. The State Gem Corporation has been active in these operations.

Graphite

Graphite mining at present constitutes the most important activity and ensures a considerable amount of foreign exchange. Three mines and several smaller ones are being worked.

The total production of graphite is from deposits in the south-west of Sri Lanka and most of these are found in well-marked zones or bands. Present workings are mainly mechanised deep mines which go down to 500–1,850 feet in depth. A large quantity of graphite powdered after processing and classifying is exported. Exports in 1976 were 7,887 long tons.

Mineral Sands

The extensive black sand deposit at Pulmoddai to the south of Trincomalee is exploited by the Mineral Sands Corporation for ilmenite. Total of ilmenite produced during the year was 54,932 long tons valued at Rs. 5,657,996.

Monazite

Monazite, a substance mixed with sand is found in several places on the western coast. The sand gets collected during south-west monsoon due to tidal wave action. A ton of monazite was produced, in addition 25 tons of zircon valued at Rs. 11,391 were also produced during 1976.

Industrial Clays

Alluvial clay used in the manufacture of tiles and bricks is found in the flood basins of almost all the major rivers in the island, largest deposits being found in the basins of Maha Oya, Kelani Ganga and Kalu Ganga. Manufacture of brick and tile is done mostly in these basins. This industry, however, is carried on almost everywhere where suitable clay is found. In 1976, 50,208 long tons of clay were used in the manufacture of tiles and bricks worth Rs. 303,214.

Extensive kaolin deposits are found at Boralesgamuwa near Colombo and small deposits at Meetiyaogoda in the Galle District. Kaolin deposits at Boralesgamuwa formed by weathering of rocks rich in feldspar, like granite and pegmatite, contain pure kaolin of the highest grade. 4,291 tons of kaolin worth Rs. 1,501,850 were produced in 1976 at the refinery set up by the Ceylon ceramics corporation at Boralesgamuwa.

Clay that could be used in the production of cement is available in the Murunkan and Ralmadu areas in the north. 56,402 long tons of clay worth Rs. 930,633 were used in the manufacture of cement in 1976.

Limestone

A large reserve of sedimentary limestone is found in the Jaffna peninsula and Aruwakkalu north of Puttalam. This limestone is used at the Kankesanthurai and Puttalam factories as a raw material by the Ceylon Cement Corporation; 636,951 tons of limestone have been used in 1976 in cement manufacture worth Rs. 9,846,243. Pure crystalline limestone as well as coral deposits are burnt for the manufacture of lime. The powdered dolomite limestone is used to remedy deficiency of magnesia in soil component.

Raw materials for Ceramicware

Pure feldspar and crystalline quartz are being used by the Ceylon Ceramic Corporation. 750 tons of feldspar valued at Rs. 90,000 were used by the corporation in 1976. In addition 168 tons of vein quartz too were used in the manufacture of ceramic-ware. The ceramics corporation also used 1,220 tons of silica sand worth Rs. 28,060.

Iron-ore Deposits

Iron-ore deposits in the island are of two main types namely (a) superficial limonitic ores, (b) banded iron stone. Superficial iron ores are generally composed of limonitic and goethite. These occur as large boulders and surface cappings and are found mainly in the south-west sector of the island. High grade iron ore contains about 40 per cent metallic iron while the lower grade contains about 30 to 40 per cent. The iron ore deposit in the Wilagedera-Panirendawa area consists of solidified magnetite bands. In between these bands, calc-granulite, quartzite and basic rock bands occur. The iron ore deposits discovered recently at Seruwila the largest in the island are being explored. Based on these investigations, copper-bearing minerals like calco-pyrite have been found to occur.

Peat

Nearly 40,000,000 tons of peat are known to occur at Muthurajawela immediately 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, normal water-level being at the surface during the dry season and 6 inches to a foot above it during the rainy season.

II—GEOLOGICAL SURVEY

Functions of the Geological Survey Department are :—

- (1) Systematic mapping of the country and preparation of geological maps.
- (2) Prospecting, exploration and appraisal of the island's mineral resources.
- (3) Engineering geology and groundwater investigations.
- (4) Administration of mining enactments, supervision of mining and collection of mineral statistics.
- (5) Fundamental research on earth sciences and applied research on mineral raw materials for industrial purposes.

Geological Maps

Among primary functions of the department are geological mapping of the island on the scale of 2" to a mile and publishing geological maps of 1' to a mile scale. Other functions finally depend on basic information obtained during geological survey work. Systematic geological mapping on

the scale of 1' to a mile, of areas covered by 1' topographical sheets of Murunkan, Mantai, Talaimannar, Kala-oya, Marichchikadai, Kudiramalai, Kalapitiya, Trincomalee, Kathiravelu, Padaviya Nilaveli, Iranamadu, Puliyanikulam, Mulaitivu, and Kakilai have been completed. With a coverage of an area of 3,000 square miles, mapping of the entire island has virtually been concluded.

Mineral Exploration

A serpentine deposit has been discovered near Ginigalpelessa in the Uda-Walawe area. Investigation of this deposit has commenced. The deposit spreads over an area of 250 acres. Tests have been carried out in Matale, Kandy and Nuwara Eliya Districts to ascertain prospects of mica supply to world market. These tests were carried out with active participation of the state graphite corporation.

Water Supply Investigations

Investigations were carried out in premises of the national milk board at Ambewela to locate a spot to obtain good quality water. A report was subsequently prepared. Investigations were also carried out to locate suitable 'spots' for two tube wells. The sites for tube wells were located to augment water supply to factories of the Ceylon Ceramic Corporation, Piliyandala.

Engineering Geological Investigations

Investigations were carried out to test nature of terrain for the Nattandiya glass factory, Sapugaskanda urea factory, and a private firm Messrs Jinasena and Co., Ekala.

Geophysical Surveys

Geophysical surveys have been carried out in Jaffna, Mannar, Rangala and Delft areas. The surveys carried out at Mannar, Jaffna and Delft areas relate to petroleum and those at Rangala were in respect of graphite deposits.

Laboratory Services

Rock and mineral samples collected during geological mapping were subject to analysis at laboratories. The Rock samples obtained from areas during work in connection with Samanala Wewa Scheme and soil samples during investigations on the proposed factory premises at Ekala for a private firm Messrs Jinasena and Co., were subject to further studies. Water samples and mineral samples too were occasionally tested. A number of soil samples collected during foundation investigations were tested at the engineering laboratory.

III—GEMMING

State Gem Corporation

The State Gem Corporation was established under provisions of the State Gem Corporation Act, No. 13 of November 1, 1971. Authorised capital of the corporation is Rs. 500 million.

Development of the gem industry and prevention of large-scale smuggling of local gems out of the island are among its main objectives.

Action was initiated during the year to reorganise the scheme of permits for gemming purposes. Lapidarists and gem merchants were also registered. This course of action ensured an increase in the issue of permits for various processes of the gem industry as revealed in the figures below :—

Year	Gemming Permits issued	Trade	Auctions
1973	3,547	2,335	425
1974	3,027	1,737	460
1975	2,977	2,160	483
1976	3,637	2,544	638

Gemming sites of state land were surveyed, demarcated and auctioned in lots to thwart unauthorised prospecting for gems.

Local gem auctions realised an income of Rs. 1,361,905 in 1976, as compared with Rs. 488,147 the preceding year.

The corporation's participation in the gem industry saw a 'break' in the monopoly of local gem dealers who virtually dominated sale and export of Sri Lanka gems. Purchasing centres were established at Ratnapura, Eheliyagoda, Matale and Colombo. Gem purchases effected during the two years 1975 and 1976 were respectively in the region of Rs. 6.13 million and Rs. 8.08 million.

Export of Sri Lanka gems earned Rs. 287.1 million (exclusive of FEECs) in 1976, giving an increase of Rs. 98.2 million over the preceding year.

Japan, Hongkong, Switzerland, the U.S. and France were among principal buyers of local gems. Tourists visiting Sri Lanka are afforded the sole opportunity to purchase local gems in foreign currency at the corporation's sales centres located in Macan Markar building, York Street, Fort, Katunayake International Air Port, Ceylon Inter-Continental Hotel, Hotel Lanka Oberoi and Bentota National Holiday Resort.

A sum of Rs. 3,931,975 was realised from sale of gems to tourists in 1975. This figure increased substantially to Rs. 9,072,406 (exclusive of FEECs) in 1976.

Lapidary and polishing processes are being carried out under ultra-modern conditions with the availability of new techniques, thus ensuring an 'optimum' price for local gems.

Gem exhibitions have been conducted abroad with the participation of local and foreign gem dealers.

CHAPTER XI

FORESTS, BOTANIC GARDENS AND WILD LIFE CONSERVATION

I—FORESTRY

Extent of Land

The total extent of forest reserves under the management of Sri Lanka's Forest Department was 2.36 million acres or 14.53 per cent of total land area of the island. Category of forest land known as "other Crown Forest" continues to be administered both by the forest department and government agencies. Forest plantations exclusive of line-planted Mahogany area were in the region of 210,000 acres by the end of 1976.

Reforestation

The reforested extents during the year were —

<i>Species</i>	<i>(Extent acres)</i>
Teak	12,981
Pinus	2,326
Eucalyptus	1,605
Albizzia	228
Mahogany (Enrichment—planting)	1,260
*Miscellaneous species	378
Total	18,778

*As Margosa, Casuarina, Alstonia

Under the special project for the reforestation of uneconomic tea and rubber lands and other unproductive areas a total of 1,825 acres were reforested.

	<i>(Extent Acres)</i>
Pinus	1,700
Eucalyptus—Grandis	125
	1,825

Teak, the largest extent, was planted under the co-operative reforestation or 'Taungya' by which this species was intercropped with other agricultural crops. Food crops estimated at approximately Rs. 12 million were cultivated in this manner.

Two new central teak nurseries were opened to increase output of planting material to 10,000,000 teak stumps.

Plantations, Working Plans and Management

Approximately 13,965 acres of plantations were surveyed and stockmapped during the year, giving total extent surveyed at the end of 1976, as 90,158 acres. The unmapped areas continue to remain at 116,597 acres.

A total of 3,035 acres were marked for thinnings in forest plantations yielding the categories of forest produce as :—

Logs	454,459 cubic feet
Sleepers	18,278 (nos.)
Sawn timber	9,744 cubic feet
Transmission poles	14,362 (nos.)
Poles	12,590 (nos.)
Fence posts	15,961 (nos.)
Firewood	20,457 cubic yards

The value of timber so extracted was Rs. 13,034,898. Coverage of timber extraction includes an extent of 200 acres of mature teak plantations which had been 'clear-felled' on reaching rotation age.

Hazards of forest fire continue unabated. The firelines did not prove quite effective in certain areas. Fire damage could be effectively reduced with the availability of fully-equipped fire fighting equipment.

Research

Silvicultural Research.—Species trials initiated were—

1. *Pinus khasiya*
2. *Pinus merkusii*
3. *Pinus eliottii*
4. *Pinus halapensis*
5. *Pinus oocarpa*

Provenance trials were conducted with provenances of species as—

1. *Pinus caribaea*
2. *Pinus oocarpa*
3. *Pinus merkusii*

Provenance trials of teak and eucalyptus were maintained. Two new seed nurseries of teak were opened during the year, covering an extent of 110 acres. The increment and thinning of plots continue to be maintained. Routine germination and viability trials were carried out with different seed species.

Entomological Research

Studies on the life cycle of teak defoliator—*Hyblaea puera*, and *Hepalia macheralis* were conducted. Several parasites of *Hyblaea* have been collected and studies on the biological control of the pest are envisaged.

Timber Utilization Research

Strength tests were conducted on welipenna, kunumella, eucalyptus grandis poles and the coconut trunk. Air seasoning trials were initiated on panakka. The boucherie process of treatment for the preservation of *Alstonia macrophylla* poles was carried out obtaining satisfactory penetration. Diffusion treatment of teak poles using boron salts proved quite effective. A similar treatment of the Kottapulun (*Ceiba pentandra*) was done using borax and boric acid.

The control of blue satin fungus on *Pinus caribaea* and *Pinus patula* was carried out using sodium pentachlorophenol and found somewhat effective though costly.

A pilot project was initiated to control splitting in eucalyptus grandis timber by poisoning with sodium arsenite. Routine identification of timber was also carried out for the benefit of state institutions and the general public.

Education.—Regular training courses were conducted at the Sri Lanka forest college for middle grade employees of the Forest Department and State Timber Corporation.

Management

A total of 7,343 forest offences as illicit felling, clearing and illicit transport of timber were recorded during the year. In several cases offenders were imprisoned without the option of a fine.

Under section 28 of the Forest Ordinance 712 private timber depots were registered.

An extent of 4,291.5 acres was released from forest reserves for urgent development projects initiated by the government. The release of forest lands was however kept a minimum to conserve forests. An impetus to conservation was given with a national tree planting campaign launched in December, 1976, giving further incentive to conservation of forest lands in Sri Lanka.

State Timber Corporation

The extraction and supply of timber during the year were carried out by the agency of private contractors and the State Timber Corporation's extraction units.

Production.—The total production during the year was—

Hardwood logs	2,742,295 cubic feet
Plywood logs	587,169 cubic feet
Ebony logs	34,502 cubic feet
Sawn timber	827,157 cubic feet
Railway sleepers	118,150 (No.)
Transmission poles	18,206 (No.)
Firewood	180,180 cubic yards

There has been a noticeable shortfall in extraction and supply of both hardwood and plywood logs during the year. This has been mainly attributable to—

- (a) limitation of forest resources
- (b) inadequate transport facilities as well as increasing transport costs
- (c) lower output of mechanised operations.

Railway sleepers and sawn timber production exceeded by 18 per cent and 4 per cent respectively as compared with the preceding year.

The corporation continues to season timber at its seasoning kilns, ; a total of 4,262.9 cubic feet of logs were seasoned during the year realising an income of Rs. 13,873. The corporation offered concessional kiln seasoning rates to the industrial development board thus helping the IDB to export rubber wood on overseas orders.

Export of Timber.—Timber to the value of Rs. 1,259,965 was sold from corporation's depots for export. A policy decision was made in August 1976, to prevent export of all species other than, satin, mahogany and teak in log or sawn form and ebony through the CONSOLEXPO.

Sinharaja Mechanised Logging Project.—Activities of the Sinharaja Mechanised Logging Project hitherto managed with Canadian advisers were taken over in toto by the corporation from 1st June, 1976. A policy of selective felling system, where harvesting would not exceed 800 cubic feet per acre and 800 acres per year with a maximum annual yield of 640,000 cubic feet is followed.

Staff Personnel.—There was a total of 1,606 employees comprising executive, clerical, technical and labour grades in the corporation's employment as at end of 1976.

II—BOTANIC GARDENS

The three botanic gardens in Sri Lanka, viz., the Royal Botanic Gardens at Peradeniya, the Hakgala Botanic Gardens and the Henarathgoda Botanic Gardens at Gampaha are administered by the Department of Agriculture. These three botanic gardens, situated in three different climatic zones are supervised by the superintendent of gardens with headquarters at Peradeniya.

Primarily established for the purpose of investigating into the flora of the island and the introduction of economic crops as tea, rubber, cocoa and cinchona, these gardens have now become centres of botanical research and floricultural development. All these gardens have representative collections of tropical and temperate plants from different parts of the world. The Royal Botanic Gardens, Peradeniya, are of international repute.

Royal Botanic Gardens, Peradeniya

The history of these gardens dates back to the year 1371, when King Wickremabahu III ascended the throne and kept court at Peradeniya. In 1821, the Royal Botanic Gardens were established for the reception of exotic plants and enjoy world-wide fame for the wealth of tropical vegetation. Situated 68 miles from Colombo along the Colombo-Kandy road, at an elevation of 1,500 feet above mean sea level and covering an area of 147 acres, the gardens enjoy an equable climate with an average rainfall of over 80 inches.

Improvement.—A small section of the flower garden had been remodelled and converted into a miniature Japanese garden with a summer house, a rivulet and a pond.

New Orchid Show House.—Work on the new 'show' house, designed on modern lines has been completed. This would provide a source of attraction to these gardens. The orchid plants in bloom present a colourful spectacle.

Exchange of Plants and Seeds, Exhibitions and Flower Shows.—The gardens receive varieties of seeds from Botanical Gardens and allied institutions and also despatch packets of seeds to similar institutions abroad.

At the Delhi Flower Show, Sri Lanka was awarded the Jawaharlal Nehru cup for the most attractive display, the first prize in the international section of the annual flower show. Flowers for this show were sent by the Royal Botanic Gardens, Peradeniya, from locally grown varieties. Anthuriums and orchid flowers have been made available for various flower shows. The gardens also won the Ram Subhag Singh award at the Agro-Horticultural flower show in New Delhi.

The orchid and anthurium breeding and cut-flower development programme :—

Anthuriums.—Anthurium crosses are being made of the red variety and seed pans sown.

Orchid.—Pollinations are being done though some of these have suffered pod rot at early stages.

Floricultural Extension Programme

Floriculturists in the central region and distant places as Chilaw, Galle, Matara, Ratnapura, Badulla were visited and advised on improvement of cultural techniques. These floriculturists have expanded their activities considerably in recent years. Short-term training courses on cut-flower production have been organised at the Peradeniya gardens.

The botanic gardens continue to attract large number of visitors particularly foreign tourists. Among distinguished visitors as state guests who have visited these gardens were Prime Ministers, Parliamentary Delegations, Army and Naval Chiefs, Foreign Ministers and Trade Delegations.

Botanic Gardens, Hakgala

These gardens, 55 acres in extent, are situated in a temperate or sub-tropical climate six miles off Nuwara-Eliya, at an elevation of 5,581 feet above sea level. It was first established as an experimental

station for the cultivation of cinchona in 1861. The vegetation is predominantly sub-tropical and many temperate plants introduced from Europe, North India, the Far East and Australia thrive satisfactorily.

The Cymbidium orchid culture introduced during the preceding years had been successful. Cymbidium mericlones produced by meristem culture at Peradeniya gardens continue to thrive well. New species ferns were introduced during the year.

The seed drying room and storage rooms have been completed.

Botanic Gardens, Henerathgoda, Gampaha

These gardens were established in 1871 for the reception of the original Para rubber from Brazil. The gardens, 37 acres in extent, are situated 17 miles from Colombo, at an elevation of 35 feet above sea level. The original rubber plantation could still be seen.

Levy of Admission Fees

The levy of an admission fee from visitors to the gardens has been extended to cover botanic gardens at Hakgala and Gampaha as well. Admission fees collected during 1976 were in the region of Rs. 585,800.

III—WILD LIFE CONSERVATION

Conservation of wild life in Sri Lanka is an important aspect of state policy. The fauna and flora protection ordinance (chapter 469), as amended by act (No. 44) of 1964 and (no. 1) of 1970 provides for declaration of any specified area as a national reserve or sanctuary, to ensure absolute protection of its fauna and flora. Enforcement of the ordinance is the responsibility of the Department of Wild Life Conservation.

No new areas were declared in 1976. A total of 2,392.93 square miles of the 25,332 square miles constituting the land surface of Sri Lanka were absolutely protected.

Coverage of 'absolute protection' was afforded 5 national parks, 2 intermediate zones, 4 strict natural reserves, a nature reserve and a jungle "corridor" and 43 sanctuaries.

Breakdown of the protected area is shown below :—

National Parks	1,175.40	sq. miles
Intermediate Zones	139.29	do.
Strict Natural Reserves	234.42	do.
Nature Reserve	12.20	do.
Jungle "Corridor"	40.00	do.
Sanctuaries	791.62	do.
Total	2,392.93	

The proclaimed area of 2,392.93 square miles constitutes a little over 9 per cent of total land area. Strict national reserves are state lands with access only on permits issued by the Department of Wild Life Conservation. Sanctuaries include privately owned lands as well as State lands. The two largest national parks are Wilpattu national park (consisting of 507.53 sq. miles with a boundary of approximately 130 miles length and Ruhunu and Yala east national parks together comprising 447.87 contiguous sq. miles of land with a boundary of approximately 120 miles length.

The Ruhunu and Wilpattu national parks have been quite popular among visitors and a source of tourist attraction. The Ruhunu national park had 64,400 visitors in 1976. Holiday bungalows maintained by the Department of Wild Life remained static during the year. The department commenced construction of a 'vishramasalawa' at Palatupana in the Ruhunu national park to accommodate about 80 to 100 persons who could not afford much spending on pleasure.

A severe spell of drought in the dry zone of the Island, which comprise almost all national reserves and sanctuaries saw a great effort on the part of the departmental staff and Wild Life and Nature protection society of Sri Lanka, to provide water to thirst stricken animals, restore and augment tanks and water holes, thus ensuring the availability of a greater volume of water in the future. The department is grateful for the assistance it received from the society referred to and to others who gave necessary assistance. On representation made by the department in 1976, the government agreed to provide funds for sinking of tube wells to supply water during such spells of severe drought and also where geological structure is conducive to sinking of these wells.

Steady expansion of permanently cultivated area continues to erode 'natural' habitat of the elephant species. Instances of unhappy contact between elephants and human beings increased, resulting in 75 deaths of the species mainly due to gun shot injuries.

Large scale damage to sugar cane plantations is not uncommon as the sugar cane is particularly relished by the elephant. Area abutting national reserves and sanctuaries poses a serious problem and thwart departmental efforts in the protection of elephants outside demarcated reserves. The Elephant orphanage at Pinnawela, 5 miles off Kegalle town serves as "model home" for orphaned baby elephants and injured sub-adults. There were 13 elephants at the orphanage during the year. "Shanthi" the gift from the children of Sri Lanka to the children of United States, in commemoration of the bicentennial Year, has been 'a product' from the orphanage. Export of animals, birds, and reptiles for commercial purposes has been restricted, particularly so, as it was felt that commercial export of unprotected animals, birds and reptiles would in a short time result in complete extinction. Exports for scientific purposes are allowed subject to close scrutiny of the university of Sri Lanka.

The department of wild life ensures protection of boundaries of national reserves and sanctuaries and enforcement of the fauna and flora ordinance by educative propaganda on wild life protection, initiating preventive measures and detection of such offences and lastly prosecution of offenders.

A total of 271 offences were detected in 1976. Offences so detected, include possession of venison, sale of wild boar meat, possession of hides and skins of protected animals. These offences do not include those detected by Police and other prescribed authorities under the Ordinance. Limited staff at the disposal of the Department with large coverage infers that offences undetected is much Greater than those already detected. Departmental employees during the year totalled 298 including both head office and field staff.

IV—NATIONAL ZOOLOGICAL GARDENS

The National Zoological Gardens of Sri Lanka, situated at Dehiwela, 6 miles south of the metropolis are maintained by the state. Dehiwela Zoo as known popularly has a rich and representative collection of fauna displayed aesthetically in enclosures spread over 52 acres of beautifully laid-out undulating land. The Zoo has the best collection of mammals, birds, reptiles and fishes in Asia and is acknowledged the world over as one of the best of its kind. The natural setting and scenic splendour of the landscape are added attractions these gardens could provide visitors.

The zoological gardens continue to maintain popularity and attract all classes of people from various walks in life. A total of 754,984 people including tourists visited the zoo in 1976. Gate receipts were Rs. 1,600,027.

A noteworthy improvement during the year was an exhibition of a pair of polar bears under a spacious air-conditioned enclosure.

The student guides scheme which trains senior students from schools in the city and suburbs in conducting school children on lecture tours around zoo environs has become very popular. A total of 2,235 schools availed of this facility during 1976, involving 155,722 children.

"Min Medura" the zoo's aquarium complex has a very large collection of large and small tropical fishes and invertebrates, displayed in surroundings almost akin to their natural habitat.

"Suli" a Californian sea lion trained by the aquarium staff performs daily to large crowds. The aquarium is quite popular and attracts a large number of visitors.

An auditorium and lecture room has been completed. When equipped it would provide an added amenity to school children visiting the zoo.

The cultivation of animal food at 'Lihiniya' the zoo farm at Ratmalana was extended during the year. Local production at the farm was in the region of 620 cwts. representing a saving of over Rs. 200,000 in the food bill.

CHAPTER XII

FISHERIES

I—GENERAL

A coastline extending 1,100 miles is the main feature, so far as the fisheries of the island of Sri Lanka are concerned. The other features are the rivers, artificial lakes, irrigation tanks and reservoirs which form the inland waters of the island. The coastal waters teem with fish of many kinds, demersal fish which live on or near the sea-bed and pelagic varieties which live in intermediate waters or near the surface. The best known species are Thora, Paraw, Blood fish, Sharks, Skates, Rock fish and Kumbala, Bolla, Herrings, Sardines, Sprats, etc. Among other known varieties of fish in inland waters are the Tilapia, Carp and the Giant Gouramy. At present, fish production is mainly concentrated on the coastal waters, fresh water fisheries however, being very negligible.

A separate Ministry, exclusively for fishery development was set up in 1970, with the prime objective of giving the industry a special significance.

The taking of policy decisions regarding administration and execution of such functions as fish production and distribution rests with the Ministry of Fisheries and these are as implemented through the Department of Fisheries, the Ceylon Fisheries Corporation and the Ceylon Fishery Harbours Corporation.

The Department of Fisheries undertakes the administration of the fisheries ordinance and related ordinances such as pearl fishing, whaling and chank ordinances, provision of welfare services to fishermen, development of co-operatives, training and extension work, development of inland and brackish water fisheries. Provision of credit facilities to fishermen and fisheries research are other functions under its purview.

II—EXTENSION AND DEVELOPMENT

Sri Lanka Fisheries Training Institute was established in April 1975. Two regular courses, duration of two years each, are being conducted at the institute to impart fishing techniques and engineering skills for persons to work as officers in off-shore and deep-sea fishing vessels. For this purpose, Japan has provided a fully equipped training vessel for use of the training staff of the institute.

Courses of training were held at the training centres of Negombo, Tangalle, Jaffna and Batticaloa in regard to the training of fishermen in fishing techniques, and in effecting mechanical repairs to vessels. The courses consisted of : fishermen's training, repair mechanics and field training at all centres ; training course for new fishery inspectors at Negombo, Tangalle and Jaffna ; a special training course, for certain pupils of Matara and Hambantota districts who have followed fisheries as a pre-vocational subject, at Tangalle ; and two courses each lasting five months in advanced navigation and fishing methods for ex-trainees at Negombo.

Propaganda

Four exhibitions and film shows were held by the department of fisheries as a means to popularise modern methods of fishing in important fishing villages. Informative leaflets on "maintenance of inboard diesel engines and mechanised boats", and "maintenance of outboard engines" were published and distributed among fishermen to improve their knowledge.

Marine Fishing

The total estimated quantity of fish produced during the year 1975, was nearly 127,000 tons of which coastal fisheries amounted to about 114,000 tons.

The value of imports and exports of fish and fish products for the year was as follows :

		Rs.
Imports	—	44,000,000
Exports	—	22,200,000

There had been a decline in exports both in quantities and value as compared with the previous year.

Mechanisation of Fishing Industry

The issue of mechanised boats solely to co-operative societies was continued in 1975. The number of boats issued under the hire-purchase scheme was 117. The total number of boats issued since inception of the scheme to end of 1975 was 2,744. Constructional work regarding the 155 boats, ordered by the department was under way. This was also the position as regards 60 inboard engines, issued to fishermen under the outright purchase scheme and 125 engines, issued to the boatyards for installation of hulls. There are 22 boatyards registered with the department for the construction of hulls. 765 outboard motors were issued under outright purchase scheme free of FEECs in 1975, as compared with 538 in the previous year.

Fishing Disputes and Regulations

Under section 20 of the fisheries ordinance, inquiries regarding two fishing disputes were completed by the commissions.

Permits were issued to 24 fishermen under the Hikkaduwa regulations.

Ten cases of dynamiting and possession of dynamited fish were detected and referred to Courts of law.

Registration of Fishing Crafts

The total number of fishing crafts registered in 1975 was 2,503. Registration of 28 crafts were cancelled during the year.

Since inception, the total number of registrations of crafts stands at 42,491.

III—SOCIO-ECONOMIC ACTIVITIES

While 45 primary fishing co-operative societies were in full operation in 1975, four fresh water co-operative fishing societies were registered during the year. A large amount of money was released to co-operative societies to be given to their members, in the form of individual loans to enable them to purchase 17½ fibre-glass boats, other types of craft, out-board motors and fishing gear. These loans issued from co-operative advanced account to co-operatives amounted to Rs. 2,026,347 and Rs. 552,180 was issued for additional fishing gear from the mechanisation advance account making a total of Rs. 2,578,527 in 1975.

Recovery of Loans

A sum of Rs. 2,346 as principal and Rs. 1,345 as interest, was recovered from individual loans during the year.

Out of loans given to mechanised fishing craft, Rs. 699,864 was recovered, and eight boats were seized for non-payment of dues.

Fishermen's insurance

An insurance scheme to insure fishermen and their craft was introduced by the Sri Lanka Insurance Corporation with the concurrence of the Department of Fisheries on the following lines :—

- A scheme of personal accident insurance for fishermen.
- Boat owning fishermen's insurance scheme for mechanised and non-mechanised craft.
- An insurance scheme for mechanised boats.

Fishermen's housing

An allocation for the payment of subsidies for fishermen's houses was made by the respective government agents from the decentralized budget.

Roads

Fishery roads were constructed on priority basis recommended by the district development committees.

Fishermen's Accident Compensation

A sum of Rs. 125,000 was allocated for the payment of accident compensation for 40 accidents in 1975.

IV—INLAND FISHERIES

Development activities on the inland fisheries were further expanded during the year.

The inland fisheries at Polonnaruwa Station were expanded in recent years, and the pond-area had almost doubled. The work on separate water supply for the station is yet under construction. The Polonnaruwa station continues to be the main inland fish breeding centre in Sri Lanka. It produced 149,000 common Carp, 7,500 Giant Gouramy and 165,000 Tilapia for stocking and distribution. The construction of ponds and the buildings at Ginigathena fresh-water station was completed in 1975. A consignment of 20,000 trout eggs was received from U.K. and a second batch of 20,000 was imported from New Zealand during the year. These eggs were successfully hatched, stocked and distributed by the Nuwara Eliya trout hatchery to prospective fish "farmers." During the year 200,000 fingerlings of Tilapia, Carp and Giant Gouramy were distributed from the headquarters.

A batch of 90 youths were trained in fresh-water fisheries during the year. Rs. 107,319 was distributed among 12 schools for the construction of ponds for schools agricultural programme.

V—BRACKISH WATER FISHERIES AND SURVEYS

A topographical survey of Nanthikadal lagoon was completed in 1975. A survey of bi-valve molluse resources both in the marine and brackish water areas along the north-east, north-west and south-west coasts was carried out in 1975. A batch of 83,000 chanos fry was collected from Mannar and Kalpitiya and was grown in nursery ponds at Pitipana. The fingerlings were distributed among prospective pisciculturists in the area.

VI—COMMERCIAL ACTIVITIES**Beche-de-mer**

The beche-de-mer factory which was set up at Mannar had shown a net profit of Rs. 41,000 during January-May 1975, while the factory at Kalpitiya showed a net profit of Rs. 25,000 during the first three months of operation. The total export of beche-de-mer for 1975, was 2,409 cwts. and its value was Rs. 3,207,671.

VII—RESEARCH ACTIVITIES**Research and Marketing**

The centre for the development and marketing of fish products is nearing completion. The central fisheries research institute is under construction.

Investigations and research carried out in 1975, were :—

- (1) Marine Fishery Research and surveys ;
- (2) Pearl Oyster and edible oyster survey ;
- (3) Survey on incidence of Crown of Thorns starfish (*Acanthaster planci*) and the eradication programme of this starfish ;
- (4) U. N. D. P./Sri Lanka Fishery Development Project ;
- (5) Squid and cuttle fish survey ;
- (6) Vertical temperature structure of the coastal waters ;
- (7) Exploratory fishing survey in coastal waters ;
- (8) Coastal fisheries ;
- (9) Survey on fishing gear used in Sri Lanka ;
- (10) Survey on various types of fishing boats in operation in coastal waters ;
- (11) Programme to study the catch and effort on fishing in coastal waters ;
- (12) Quality study of dried fish ;
- (13) Quality analysis of frozen fish products ;
- (14) Anti bacterial properties of marine algae ;
- (15) Chemical analysis of whole fish ;
- (16) Commercial utilization of sea weeds ;
- (17) Routine chemical analysis.

VIII—CEYLON FISHERIES CORPORATION

The Ceylon Fisheries Corporation was established on 1st October, 1964, under the State Industrial Corporations Act, No. 49 of 1957.

Total quantity of fish produced by the Fisheries Corporation in 1976, was 9,456,832 lbs. as compared with 9,143,871 lbs. in the previous year. The corporation vessels brought in 1,208,480 lbs. during 1976.

Performance made by the corporation under different categories is given below :—

	1975 lbs.	1976 lbs.
Trawlers	1,486,524	725,984
Tuna boats	61,260	172,256
11-ton boats	559,188	310,240
Buying from private dealers	4,558,826	8,248,352
Fishery projects	2,478,073	—
	<hr/> 9,143,871	<hr/> 9,456,832

Among these activities, the significant increase is in private buying of fish in 1976, which has increased to 8,248,352 lbs.

Dried fish, jaadi (preserved fish) fish meal, shark liver oil both medicinal and veterinary were the by-products of the corporation. Processing of dried fish, preservation of jaadi and dried shark fins were carried out in Mutwal, Ethukal Kudamaduwa and Manilla processing units. As usual two varieties of shark liver oil (Medicinal and Veterinary) were manufactured at the Mutwal Factory. Production of fish meal was done at the Mutwal and Pesalai factories.

Statistics of by-products are given below :—

		1975	1976
Dried fish jaadi	lbs.	246,217	695,968
Fish meal	lbs.	372,498	419,104
Dried shark fins	lbs.	670	—
<i>Shark liver oil</i>			
Medicinal	gals.	4,129	236
Veterinary	gals.	278	308

In addition to what was produced by the corporation, 604,128 lbs. were bought through the private trade in 1976 ; as compared with 273,999 lbs. in 1975.

A total of 118,838 cans (07 oz. and 15 oz. tins) were produced at Pesalai in 1976 compared with 203,009 in 1975.

The production of ice for the respective years was :—

	1975	1976
	lbs.	lbs.
Block ice	5,896	5,832
Flake ice	4,628	5,590
	<hr/> 10,524	<hr/> 11,422

The increase in production for 1975 was 1,044 lbs. as compared with 1974 while the increase in 1976 is only 898 tons of ice.

Sales

A total of 7,643,680 lbs. of fish were marketed by the corporation in 1976 ; while in 1975, the figure was 6,651,643.

The marketing of by-product was as follows :—

		1975	1976
Dried fish jaadi	lbs.	521,138	695,968
Fish meal	lbs.	339,903	419,104
<i>Shark liver oil</i>			
Medicinal	gals.	5,070	236
Veterinary	gals.	273	308
(07 oz. and 15 oz.)	cans	146,783	127,957

From the sales of these by-products the corporation earned a revenue of Rs. 4,209,348 which is Rs. 1,006,268 more than in the previous year.

Exports

The exports consisted of prawns, lobsters, crabs, cuttle-fish and also 3½ ton boats, manufactured at Mattakkuliya, boat yard. These exports brought in foreign exchange (inclusive of FEECs) of Rs. 5,335,687, compared with Rs. 1,691,016 of the preceding year.

Fishing gear

A revenue of Rs. 16,451,140 was collected by fishing gear depots of the corporation ; while in 1975 the collection was Rs. 10,406,659.

Marketing Activities

The activities of Mutwal cold rooms were re-organised and a wholesale depot for the sale of fish at price park, Colombo, was established in 1975. In 1976, a wholesale and a retail centre was established at Kandy ; and a retail centre at Matala.

IX—CEYLON FISHERY HARBOURS CORPORATION

The Ceylon Fishery Harbours Corporation was established by an order made by the Minister of Fisheries under section 8 of the State Industrial Corporations Act, No. 49 of 1957, as published in *Government Gazette Extraordinary* No. 14,996/18 of 11th February, 1972. It took over functions relating to construction, maintenance and operation of fishery harbours and anchorages from the Ceylon Fisheries Corporation, allowing the latter to concentrate on its primary function of production and distribution of fish.

Prime objectives as set out in the incorporation order are :—

- (i) Establishment, construction and maintenance of fishery harbours, anchorages and shore facilities for fishing operations ;
- (ii) Operation and management of fishery harbours and anchorages for fishing operations ;
- (iii) Provision of repair and maintenance facilities for fishing craft ;
- (iv) Establishment, maintenance and hiring out of cold rooms, ice plants and other refrigeration facilities, and the sale of ice ;
- (v) Carrying out of investigations and studies for the development of fishery harbours and anchorages ;
- (vi) Imposition and recovery of charges and fees for the facilities and services provided at the fishery harbours and anchorages of the corporation.

Harbours

The Ceylon Fishery Harbours Corporation took over six harbours viz., Galle, Cod Bay, Beruwela, Tangalle, Mirissa and Myliddy. At the time the corporation took over, only Galle fishery harbour was fully operational. Subsequently, work on the Mirissa fishery harbour was ceremonially commissioned on 03.12.76. The other harbours are in varying stages of construction.

Galle.—The harbour is located within the Galle commercial harbour. Construction of the harbour and shore facilities have now been completed. It provides a basin area of approximately 12 acres in extent. The maximum dredged depth being 20 feet below LWOST. A Jetty of length 300 feet and width 50 feet is available with side berthing facilities for four vessels of draft up to 18 ft. A Flake Ice Tower of capacity 25 tons per day and a storage capacity of 100 tons is located on this Jetty. A quay wall of length 630 feet is available for smaller boats of draft up to 8 feet. In addition to the above facilities four mid stream berths for large fishing vessels up to 350 gross tons are being provided.

The harbour is, also, equipped to provide repair facilities for fishing vessels. Two slipways of capacities 500 tons and 65 tons are available with mechanical and timber work-shops equipped to handle all types of repairs.

Fresh water and shore power are available at the jetty and the quay in addition to bunkering facilities that are being provided.

Mirissa.—The construction of the harbour and the shore facilities was completed. This harbour provides a basin area of approximately 17 acres in extent. The maximum dredged depth being 10 feet below LWOST.

Shore installations provided in the vicinity of the quay wall comprise the following facilities :—

- (a) Storage Room for Fish on Ice — capacity 5 tons
- (b) Ice Storage — 10 tons

Fresh water is available at the quay. It is also programmed to provide repair facilities for small fishing craft up to 20 cwt including a slipway for such boats. Shore power and bunkering facilities would also be provided.

Tangalla.—The construction of a breakwater, a groyne, a quay wall, a 20 ton slipway and a mechanical engineering workshop was completed.

This harbour provides a basin area of approximately $4\frac{1}{2}$ acres with a dredged depth of 8 feet below LWOST in the first stage of dredging and 10 feet below LWOST at the second stage if required.

The shore installations at this harbour is expected to be completed by June 1977 and comprise the following facilities :—

Storage room for fish on ice	— 50 tons
Block ice	— 10 tons
Ice storage	— 20 tons

Provision of additional facilities at this harbour for freezing and storage of frozen fish is envisaged.

It is hoped to make water, electricity and bunkering facilities available at the quay side by end of June 1977.

Trincomalee (Cold Bay).—The fishery harbour is located within the natural harbour at Trincomalee. The area allocated for the fishery harbour is around 50 acres with ample accommodation for expansion. The dredged depth envisaged at this harbour is 20 feet below, LWOST.

The construction of buildings to house cold storage plant, freezers and ice plant, workshop, offices, quarters for resident officers, water supply scheme and refrigeration plant installation work has been completed. The quay wall would provide alongside berthing facilities for vessels up to a draft of 18 feet.

Shore facilities available are :—

Storage room for fish on ice	— 25 tons
Storage room for wet fish	— 50 tons
Frozen fish storage	— 200 tons
Freezing capacity	— 10 tons (per day)
Block ice	— 10 tons (per day)
Ice storage	— 60 tons

Repair facilities for small fishing craft comprising a slipway for boats up to 20 DWT and well equipped workshop have already been provided.

Bunkering facilities available are in proximity to the Petroleum Corporation Jetty. Water power are available at the quay.

Myiliddy.—The construction of the breakwater for fishery harbour at Myliddy is in progress and is expected to be completed by the end of 1977. The basin area is $7\frac{1}{2}$ acres and would provide a dredged depth of 8 feet below LWOST, in the first stage and 10 feet below LWOST is the second stage. Shore facilities in the first stage of construction would comprise only of a repair workshop for small fishing craft. Other facilities would be provided at a later stage.

Beruwela.—The construction of the break waters and the jetty of length 180 feet and width 30 feet has already been completed. The harbour provides a basin area of 25 acres.

Shore installations under construction are programmed to be completed in November 1977 and comprise the following facilities :—

Storage room for fish on ice	— 25 tons
Handling room for wet fish	— 20 tons
Frozen fish storage	— 200 tons
Freezing capacity	— 10 tons
Flake ice	— 10 tons
Ice storage	— 50 tons

The construction of the workshop at the harbour had been completed. A slipway of capacity 65 tons is to be constructed. Electricity and Bunkering facilities were provided. The water supply scheme is being installed by the national water supply and drainage board.

Construction work on the following anchorages were commenced in 1976 :—

- (1) Wennappuwa (construction of an experimental groyne),
- (2) Hambantota (jetty).

A Jetty has been constructed at Panadura at the river "outfall." Hydrographical investigations are being continued at Kalmunai, Batticaloa and Punnaikudah.

Marine surveys were carried out at—Galle, Ambalangoda, Tangalle, Beruwela, Panadurua, Kalutara river mouth and Devinuwara.

Dredging operations were continued at Tangalle fishery harbour and about 90 per cent of the work was completed.

The mechanical workshops at Chilaw and Kalpitiya were in progress and about 90 per cent of the work was completed. It is programmed to provide workshops at Myliddy, Mirissa, Mullaitivu, Jaffna, Valaichchenai and Pesalai.

Work on the ice plants and fish storage rooms at Negombo, Chilaw, Kalpitiya was continued and is nearing completion. These facilities will be extended to Thoduwawa and Ulla as well.

Shore installations provided in the vicinity of the quay wall comprise the following facilities :—

- | | |
|----------------------------------|-------------------|
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| (b) Ice Storage | — 10 tons |

Fresh water is available at the quay. It is also programmed to provide repair facilities for small fishing craft up to 20 cwt including a slipway for such boats. Shore power and bunkering facilities would also be provided.

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Work on the ice plants and fish storage rooms at Negombo, Chilaw, Kalpitiya was continued and is nearing completion. These facilities will be extended to Thoduwawa and Ulla as well.

Production

(a) *Fish Processing Division.*—The handling, processing, freezing, packaging, storage and delivery of fish and shellfish are carried out by this division. All products processed, packaged and stored for export or local consumption are subject to stringent inspections for quality, by a team of technically qualified and trained personnel to ensure international standards. A good majority of frozen marine food processors and exporters of Sri Lanka, utilize optimum facilities available at the Galle Fishery Harbour in processing, freezing and storing of fish and fish-products.

(b) The quantity of fish and shell fish processed and frozen during the year, 1976 was 65 metric tons and 203 metric tons respectively, bringing an income of Rs. 938,000.

Engineering works

In addition to fish processing, sale of ice, supply of water, etc., various civil and mechanical engineering assignments were carried out during the year at Galle, God Bay and Tangalla. The revenue earned amounted to Rs. 367,265.

Foreign Exchange earnings

Foreign exchange earned by the corporation was Rs. 129,000.

Personnel

Staff of the corporation at the end of 1976 consisted of 568.

Finance

At the beginning of the year 1976, the capital of the corporation stood at Rs. 78 million. Over Rs. 18 million has been invested for construction of harbours and provision of shore facilities for the fishing industry during 1976.

CHAPTER XIII

FOREIGN TRADE

I—GENERAL REVIEW

Sri Lanka's export earnings as Customs records reveal increased from Rs. 3,933 million in 1975, to Rs. 4,815 million in 1976, an increase of Rs. 882 million or 22 per cent over the preceding year. Imports which showed a sharp increase in 1975, fell from Rs. 5,251 million to Rs. 4,688 million in 1976, a drop of Rs. 563 million or approximately 11 per cent. There was thus a favourable balance of trade of Rs. 127 million in 1976, a reversal of a declining trend, hitherto recorded in Sri Lanka's international trade since 1966.

A comparative study of Sri Lanka's international trade during the 5-year period 1972-1976 is made in the Table below :—

TABLE 13.1—SRI LANKA'S FOREIGN TRADE 1972-1976

<i>Year</i>	<i>Exports</i>	<i>Imports</i> <i>(Rs. million)</i>	<i>Balance</i> <i>of Trade</i>	<i>Terms</i> <i>of Trade</i>
1972	2,009	2,064	— 55	75
1973	2,617	2,715	— 98	65
1974	3,472	4,554	— 1,082	58
1975	3,933	5,251	— 1,318	46
1976	4,815	4,688	+ 127	62

Source : Central Bank of Ceylon.

Composition of International Trade

Exports.—The three plantation crops, viz., tea, rubber and coconut continue to dominate the international export market. Export earnings from this source however, dropped significantly from 75.8 per cent in 1975 to 70.1 in 1976.

Tea exports fell by 12.8 million kilogrammes (6 per cent) though a price increase was recorded over the preceding year. Rubber exports too declined by 24 million kilogrammes as compared with 1975 exports, though contrary to an appreciable price increase, in the international rubber market. Earnings from rubber exports increased from Rs. 654 million to Rs. 890 million in 1976. Major coconut products, viz., copra, coconut oil, desiccated coconut and fresh nuts showed no substantial contribution with a slight drop in overall export earnings from Rs. 397 million to Rs. 383 million in 1976.

Precious and semi-precious stones contributed 5.4 per cent of the total export earnings during the year with Rs. 261 million, while other domestic exports increased substantially from Rs. 760 million to Rs. 1,167 million.

The composition of exports by major commodities for the five-year period 1972-1976 appears in Table 13.2.

TABLE 13.2—COMPOSITION OF EXPORTS BY MAJOR COMMODITIES—1972-1976

Commodity	1972	1973	1974 (Rs. million)	1975	1976
Tea	1,162	1,261	1,360	1,932	2,100
Rubber	263	592	738	654	890
Coconut products (a)	266	145	397	397	383
Precious and Semi-precious stones	12	141	109	180	261
Other Exports	218	346	843	760	1,167
Total (b)	1,993	2,598	3,447	3,923	4,801
Re-Exports	16	21	25	10	14
Total Exports	2,009	2,617	3,472	3,933	4,815

Source : Central Bank of Ceylon.

(a) Major coconut products : viz. copra, coconut oil, desiccated coconut and fresh nuts.

(b) Including value of Bunkers.

TABLE 13.3—IMPORTS CLASSIFIED BY MAJOR CATEGORIES AND PERCENTAGE TO TOTAL IMPORTS (VALUE)

Major Categories	Value Rs. million					Percentage to total imports				
	1972	1973	1974	1975	1976	1972	1973	1974	1975	1976
Consumer goods	1,069	1,424	2,138	2,651	1,732	51.8	52.5	47.0	50.5	36.9
Intermediate goods	502	815	1,920	1,888	2,259	24.3	30.0	42.1	36.0	48.2
Investment goods	438	451	457	653	643	21.2	16.6	10.0	12.4	13.7
Imports (other)	55	25	39	59	54	2.7	0.9	0.9	1.1	1.2
Total Imports	2,064	2,715	4,554	5,251	4,688	100.0	100.0	100.0	100.0	100.0

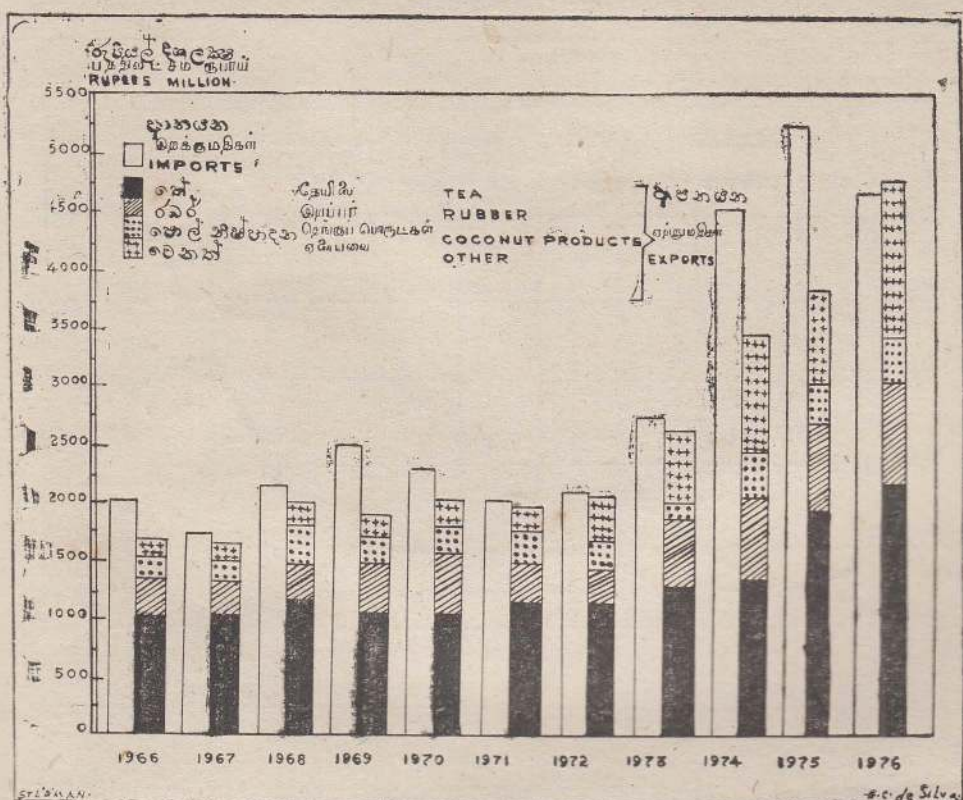
Source : Central Bank of Ceylon.

Imports.—The imports of consumer goods declined from Rs. 2,658 million to Rs. 1,732 million in 1976 with a corresponding percentage drop from 50.5 to 36.9. The category of intermediate goods on the other hand increased substantially to Rs. 2,259 million as compared with Rs. 1,888 million the preceding year.

The import of investment goods remained somewhat static during the year.

Value of imports classified by major categories and the relative percentage to total imports for the period 1972-1976 appear in Table 13.3.

CHART No. 5.—BALANCE OF TRADE, 1966-1976



II—DEPARTMENT OF COMMERCE

Trade Promotion

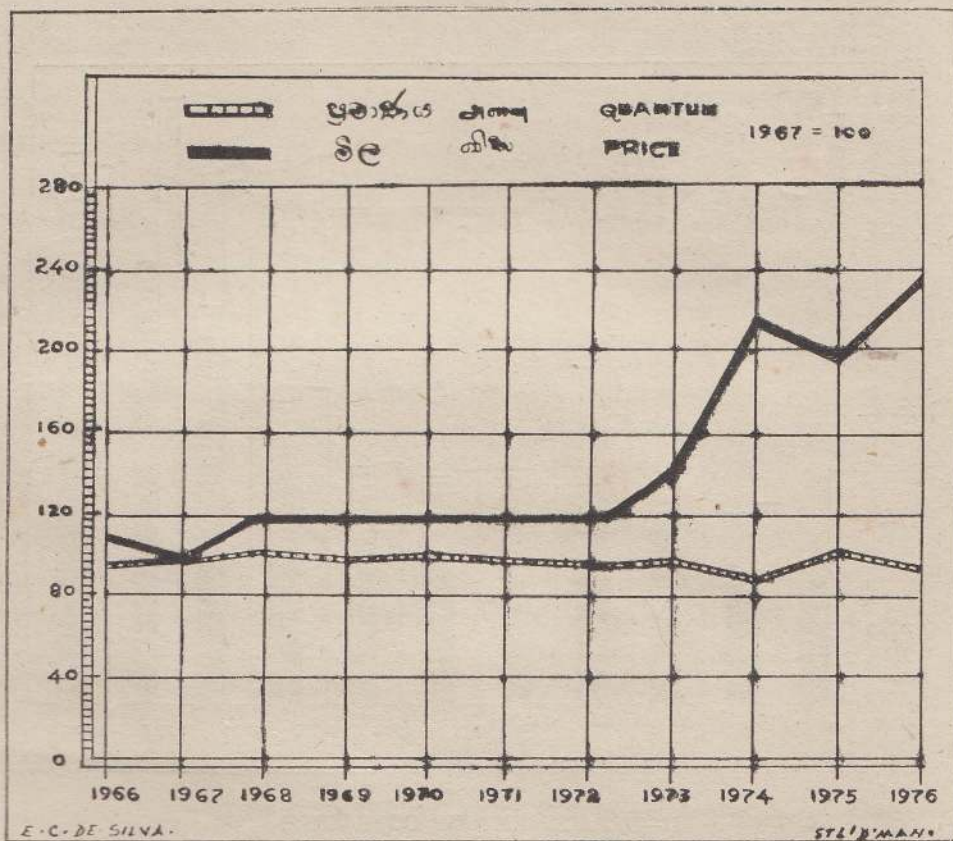
Increased incentives afforded by the department to the exporters helped bring in a large number of businessmen into the export trade, invariably with new products for purpose of export. A notable feature in this regard was that more exporters were registered than in the preceding years. New-comers to the export trade were found markets abroad for their products. Trade enquiries received from abroad for various local products were passed on to government departments, state corporations and local firms for necessary action. Services of Sri Lanka trade commissioners and commercial secretaries abroad were sought increasingly for the promotion of non-traditional products specially new products which exporters were able to offer.

The department continues to assist local and foreign businessmen in the matter of trade disputes and settle such disputes to ensure continuing business relations.

Trade Fairs and Exhibitions

The Department of Commerce organised Sri Lanka's participation in seven overseas trade fairs to promote traditional as well as non-traditional products. Trade fairs participated were : Frankfurt International Spring Fair, Partners for Progress Fair and Ikofa Food Fair in Federal Republic of Germany, Leipzig Spring Fair in the German Democratic Republic, Zagreb Autumn Fair in Yugoslavia, Baghdad International Fair in Iraq and Milan International Fair in Italy. Emphasis was stressed on the promotion of a number of local non-traditional exports.

CHART NO. 6.—INDICES OF EXPORTS (QUANTUM AND PRICE)
BASE : 1967 = 100, 1966-1976



Trade and Payment Agreements

German Democratic Republic.—A Trade Agreement between Sri Lanka and the G. D. R. providing for payments in freely convertible currency was signed in Colombo in December, 1975. This Agreement replaced earlier trade and payment agreement signed on 12 March, 1971 and came into effect from 1 January, 1976.

People's Republic of Bulgaria.—A new trade agreement with the People's Republic of Bulgaria providing for payments in freely convertible currency was signed in December, 1975. This agreement became effective from 1 January, 1976.

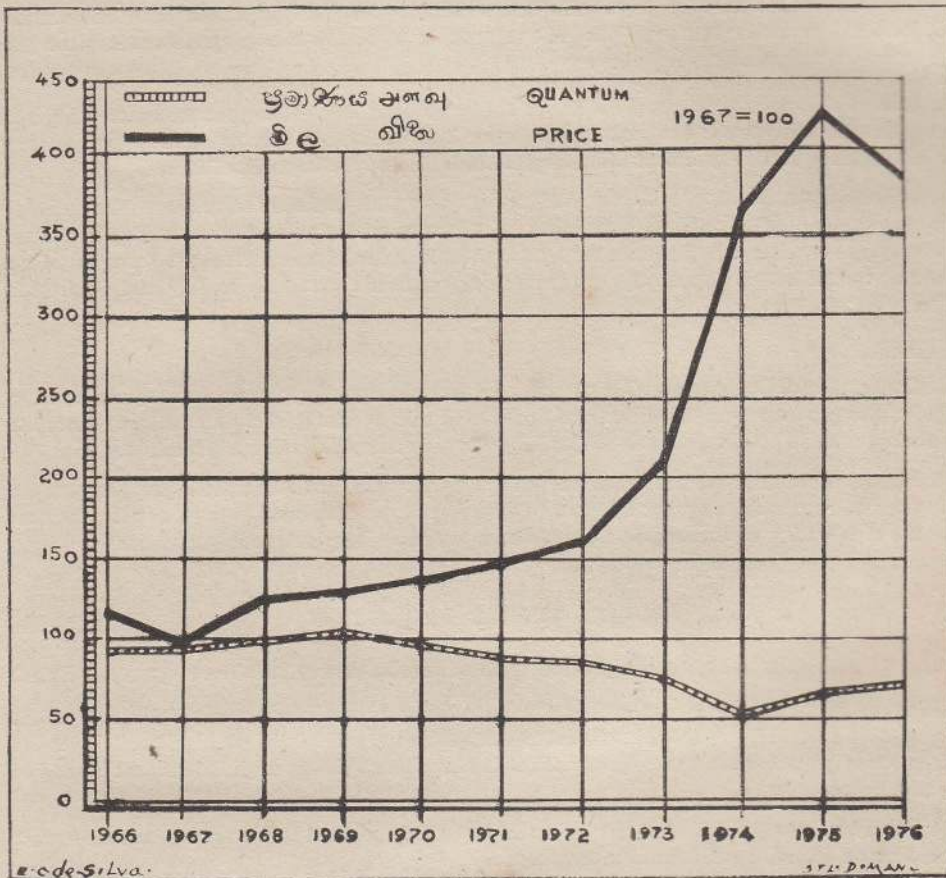
People's Republic of China.—A trade protocol between Sri Lanka and China for exchange of goods during the year 1977 was signed in December 1976.

U. S. S. R.—A trade protocol for the year 1976 under the framework of the Trade and Payments Agreement of February 1958 was signed with the USSR in February, 1976.

Bangladesh.—A trade delegation from Bangladesh visited Sri Lanka in December, 1976 to negotiate a trade agreement between the two countries.

Special Trading Agreement with M/s. Sukab Sweden.—The validity of the special trading agreement signed by the Director of Commerce with Messrs. AB Sukab of Sweden on 28 October, 1974 was extended for three years commencing 4 December, 1976.

CHART NO. 7.—INDICES OF IMPORTS (QUANTUM AND PRICE) BASE : 1967=100, 1966-1976



International Commercial Relations

United Nations Conference of Trade and Development (UNCTAD).—The Sri Lanka delegation to the 4th session of UNCTAD held in Nairobi, Kenya, from 5 to 31 May, 1976 was led by the Minister of Trade. A point of interest to developing countries was the Integrated Programme for Commodities. There were various conferences held during the second half of 1976 as a follow to UNCTAD IV discussions. It was agreed at the Nairobi conference that steps would be taken to convene a Negotiating conference on the common fund by March 1977. Preparatory meetings for international negotiations on individual commodities were also held during September and October 1976. The UNCTAD had convened preparatory meetings on three commodities, viz., copper, Jute and Hard Fibres by end of the year.

General Agreement on Tariffs and Trade (GATT).—The GATT multilateral trade negotiations initiated in 1973 with the object of achieving an expansion and greater liberalization of world trade and securing additional benefits for the developing countries, continued. Of particular interest to Sri Lanka was the group on "tropical products" which virtually concluded its work by the end of 1976. Work in other groups of the multilateral trade negotiations, continued though gradually.

Agreement with the European Economic Community (EEC).—In terms of the agreement between Sri Lanka and the EEC signed in July 1975 provision exists for the setting up of a joint commission which would oversee the agreement. The first meeting of the EEC/Sri Lanka joint commission was held in Brussels in October, 1976. It was possible to review the progress made since the agreement was signed.

Economic and Social Commission for Asia and the Pacific (ESCAP).—The government of Sri Lanka made its ratification to the Bangkok Agreement on 2 June, 1976 thus becoming the fourth country to be a member of the Agreement with Bangladesh, India and the Republic of Korea.

The Bangkok agreement provides for the liberalization and expansion of trade among the developing member-countries of the ESCAP region. Under the terms of the agreement, a standing committee was set up to administer and oversee the treaty. The four participating states are members of the standing committee. Two meetings of the standing committee were held in July and September 1976.

Commodities

The Department of Commerce maintains a close contact with world market developments in regard to local export products both traditional and non-traditional. Special studies were made to formulate and adopt suitable policies so that local products would be competitive in world markets.

Sri Lanka with four other countries, viz. Malaysia, Indonesia, Thailand and Singapore signed the international rubber agreement at Djakarta in November 1976. The main purpose of the agreement was the stabilisation of rubber prices to help both producing and consuming countries.

III—TEA EXPORT PROMOTION

Propaganda activities as regards tea promotion are channelled through the Tea Propaganda Board.

Active consideration was given to public relations work and trade information which would benefit the export trade. This includes organising visits by the tea trade in consuming countries to Sri Lanka, seminars and initial workings of a trade information service through the bureaux abroad to cover tea export trade.

Public operations in Sri Lanka were expanded but mainly concentrated in areas where the impact would be on foreign tourists visiting the island.

Activities of the tea centres were reviewed with a view to making them viable units. Prime consideration continues to be the promotional aspect.

Apart from promotional work, attention was focussed on market evaluation abroad and opportunities to boost the tea trade.

Considerable reduction in expenditure has been achieved following evaluation of campaigns which include closing down offices in some continental countries. Advertising agencies were briefed to ensure a better turnout of publicity material. Such material was invariably found lacking originality and often failed to achieve fundamental objectives.

Where tea councils are concerned the major development was the break up of a formula by which India and Sri Lanka, agreed many years ago to contribute to tea councils of the U.S., Germany and Canada. The principle of contributions to all tea councils is one of market shares at present.

The board's area of activity has thus been largely one of reducing and eliminating unnecessary expenditure. This policy was justified to a certain extent, in the light of reduced quantities of tea available for export.

There is a significant difference in the pattern of exports since Pakistan emerged as a large buyer. In the period 1962 to 1971, Sri Lanka's exports averaged 458 million pounds though the average during period 1972-1974 was 426 million pounds. The average for the years 1972, 1973 and 1974

is about 60 million pounds since Pakistan commenced buying. Sri Lanka, has in effect therefore offered in the years 1972-1974 about 92 million pounds less each year to her traditional pre-1972 buyers.

A considerable improvement in the crop was recorded in 1975. This was a tremendous filip to the tea export trade as the tea crop in certain other producing countries recorded a drop in production.

In this context the present situation seems promising and also help Sri Lanka, to regain her position in many markets.

Sri Lanka's tea promotional campaigns continue to be conducted by the board in the United Kingdom, France, Federal Republic of Germany, Netherlands, Denmark, Sweden, countries in the Middle East region, Japan, Pakistan, Australia, New Zealand, and South Africa. Joint promotional work with other tea producing countries and the tea trade was also carried out in the United States, United Kingdom, France, Australia, Canada, Federal Republic of Germany and New Zealand.

Improved economic conditions in Middle East countries during 1976, saw a greater expansion of the tea trade towards that region particularly Sri Lanka tea for which a marked preference exists, whilst in many of the traditional markets, demand for tea was virtually static or on a declining trend.

Promotional activities in the U.K. amidst economic difficulties and rapid inflation, were directed towards maintaining a marginal increase in sales of existing Sri Lanka identified brands on a cost effective basis and take advantage of opportunities for expansion when market conditions improve. Limited tactical advertising was employed, particularly to support individual brand promotions and a television campaign in London and the Southern region featuring the best selling Sri Lanka packs.

France

With a view to achieving a measurable sales growth for Sri Lanka tea, in-store promotions of the best selling Sri Lanka packs were undertaken with dominance at point-of-sale particularly, in the important hyper-markets. Sri Lanka tea was also featured at the principal food and consumer item fairs in the country.

Federal Republic of Germany

The Limited Sri Lanka, tea promotion campaign was confined to participation in selected trade fairs as 'The Green Week Fair' in West Berlin, HAFA in Bremen and Ikofa International Fair in Munich and support predominantly Sri Lanka packs through in-store promotions. A promotion in support of "Windsor Castle" Sri Lanka, tea was undertaken in 6 selected supermarkets. Preliminary trade negotiations were held, with certain packers to draw up details for future promotional support.

Netherlands

The promotional campaign during 1976, was arranged with major packers and retailers. The campaign was geared to off-take Sri Lanka tea. The bureau participated in the international Rai Householders Fair where Sri Lanka tea was sampled and educative information distributed among the many visitors to the stand.

Scandinavia

In Denmark a reminder advertising campaign for the 'Lion' symbol was undertaken in 18 newspapers and 'Grocers' weekly. A joint promotion campaign was launched with an important packer in Gothenburg, Sweden and Stockholm. Large scale promotion was also carried out with another distributor geared to direct off-take tea from Sri Lanka.

Italy

Promotional activities were recommenced in 1976. Discussions were held with some of the leading packers thus entailing joint promotion for Sri Lanka tea to be carried out through supermarket chains. The bureau also participated in the international trade fair, Milan.

Austria

The bureau launched a limited campaign through lady demonstrators who carried out a series of liquid sampling promotions at a leading chain store.

The Middle East

Much attention continues to be focussed on promotional activities in this region with its increasing market potential for Sri Lanka tea. All the markets in this area are being covered from bureau offices. The Dubai office controls promotional activities in United Arab Emirates, Bahrain, Oman, Kuwait, North and South Yemen, Saudi Arabia and Iran. These activities are in the form of outdoor media as posters and hoardings, radio advertising with participation of the local tea trade. Kuwait and Saudi Arabia are also covered.

Tea promotion work in the Lebanon had virtually been at a standstill due to chaotic conditions in the country.

- In Iraq, a major consumer of Sri Lanka tea promotional work is "controlled" by the Iraqi Government Purchasing Board. Distribution of publicity material forms a major part of the campaign.

The bureau office in Cairo, conducts campaigns in the Arab Republic of Egypt, Sudan, Tunisia, Ethiopia, Somalia and Libya. The cinema, out-door media, the trade and the press and radio advertising constitute main types of promotional work so conducted. Television advertising has been curtailed in view of high costs involved.

Pakistan

Pakistan has become leading buyer of Sri Lanka tea. Much emphasis is laid on radio, cinema and television advertising in the various language media in the country. Public relations work, competitions for school children and participation in exhibitions were carried out.

Australia and New Zealand

Due to high cost of television advertising, other types of advertising, especially out-door media form a major part of the promotional work. Public relations and participation in selected fairs and exhibitions were also undertaken though on a limited scale.

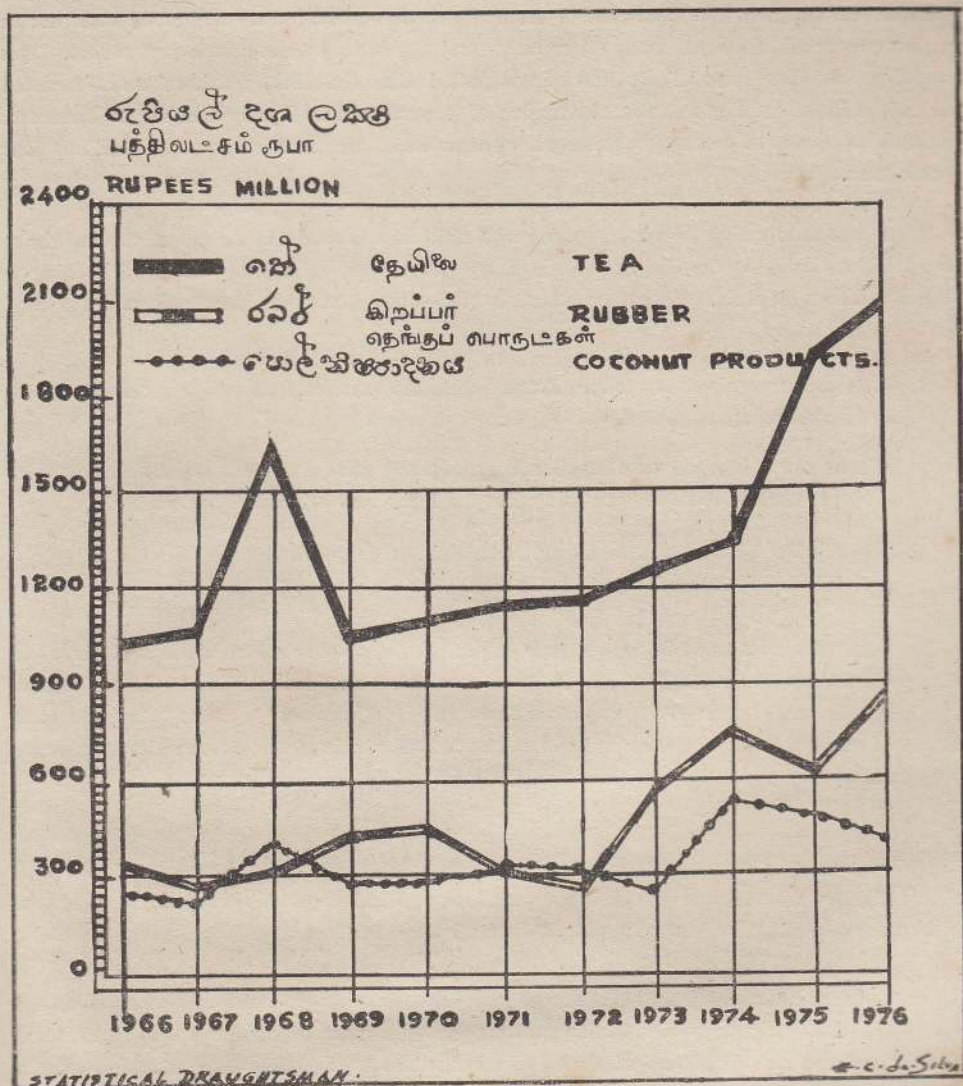
Japan

The general campaign for "Lion" identified Sri Lanka tea continued, through lady demonstrator programme. This includes distribution of publicity material and participation in trade fairs and exhibitions.

South Africa

Sri Lanka enjoys a favourable share of South African market. Tea promotion campaign has used all available media—including posters, hoardings and other out-door activities. Apart from the European minority who are nevertheless heavy consumers, promotion campaigns covered Asians and coloured natives.

CHART NO. 8.—EXPORTS OF TEA, RUBBER AND COCONUT PRODUCTS—(BY-VALUE) 1966-1976



IV—IMPORT AND EXPORT CONTROL

The Import and Export (Control) Act, No. 1 of 1969, is administered by the Department of Import and Export Control.

The floor price scheme was introduced on a trial basis in December 1974, and came into effect, from 1 January, 1975. Eighteen minor export products, viz. ; cardamom, cinnamon bark oil, cocoa, coffee, cloves, gingelly seed, gingelly oil, mustard, nutmeg, nutmeg oil, mace, papain, papaya leaves, pepper, shark fins and fish maws were brought under the floor price scheme by export control notice (no. 1/75) published in *Gazette Extraordinary* (no. 147/65) of 23 January, 1975. Citronella oil was also brought under this scheme by export control notice of 12 May, 1975, published in the "Ceylon Daily News" of 14 May, 1975.

In terms of a decision taken at the floor price committee meeting on 14th November, 1975, a circular was issued by the Controller of Exchange to authorized traders requesting them not to export pepper oil, clove oil, cocoa oil or butter and mustard oil without an export permit. This would prevent these essential oils from being exported without a check. Action was also initiated to seek assistance of Ceylon national chamber of commerce and Ceylon chamber of commerce to issue certificates of conformity in respect of items where standards are not stipulated but floor prices fixed.

There were certain difficulties in complying with conditions as set out in the export control notice no. 1/75, appearing in the *Gazette Extraordinary* no. 147/65, of January 23, 1975, relating to export of minor products. With the concurrence of the floor price committee, concessions granted in this regard were :—

- (a) Payment for consignments to be effected within 180 days from date of shipment as against 90 days originally stipulated.
- (b) Where terms of payment were based on letters of credit, sales would be allowed with a discount of $1\frac{1}{2}$ per cent of F. O. B. price as against the 1 per cent originally allowed.
- (c) The period of time allowed to inform Department of Import and Export Control as regards shipments to be increased from 14 to 21 days.

The item "timber" listed in the schedule to the new export control regulations published in *Gazette Extraordinary* no. 120/5, of July 16, 1974, was further classified and Export Control Notice, no. 3/75, was published in *Gazette Extraordinary* no. 162/8, of May 7, 1975. This relates to export of boron processed rubber wood and articles thereof, packings, boxes and crates from boron processed rubber wood including goods packed therein.

Imports

Free exchange licences issued by the controller of imports and exports, revalidations and value of debits against licences so issued appear in Table 13-4.

The spell of drought experienced in the country as well as in other producing countries contributed to a shortfall in the production of coffee and cocoa. A number of exporters who had entered into forward contracts in respect of these two commodities were consequently unable to execute their contracts. World prices of these two commodities also spiralled by more than 100 per cent. With a view to preventing further forward contracts being entered into, sales were temporarily suspended with effect from 21st May, 1976, for coffee and 2nd July, 1976, for cocoa exports. The position gradually improved towards end of the year and exports were resumed on a restricted quota.

Quality control was introduced in respect of gingelly exports by the Bureau of Ceylon Standards.

Much publicity is given to the floor price scheme and f. o. b. export prices for each commodity through the medium of the press, and the radio to assist producers in obtaining fair prices for their products.

TABLE 13.4—FREE EXCHANGE LICENCES ISSUED (INCLUDING REVALIDATED LICENCES) AND VALUE OF DEBITS—YEARS 1975 AND 1976

Description of Imports	Value of licence issued in including (revalidated licences) (Rs. Million)		Debits against licences (Rs. Million)	
	1975	1976	1975	1976
Food Items (other than Food Commissioner's)	119.67	144.16	95.43	112.18
Textiles (Piece Goods)	—	—	—	—
Drugs	35.27	29.19	29.53	19.11
Fertilizer	42.26	32.48(a)	32.83	27.67 (a)
Petroleum Products	12.73	63.77 (b)	11.14	16.52 (b)
<i>Direct User:</i>				
(a) Special Agricultural Projects	0.46	0.89	0.32	0.57
(b) Machinery and spares	5.26	5.88	0.32	2.97
(c) Existing Hotels and Hotel Projects	1.90	10.98	1.58	9.60
(d) Local Bodies	4.02	5.41	1.07	2.04
(e) Other Direct User Imports	20.45	27.94	9.10	16.67
Other Trade Quote Items	126.43	140.77	79.21	81.44
Government Departments	268.29	245.21	90.17	105.63
Non-Industrial State Corporations	230.35	172.45	101.80	81.34
(Other than these under the Ministry of Industries and Scientific Affairs)	371.21	602.70 (b)	201.65	355.44 (b)
Manufacturing Industries	1,453.55	1,653.91	870.99	969.22 (b)
State Industrial Corporations (under the Ministry of Industries and Scientific Affairs)	40.46	89.26	28.92	37.37
Convertible rupees Imports				
	2,732.51	3,225.00	1,554.06	1,837.77

(a) Including short-term credit.

(b) Computer data available with the Department of Economic Research, Central Bank of Ceylon.

With a view to conserving as much of the available timber for local industries, export of all timber in log or sawn form, other than mahogany, satin, teak and ebony has been banned. Ebony exports are permitted only through consolexpo while mahogany, satin and teak exports are permitted only if these various of timber are purchased from the state timber corporation.

Steps are being taken to enforce stringent measures on indiscriminate export of antiques, and other articles of archaeological, cultural and historical interest. The antiquities ordinance is being

amended for the purpose by the Ministry of Cultural Affairs. Effective measures are now taken to prevent antiques smuggled out of Sri Lanka by the Commissioner of Archaeology and the Principal Collector of Customs.

Exports of metal scrap has been banned to conserve metal scrap for local industries.

The c. w. e. has been allowed to export betel leaves in addition to the consolexpo and marked, which have hitherto exported this item. A minimum export price is fixed for Betel leaves.

Export licences under the 'floor price' scheme giving quantity and f.o.b. value of exports in 1976, were :—

FLOOR PRICE ITEMS

	<i>Quantity Kilogrammes</i>	<i>F.O.B. value Rs.</i>
Aralu	206,641	278,715
Cardamom	142,257	11,708,994
Cardamom oil	1,097	1,118,013
Cinnamon	6,746,000	74,762,542
Cinnamon leaf oil	116,826	4,886,873
Cinnamon bark oil	1,426	1,008,322
Citronella oil	220,356	3,463,816
Cloves	500,217	19,373,735
Cocoa	1,126,908	14,068,108
Cocoa (off grades)	25,000	134,405
Coffee	1,615,128	24,109,797
Shark fins and fish maws	67,811	3,122,679
Gingelly seed	6,153,606	26,474,659
Gingelly oil	—	—
Mustard	312,001	1,054,123
Mace	32,923	670,015
Nutmeg	264,116	2,662,013
Nutmeg oil	7,797	726,864
Papain	48,535	2,308,560
Papaya leaves	9,780	24,617
Pepper	96,825	1,802,225
Pepper oil	550	164,261
Rubber seed oil	231,000	651,382
Cardamom (seed and other products)	3,000	32,882
Other cinnamon products	—	—
Cocoa powder	10,000	172,383
Total	17,939,800	194,789,883

Selected items of non-floor price exports giving quantity and f.o.b. value covering licences in 1976, were :—

NON-FLOOR PRICE EXPORTS ITEMS—1976

<i>Commodity</i>	<i>Quantity</i>	<i>F.O.B. Value</i> <i>Rs.</i>
Betel leaves	2,330,540 (kilogrammes)	21,378,765
Beche de Mer	130,318 (kilogrammes)	4,327,534
Flowers	456,198 (units)	686,747
Jewellery	20,349 (units)	4,482,179
Mineral sands	44,579,160 (kilogrammes)	10,209,889
Graphite	14,737,847 (kilogrammes)	20,475,672
Timber	—	2,326,449
Fish products	4,174,880 (lb.)	71,805,687
Fruit products	3,010,653 (lb.)	5,577,463
Live fish and plants	2,529,232 (units)	891,571
Grains and pulses	5,762 (metric tons)	4,045,627
Ayurvedic drugs	—	4,067,176
Gems	22,679,919 (carats)	275,709,552
Metal	3,671 (tons)	3,516,003
Hides	414,993 (units)	8,452,641
Garments	—	65,166,455
Scrap metal and metal	11,681,177 (kilogrammes)	11,133,729
Exports to Maldives	—	7,442,691
Animal food	3,309 (metric tons)	3,729,351

Convertible Rupee Accounts

Imports under convertible rupee accounts continued unabated throughout the year. Value of licences issued during 1976, totalled Rs. 89,254,434.

Breakdown of this total is shown below :—

	<i>Rs.</i>
Motor cars	13,047,967
Motor cycles	120,766
Coaches	14,780
Station wagons	690,924
Road tractors and trailers	1,167,934
Agricultural tractors	104,065
Scoters	335,698
Commercial vehicles	8,201
Cycles (motorised)	7,053
Prime movers	145,137
Jeeps	622,349
Delivery vans	3,190,122
Chassis	1,807,490
Buses	348,667
Mini buses	164,870
Trucks	1,544,659
Tankers	3,697,288
Raw material (industries)	5,198,565
Industrial machinery	9,635,523
Trade Items (not included elsewhere)	41,409,710
Direct user-items	5,992,666
	<u>89,254,434</u>

An expanded convertible rupee accounts liberalisation scheme was introduced in early June 1976. Under this scheme a number of new items subject to ceilings, to the value of Rs. 31 million were authorised. Among items so authorised were machine tools, commercial vehicles, invalid foods, scooters and other utility and consumer goods. These import licences were in the region of Rs. 22.5 million.

V—DEPARTMENT OF COMMODITY PURCHASE

Departmental activities as in the preceding year were confined to :—

- (1) Fixing of "fair prices" daily for local sheet rubber.
- (2) Purchase of rubber at fair prices—
 - (a) from registered wholesale licenced dealers (shippers),
 - (b) from registered small-holders at 49 depots situated in rubber producing areas.
- (3) Transport and packing for export of rubber purchased at the Depots.
- (4) Monopoly export of RSS 1, 2 and 3 rubber, viz., under bi-lateral trade contracts.
- (5) Export of RSS 4 and 5 (purchased at depots) sold under bi-lateral contracts or free exchange.
- (6) Export control and issue of licences for all exports of raw rubber whether sheet, crepe or crumb (block).
- (7) Sale of acid to small holders registered at the 49 depots.

Rubber Purchasing Depots

No new rubber depots were opened during the year. The 49 existing rubber purchasing depots continue to be maintained in the following major rubber growing areas of the island :—

<i>Colombo District</i>		<i>Galle District</i>	
Awissawella		Ambalangoda	
Dompe		Baddegama	
Gampaha		Elpitiya	
Homagama		Galle	
Kirindiwela		Hiniduma	
Kosgama		Kahaduwa	
Padukka		Pitigala	
		Yatalamatta	
<i>Kalutara District</i>		<i>Kegalle District</i>	
Meegahatenna		Aranayake	
Panadura		Bulathkohupitiya	
Alutgama		Dehiowita	
Baduraliya		Deraniyagala	
Bulathsinhala		Kegalle	
Horana		Kotiyakumbura	
Ittapana		Mawanella	
Kalutara		Rambukkana	
Matugama		Ruwanwella	
		Tuntota	
		Udukumbura	
		Warakapola	
		Yatiantota	
<i>Matara District</i>		<i>Kandy District</i>	
Akuressa		Galagedera	
Kamburupitiya			
Matara		<i>Matale District</i>	
		Matale	
<i>Ratnapura District</i>		<i>Badulla District</i>	
Ayagama		Koslanda	
Kiriella			
Kuruwita			
Pelmadulla			
Ratnapura			
Udakarawita			

These depots continued to be of assistance to the rubber control department in distributing planting material and fertilizers under the rubber rehabilitation scheme.

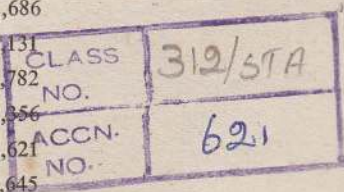
Purchase of Rubber

The department purchased 20,650 metric tonnes (tons) of sheet rubber and 20 metric tonnes (tons) of scrap rubber through its 49 outstation depots.

Quantities of sheet and scrap rubber purchased at the 49 rubber depots during 12 months ending December 1976, appear on table 13.6.

TABLE 13.5—MONTHLY PURCHASES OF RUBBER AT OUTSTATION DEPOTS—1976

Month	Sheet Rubber Kilogrammes	Scrap Rubber Kilogrammes
January	2,366,096	2,106
February	1,957,743	1,686
March	1,533,533	1,131
April	1,517,147	1,782
May	1,748,076	1,356
June	1,570,265	1,621
July	2,209,053	1,645
August	1,660,572	979
September	1,796,840	1,736
October	1,287,524	829
November	1,563,760	1,252
December	1,439,993	936
	20,650,602	17,059



Rubber Prices

The price range as paid for RSS (1) per kilogramme at the outstation depots each month during 1976, is shown below :—

1976	Highest Rs. cts.	Lowest Rs. Cts.
January	3 83	3 32
February	4 05	3 66
March	4 44	3 82
April	4 41	3 90½
May	5 03½	4 31½
June	5 13½	4 36
July	4 67½	4 08
August	4 72½	4 31½
September	4 59	4 27
October	4 66½	4 30½
November	4 59	4 19
December	4 57	4 16½

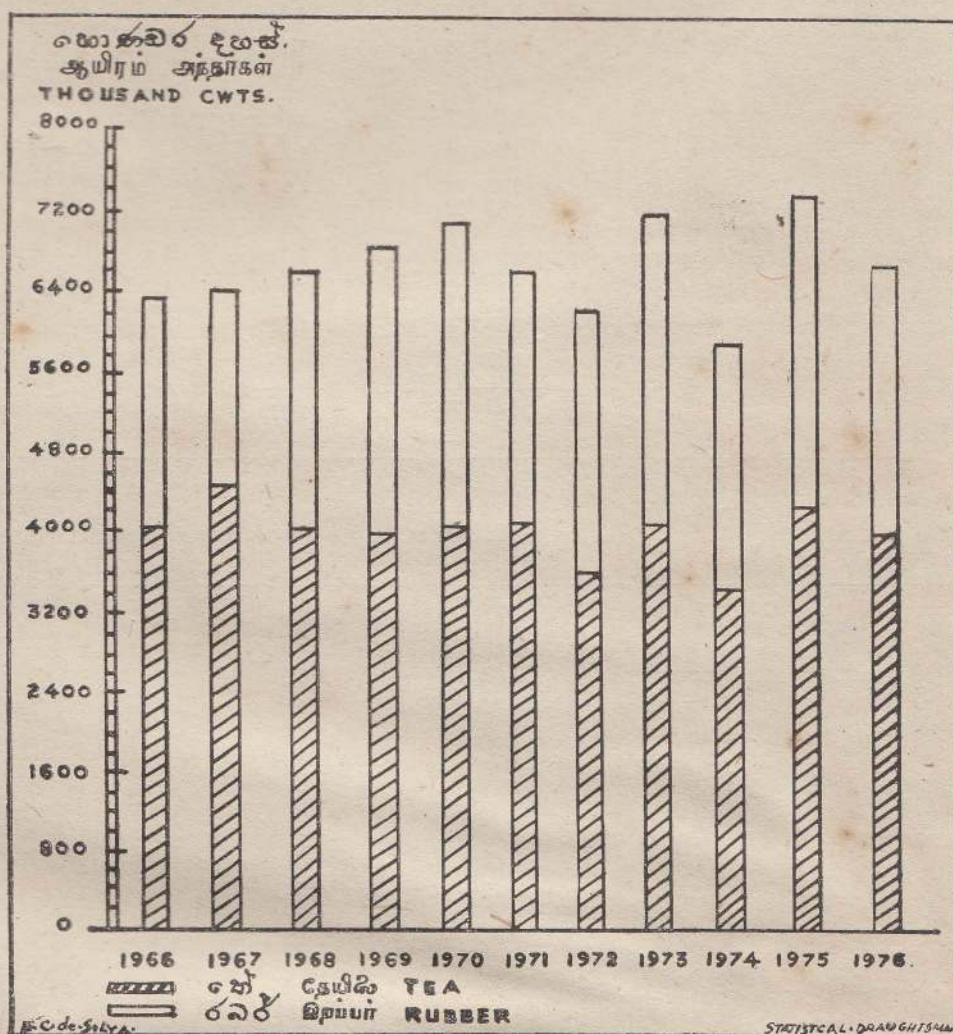
Exports

In accordance with the agreement signed in November 1975, to supply a quantity of 67,000 metric tons of RSS (1) (2) and (3) to the People's Republic of China under the bilateral trade agreement, the entire quantity was shipped during 1976. In addition, a quantity of 2,340 metric tons of RSS (4) was also shipped to China. An agreement for the supply of 49,000 metric tons of RSS (1) (2) and (3) to that country during 1977, was concluded in December 1976.

Prices for the shipments of rubber to China were based on the monthly average of the Singapore market closing prices plus a handling charge.

A quantity of 1,500 metric tons of sheet rubber mainly of RSS (4) and (5) was shipped to buyers in Europe and Pakistan earning foreign exchange to the value of Rs. 9,440,510.

CHART NO. 9.—EXPORTS OF TEA AND RUBBER (BY VOLUME) 1966-1976



The sheet rubber shipped under bilateral trade agreements is surveyed by a panel of surveyors to ensure quality and packing in accordance with accepted standards for various grades of natural rubber.

Local Sales.—Sheet rubber is sold to the Ceylon Tyre Corporation by the Department of Commodity Purchase. A quantity of 1,795 tons was sold to the corporation, 683,150 kilogrammes of cuttings, clippings and other off-grades were sold locally on a system of tender.

VI—REGISTRATION OF COMPANIES

The Department of the Registrar of Companies administers the Companies Business Names, Trade Marks, Designs, Societies, Cheetus and Copyright Ordinance. Administration of the Patents Ordinance and Registration of Auditors for Company and Society Accounts also fall within the scope of its functions. In the administration of these ordinances the department renders to the public every form of service incidental to the grant of legal status and sanction of certification that would be necessary for the conduct of business.

The main activity of the department is registration. The requirements of registration for business concerns makes it possible for the department to maintain statistics pertaining to the nature, extent and volume of business activities. At the same time, protection of trade marks and patent rights ensured by registration stimulates advancement of technology and stabilises the industrial life of the country.

Limited Liability Company

The present law is embodied in the Companies Ordinance, No. 51 of 1938, to which amendments have been added from time to time. The Minister of Trade appointed a committee chaired by Mr. Ronnie De Mel, M.P.,* to revise the companies ordinance with particular emphasis as given in the terms of reference to examine and report on this law considering present development needs of the country and Government programmes enunciated to meet these needs. The companies special provisions law (no. 19) of 1974, required all foreign companies incorporated abroad and carrying on business in Sri Lanka to incorporate themselves under the principal enactment Companies Ordinance (No. 51) of 1938.

New Registrations

The popularity of the corporate company concept is evidently on the increase. The desire on the part of businessmen to join themselves into limited liability companies is reflected in statistics maintained by the department. Aggregate authorised capital for the two years 1974 and 1975, in respect of 338 and 282 companies respectively were Rs. 1,392,777,500 and Rs. 737,645,000. There were 263 registrations in 1976, with an aggregate authorised capital of Rs. 706,541,000.

Classification

Statistics in respect of investment of capital in various fields of private enterprise as agriculture, industry, commerce, etc., indicate prevailing trends and progress made in different spheres of business activity in Sri Lanka.

* Now Minister of Finance and Planning.

TABLE 13.6—CLASSIFICATION OF CAPITAL INVESTMENT — 1974, 1975 AND 1976

	No. of Companies	1974			1975			1976		
		Nominal capital	Issued capital	No. of Companies	Nominal capital	Issued capital	No. of Companies	Nominal capital	Issued capital	
		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.	
Industry	58	86,720,000	434,942	62	153,490,000	1,327,320	75	198,075,000	429,580	
Commerce	97	196,464,500	203,600	88	158,100,000	761,590	70	143,506,000	1,590,660	
Tourism and Hotels	53	150,768,000	460,672	53	195,360,000	322,800	51	60,115,000	851,890	
Agriculture	95	651,525,000	69,636	35	157,300,000	27,485	08	7,550,000	12,200	
Finance	04	11,300,000	510	07	32,000,000	1,240	02	105,000,000	90	
Engineering and Construc- tion	07	21,700,000	454,840	14	19,025,000	84,030	17	127,600,000	27,330	
Management	04	11,100,000	116,880	04	820,000	670	14	13,425,000	20,640	
Associations	—	—	—	02	—	—	01	—	—	
Guarantee	04	—	—	02	—	—	—	—	—	
Others	16	263,200,000	5,290	15	21,550,000	30,210	25	51,270,000	5,800	
	338	1,392,777,500	1,746,370	282	737,645,000	2,555,345	263	706,541,000	2,938,190	

Business Names

The law relating to the registration of business names is contained in the business names ordinance (no. 6) of 1918. Registration under business names ordinance is compulsory and facilitates maintenance of records which provide the public with particulars of the names and addresses of proprietors of the business concerns as well as other useful information to those instituting legal proceeding, foreign trade commissions, embassies and government departments. The registration of Business Names is decentralized. Registration in Western Province is done by the department while those in other provincial centres are done at the Kachcheries. The registrar of companies exercises supervision over the administration of the ordinance through out the island. Business names registered in the Western Province for the two years 1974 and 1975 were 4,215 and 3,990 whilst removals respectively were 268 and 436. Corresponding figures for the year 1976 were 5,390, registrations against 221 removals.

Trade Marks, Patents and Designs

The trade marks ordinance (no. 15) of 1925 as supplemented by the trade marks rules of 1926 constitutes the present law under the ordinance.

Appreciation by businessmen of the value of trade marks protection in commercial enterprise is indicative by the number of applications which had steadily increased in recent years. Registration gives protection of trade marks or inventors a monopoly to use such trade marks or inventions and preclude others from copying and passing off the same trade mark or using such inventions for a certain period varying from 5 to 14 years with the option of further extension of such period. A businessman is also given the opportunity to sell or transfer his right to others. Sri Lanka nationals could register and protect their trade marks, designs and patent rights in other countries as well.

The Committee appointed to examine revision of patents, trade marks and designs Ordinance and also examine the drafting of the copyright act for Sri Lanka has completed its assignment. The new bill is being examined by the Legal Draftsman.

International Conventions

The trade marks, patent and copyright laws are worldwide in application and subject to International conventions viz.; the Paris and Berne conventions to which Sri Lanka has ratified. The Berne convention has been revised at a diplomatic conference of all member states in July, 1971 at Paris, due to non-accession of developed countries to the protocol for developing countries embodied in the revision at Stockholm in 1967. The present revision concedes rights of translations for educational works in to national languages and also issue of compulsory licences, where necessary.

An ad hoc committee of member states appointed by the Director-General of the World Intellectual Property Organisation W.I.P.O. is initiating suitable action to consider revisions of the Paris union on industrial property.

Mutual Societies

Apart from registration of companies, societies are also registered with certain privileges under the Societies Ordinance (Cap. 105). The Societies consist of :

- (a) Mutual Provident Societies, established with the object of promoting thrift, granting relief to members in times of illness or distress or assisting them when in pecuniary difficulties and for making provision for their widows and orphans ; and,
- (b) specially authorised societies for—
 - (i) The advancement of education ;
 - (ii) Religion ;
 - (iii) The promotion of industry ;
 - (iv) Social services and other subjects as approved by the Minister of Trade.

These Societies are obviously meant for ameliorating the conditions of the people of the Island and encouraged by the government, giving special concessions. Normally a society should have a capital of Rs. 10,000 to be registered. The department examines the draft rules of societies seeking registration and in consultation with government agents reports to the Minister of Trade on the advisability of registration. The department also ensures that a registered society complies with requirements of the ordinance as to the filing accounts, lists of membes, office bearers, etc., in respect of each year.

VII—COCONUT MARKETING BOARD

The Coconut Marketing Board was established under Coconut Development Act (No. 46) of 1971.

Export Trade

(a) Regulation and control of export and export price of coconut products (copra, coconut oil, desiccated coconut, fresh nuts, coconut fibre and yarn, coconut shell grit, other shell products and ekel) to ensure that the country receives a fair value for its exports.

(b) Registration of exporters of coconut products to ensure that exporters confirm to standards laid down by the Board.

(c) Issue of Export licences for coconut products.

(d) Assistance to exporters in matters relating to freight and shipping.

(e) Control of issue of kraft paper sacks and liners for the desiccated coconut export trade.

(f) Participation in international trade fairs and exhibitions for trade promotion activities relating to coconut products, in buying countries.

(g) Study of the international market situation and collection of market data in relation to coconut products.

(h) Publication of a monthly bulletin giving statistical data and reviewing market situation for coconut products both locally and abroad.

(i) Implementation of the emergency (coconut products) regulations.

In view of an estimated 10 percent drop in coconut production during the year, the Board suspended all foreign sales of copra and fresh nuts as from August, 1976 and also restricted the export of desiccated coconut and coconut oil (all kernel products) to ensure the availability of sufficient supplies of fresh nuts and coconut oil for local consumption at reasonable prices.

Internal Trade

Assistance afforded to small producer to ensure a fair price for his produce were :

(a) Co-operatives and Janawasas were helped to market copra, fresh nuts and coconut shell grit to obtain the best possible price for these products.

(b) Organising coconut Purchasing units in the primary co-operatives to guarantee a fair and reasonable price to the small holder by encouraging all member-producers to sell their fresh nuts to co-operative units direct, which in effect would eliminate the middlemen.

(c) Conducting copra auctions in the board's sales room to establish a realistic market price for copra based on factors as supply and demand.

(d) Declaration of local market prices of all coconut products daily for information of producers and traders.

(e) Registration of dealers and brokers in coconut products to maintain certain standards in the local trade.

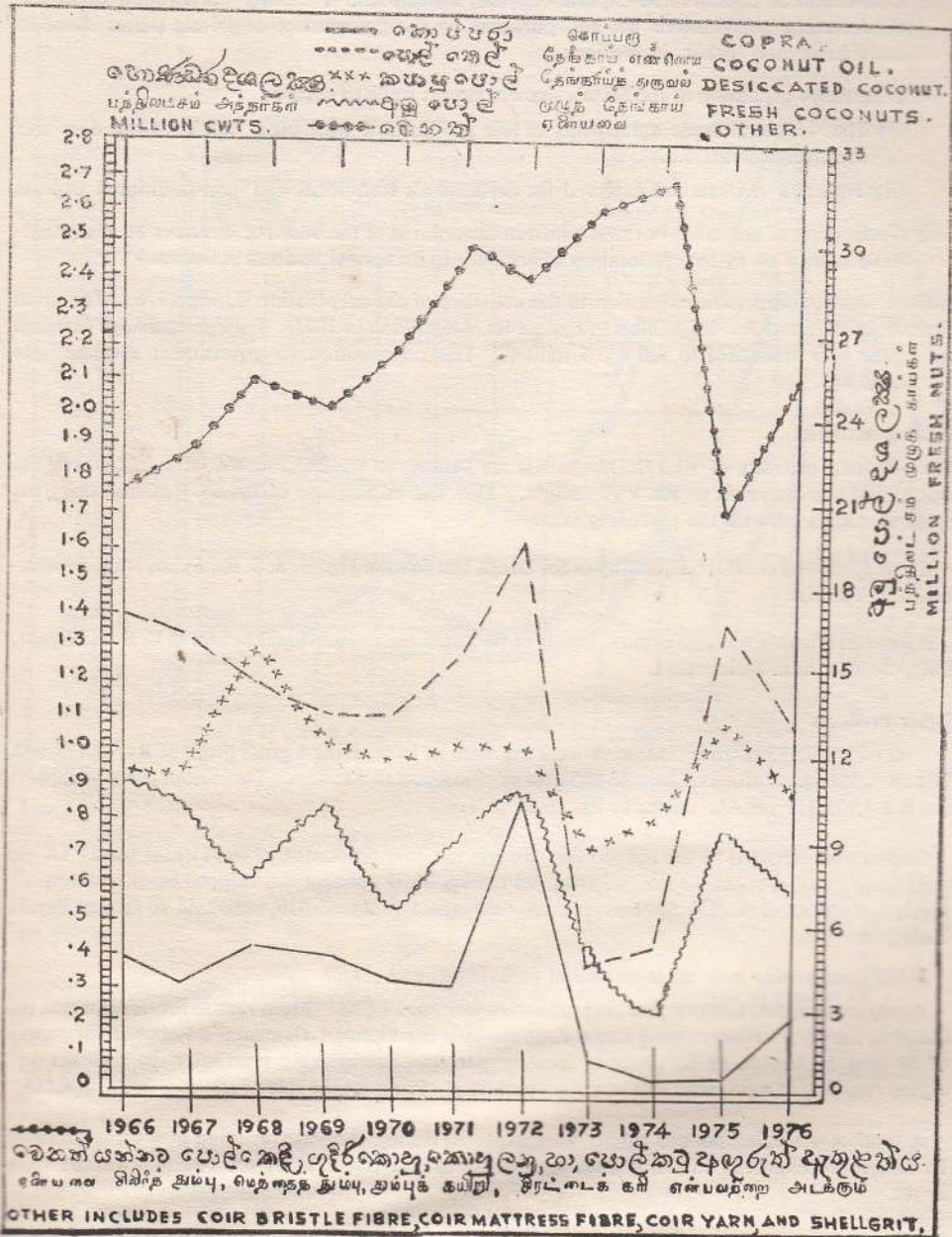
(f) Discuss trade matters at the trading committee level and recommend suitable measures to help solve problems facing the coconut industry.

(g) Operation of the price stabilisation scheme for coconut oil. Under this scheme, the board is the sole buyer of coconut oil for export and guarantees a fair and reasonable price for local coconut oil, irrespective of world price fluctuations. This guarantees a fair and reasonable price for fresh nuts, thus encouraging coconut producers to boost production.

Administration

The board conducted training programmes to familiarise the staff in the manufacture and marketing of coconut products.

CHART NO. 10.—EXPORTS OF COCONUT PRODUCTS—(BY VOLUME) 1966-1976



VIII—SRI LANKA STATE TRADING (CONSOLIDATED EXPORTS) CORPORATION

The Sri Lanka State Trading (Consolidated Exports) Corporation was established under the Sri Lanka State Trading Corporations Act (No. 33) of 1970 by order under Section 2, published in *Government Gazette* (No. 14,996/10) of 8th February, 1972.

Main objectives of the corporation were :

- (a) Conversion of consolidated exports (Ceylon) limited into a trading corporation under the state trading corporations act and purchase by the government of private shares issued to individuals and other institutions.
- (b) Progressive expansion of the State's share in export trade to ensure :
 - (i) That bi-lateral trade agreements of the government with other countries are duly and effectively carried out.
 - (ii) That new markets are explored for Sri Lanka's traditional and non-traditional exports
- (c) Conducting of any other business which in the opinion of the board of directors be advantageously carried on by the corporation as ancillary to its normal business activities.

There was a considerable expansion in the activities of the corporation during 1976. The gross turnover in 1976 was Rs. 488 million as against Rs. 446 million in 1975. Foreign exchange earnings during the year amounted to Rs. 455.5 million. The contribution to government revenue was Rs. 57,702,413.

Trading Activities

Tea.—A total quantity of 61,192,313 pounds tea valued at Rs. 247,356,974 were sold during the year giving a gross profit of Rs. 9.97 million. This was an increase of Rs. 3.07 million on gross profit as compared with the preceding year.

Egypt purchased the largest quantity of Sri Lanka tea, followed by U. S. S. R., Syria, Iraq, Switzerland and Tunisia.

A marked increase was also evinced in sale of packeted tea to individual buyers in U. S. A., Egypt, Italy, Jordan and Switzerland.

Other Products

A total of 3,603,635 pounds cinnamon were exported in 1976 giving a gross profit of Rs. 11,125,600. The corporation continued to be sole exporter of cinnamon to Mexico. Desiccated coconut exports totalled 8,973,975 pounds valued at Rs. 16,837,515.

Coconut oil exported by the corporation during the year amounted to 40,311 long tons. Of the total quantity of coconut oil shipped from Sri Lanka, 70.53 per cent was shipped by "Consolexpo". Fresh nuts valued at Rs. 279,674 and coconut fibre valued at Rs. 69,939 were sold to foreign buyers during the year.

Substantial profits were made on sale of cardamoms and cloves.

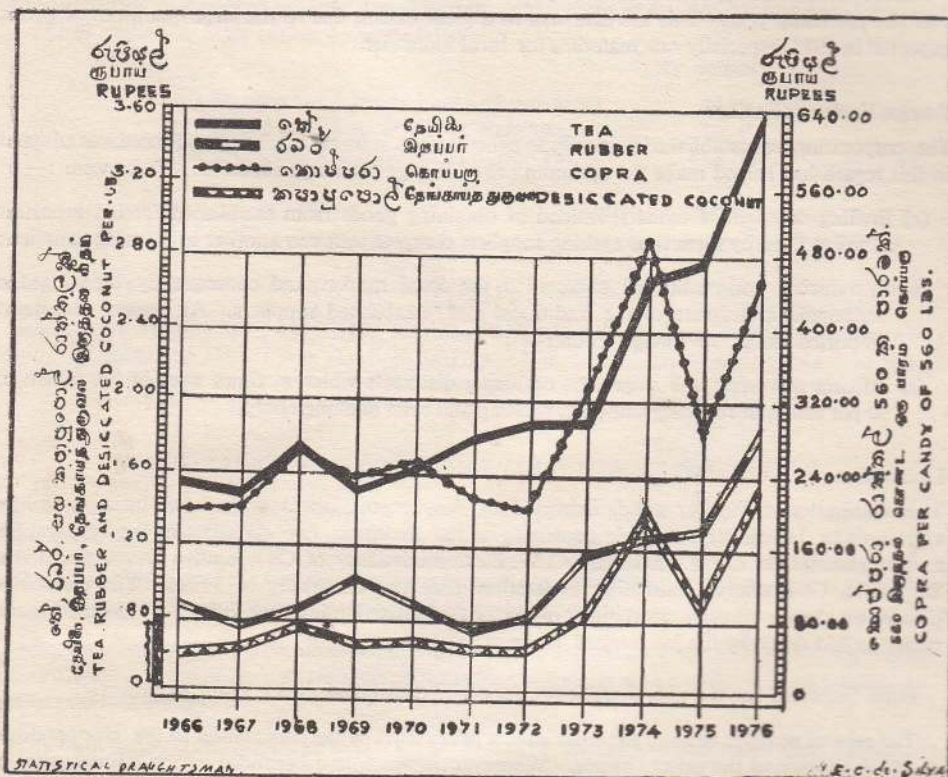
As regards pepper, however, the corporation experienced a loss. Main reason for this loss was the fact that the corporation entered into a contract with the German Democratic Republic for supply of 50 tons, in March, 1976. Price of local pepper rose considerably soon after the contract was signed resulting in a financial loss to the corporation. Profit on the sale of cloves was Rs. 204,214.

A total of 4,363,767 pounds rubber were exported during the year resulting in a gross profit of Rs. 238,461. Export of 1,024,150 kilos betel leaves earned Rs. 23,113,496. Pakistan was the main buyer.

Non-Traditional Products

Other non-traditional items, as coffee, nutmeg, ekel, bamboo, canned fruits, handicrafts, citronella oil and cut flowers, were exported. Gross profit earned by the corporation on the export of these miscellaneous items was in the region of Rs. 1,903,348.

CHART NO. 11—ANNUAL AVERAGE MARKET PRICES OF TEA, RUBBER, COPRA AND DESICCATED COCONUT, 1966—1976



International Fairs

The corporation participated in the Ikofa Food Fair, Munich, Germany, in 1976.

A Sri Lanka Stall was organised at the Zagreb Fair. These international fairs have resulted in several inquiries from the European importers and thus help establish new markets for local non-traditional exports.

IX—SRI LANKA STATE TRADING (GENERAL) CORPORATION

The Sri Lanka State Trading (General) Corporation was established in January, 1971, under the act, (no. 33) of 1970. The corporation is managed by a board of directors appointed by the Minister of Trade.

Imports

The Sri Lanka State Trading (General) Corporation is the premier state import organisation, handling a large number of items under 226 main categories. Large scale imports include tea chest panels, motor spares, formic acid, photographic materials, ferrous and non-ferrous base metals, office equipment, diesel engines, lamps and lanterns, cycle accessories, explosives, cartridges and guns and raw materials for local industries.

Excepting ferrous base metal, welding rods and electrodes, cycle spares, motor cycle spares and motor spares, all other items are imported by the corporation as a monopoly. Of the total allocation of foreign exchange for motor spares, the corporation receives only 30 per cent while the private sector effects imports on the balance 70 per cent. Three items under motor spares, i.e., horns, plugs and autobulbs are however, imported by the corporation on a monopoly basis.

The corporation's total imports for 1975, amounted to Rs. 200,986,708 an increase of Rs. 87,919,319 over the preceding year. This increase was to a great extent, due to the large quantities of goods imported in 1975, especially raw materials for local industries.

Foreign Exchange Savings

The corporation was established primarily to effect savings in foreign exchange. Procedures adopted in this regard has helped make the optimum use of foreign exchange allocated. These were :—

- (a) Inviting competitive tenders, instead of obtaining goods from established foreign exporters at prices fixed by them thus making suppliers compete with one another in effecting supplies ;
- (b) Introducing non-traditional sources to the local market and consequently breaking the monopolistic pressure of the traditional and established suppliers. At present the items imported cover 38 foreign countries ;
- (c) Bulking purchases and shipments obtaining discounts which at times were in the region of 60 per cent and reducing shipping, packing and even banking charges.

Distribution

The distribution policy for goods imported by the corporation is formulated by a committee appointed by the Ministry of Trade consisting of the chairman, two directors of the corporation, and representatives of the Chairman, C. W. E., Commissioner of Co-operative Development, the Sri Lanka Co-operative Marketing Federation and the Controller of Prices. The committee decides on the distribution procedures of goods that arrive during each month within the general policy as laid down by the Ministry of Trade.

Items imported for the export trade are generally distributed direct to the exporters.

The general policy is to issue goods for sale at prices fixed by the corporation to the co-operatives, C. W. E. shops and the private sector. Whenever it was found beneficial to the ultimate user or when approved distributors did not collect import quotas due to liquidity problems, schemes were devised to effect direct sales to industrialists and '*bona fide*' users. These schemes were not only successful and quite popular but also helped build up a sound liquidity position for the corporation.

The distribution process of the corporation commences with the placing of the order. The pricing of incoming goods and preparation of distribution schedules are finalised long before goods arrive. This process facilitates reduction of stocks held in the corporation stores.

Pricing

The pricing policy of the corporation is formulated on the principle of a small-margin and a large-turnover covering its costs and providing for reasonable profits. In determining the selling prices broad guide-lines adhered to are :—

- (a) Costs to the corporation ;
- (b) Market prices of the item ;
- (c) Essential or semi-essential nature of the item ;
- (d) Expected increase in prices due to rise in world prices, freight, parity, etc.

In this process the corporation prices are fixed at low levels especially with its minimum overheads and absence of unnecessary wastage. As regards motor spares, the corporation imports 30 per cent of the quota while the private sector imports balance 70 per cent. The corporation's selling prices of motor spares have always been considerably lower than those in the private sector.

Finance

The corporation commenced business activities with only a grant of Rs. 500,000 and has so far paid Rs. 282.87 million to State coffers by way of :—

	<i>Rs. million</i>
(i) Income Tax (already paid and provided)	48.10
(ii) Direct contribution to the Consolidated Fund	16.0
(iii) Duty, FEECs, Business Turnover Tax	218.77
Total	<u>282.87</u>

Contributions to State coffers in 1975, were in the region of Rs. 94,225,111.

Sales turnover during 1975, was Rs. 201.56 million, Rs. 88.50 million more than that of the preceding year. Net profit for 1975, (after taxation) was Rs. 10.38 million, an increase of Rs. 3.50 million over the 1974 figure.

X—SRI LANKA STATE TRADING (TRACTOR) CORPORATION

The Sri Lanka State Trading (Tractor) Corporation was established under the Sri Lanka State Trading Corporation Act (No. 33) of 1970 and commenced operations in July 1971.

The prime objective of the Corporation is the importation of tractors, other agricultural machinery and spares thereof for purposes of distribution to the local trade.

Other objectives of the corporation include provision of facilities for repair and servicing tractors and earth-moving machines and training of personnel in the use and maintenance of tractors and agricultural machinery.

Important steps, taken during 1976 saw an expansion of the corporation's activities, incidentally covering all government departments and Statutory Corporations.

Foreign exchange released for the import quotas of foreign suppliers was in the region of Rs. 73.8 million and covered heavy machinery, tractor spares, tyres and tubes and trailer components.

Items to the value of Rs. 41.6 million were received during the year.

A novel feature in the corporation's activities during the year saw the availability of spares through dealers and stockists in the various parts of the island. Sales were also effected through the mobile sales units of the corporation specially during the maha season. These units covered North-Central, Eastern and Southern Provinces with due publicity being given by government agencies of the district administration and the Sri Lanka Broadcasting Corporation. Sales generated through mobile sales units were in the region of Rs. 823.6 thousand.

Finance

The corporation had a gross turnover of Rs. 101.1 million and gross profit of Rs. 14.5 million during the year.

Staff Personnel

There were 216 employees comprising executive, clerical and minor grades in the corporation's service as at end of 1976.

CHAPTER XIV

MONEY, BANKING AND INSURANCE

I—GENERAL

Banking and financial institutions in Sri Lanka may be classified as follows :—

- (1) The Central Bank of Ceylon.
- (2) Commercial Banks.
- (3) State-sponsored long-term credit institutions, viz., the State Mortgage Bank, the Agricultural and Industrial Credit Corporation and the Development Finance Corporation.
- (4) Saving Institutions, viz., the National Savings Bank (which was formed by amalgamating the Post Office Savings Bank, Ceylon Savings Bank and the Savings Certificate Fund), Insurance Corporation of Ceylon and the Employees Provident Fund.

II—BANKING INSTITUTIONS

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 in Sri Lanka.

The overall responsibility for the management operations and administration of the Central Bank rests with the monetary board, consisting of the Governor of the Central Bank who shall be the Chairman, Secretary to the Ministry of Finance, Secretary to the Ministry of Planning and Economic Affairs and a fourth member appointed by the President of the Republic on the recommendation of the Prime Minister.

The Central Bank is statutorily charged *inter alia*, with the duty of regulating the supply, availability, cost and international exchange of money as to secure the following objects :—

- (a) the stabilisation of domestic monetary values ;
- (b) the preservation of the par value of the Sri Lanka 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 Sri Lanka ; and
- (d) the encouragement and promotion of the full development of the productive resources of Sri Lanka.

The Central Bank has the sole right and authority to issue currency in Sri Lanka. 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 Sri Lanka. It conducts various research and surveys in monetary and socio-economic fields, for the 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 affairs and the financial management of the employees provident fund.

In performing the functions enjoined on it by the statute, the Central Bank is equipped with a wide array of monetary weapons, as the authority to fix statutory reserve ratios and minimum capital asset ratios of banks, to vary the Bank rate, to conduct open market operations, to impose marginal requirements on letters of credit opened by commercial banks.

Central Banking in 1976.—The total assets/liabilities of the Central Bank increased by Rs. 278.2 million during the year to record Rs. 5,364.5 million at the end of December 1975. This figure increased by Rs. 1,201.4 million in 1976 and reached Rs. 6,565.9 million as at end of the year. International reserves rose by Rs. 385 million while increase, in domestic assets was Rs. 815.6 million during 1976. Among domestic assets, the increase however, was seen mainly in 'Other assets and accounts' which rose by Rs. 639.1 million as compared with an increase of Rs. 169.1 million in the preceding year.

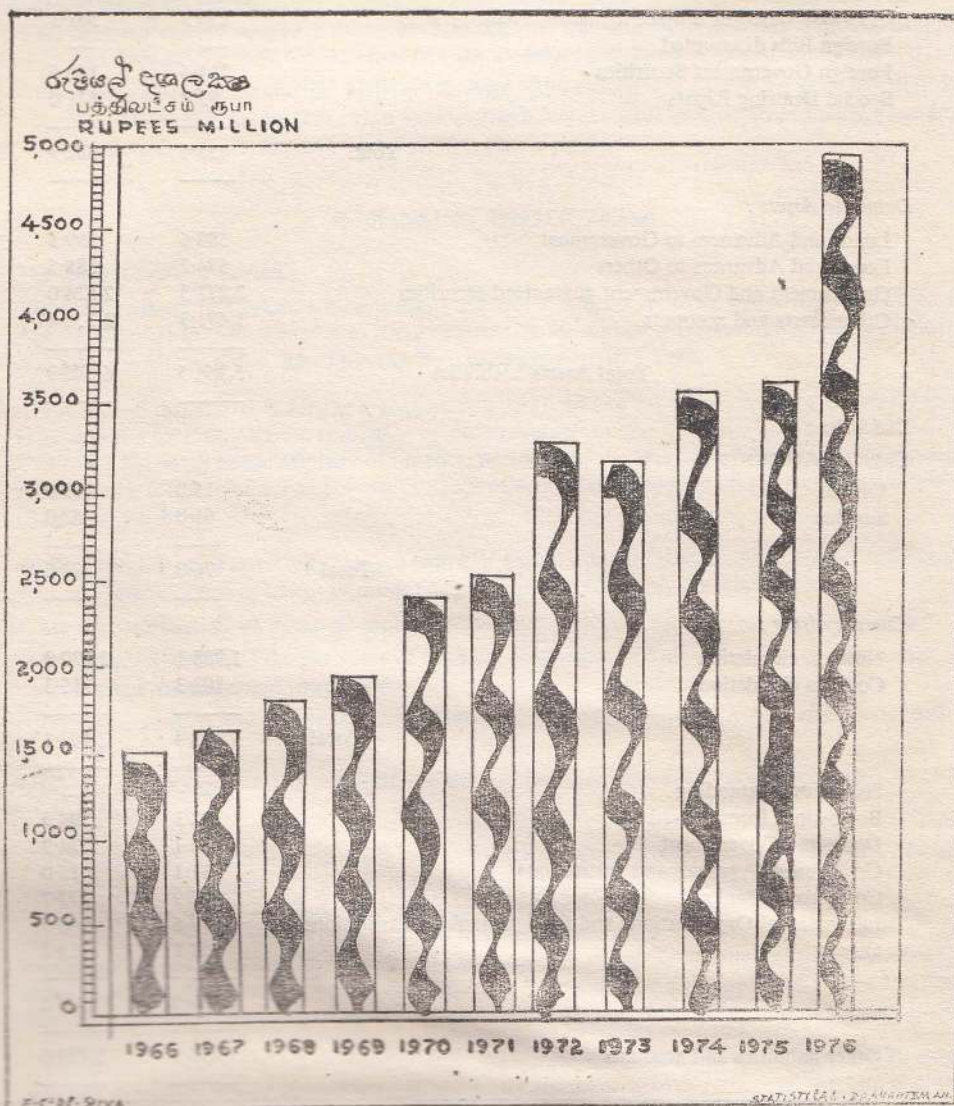
TABLE 14.1—ASSETS AND LIABILITIES OF THE CENTRAL BANK

	1975 December (Rs. Million)	1976 December (Rs. Million)
<i>Assets :</i>		
INTERNATIONAL RESERVE		
Cash and Balances abroad including Treasury Bills	230.3	561.3
Foreign Bills discounted	—	—
Foreign Government Securities	114.4	140.6
Special Drawing Rights	93.4	121.0
Total	438.0	822.9
<i>Domestic Assets :</i>		
Loans and Advances to Government	588.6	599.1
Loans and Advances to Others	574.2	388.5
Government and Government guaranteed securities	2,272.3	2,624.0
Other assets and accounts	1,491.3	2,130.4
Total Assets/Liabilities	5,364.5	6,565.9
<i>Liabilities :</i>		
CAPITAL ACCOUNTS		
Capital	15.0	15.0
Surplus	61.0	62.0
Total	76.0	77.0
<i>Currency issue :</i>		
Notes in circulation	1,788.1	2,290.8
Coins in circulation	102.3	116.3
Total	1,890.4	2,407.1
Securities outstanding	—	—
Borrowings from abroad	302.3	308.9
Deposits—Government	14.1	24.9
Government Agencies and Institutions	11.1	15.0
Commercial Banks	242.9	277.7
International Organisations and foreign Banking Institutions	873.6	946.5
Others	58.1	69.2
	1,199.8	1,333.2
Other liabilities and accounts	1,895.9	2,439.6

On the liabilities side, the currency issue of the Central Bank which increased by Rs. 61.4 million in 1975 rose substantially by Rs. 516.7 million during 1976. Table 14.1 provides data on assets and liabilities of the Central Bank as at end of 1975 and 1976.

The Central Bank introduced certain modifications to the existing instruments of monetary control, with a view to exercising a restraining influence on the expansion of commercial bank credit for the private sector. Most important changes were made as regards Bank rate and reserve requirements. Although the Bank rate was allowed remain unchanged at 6½ per cent, with effect from 8th April, 1975, the magnitude of Central Bank capacity available at the Bank rate was restricted to 8 per cent of selected assets of each bank as at 31st December, 1974.

CHART NO. 12—COMMERCIAL BANK DEPOSITS, 1966-1976



Total refinance loans granted by the Central Bank under the medium and long-term credit fund amounted to Rs. 15 million in 1975, while repayment received was also in the region of Rs. 15 million. Of the loans granted, more than half had been available for the tea factory modernisation projects while loans for industrial purposes and hotel projects respectively amounted to Rs. 3 million and Rs. 4 million. The rates of interest charged on refinance loans, granted from this fund remained unchanged during the year.

Commercial Banks

The commercial banking system in Sri Lanka consists of four local banks, viz., the Bank of Ceylon, People's Bank, Hatton National Bank Ltd., and the Commercial Bank of Ceylon Ltd. and seven foreign-owned banks. The total number of branches of all commercial banks increased by 105 to 562 during the year. Of these 554 branch offices were owned by Sri Lanka banks which also held about 85 per cent of total deposits of the banking system.

Bank of Ceylon

The Bank of Ceylon was established in 1939 in terms of Bank of Ceylon Ordinance, No. 53 of 1938, in consequence of a recommendation of the Banking Commission of 1934. The Bank of Ceylon was nationalised in 1961 by the Finance Act, No. 65 of 1961. The Bank opened 99 branch offices during 1975. Of these, 97 were agricultural service centre branches while the other two branches were those opened at Hasalaka and Pettah.

People's Bank

The People's Bank was established in 1961, replacing the Co-operative Federal Bank with the main objective as outlined in the People's Bank Act (No. 29) of 1961 to develop the co-operative movement in Sri Lanka, rural banking and agricultural credit by providing financial and other assistance to co-operative societies, approved societies—cultivation committees and similar institutions. The People's Bank has a considerably wider scope and range of functions when compared with those of its predecessor, including the provision of short-term, medium-term and long-term credit to agriculture and industry in the rural and other sectors.

The bank opened 5 new branches during the year, at Balapitiya, Kahawatte, Uva Paranagama, Manikhinne and Senkadagala giving a total of 159 branches as at end of 1975.

Hatton National Bank Ltd.

The Hatton National Bank was established in May 1970, by amalgamating two branches of the National and Grindlays Bank Ltd. and the Hatton Bank Ltd. In May 1974, it took over the assets and liabilities of Mercantile Bank Ltd. and consequently the two branches were also vested in it. No new branches were opened during the year and the total number of branches remained static at 22 as at end of 1975.

Commercial Bank of Ceylon Ltd.

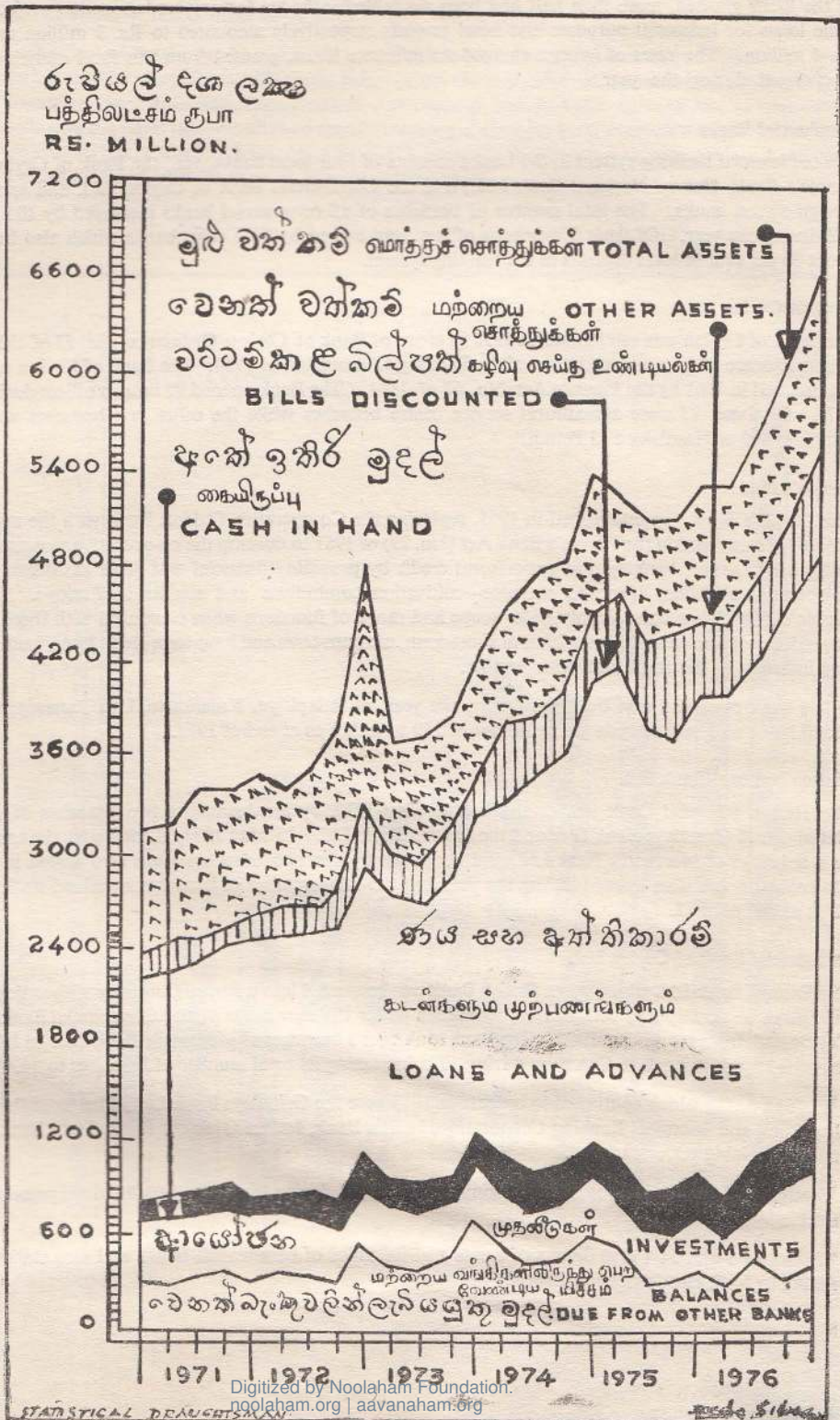
The Eastern Bank Ltd. which was a British Bank was converted into a Rupee Company with majority Sri Lanka ownership and commenced operations under the new name of the Commercial Bank of Ceylon Ltd. from November 1969. The Bank took over 3 branches of Mercantile Bank Ltd. in 1973. It opened a new branch in Colombo during 1975 increasing its total number of branches to 10.

Foreign banks which continued to operate in 1975 were the Grindlays Bank Ltd., Chartered Bank, Hongkong and Shanghai Banking Corporation, Indian Bank, Indian Overseas Bank, State Bank of India and Habid (Overseas) Ltd.

Statistics of the total deposits of the commercial banks during the years 1960–1976 are presented in table 14.2.

Tables 14.3 and 14.4 give figures of assets and liabilities of commercial banks and also statistics relating to bank clearings.

CHART NO. 13—COMMERCIAL BANK ASSETS, 1971-1976



Money Supply

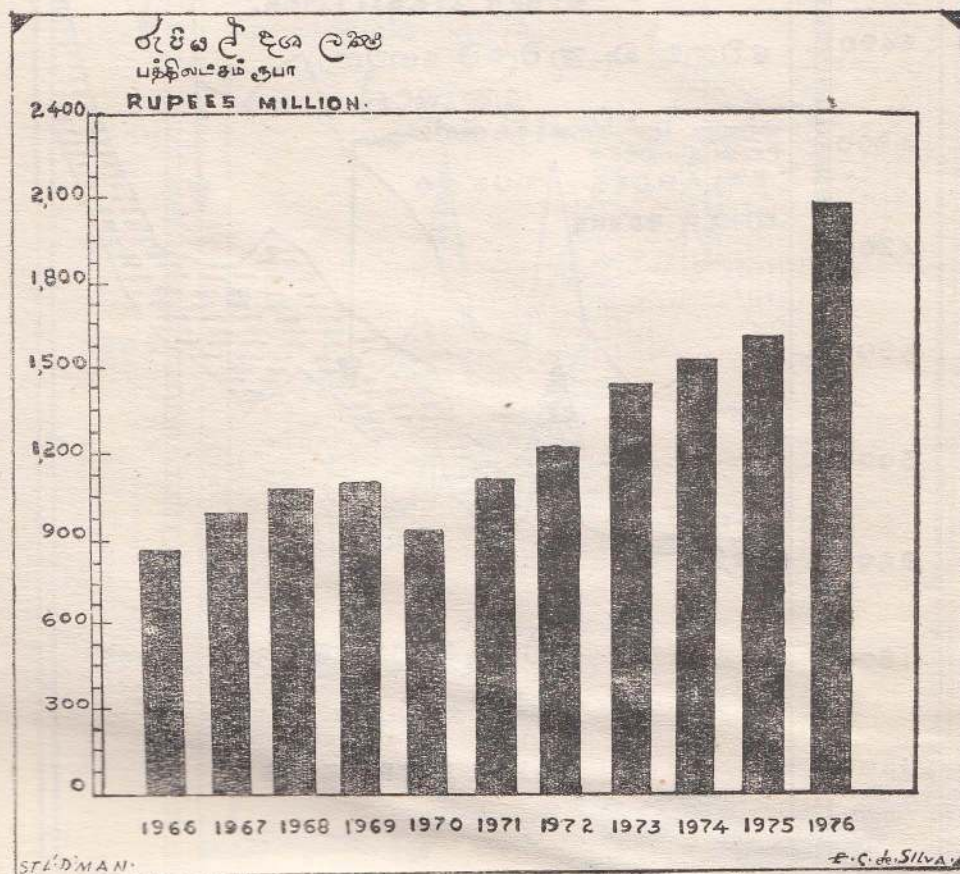
The money supply increased by Rs. 143 million or 4.8 per cent in 1975 over the level as at end of the preceding year. The total money supply stood at Rs. 3,088.1 million as at end of 1975, compared with Rs. 4,166 million at the end of 1976.

III—STATE SPONSORED LONG-TERM CREDIT INSTITUTIONS

Agricultural and Industrial Credit Corporation

The Agricultural and Industrial Credit Corporation was established in December 1943, to provide medium and long-term loans for agricultural and industrial purposes. Loans in terms of the Agricultural and Industrial Credit Corporation Act could be granted to both individuals and corporate bodies only on mortgage of immovable property (including industrial plant and machinery permanently installed) with valid titles.

CHART No. 15—NOTE CIRCULATION ACTIVE, 1966–1976



There was no major change in the corporation's loan policy, legal structure or operation procedures during the year 1975. The corporation continued to grant loans up to a total of Rs. 500,000 each borrower for development purposes and to a total of Rs. 100,000 each borrower for non-development purposes. The rates of interest remained unchanged at 9 per cent for development loans and at 10 per cent for non-development loans. The corporation granted 72 loans totalling Rs. 1,480,544 in 1975.

CHART NO. 16—NOTE CIRCULATION, GROSS, 1966-1976

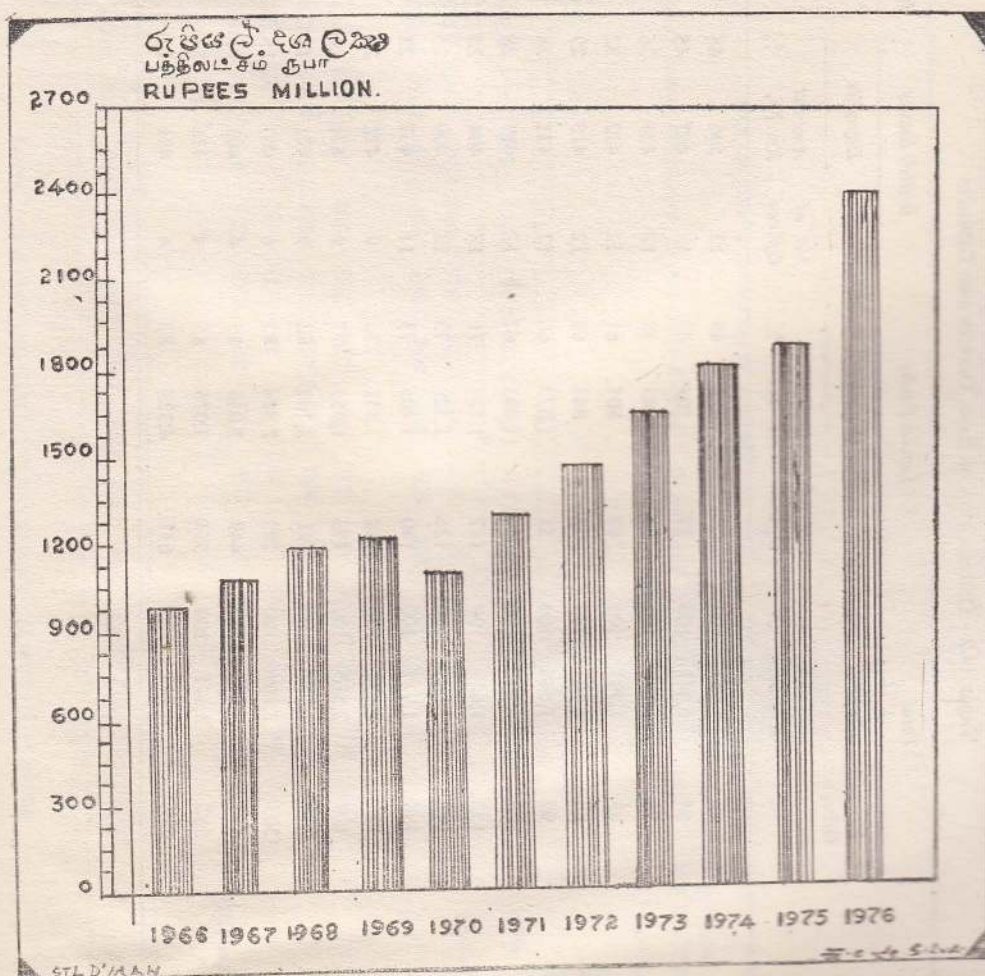


TABLE 14.2—DISTRIBUTION OF BANK OFFICES AND DEPOSITS

Year	Total			Sri Lanka Banks			British Banks			Indian and Pakistani Banks		
	No. of Offices	Deposits		No. of Offices	Deposits		No. of Offices	Deposits		No. of Offices	Deposits	
		Amount Rs. M.	%		Amount Rs. M.	%		Amount Rs. M.	%		Amount Rs. M.	%
1960	45	1,057	100	28	472	45	12	506	48	5	79	7
1961	54	1,041	100	37	503	48	12	467	45	5	71	7
1962	73	1,182	100	57	683	58	12	429	36	4	70	6
1963	83	1,301	100	67	801	61	12	412	32	4	88	7
1964	88	1,447	100	72	943	65	12	415	29	4	90	6
1965	97	1,546	100	81	1,023	66	12	431	28	4	92	6
1966	105	1,502	100	89	1,003	67	12	419	28	4	80	5
1967	133	1,637	100	117	1,157	71	12	404	25	4	76	5
1968	141	1,808	100	125	1,329	73	12	409	23	4	71	4
1969	155	1,917	100	140	1,405	73	11	437	23	4	74	4
1970	165	2,394	100	152	1,831	76	9	472	20	4	91	4
1971	189	2,516	100	176	1,951	77	9	471	19	4	94	4
1972	204	3,277	100	191	2,707	82	9	471	14	4	99	3
1973	303	3,169	100	293	2,584	82	6	487	15	4	98	3
1974	457	3,555	100	449	3,036	85	4	407	11	4	112	3
1975	562	3,611	100	554	3,076	85	4	426	12	4	109	3
1976	639	4,943	100	631	4,323	87	4	481	10	4	139	3

TABLE 14.3—SELECTED ASSETS AND LIABILITIES OF COMMERCIAL BANKS

(Rs. Million)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972†	1973	1974	1975	1976
Assets :																	
Cash in hand and deposits at Central Bank	176	141	171	170	214	233	192	229	248	258	371	378	488	703	755	506	577
Foreign Balances	56	46	41	33	54	45	60	66	77	52	44	70	128	95	90	78	93
Loans and Advances	544	563	564	709	783	850	858	1,153	1,323	1,660	1,548	1,765	2,159	2,252	3,297	3,533	4,251
Investments*	335	357	428	423	423	456	441	379	389	308	644	694	741	501	389	379	653
Liabilities :																	
Demand Deposits	685	657	756	802	896	939	899	936	982	931	1,169	1,199	1,752	1,757	1,895	1,882	2,751
Time and Savings Deposits	372	364	426	499	551	607	603	701	826	986	1,169	1,317	1,525	1,412	1,661	1,728	2,191
Total Assets/Liabilities‡	1,197	1,262	1,380	1,528	1,658	1,814	1,846	2,123	2,343	2,564	3,122	3,475	4,785	4,285	5,360	5,296	6,587
(as at end of period)																	

*Investments including Treasury Bills.

†Banking data as at end of December 1972, were highly distorted by a prolonged strike of commercial bank employees which commenced on 1st September and ended on 17th December, 1972.

‡Only selected items are included and sub totals would therefore not aggregate to the overall assets/liabilities.

TABLE 14.4—BANK CLEARINGS—1946–1976
(Monthly Average) (Rs. Million)

<i>Year</i>	<i>Amount</i>
1946	305.2
1947	349.3
1948	390.7
1949	418.0
1950	549.4
1951	691.4
1952	687.8
1953	670.6
1954	684.8
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
1967	990.4
1968	1,114.4
1969	1,212.0
1970	1,413.6
1971	1,269.5
1972*	1,158.6
1973	1,601.4
1974	2,063.6
1975	2,254.3
1976	2,586.9

* Clearings statistics during the period September to December 1972, were highly distorted by prolonged strike of commercial bank employees which commenced on 1st September, 1972 and ended on 17th December, 1972.

TABLE 14.5—MONEY SUPPLY 1956-1975

Period ending	(Rupees Million)									
	Currency			Demand Deposits						
	I	II	III	IV	V	VI	VII	VIII	IX	X
	Total	Held by Government	Held by Banks	Held by Public (I-II-III)	Total	Held by Government	Held by Banks	Held by Public (V-VI-VII)	Money Supply (VI+VIII)	VIII as % of IX
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	993.7	6.7	104.5	882.5	1,429.6	218.2	435.0	776.4	1,658.9	46.8
1967	1,072.8	8.0	84.8	979.9	1,643.8	164.7	651.4	827.7	1,807.6	45.8
1968	1,181.9	9.1	106.6	1,066.2	1,878.2	232.2	799.0	847.0	1,913.2	44.3
1969	1,212.7	7.2	121.5	1,083.9	1,734.5	160.9	774.4	799.2	1,883.1	42.4
1970	1,090.4	9.6	145.7	935.1	2,063.5	278.6	753.3	1,031.5	1,966.6	52.4
1971	1,285.1	1.6	168.1	1,115.3	1,925.5	208.1	683.6	1,033.8	2,149.1	48.1
1972*	1,444.8	2.9	239.5	1,202.3	2,581.8	499.9	803.1	1,278.8	2,481.1	51.5
1973	1,653.0	0.9	215.4	1,436.7	2,768.4	430.2	997.1	1,341.0	2,777.7	48.3
1974	1,829.0	1.2	288.5	1,539.3	3,064.3	547.1	1,111.0	1,406.3	2,945.6	47.7

TABLE 14.5—MONEY SUPPLY 1956-1975—(contd.)

Period ending	(Rs. Million)									
	Currency			Demand Deposits						
	I	II	III	IV	V	VI	VII	VIII	IX	X
	Total	Held by Government	Held by Banks	Held by Public (I-II-III)	Total	Held by Government	Held by Banks	Held by Public (V-VI-VII)	Money Supply (VI+VIII)	VIII as % of IX
1975										
January	1,800.4	1.4	326.6	1,472.4	3,040.2	495.6	1,078.7	1,465.8	2,938.2	49.9
February	1,761.6	3.1	280.2	1,478.3	3,001.7	513.2	1,036.9	1,451.6	2,929.9	49.5
March	1,826.5	1.6	268.9	1,556.0	3,041.2	444.1	1,109.6	1,487.5	3,043.5	48.9
April	1,851.0	3.2	280.6	1,567.2	2,753.8	438.5	836.3	1,479.1	3,046.3	48.5
May	1,868.5	2.7	302.0	1,563.8	2,768.5	540.6	819.8	1,408.1	2,972.0	47.4
June	1,828.6	1.0	234.8	1,592.8	2,709.3	473.3	803.2	1,432.7	3,025.5	47.4
July	1,778.0	1.5	258.9	1,517.6	2,784.4	534.5	786.0	1,463.9	2,981.5	49.1
August	1,799.8	3.1	262.8	1,533.9	2,727.2	536.3	792.5	1,398.4	2,932.3	47.7
September	1,822.7	1.4	276.7	1,544.6	2,729.8	486.3	770.6	1,472.8	3,017.5	48.8
October	1,815.7	3.1	254.7	1,557.9	2,598.2	357.5	752.1	1,488.6	3,046.5	48.9
November	1,834.4	1.5	246.3	1,586.7	2,615.6	398.2	756.6	1,460.7	3,047.4	48.0
December	1,890.4	0.3	280.3	1,609.8	3,024.2	426.8	1,119.0	1,478.4	3,088.1	47.9

*These figures are highly distorted by a prolonged strike of commercial bank employees which commenced on 1st September, 1972 and ended on 17th December, 1972.

The Ceylon State Mortgage Bank

The Ceylon State Mortgage Bank was established on 6th December, 1931 under the Ceylon State Mortgage Bank Ordinance of 1931 to grant long-term loans for agricultural development and other specified purposes on the primary mortgage of immovable property situated in Sri Lanka. Amendments made to the State Mortgage Bank Ordinance in 1968 broadened the scope of activities of the bank enabling it to play an increasingly vital role and to make loans available on easier terms for agricultural development. The bank now accepts as security, land, with valid titles, personal guarantees of suitable third parties, life insurance policies, share certificates, government stock and promissory notes signed by directors of companies.

The bank lent a total sum of Rs. 8,923,337 in respect of 451 loan transactions finalised during the year. Funds for the bank's lending operations were mainly obtained from repayments made by its borrowers and also operating on overdrafts from the bankers.

There were no changes in the rates of interest charged during 1975 and varied from 7 to 11½ per cent per annum for development purposes depending on the source of funds, type of security offered and purpose for which the loan was to be utilized. The interest charged for loans for non-development purposes or for loans to be utilised partly for development purposes was 12 per cent.

Statistics on loans granted, repaid and the amount outstanding appear in table 14.7.

Development Finance Corporation of Ceylon

The Development Finance Corporation of Ceylon was established in 1955 on the initiative of the government to assist in the promotion, establishment, expansion and modernization of private industrial, agricultural and commercial enterprises in Sri Lanka and also encourage such enterprises within the prime objectives of the corporation.

TABLE 14.6—AGRICULTURAL AND INDUSTRIAL CREDIT CORPORATION
LOANS GRANTED, REPAID AND OUTSTANDING

(Rs. Thousand)			
Period	Loans granted during the period	Capital repayments received during the period	Total loans outstanding at the end of the period
1953-54	5,518	5,025	29,485
1954-55	5,928	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	3,941	4,002	32,021
1966-67	3,527	3,903	31,645
1967-68	2,739	3,806	30,577
1968-69	4,109	3,910	30,864
1969-70	4,846	3,586	32,125
1970-71	3,476	4,012	31,589
1971-72(a)	2,399	4,146	29,842
1973	1,049	2,618	28,272
1974	1,927	2,467	27,732
1975(b)	1,481	2,182	27,088
1976(b)	1,727	2,344	26,452

Note.—1944-45 was the Corporation's first complete financial year of operation. (Financial year of the corporation was from 1st October to 30th September till 1971. From 1972, financial year is from January to December).

(a) Figures relating to 1971-72 includes a period of 15 months (1st October 1971 to 31st December 1972).

(b) Provisional.

During the year ended 31st December 1975, the corporation approved loans amounting to Rs. 28.5 million and share investments amounting Rs. 9.7 million totalling Rs. 38.2 million during the period ending 31 December 1975.

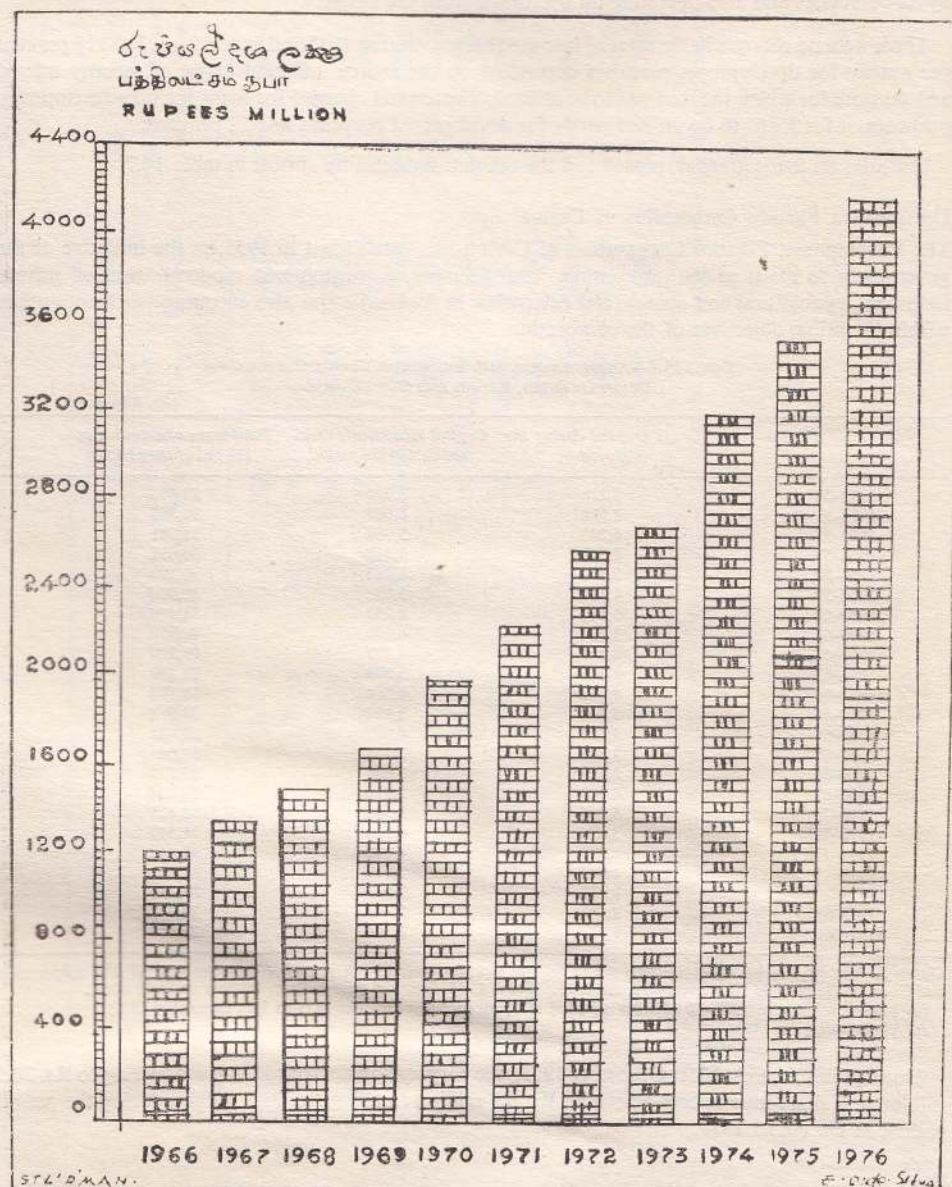
Disbursements of loans during the year amounted to Rs. 18.2 million. Repayments by clients totalled Rs. 8.8 million. The corporation's transactions in the grant of loans and investments were in the region of Rs. 83 million as at end of December 1975.

IV—SAVINGS INSTITUTIONS

The National Savings Bank

The National Savings Bank was established by the National Savings Bank Act No 30 of 1971 with the objective of providing an efficient institutional framework for mobilising savings. It took over the assets and liabilities of the Ceylon Savings Bank, the Post Office Savings Bank and the Savings Certificates Fund and commenced business in early 1972.

CHART NO. 17—SAVINGS DEPOSITS, 1966-1976



The Bank's Savings scheme includes ordinary savings account, a "Save As You Earn Scheme" for salaried employees, fixed deposits, Savings Certificates and Gift Tokens. With attractive rates of interest and tax concessions afforded account holders, the National Savings Bank improved its position as an organised institution specialised in savings schemes.

The scheme of school savings banks commenced in 1973 expanded considerably during the year. The number of school savings bank branches increased to 205 with the opening of 127 branches. A total of 33,153 new accounts were opened with a sum of Rs. 247,919 been deposited in these accounts.

The National Savings Bank opened a branch at Moratuwa, bringing the total number of branches to 20 as at end of 1975. The bank's net savings for the year was Rs. 175 million.

TABLE 14.7—CEYLON STATE MORTGAGE BANK—LOANS GRANTED,
REPAID AND OUTSTANDING

Period	(Rs. Thousand)		
	Loans granted during the period	Capital repayments received during the period	Total loans outstanding at the end of the period
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	4,501	4,138	54,006
1966-67	5,022	4,644	54,425
1967-68	6,005	4,467	55,616
1968-69	8,315	4,280	58,924
1969-70	10,903	4,923	64,714
1970-71	5,947	5,058	74,893
1971-72(a)	6,137	6,116	66,347
1973	6,393	6,298	66,442
1974	7,966	5,325	69,083
1975	8,913	5,056	72,940
1976(b)	9,366	5,774	76,532

Notes.—Until 1971 the Financial Year was from 1st October to 30th September.

(a) Figures relating to 1971-72 includes a period of 15 months (1st October-31st December 1971).

(b) Provisional.

TABLE 14.8 : DEVELOPMENT FINANCE CORPORATION OF CEYLON—FINANCIAL OPERATIONS

(Rs. Thousand)

	<i>Loans granted during the period</i>	<i>Equity invest- ments in de- velopment projects</i>	<i>Capital Repay- ments during the period</i>	<i>Total loans and equities outstanding at the end of the period</i>
May 1956—March 1957 (a)	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 ^a	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
April 1966—March 1967	3,625	1,000	2,837	29,612
April 1967—March 1968	3,042	—	3,284	29,370
April 1968—March 1969	11,547	1,000	4,678	37,339
April 1969—March 1970	23,926	1,250	3,426	59,089
April 1970—March 1971	16,589	500	4,941	71,237
April 1971—March 1972	6,572	—	7,140	70,669
April 1972—March 1973	3,478	—	7,779	66,368
April 1973—March 1974	11,135	2,500	11,328	68,675
April 1974—March 1975	17,316	—	7,950	78,041
April 1975—March 1976	21,263	4,317	9,366	94,255

(a) The Corporation commenced business on 9th May, 1956.

Employees' Provident Fund

The Employees' Provident Fund, established in terms of the provision of the Employees Provident Fund Act (No. 15) of 1958, is an important institutional device for mobilising savings which are channelled to Government investment. Total contributions received by the Employees' Provident Fund amounted to Rs. 230.7 million in 1975 compared with Rs. 208.9 million the preceding year.

TABLE 14.9 : NATIONAL SAVINGS BANK AND TOTAL SAVINGS

(Rs. million)

	1972.03.16	1972.12.31	1973.12.31	1974.12.31	1975.12.31	1976.12.31
Savings Deposits ..	848.8	913.0	1,043.2	1,244.1	1,413.7	1,580.3
Fixed Deposits	30.1	53.6	103.7	172.4	249.7	307.6
Savings Certificates	76.8	65.2	98.0	106.9	135.8	137.8
Total	955.7	1,031.8	1,244.9	1,523.4	1,799.2	2,025.7*

*Provisional

V—INSURANCE

Insurance Corporation of Ceylon

The Insurance Corporation of Ceylon which was established under the Insurance Corporation Act (No. 2) of 1961 commenced functioning in January, 1962 as the sole insurer transacting life insurance in the Island. The Finance Act (No. 11) of 1963 also vested in the corporation the sole right of transacting general insurance as from January, 1964.

The corporation issued 19,439 new life policies with an assured sum of Rs. 208.3 million during 1975. There were 184,473 life policies in force as at end of 1976, the assured sum in respect of these policies being Rs. 1,553.3 million. Revenue collected as premia from life policies in 1975 was Rs. 76 million, while in 1976 it increased to Rs. 82.9 million.

The life insurance fund of the corporation invested Rs. 71.5 million in government securities in 1975 giving a total investment of Rs. 436.4 million in these securities as at end of December, 1975. The corporation invested a sum of Rs. 76.9 million in 1976. Overall investment of the fund as government securities increased to Rs. 510.8 million as at end of 1976.

A sum of Rs. 43.3 million of the general insurance fund was also invested in government securities during 1975. With an investment of Rs. 46 million in 1976, total invested by the general insurance fund of the corporation in these securities increased to Rs. 391 million as at end of 1976.

Coverage under general insurance includes all risks against fire, marine, motor accident, sickness, plant break-down, etc. Reinsurance business is also accepted from foreign countries.

CHAPTER XV

PUBLIC FINANCE AND TAXATION

I—FISCAL AND MONETARY MEASURES

Fiscal Operations

The government budgetary operations for 1976 as based on provisional data showed a current account deficit of Rs. 128 million with an overall expansionary impact of Rs. 605 million. Table 15.1 gives a summary of fiscal operations of the government of Sri Lanka for the year 1976 with comparative figures for the two preceding years.

Revenue Receipts

The total revenue based on provisional estimates for 1976 was Rs. 5,739 million, compared with Rs. 5,084 million in 1975. This was an increase of Rs. 655 million or 13 per cent over the preceding year. The increase in revenue in 1976 was due to increased revenue receipts from income tax (Rs. 165 million), turnover taxes (Rs. 70 million), selective sales taxes (Rs. 87 million) import duties (Rs. 140 million), tea tax (Rs. 111 million). Net receipts from FEECs increased by Rs. 19 million while revenue from liquor, export duties and tobacco tax declined respectively by Rs. 16 million, Rs. 9 million and Rs. 8 million. Arrears of income tax and back assessments by tax payers helped swell tax collections by Rs. 165 million. There was also an improved performance in the manufacturing, transport and banking sectors resulting in increased collections from these sources.

The decline in export duties was attributable to the 'withdrawal' of export duty on coconut products and a drop in the quantum of tea exports.

Revenue collections during the year exceeded approved estimates by Rs. 94 million. Export levies, import duties and foreign exchange entitlement certificates accounted for 39 per cent of the government revenue during 1976, while turnover taxes constituted 13 per cent.

The government revenue continues to be influenced by the external trade sector of the national economy. Table 15.2 outlines revenue structure of the government of Sri Lanka for the years 1973-1976.

Expenditure

The total expenditure for 1976 was estimated at Rs. 9,314 million, inclusive of a net payment of Rs. 312 million from advance account operations. Expenditure under recurrent votes was Rs. 5,554 million reflecting an increase of 8 per cent over the preceding year. The total allocation under recurrent votes inclusive of supplementary estimates of Rs. 305 million was Rs. 5,764 million giving an under-expenditure figure of about 4 per cent. Exclusive of sinking fund contributions and direct payment of loans, development expenditure in 1976 showed an appreciable increase at Rs. 2,786 million. This was an increase of 42 per cent over the preceding year. With supplementary provision of Rs. 624 million, total development expenditure was rupees 3,056 million resulting in an under-expenditure of 9 per cent far below the normally observed range 20-25 per cent.

CHART No. 18—NATIONAL REVENUE, 1974-1976

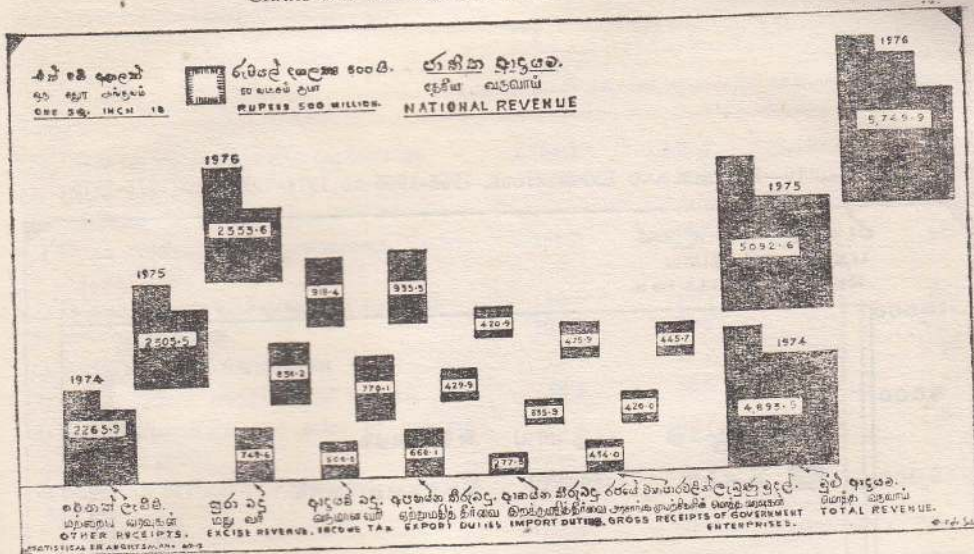


TABLE 15.1—GOVERNMENT FISCAL OPERATIONS

Items	(Rs. Million)			
	1974	1975	1976 Provisional	1977 Approved Estimates
Revenue ⁽¹⁾	4,787	5,084	5,739	6,062
Recurrent Expenditure	4,506	5,153	5,554	5,888
Advance Accounts Operations (deficit - /Surplus +)	- 39	- 73	- 312	—
Current Account (+ Surplus/deficit -)	+ 242	- 142	- 128	+ 174
Capital Expenditure	1,841	2,556	3,448	2,904
Of which Sinking Fund and Amortization payments and contributions to International Financial Organisations	(564)	(596)	(662)	(848)
Budget deficit	1,599	2,699	3,576	2,730
Financing of the deficit—				
1. Domestic Source	910	1,610	2,270	1,370
A. Non-bank market borrowing	976	1,075	1,160	1,300
B. Non-market borrowing	- 54	379	471	70
C. Banking System ⁽²⁾	- 12	156	639	—
2. Foreign Finance	650	1,059	1,340	1,350
Project loans	79	275	327	—
Commodity loans	319	380	633	—
Grants	252	404	380	—
3. Use of cash balances	39	31	- 33	10*
Expansionary impact of Government Fiscal Operations	24	184	605	10

Sources : Central Bank of Ceylon and General Treasury

⁽¹⁾ Excludes Capital Grants in Revenue shown under Foreign Grants.⁽²⁾ Includes Special Advances from Central Bank to meet contributions to International Financial Organisations abroad ; 1974 Rs. 2.7 million and 1975 Rs. 2.6 million.

* On account of the Committee Stage amendments to increase Railway expenditure by Rs. 10 million.

CHART No. 19—REVENUE AND EXPENDITURE, 1965-1966 TO 1971-1972 AND 1973-1976

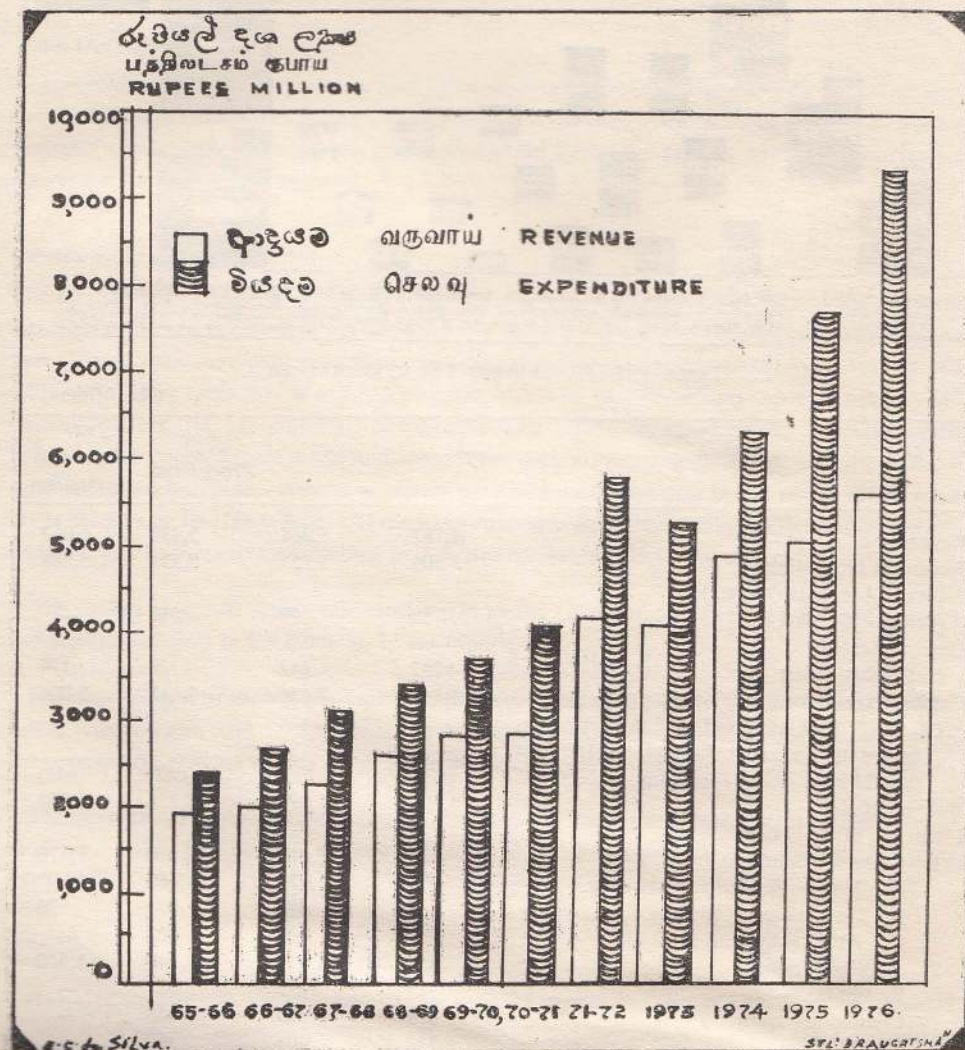


TABLE 15.2—REVENUE OF THE GOVERNMENT OF SRI LANKA—1973–1976

Heads of Revenue	1973	1974	1975	1976
	(Rs. Million)	(Rs. Million)	(Rs. Million)	Provisional (Rs. Million)
(1) Taxes on production and expenditure	2,564.3	3,366.4	3,422.7	3,730.8
(2) Taxes on corporate and non-corporate Income	699.9	598.6	770.1	935.5
(3) Gross receipts from government trading enterprises	351.2	434.0	454.0	483.8
(4) Interest, profits and dividends received	119.5	117.7	148.2	225.7
(5) Sales and charges	103.9	81.1	97.0	112.4
(6) Social security contributions	19.8	19.7	24.0	29.5
(7) Other current transfers and receipts	58.2	54.9	55.8	81.4
(8) Capital transfers and sales of existing capital goods	54.9	49.9	65.3	84.7
(9) Payments of loans and advances	62.2	64.4	46.4	56.1
Total	4,034.0	4,786.7	5,083.5	5,738.9

Source : Central Bank of Ceylon.

Revenue figures for the fiscal years 1973, 1974, 1975 and provisional estimates for 1976 differ from published figures in Government accounts due to exclusion of transfers to revenue and value of equipment, gifts and other aid from foreign governments and International Agencies.

TABLE 15.3—SOURCES OF FINANCE FOR CAPITAL EXPENDITURE—1974–1976

	1974		1975		1976	
	Amount (Rs. Million)	Percentage	Amount (Rs. Million)	Percentage	Provisional Amount (Rs. Million)	Percentage
(1) Current Account surplus or deficit*	107.4	8.6	-293.6	-14.8	-4.0	-0.1
(2) Revenue from taxes on capital and from sale of existing capital goods	49.9	4.0	65.3	3.3	84.7	3.2
(3) Repayment of direct loans and advances	64.4	5.2	46.4	2.4	56.1	2.1
(4) Capital transfers from abroad (grants)	252.4	20.3	404.2	20.3	380.2	14.2
(5) Direct borrowings from abroad	125.9	10.1	309.3	15.6	590.9	22.0
(6) Net domestic borrowings	617.8	49.6	1,359.1	68.4	1,976.5	73.8
(7) Decline in cash balances and net payments on Advance Account operations	27.1	2.2	96.1	4.8	-408.0	-15.2
Total Capital Expenditure	1,244.9	100.0	1,986.8	100.0	2,676.4	100.0

Source : Central Bank of Ceylon.

* Current account surplus or deficit (-) is the excess or shortfall of current receipts over current payments.

The under-utilization of allocation on capital votes shows a decreasing trend during the past years. Budgetary provision, actual expenditure, amount unspent and relative percentage of under-expenditure during the three-year period 1974, 1975 and 1976 were—

	<i>Budgetary Provision (Rs. million)</i>	<i>Actual Expendi- ture (Rs. million)</i>	<i>Under Expendi- ture (Rs. million)</i>	<i>Percentage of Under Expendi- ture</i>
1974	1,690	1,277	413	24.5
1975	2,421	1,960	461	19.0
1976	3,056	2,786	269	8.8

The capital expenditure under votes of the Ministry of Irrigation, Power and Highways, was Rs. 553 million, Agriculture and Lands Rs. 188 million, Home Affairs (including Local Government) Rs. 90 million, Postal and Telecommunication Services Rs. 51 million, Industries and Scientific Affairs Rs. 498 million and Planning including (Economic Affairs) Rs. 372 million.

The budget deficit for the year was Rs. 3,576 million with adjustment for debt repayment under sinking fund contributions, the net cash deficit was in the region of Rs. 2,914 million.

In financing the budgetary deficit, the government as in preceding years resorted to domestic sources (Rs. 2,270 million), while external resources consisting of Rs. 1,340 million were far in excess to cover the deficit gap. Domestic sector sources comprised Rs. 1,160 million from non-bank market, Rs. 639 million from the banking system and Rs. 471 million from non-market administrative borrowings. External resources include Rs. 633 million as commodity loans, Rs. 327 million project loans and Rs. 380 million as grants.

Of the government expenditure in 1976, 22 per cent was absorbed by social services including education and public health, food subsidies another 17 per cent, public debt claimed 15 per cent while pensions bill accounted for 7 per cent. The food subsidy which had claimed 23 per cent of government expenditure declined to 17 per cent, attributable to lower commodity prices during the year.

Net Expansionary Impact.—The net expansionary impact of government's fiscal operations was Rs. 605.4 million. Domestic resources available were in the region of Rs. 1,977 million, external borrowings constituted Rs. 971 million. There was a surplus of Rs. 33 million as excess of borrowings over resources available.

Public Debt

The gross public debt showed a significant increase of 21 per cent from Rs. 14,564 million to Rs. 17,569 million as at end of 1976. The domestic debt, which in the preceding year stood at Rs. 10,859 million rose to Rs. 12,691 million, an increase of 17 per cent over the 1975 figure. Gross external debt, inclusive of sinking fund contributions on sterling loans increased from Rs. 3,705 million to Rs. 4,968 million, a rise of 34 per cent, almost double that of its local counterpart.

Rupee securities constituted a major share of the domestic debt reflecting an increase of Rs. 1,007 million over the preceding year. Treasury bills (Rs. 350 million), other miscellaneous receipts (Rs. 48 million) and Central Bank advances under section 89 of the monetary law act (Rs. 11 million) contributed substantially to the overall figure.

Table 15.4 details composition of the Public Debt as at end of 1976.

TABLE 15.4—COMPOSITION OF THE PUBLIC DEBT—1972-1976

Year (end of period)	External Debt (Rs. Million)		Domestic Debt (Rs. million)		Total Debt (Rs. million)	
	Gross	Net	Gross	Net	Gross	Net
1972	2,392	2,352	7,926	7,096	10,319	9,448
1973	2,795	2,751	8,585	7,530	11,380	10,281
1974	2,936	2,884	9,444	8,143	12,380	11,026
1975	3,705	3,705	10,859	9,255	14,564	12,960
1976	4,968	4,968	12,691	10,653	17,659	15,621

Source : Central Bank of Ceylon .

(1) Figures relate to Calendar year which now coincides with the fiscal year.
Figures for the year 1972 include a 15-month period.

(2) There were no Sinking Fund contributions under Sterling Loans during the two years 1975 and 1976

Project and commodity loans constitute the main source of external assistance totalling Rs. 960 million during the year. The percentage share of project loans (Rs. 327 million) was 34, while the balance (Rs. 633 million) 66 per cent accounted for commodity aid.

The external debt-service ratio declined from 22.9 per cent in 1975 to 20.1 per cent in 1976 attributable to favourable exports earnings recorded during the latter year.

II—THE BUDGET—1977

Provision under total recurrent expenditure in the pre-budget estimates was Rs. 5,827 million. Allocation in the approved estimates including capital expenditure and advance account out-payments totalled Rs. 8,792 million.

Pre-budget estimates of revenue at Rs. 5,951 million and expenditure at Rs. 8,671 million showed a resultant budget deficit of Rs. 2,720 million. With an allocation of Rs. 848 million for sinking fund contributions, the net cash deficit works out to Rs. 1,872 million.

The anticipated budget deficit would be financed mainly through borrowings from domestic non-bank sources (Rs. 1,376 million), foreign loans and grants would consist of Rs. 1,350 million and "withdrawal" of cash balances (Rs. 10 million).

In financing the net cash deficit, government would have recourse to domestic non-bank sources (Rs. 954 million), external borrowings (Rs. 918 million) and mobilization of cash balances (Rs. 10 million) giving an expansionary impact of Rs. 10 million.

Overall budgetary position in 1977 is summarized in Table 15.5.

TABLE 15.5—OVERALL BUDGETARY POSITION—1977

(Rs. Million)

<i>Items</i>	<i>Pre-Budget Estimates</i>	<i>Budgetary Provision</i>
1. Re-current expenditure	5,946	6,007
<i>Less : under-expenditure (2 per cent)</i>	119	119
	5,827	5,888
2. Capital expenditure	3,509	3,569
<i>Less : under-expenditure (26 per cent)</i>	665	665
	2,844	2,904
3. Advance accounts	—	—
4. Total expenditure	8,671	8,792
5. Total revenue	5,951	6,062
6. Budget deficit	2,720	2,730
<i>Less : contributions to sinking funds etc.</i>	848	848
7. Net cash deficit	1,872	1,882
8. Financing of the budget deficit—		
(1) Domestic market borrowing from non-bank sources	1,370	1,370
(2) External finances :		
(i) Project loans and grants	500	500
(ii) Commodity aid counterpart funds	850	850
(3) Increase in cash balances	—	-10
9. Financing of the net cash deficit—		
(1) Domestic market borrowings from non-bank sources	954	954
(2) External finance :		
(i) Project loans and grants	918	918
(ii) Non-project (commodity) loans		
(3) Increase in cash balance	—	-10

Source : Central Bank of Ceylon.

Major sources of revenue as anticipated in the 1977 budgetary proposals were—

- (a) Operation of FEECs Scheme (Rs. 1,300 million) ;
- (b) Income tax (Rs. 890 million) ;
- (c) Sales and turnover taxes (Rs. 719 million) ;
- (d) Import duties (Rs. 535 million) ;
- (e) Tobacco tax (Rs. 520 million) ; and
- (f) Export duties (Rs. 427 million).

III—EXTERNAL RESOURCES

Loans

Agreements entered into with foreign governments for purpose of negotiating financial and commodity aid covered a capital repayment of Rs. 1,118.2 million, in Sri Lanka currency with rate of interest varying from 0.5 per cent and 8.8 per cent. The repayment period exclusive of 'period of grace' ranged from 2 to 40 years. Significant among 'interest free' loans was an agreement negotiated with the Canadian Government in October 1976, for Rs. 88.9 million in Sri Lanka currency. Of the total loan made available by the Canadian Government 4.0 million dollars were for purpose of agricultural development, while 6.0 million dollars covered financial commitments involved under Stage II of the Mahaweli Project.

The United States of America, Japan, Federal Republic of Germany, the Netherlands, OPEC Organization, United Arab Emirates, India and the Chinese Republic were countries so negotiated.

Grants

Commodity grants including raw material supplies, fertilizer, restoration of inland water-ways and rural works programmes covered a total of Rs. 456.3 million, in Sri Lanka currency. These countries include Sweden, the Netherlands, United Kingdom and Australia. The 'World Food Programme' contributed 15.7 million U.S. Dollars an equivalent of Rs. 136.0 million in local currency.

CHAPTER XVI

LABOUR AND EMPLOYMENT

Sri Lanka's Department of Labour functions under the Ministry of Labour. For administrative purposes the department falls broadly into 4 divisions viz. ; administration, employees provident fund and enforcement, industrial relations and employment. There are in addition two other divisions, viz., the factories division and occupational health and research division which function respectively under the Chief Inspector of factories and the Labour Medical Officer.

I—EMPLOYEES' PROVIDENT FUND SCHEME

A major piece of social legislation recommended by the social services commission became a reality with the enactment of the employees' provident fund act, (No. 15) of 1958. The act, does not embody all the recommendations of the commission but as far as practicable those recommendations relating to the setting up of the provident fund have been given effect to. The employees' provident fund is a contributory scheme.

The employers and employees in employments (other than those under government and the L. G. S. C.) declared by the Minister of Labour to be "covered employments" under provisions of the Act, are required to contribute to the fund at the rate of 9 per cent and 6 per cent respectively of the "total earnings" of employees. The state guarantees a minimum interest of not less than $2\frac{1}{2}$ per cent on the monies lying in the Fund to the credit of every member. Higher rates of interest are paid if the return on the investments of the fund is sufficiently high. The rate of interest paid in 1975, was 6 per cent as compared with $5\frac{1}{2}$ per cent the preceding year. There was no change in the rate of interest paid during 1976.

The monetary board of the Central Bank is responsible for the receipt of monies due to the fund, payment of benefits to claimants entitled under the act, accounting procedures and investments of monies of the fund.

The objects of the act, being provision of retirement benefits, it provides for the payment of benefits on the attainment of the age of 55 years in the case of males and 50 years in the case of females. Provision also exists for the payment of benefits at an earlier date on account of exceptional circumstances. The act does not preclude, however, the continuance in employment of persons beyond these years. In such cases both the employers and employees will continue to make the normal contributions to the fund.

Employments employing one or more persons have been brought into the E. P. F. scheme by an order made by the Minister of Labour, under section 10 (3) of the Act. These orders have been made in stages, to allow the administration to cope up with the expanding membership. There are 14 such orders in existence at present. Employments (a) in domestic service, (b) in any charitable or social service institution and (c) in institutions where industrial training is given juvenile offenders, orphans and destitutes, dumb, deaf or blind are exempted. All employees irrespective of nationality contribute to the fund.

Provision exists under section 27 of the act, for approval by the Commissioner of Labour of provident funds and contributory pension schemes, which have been set up prior to the E. P. F. act provided that the rules of such funds and schemes conform to the provisions of the act and its regulations. The act also provides for setting up of new private provident funds, and pension schemes with the approval of the Commissioner of Labour. There are at present 227 approved provident funds and pension schemes. The total amount of monies lying in these funds and schemes according to the balance sheets furnished by the administrators is approximately Rs. 835 million with a total membership of 115,000.

Up to end of 1976 about 78,776 employers have been registered as contributors to the E. P. F. The number of employees who have been enrolled as members of the E. P. F. is in the region of 2.3 million. The total contributions so far collected amounts to Rs. 2,008 million, and total income from investments is Rs. 703 million. Claims for refund of benefits numbering 78,847 were received during the year. A sum of Rs. 104.3 million was paid in the form of benefits to the respective claimants.

II—WAGES BOARDS ORDINANCE

Minimum wage legislation in Sri Lanka originated with the Minimum Wages (Inland Labour Ordinance of 1927, the application of which was confined to Indian Labour. In May 1938 the Ministry of Labour, Industry and Commerce approved in principle the introduction of legislation for the setting up of Wages Board machinery to cover indigenous labour as well. The legislation finally appeared in the Statute Book in the shape of the Wages Boards Ordinance (No. 27) of 1941, which with a number of subsequent amendments continues to be the minimum wage legislation in the Island today. The law now appears as Chapter 136 of the Legislative Enactments of Ceylon read together with Wages Boards (Amendment) Act (No. 27) of 1957, (27) of 1962, (23) of 1966, (24) of 1966 and as amended by the Holidays Regulations made under the Holidays Act (No. 17) of 1965 and the Holidays Act (No. 29) of 1971. A set of consolidated regulations made under the ordinance has been published in *Govrenment Gazette* No. 14, 1961 of 4 June, 1971.

Part I of the ordinance deals with employers and workers in all trades in a general way, while Part II provides for the application of the ordinance to a particular trade involving the setting up of wages board machinery for these trades. Part III deals with the appointment and powers of officers under the ordinance and with offences and penalties defined by the ordinance.

Time limits are placed under part I, which is applicable to all trades, as regards payment of wages and maximum deductions from wages which could only be made with the consent of the worker and are limited to 50 per cent of the wages due for any wage period and to 75 per cent in the case of a worker in any trade specified by the Minister of Labour. Part II of the ordinance prescribes the procedure for applying it to a particular trade and establishing a wages board to determine wages and ancillary matters in that trade. It also prescribes powers, functions and duties of wages boards. Part III of the ordinance show conditions under which a worker may be paid at less than prescribed rates, intervals at which wages shall be paid, hours of work, weekly and annual holidays. A wages board may determine different rates of wages, hours of work or holidays or make such other provisions for special circumstances.

A total of 33 trades are at present covered by Part II of the ordinance. These trades have already been referred to in the 1975 issue of the Sri Lanka year book.

A wages board for any trade is composed of persons representing employers in that trade, an equal number representing workers in the trade, and not more than three nominated members who must have no connection or interest in the trade as employers or workers. If a board so desires, it may appoint a district wages committee which would serve as an advisory and reporting body on any subjects referred them by the board.

The existence of wages boards has proved in Sri Lanka as in other countries that they could provide a common meeting ground for discussion and solution of what appears, at first sight, to be irreconcilable interests. Their value in preventing industrial unrest could perhaps never be accurately gauged but their activities have resulted in an increase in the material welfare of the workers in the industries to which the ordinance has been applied, as disclosed each year in the administration report of the Commissioner of Labour.

While the determination of terms and conditions applicable to a trade is the function of a wages board, the task of enforcing these decisions is cast on the department of labour which employs a large staff of labour officers for this purpose. The labour officer in the course of his duties enforces the law and also assures his duty to educate employers and workers as to their rights and obligations under the ordinance.

Work of the Wages Boards.—Three meetings of wages boards in respect of three trades were held during the year ended December 31, 1975. These meetings were held to consider.

- (a) Revision of wages for workers in the cinema trade.
- (b) Objections received from members of the public as regards fixing monthly wages while affecting an increase in the current wages applicable to the tyre and tube manufacturing, tyre rebuilding, rubber and plastic goods manufacturing trade.
- (c) Declaration of a weekly holiday with pay on Sunday to all workers in the match manufacturing trade.

The wages board for the cinema trade decided to increase the wages of all workers employed both within and outside municipal areas. This decision came into force with effect from 1 April, 1975.

New Appointments.—The personnel of wages boards for the following trades went out of office during the year and new appointments made :—

- Nursing home trade ;
- Cigar manufacturing trade ;
- Tyre and tube manufacturing, tyre rebuilding, rubber and plastic goods manufacturing trade ;
- Baking trade ;
- Cinema trade ;
- Beedi manufacturing trade ;
- Biscuit manufacturing trade.

Inspections under the Wages Boards Ordinance.—Details of inspections carried out under the wages boards ordinance during the year ended 31, December 1976, were :

1. Number of inspections	3,410
2. Total number of workers, whose wages were checked	107,697
3. Short payments detected	Rs. 1,300,025

Legislation

(1) The Emergency (Private Sector) Additional Allowance Regulations (No. 1) of 1975, were enacted under the Public Security Ordinance, for purpose of granting with effect from 1 March, 1975, to workers in the private sector whose total earnings for the month did not exceed Rs. 800, an allowance which shall amount to, not less than 10 per cent of total earnings for the month or Rs. 25 whichever is less. The allowance, payable to a worker whose total earnings for the month exceeds Rs. 800 but less than Rs. 875 shall in respect of each month be an amount equivalent to the difference between Rs. 875 and the amount drawn as salary or wages for that month.

(2) The Emergency (Tea Estate Workers' Wage Supplement) Regulations (No. 1) of 1975, were enacted under the Public Security Ordinance. The purpose of these regulations is the payment, in addition to wages of a wage supplement computed in terms of a given schedule based on the monthly average net sale price for all mid-grown teas and made effective from the month of April, 1975, to all workers employed in any tea estate not less than one hundred acres in extent.

(3) The Emergency (Fuel Conservation—five day week) Regulations which were originally promulgated (vide Regulations No. 1 of 1974), were amended by Regulations No. 1 of 1975, published in *Gazette* of the Republic of Sri Lanka No. 147/34, dated January 19, 1975, to exempt any shop from the application of the provisions of these Regulations. Emergency (Private Sector) Budgetary relief allowance regulations were enacted in 1976, under Public Security Ordinance.

III—THE SHOP AND OFFICE EMPLOYEES (REGULATION OF EMPLOYMENT AND REMUNERATION) ACT, (CHAPTER 129)

The shop and office employees act, popularly known as “The Mercantile Act”, came into force on August 9, 1954. The legislation appeared in the statute book in the shape of the shop and office employees (regulation of employment and remuneration) act. It was subsequently amended by 5 amendment acts the latest being the amendment act, (No. 7) of 1975. The act, seeks to provide for regulation of remuneration, conditions governing payment of remuneration, grant of public holidays, intervals for rest and meals and facilities affecting health and comfort of employees and protects white collar workers against exploitation.

The main benefits that accrue employees as a result of this act, are an eight-hour working day, a weekly holiday of $1\frac{1}{2}$ days, a spell of 14 days annual leave and 7 days casual leave and 9 public holidays a year with full pay. A sense of security of employment is provided by the requirement that every employee should be issued with a letter of appointment stating terms and conditions of service applicable to him. Though there is no provision under the act, for determination of general minimum wages for various categories of employees in shops and offices, provision has been made for the determination of remuneration by the Commissioner of Labour where employers and employees consent to such determination. Provision also exists for the appointment of Remuneration tribunals for determination of remuneration of employees where the Minister of labour considers that such determination of remuneration is expedient. There are ten such determinations in force at present.

The act, also provides for the making of Closing Orders which require that shops be kept closed for business on specified days in the week and between specified hours. Such a Closing Order is now operative in all municipal and urban council areas in the island.

In view of the fact that the maternity benefits Ordinance does not apply to shops and offices, special provision has been made in the Act, for grant of maternity leave of six weeks with pay to female employees in shops and offices.

Almost the whole field of ‘white-collar’ employment is now covered by the act, but there are still establishments and categories of employees who are strictly neither ‘industrial’ nor ‘white collar’ workers and are therefore not covered by any social legislation. This deficiency, it is hoped, would be made good in the near future when the scope of the act is further extended.

Details of inspections under the act, during the year ended 31 December, 1976 were :—

	<i>Shops</i>	<i>Offices</i>
(a) Number of inspections	4,197	144
(b) Total number of workers whose remunerations were checked	8,978	151
(c) Short payments detected	Rs. 588,390	Rs. 41,447

Section 3 of the Shop and Office employees’ Act was amended to provide for non-application of Sub-section (1) of section 3 of the act to any person, who holds an executive or managerial position in a public institution and who is in receipt of a consolidated salary, initial of the scale of which is not less than Rs. 6,720 per annum.

Remuneration Tribunals

Five meetings in respect of 4 remuneration tribunals were held during the year to determine minimum remuneration to workers engaged in the following establishments :—

- (i) Fifty nine petrol filling stations in the city of Colombo.
- (ii) Sixty seven shops in Kandy.
- (iii) Fifty nine cigarette distribution agencies in Sri Lanka.
- (iv) Forty three book shops in the city of Colombo.

Minimum rates of remuneration in respect of the remuneration tribunal for the 59 petrol filling stations in the city of Colombo were increased and the determination came to force with effect from 1 March, 1975.

Minimum rates of remuneration in respect of the remuneration tribunal for the 67 shops in Kandy were determined. The determination came into force with effect from 1 May, 1975.

IV—OTHER ORDINANCES AND ACTS

The Interim Devaluation Allowance of Employees Act No. 40 of 1968

This act is being intensively enforced and in instances in which complaints and detections of violation of the law have been made appropriate action has been taken by the department of labour.

The Maternity Benefits Ordinance (Chapter 140)

This Ordinance together with the Maternity Benefits (Amendments) Act, No. 6 of 1958 ; No. 24 of 1962 ; No. 1 of 1966 and the regulations published in Government Gazette No. 9,634 of November 22, 1946 ; No. 11,046 of January 11, 1957, and No. 13,387 of November 9, 1962 comprise the law relating to the grant of maternity benefits to women workers other than those covered by the Shop and Office Employees Act which applies to 'white collar' workers.

It applies to women workers employed in mines, factories, estates and other establishments which may be prescribed. 'mine', 'factory' and 'estate' have been so defined in the ordinance that its application is very extensive and covers almost the whole of the female population in employment in the industrial sector.

The ordinance prohibits employment of women workers on any type of work during a period of four weeks immediately following confinement and on work which is injurious to health both before and after confinement. A woman worker who gives notice of confinement is entitled to absent herself from work for a period of one month before and four weeks after confinement. Such worker is entitled to receive maternity benefits from the employer for six weeks (two weeks before and four weeks after confinement) at the rate of 6/7th of her daily wage provided she has worked for at least 150 days within the year preceding date of confinement. In computing the qualifying period certain days of absence due to specified reasons are to be counted as days worked.

An employer who has made arrangements for providing prescribed maternity services on his estate may, in lieu of payment, provide such alternative benefits to these female labourers and the latter will then not be entitled to full cash benefits.

It is unlawful for an employer to give notice of dismissal to a worker who has given due notice of confinement during the period of absence in such manner that the notice of dismissal will expire during the period of absence due to her confinement. A woman worker may not be deprived of maternity benefits by reason of a notice of dismissal given without sufficient cause within five months before her confinement. Any contract which seeks to evade payment of or receipt of maternity benefits will be null and void. A woman worker who gives notice of confinement may not be denied maternity leave, even though such leave may be without pay by reason of her not having qualified for paid leave. The ordinance applies only to establishments in which five or more persons are employed.

There were 295 estates providing alternative maternity benefits to their workers as at end of 1975.

The Employment of Women, Young Persons and Children Act, (No. 47 of 1956)

The employment of Children Regulations, the employment of Young Persons Regulations, the Employment of Young Persons at night in Industrial Undertakings Regulations, the Employment of Young Persons at Sea Regulations and the Regulations relating to the demarcation separating industry from agriculture, commerce and other non-industrial occupations published in *Government Gazette* No. 11,302 of April 25, 1958 regulate in the main the employment of women, young persons and children.

The act prohibits the employment of women, young persons and children at night in manual work in industrial undertakings other than those which employ members of the same family. Provision for making exceptions in certain cases has been made as in the case of unforeseen emergencies (which have to be notified) or where work has to be done with raw materials which are likely to deteriorate in which case permission of an authorised officer is required. Restrictions in the field of employment which prohibits night work are more stringent in the case of women under 18 years of age than in the case of those over 18 years. The act totally prohibits the employment of children below 12 years of age in any occupation even by their parents. Children between 12 and 14 years of age may be employed in family undertakings provided they belong to the family which maintains the undertaking. There are, however, certain specified undertakings in which children between 12 and 14 years of age may not be employed even if they are family undertakings. The employment of children and young persons in performances of dangerous nature and in street hawking is also prohibited. Young persons between the ages of 14 and 16 years may be trained for such performances provided a licence for the purpose is obtained from an authorized officer, who will ascertain whether or not such training would be injurious to the health of the trainees and whether there is any objection from the Police to a licence being granted. The employment of persons under 14 years of age in certain agricultural occupations is prohibited and permitted in certain others. However, there are provisions which require that children shall not be employed during school hours or in work involving lifting, carrying or moving heavy objects or in occupations which are injurious to health and entail the possibility of employment of children in all spheres of work. They cannot be employed in filling and servicing stations, hospitals, nursing homes, dispensaries and such other institutions maintained for the purpose of looking after the sick, the destitute, the aged and the infirm, in slaughter houses, salterns, veterinary hospitals (in the case of sick or wounded animals), in work connected with the hunting, trapping, training of wild animals, in the business of an undertaker, the operation and maintenance of any engine, motor or other appliance. Children between 12 and 14 years of age may be employed in domestic service provided they are sent to school, allowed uninterrupted period of 10 hours a day for rest and sleep and a holiday of 7 consecutive days every 3 months. The minimum age for employment at sea is 15 years. The restriction does not apply to those employed in training ships and vessels in which only members of the same family are employed. A person over 14 years but under 15 years of age, may with authority of the Commissioner of Labour be employed at sea.

Employment of Women, Young Persons and Children (Amendment) Act, No. 29 of 1973 was promulgated with effect from August 3, 1973, to enable appointment of personnel from other departments as authorized officers.

Three court cases were field during the year under the Act.

The Minimum Wages (Indian) Ordinance (Chapter 135)

This Ordinance provides for the fixation of minimum wages payable to Indian labour on plantations and the free issue of 1/8th bushel of rice every month by the employer to every such Indian male labourer over 16 years of age and every widow with at least one dependant child under 10 years resident on the estate. The provisions relating to fixation of minimum wages have been superseded by the Wages Boards Ordinance since its promulgation in 1941.

A total of 208 estates provided free meals at a cost of Rs. 797,701 while 537 estates provided free rice at a overall cost of Rs. 4,074,336 during twelve months ending 31 December, 1975.

The Estate Labour (Indian) Ordinance (Chapter 133)

This ordinance requires employers of Indian labour on estates to provide work for six days in the week and pay wages if work cannot be so provided. The ordinance also makes provision for the issue of identification and discharge certificates to Indian immigrant labour on estates, by employers and separation of members of a family on termination of services of one of its members. There is also provision under which labourers cannot be compelled to share their line rooms with persons other than their minor children or wives.

Indian Immigrant Labour Ordinance (Chapter 132)

This ordinance deals with the imposition of acreage fees on estates employing Indian immigrant labour. Fees so paid are credited to the immigration fund from which expenses incurred by the government of Sri Lanka in the recruitment, welfare and repatriation of Indian immigrant labour are disbursed.

V—INDUSTRIAL RELATIONS

The industrial relations division of the department of labour consists of industrial relations, industrial courts and termination of employment sections.

The industrial relations division primarily deals with prevention, investigation and settlement of industrial disputes by conciliation. Approximately 19,677 disputes were settled by conciliation during the year. 91 cases were referred for settlement by compulsory arbitration and 5 cases referred for voluntary arbitration under provisions of the industrial disputes act.

Collective Agreement

11 collective agreements were registered under the provisions of the industrial disputes act during 1975.

Industrial Courts

A panel of 59 members for constituting industrial courts was appointed for a period of one year commencing 3 March, 1975.

Four disputes were referred for settlement to Industrial Courts.

Termination of Employment

There were 348 applications supplementary to the balance 143 in 1974 made by employers seeking approval of the Commissioner of Labour to terminate employment of their employees. A total of 448 applications have been disposed of. Besides, 1,226 complaints supplementary to the balance 727 in 1974 made by workmen and trade unions have been received and 1,428 were concluded. While termination of employment of 200 workmen had been prevented, payment of half wages in respect of 548 workers who were laid off for periods ranging from one to three months had been ordered. A sum of Rs. 1,609,276 was awarded as terminal benefits to workmen so displaced.

Of a total of 1,098 complaints received during 1976, 1,019 were inquired into and a sum of Rs. 436,347 was awarded as terminal benefits.

VI—TRADE UNIONS

Trade Unions

A total of 147 trade unions were registered during 1975. There were 1,568 trade unions functioning as at end of 1975, with a total membership of 1,266,271. Particulars of trade union activity during the year 1975, is set out in table 16.1.

TABLE 16.1—TRADE UNIONS—NUMBER AND MEMBERSHIP

	1970	1971	1972	1973	1974	1975
(i) (a) Number of Unions Registered during the year	175	145	141	135	116	147
(b) Number of Unions cancelled during the year	20	40	76	91	168	171
(c) Number of Unions functioning at the end of the year	1,439	1,544	1,578	1,644	1,592	1,568
(ii) Figures relating to Unions of Public Sector Employees included above						
(a) Number registered during the year	81	69	73	49	51	—
(b) Number functioning at the end of the year	830	894	937	959	960	—
(iii) Membership of Workers' Unions*	883,492	1,266,035	773,056	1,216,252	398,446†	1,266,271
(iv) Membership of Workers'* Unions in the plantation trade	529,346	933,653	447,939	861,932	60,185	—

*These figures are in respect of only trade unions which had furnished Annual Return before the prescribed date.

†Less coverage than in preceding years.

VII—EMPLOYMENT

Employment

There were 36 employment exchanges and 58 registration centres in the island for purpose of registering and providing employment opportunities for those unemployed. These exchanges serve both public and private Sectors. Work of employment exchanges have been streamlined with the assistance of employment assistants who have been trained in this field by an I.L.O. expert.

A "dictionary" of job classifications at 3 digit code level has been compiled by the occupational analyst unit of the department with the assistance of an I.L.O. expert. This would be used in the re-organisation of the employment service and would also be of assistance to the Ministry of Planning as well as authorities engaged in the preparation of vocational guidance.

Vocational Training

Under the training programme of the labour Department, unskilled job seekers are trained as skilled craftsmen in a host of engineering and other trades. Available training facilities have been distributed island-wide through a net work of mobile units and two all-island centres located in Colombo. It is proposed to link up the training programme with manpower needs of the district development projects.

Work of the proposed vocational development project was commenced with the assistance of I.L.O./S.I.D.A. with main objectives as—

- (i) re-training and upgrading of workers employed in the industrial sector
- (ii) establishment of a national trade skills development and testing scheme.

VIII—INDUSTRIAL SAFETY, HEALTH AND WELFARE

Factories Ordinance

The factories ordinance no. 45 of 1942 (as amended by ordinance no. 22 of 1946) came into force on 1st January, 1950. The ordinance (cap. 128) of the revised edition of the legislative enactments of Ceylon 1956, incorporating the enactments has since been amended by factories (amendment) act no. 54 of 1961 and by regulation no. 1 of 1971 under holidays act no. 29 of 1971 *Government Gazette* no. 14,984/44 of 15 November, 1971, and read together with amendments introduced by the factories (amendment) law no. 12 of 1976.

The provisions of the factories Ordinance are based generally on the factories act (1937) of Great Britain. It lays down various requirements affecting safety, health and welfare of persons employed in factories.

The definition of a "factory" is fairly comprehensively dealt with under section 126 of this Ordinance as amended by the factories (amendment) law, no. 12 of 1976. A more simple definition of a "factory" as a "place where persons are employed in manual labour in the making of any article for gain" would be found to cover the great majority of factories. Such a simple definition, however, does not cover employment in certain premises and doubt would arise as to whether the ordinance could apply, thus allowing cases to be decided in courts of law. To avoid confusion or else court decisions, the definition of "factory" has been made as explicit as possible. One of the provisions in this section is that premises are not excluded by reasons only that they are open-air premises. Premises under the control of government and municipal, local or public authorities are not excluded by reason only that work is not carried on by way of trade or for purposes of gain. Exemption, however, is given in the case of premises wherein only members of the occupier's family are employed.

Certain provisions of the factories ordinance also apply to premises such as electrical stations, premises forming part of an institution carried on for charitable or reformatory purposes, where persons are employed in manual labour for making of an article, altering, repairing, ornamenting etc., of articles not intended for the use of the institution, warehouses where mechanical power is used, docks, wharfs and quays etc., loading, unloading or coaling of ships in any dock, harbour or canal, work carried on in a harbour or wet dock in constructing, reconstructing, repairing, etc., of ships and building and other construction work undertaken by way of trade or business.

The factories ordinance places the onus of compliance with its requirements squarely on the shoulders of the occupiers of factories. The ordinance, however, provides for certain specific duties and obligations with which persons employed are expected to comply. The term 'occupier' and 'owner' are defined in section 127, as amended by Factories (Amendment) Act, No. 54 of 1961.

Section 2 of the Amendment Law No. 12 of 1976 replaces part I of the factories ordinance and requires occupiers of premises deemed to be factories to register and to licence their factories, to seek approval of factory buildings and give notice of intention of their use. It also prohibits issue by local authorities licences to carry on any trade or business to which the factories ordinance applies unless it is registered as a factory.

The provisions relating to safety deal with such matters as fencing (or guarding) of primemovers, transmission machinery, dangerous parts of other machinery, pits or vessels containing scalding corrosive, toxic substances or harmful liquids or where a deficiency of oxygen is liable to occur

The other section covers the import and sale of new machines, cleaning of machinery in motion, training of young persons on machines, protection of eyes, construction of floors, safe means of access, precautions against gassing, inhalation of dusts and fumes, explosions and fire.

It is also necessary to make arrangements for proper maintenance of hoists, lifts, chains, ropes and lifting tackle, cranes and winches, and their periodical inspections by competent persons. Steam boilers, steam and air receivers should also be well constructed, properly maintained and periodically examined. Unauthorised persons are prohibited from handling steam boilers.

Notification of accidents causing loss of life or disabling a worker for more than three days must be reported. Dangerous occurrences, as, bursting of a revolving vessel, wheel or grindstone, collapse of a building or failure of a crane and certain fires and explosions should also be notified whether or not injury results.

The health sections deal with such matters as the cleanliness of workrooms, drainage of floors, prevention of over-crowding of the persons employed, provision and maintenance of adequate ventilation, lighting, temperature and sanitary accommodation, meals, removal of dusts or fumes, in certain dangerous trades, protection of eyes in certain processes and protection from vibration, radiation and excessive sound.

The use of underground workrooms is only allowed, subject to stringent requirements as to conditions. Lifting or moving of excessive loads by persons is prohibited.

Whenever industrial poisoning or disease is discovered by a registered medical practitioner to have arisen from the patient's employment in a factory, a report has to be furnished to the chief factory inspecting engineer.

Under the welfare sections, there are requirements regarding supply of wholesome drinking water, washing facilities, clothing accommodation, eating and first aid.

Other parts of the ordinance deal with miscellaneous, legal and administration matters. A recent amendment changes designations of enforcement officers.

The prescribed form of the general register to be maintained in each factory and various other statutory forms are found in factories regulations (no. 1) of 1960.

Other regulations framed under the ordinance are—

- (a) Factories (Steam Boiler Attendants Certificate of Competency) Regulations, 1965.
- (b) Factories (Dangerous Occurrences Notifications) Regulations, 1965.
- (c) Factories (Sanitary Conveniences) Regulations, 1965.
- (d) Factories (Washing Facilities—General) Regulations, 1965.
- (e) Factories (General Standards of Lighting) Regulations, 1965.
- (f) Factories (Protection of Eyes) Regulations, 1965.
- (g) Factories (Meal Rooms) Regulations, 1965.
- (h) Factories (First Aid) Regulations, 1969.
- (i) Factories (Notifiable Industrial Diseases) Regulations, 1972.

IX—OCCUPATIONAL HYGIENE

The division of occupational hygiene was constituted as a separate administrative division of the Department of Labour in January, 1975, to deal with the increasing problems of environmental pollution incidental to industrial development and affecting working classes of the population.

The ILO/DANIDA assisted Sri Lanka institute of occupational safety and health and environmental pollution (SLIOSHEP) is being planned. The ILO senior adviser, Professor Rao, whose services were made available for the development of the SLIOSHEP Project, completed his assignment and final report submitted to ILO head quarters in Geneva.

Training

An education and training programme on lead hygiene to the lead industry workers consequent to planned environmental and biological monitoring has helped reduce excessive lead absorption cases in major lead consuming industries.

Research

Specialist investigations in work places as saw mills and chillie grinding mills have been undertaken during the year. The report on health hazards of the fibre mill has been finalised. A study of health hazards in timber mills has been made. For the first time in Sri Lanka the conditions of working women are being subject to scientific investigation. A special survey is being carried out to assess prevailing working conditions of employees attached to the telephone exchange at the central telegraphic office.

Scientists of the National Science Council have undertaken preliminary studies on industrial waste discharge, pollution and agro chemical hazards.

A sum of Rs. 6,589 has been collected as revenue by the division during the year.

X—COST OF LIVING AND WAGES

Cost of Living

Since 1939, there has been a steady increase in the cost of living and wages in the island. To start with there were two cost of living index numbers computed and published in Sri Lanka. 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 were discontinued and a new index number called the "Colombo consumers' price index number" with average prices in 1952 as the base was introduced in January 1953. This index number is worked and published monthly by the Director of Census and Statistics. The following table 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 for each of the years 1953 to 1976.

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

CHART No. 20—CONSUMERS' PRICE INDEX, DECEMBER, 1972, 1973-1976

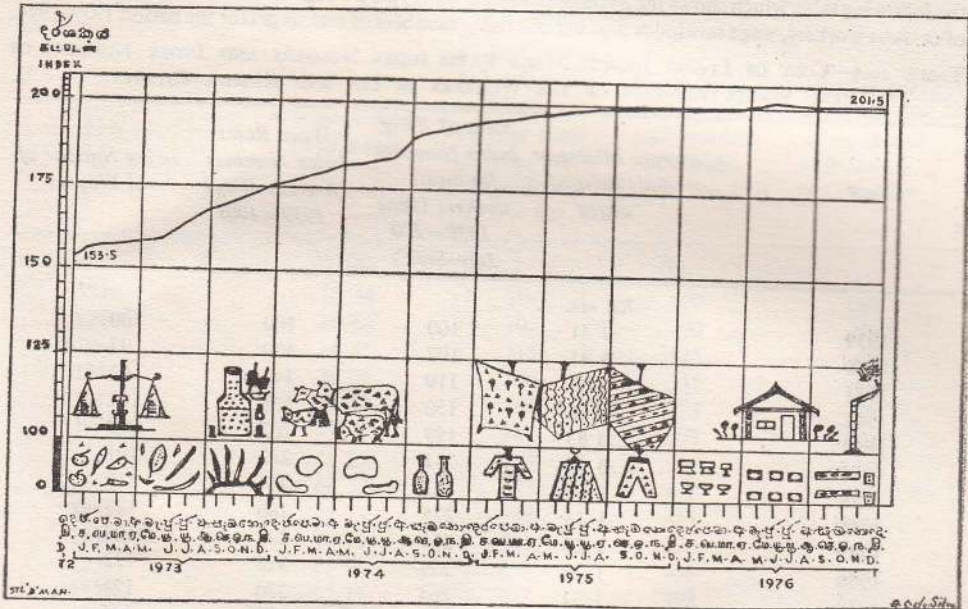


TABLE 16.3—COLOMBO CONSUMERS' PRICE INDEX NUMBER

(BASE : AVERAGE PRICE 1952 = 100)

Year	Index Number
1953	101.6
1954	101.1
1955	100.5
1956	100.2
1957	102.8
1958	105.0
1959	105.2
1960	105.5
1961	104.8
1962	105.3
1963	103.8
1964	112.2
1965	112.5
1966	112.3
1967	114.8
1968	121.5
1969	130.5
1970	138.2
1971	141.9
1972	150.9
1973	165.4
1974	185.8
1975	198.3
1976	200.7

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 the following table which shows the average minimum daily rate of wages, cost of living index numbers of or these workers, wage rate index number and index numbers of real wages for the period 1939-1976.

TABLE 16.4—COST OF LIVING INDICES, WAGE RATES INDEX NUMBERS AND INDEX NUMBERS OF REAL WAGES 1939-1976 OF THE WORKERS IN TEA AND RUBBER ESTATES

Year	Average Minimum daily rates of wages	Cost of living Index Numbers for estate workers (Base 1939=100 July-Sept.)	Wage Rates Index Numbers (Average Wage 1939=100)	Index Number of real Wages†
	<i>Rs. cts.</i>			
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
1966-67	2 27	325*	554	170
1967-68	2 63	432*	641	187
1968-69	2 68	368*	654	178
1969-70	2 70	393*	659	168
1970-71	2 72	401*	663	165
1971-72	2 82	428*	688	161
1973	3 25	474*	795	167
1974	4 06	532*	990	186
1975	4 66	568	1,136	200
1976	4 76	575	1,161	202

* 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 number = Index Number of real wages. Similar information as given for the estate labourers is shown in Table 16.5 in respect of un-skilled male worker in Government employment.

TABLE 16.5—AVERAGE RATES OF WAGES, COST OF LIVING INDEX NUMBER OF COLOMBO WORKING CLASS, WAGES INDEX NUMBERS AND REAL WAGES INDEX NUMBER OF UN-SKILLED MALE WORKERS—1939-1976

Year	Average monthly rate of wages	Cost of Living Index Number of Colombo working class families with base shifted to 1939=100	Wages Index No. of un-skilled male workers in Colombo (Base 1939=100)	Real wages Index Number of un-skilled male workers in Colombo*
	Rs. cts.			
1939	16 64	100	100	100
1940	16 64	104	100	96
1941	18 45	115	115	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	99 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	221
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	293†	684	234
1967	119 99	299†	721	241
1968	148 74	316†	894	262
1969	150 56	340†	905	247
1970	156 00	359†	938	242
1971	156 00	399†	938	235
1972	156 00	424†	938	221
1973	159 90	464†	961	207
1974	183 30	522†	1,102	211
1975	208 03	557	1,250	224
1976	212 20	564	1,275	226

* 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 Earnings

Index number of wage rates (minimum) and 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 16.6 shows the minimum daily rates of wages and minimum wage rate index numbers for these trades as from 1952.

**TABLE 16.6—MINIMUM AVERAGE RATES OF WAGES, MINIMUM WAGE RATE INDEX NUMBERS—
AGRICULTURE AND OTHER TRADES—1952-1976**

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. c.		Rs. c.		Rs. c.	
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	102.47
1955	2 09	106.63	2 95	100.37	2 16	105.88
1956	2 10	107.14	3 00	103.74	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	116.63	3 88	132.88	2 41	118.14
1965-66	2 28	116.33	3 88	132.88	2 41	117.89
1966-67	2 30	117.35	3 95	135.27	2 43	119.12
1967-68	2 67	136.22	4 63	158.56	2 82	133.24
1968-69	2 72	138.78	4 72	161.64	2 88	141.18
1969-70	2 74	139.80	4 76	163.01	2 90	142.16
1970-71	2 76	140.82	5 12	173.34	2 95	144.61
1971-72	2 86	145.96	5 27	180.37	3 05	149.55
1973	3 29	168.07	5 83	199.74	3 49	171.24
1974	4 11	209.91	6 88	235.81	4 33	212.38
1975	4 73	241.20	8 04	275.20	4 99	244.52
1976	4 83	246.43	8 24	282.30	5 10	250.00

A table showing the average earnings per day and the index number of earnings in respect of these trades from 1952, onwards is given below :—

TABLE 16.7—AVERAGE EARNINGS PER DAY AND INDEX NUMBERS OF EARNINGS—AGRICULTURE AND OTHER TRADES—1952-1975

Year	Earnings		Adult Workers			
	Agriculture		Trades other than Agriculture		All Trades	
	Average earnings per day	Index No.	Average earnings per day	Index No.	Average earnings per day	Index No.
	Rs. c.		Rs. c.		Rs. c.	
1952	2.17	100.00	4.39	100.00	2.34	100.00
1953	2.24	103.23	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	105.47	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	2.59	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	117.97	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	2.62	120.74	8.05	183.37	3.05	130.34
1967	2.67	123.04	8.44	192.26	3.12	133.33
1968	3.05	140.55	9.16	208.68	3.53	150.85
1969	3.08	141.94	9.61	218.91	3.59	153.42
1970	3.11	143.32	10.40	236.90	3.68	157.26
1971	3.37	155.30	10.26	233.71	3.91	167.09
1972	3.55	163.59	11.29	257.18	4.16	177.78
1973	3.82	176.04	10.76	245.10	4.37	186.75
1974	4.58	211.06	13.71	312.30	5.30	226.50
1975	5.63	259.45	14.72	335.31	6.35	271.37

Cost of Living Allowance

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 trades for which wages boards have been set up were based on the Colombo consumers' price index.

An allowance called Interim devaluation allowance was introduced in December 1967. From October 1973, an additional 10 per cent salary or wages or Rs. 20 (whichever is less) became payable to all employees drawing a salary or wages not exceeding Rs. 400 per month under the emergency (private sector) special allowance regulation (no. 1) of 1973. This allowance was increased to 20 per cent or Rs. 50 (whichever is less) to all employees drawing a salary or wages not exceeding Rs. 800 per month under the emergency (private sector) special allowance regulation (no. 5) of 1974, with effect from April 1974.

Government employees who were drawing cost of living, special and rent allowances became entitled to a consolidated salary with an allowance for married officers with effect from October 1969. From October 1973, government employees whose earnings did not exceed Rs. 400 per month also became entitled to a special allowance of 10 per cent of salary or Rs. 20 (whichever is less) similar to that payable to employees in the private sector, under the emergency (private sector) special allowance regulation (no. 1) of 1973. This allowance was increased to 20 per cent or Rs. 50 (whichever is less) to all employees drawing a salary or wages not exceeding Rs. 800 per month under the emergency (private sector) special allowance regulation (no. 5) also of 1974, with effect from April 1974.

On or after first February 1975, all workers drawing less than Rs. 800 per month were entitled to an additional emergency (private sector) special allowance which is not less than Rs. 25 per month in terms of regulations under the public security ordinance. In the case of the following categories of workers the allowance payable is ten per cent of the rate or wages for January 1975.

- (a) Plantation workers ;
- (b) Workers covered by the manual workers agreement of 1971 ;
- (c) Daily rated and piece rates workers.

Categories of employees not entitled to this allowance were :—

- (a) Those to whom collective agreement (no. 5) of 1967, applies ;
- (b) To whom the employer, voluntarily or otherwise, pays wages and a non-recurring cost of living gratuity which are not less favourable than the amount payable under the collective agreement referred to in (a) above.
- (c) To whom the employer pays a cost of living allowance determined in accordance with the Colombo consumers' index.
- (d) A person employed in an institution declared to be an approved charity within the meaning of the inland revenue act, and ;
- (e) An employee whose employer is bound by an order under section 10 (2) of the Industrial disputes act, in respect of the manual workers agreements of 1971, and pays wages and a non-recurring cost of living gratuity in terms of such agreements where the total number of workers employed by such employer is less than 25.

On or after January 1, 1976, every employer in any trade employing not less than twenty-five workers was requested to pay to each worker whose total earnings for the month did not exceed eight hundred rupees, in respect of each month including the month of January 1976 an allowance which is not less than fifteen rupees :—

Provided, that—

- (a) Where such employer is an employer in the tea growing and manufacturing trade, or the Rubber growing and manufacturing trade or the cocoa, cardamom and pepper growing and manufacturing trade or the coconut growing trade, or the cinnamon or the tobacco Trade, the allowance payable shall be six per centum of the amount payable to such worker as wages for the number of days worked during the month or fifteen rupees whichever is less, and such allowance shall be payable irrespective of the number of workers employed by such employer ;
- (b) Where such employer is a co-operative, the allowance shall be payable irrespective of the number of workers employed by such employer, and in the case of a casual worker, in proportion to the number of days he has worked for the month.

Where a worker is employed on a piece rate basis or a daily rate basis the amount payable under these regulations shall be a sum not less than six per-centum of the wages payable to him on a piece rate or daily rate basis, as the case may be. The amount payable in this case shall not exceed fifteen rupees per month.

Every employer of a worker whose total earnings for the month exceed eight hundred rupees but less than eight hundred and ninety rupees shall, in respect of each month including the month of January, 1976, pay to such worker as allowance, an amount equivalent to the difference between eight hundred and ninety rupees and the amount drawn by such worker as salary or wages for that month.

Notwithstanding the preceding provisions of these regulations the allowance referred to therein shall not be payable to a worker—

- (a) to whom the collective agreement (no. 5) of 1967, applies ;
- (b) to whom the employer, voluntarily or otherwise pays wages and a non-recurring cost of living gratuity which are not less favourable than the amount payable under the collective agreement referred of 1967 ;
- (c) to whom the employer pays a cost of living allowance determined in accordance with the Colombo consumers' price index ;
- (d) employed in an institution declared to be an approved charity under section 16A of the inland revenue act, (no. 4) of 1963, as amended by act, (no. 6) of 1969 ;
- (e) whose employer is bound by an order under section 10 (2) of the Industrial Dispute Act, in respect of any collective agreement published in *Gazette* No. 14, 1975, of September 10, 1971, and pays wages and a non-recurring cost of living gratuity in terms of such Agreement, where total number of workers employed by such employer is less than twenty-five.

The amount payable under these regulations to worker in any trade shall for the purposes of any written law be deemed to constitute part of his wages and accordingly the employer shall pay such sum within the period he is liable to pay the wages of such a worker.

Every worker who has been employed by an employer in any trade immediately prior to January 1, 1976, shall for so long as he continues to be a worker of such employer, continue to be so employed by such employer on such terms and conditions relating to salary, allowance or other payments in money not less favourable than those which such worker had enjoyed on the day immediately preceding January 1, 1976, the allowance payable under these regulations shall be in addition to such salary, allowance or other payments.

XI—WORKERS' EDUCATION

Three projects, viz., (i) workers' education project, (ii) workers' education on population and family planning (plantation sector) project and (iii) workers' education on population and family planning (urban sector) project are being implemented by the department of labour.

Workers' Education Project

This project is designed to educate trade union officials in the public, private, local government and corporation sectors to organise and develop their unions efficiently and effectively and also create an awareness of their rights, duties and obligations to the members and society at large. Activities of the department have been expanded to cover districts and cater to the persistent and ever increasing demand from the non 'metropolis'. A total of 54 such courses were conducted and approximately 1,457 trade union officials as well as representatives at management level have participated at these courses.

Workers' Education on Population and Family Planning (Plantation Sector) Project

The project is being implemented with the assistance of ILO and the UNFPA. The objective of this project is to create an awareness of population problems amongst workers as well as trade union leaders and supervisory personnel in the plantations and thus stimulate acceptance of family planning practices "enmasse" by worker population. An ILO expert is attached to this project.

There were 36 motivational training courses for grass-root level workers and 6 workshops for trade union personnel and supervisory staff. These courses were of 5 days duration. A total of 291 females and 724 males giving a total of 1,015 participants attended worker motivational training courses.

Discussions were held on estates for purpose of introducing worker motivators and popularise family planning practices among worker population.

A total of 54 one-day courses for grass-root level workers on family planning were also held at estate level.

Coverage in this regard was extended to 346 estates and 214 estate level committees formed.

Workers' Education on Population and Family Planning (Urban Sector) Project

This project is being implemented with financial assistance of the UNFPA under the guidance of an ILO Expert. Under this project educational activities are carried out by way of workshops, in-plant motivator courses, employer orientation courses, etc. One educator course, eight workshops for school teachers, ten workshops for trade union leaders and supervisors and four in-plant motivator courses and sixteen employer orientation courses were conducted in the various parts of the island with approximately 1,800 participants.

XII—INTERNATIONAL LABOUR ORGANISATION

The 61 session of the International Labour Conference was held in Geneva from 2-23 June, 1976. Agenda of the conference is set out below :—

- I. Report of the Director-General ;
- II. Programme and budget proposals and other financial questions ;
- III. Information and reports on the application of conventions and recommendations ;
- IV. Establishment of tripartite machinery to promote the implementation of international labour standards (second discussion)
- V. Working environment (first discussion) ;
- VI. Employment and conditions of work and life of nursing personnel (first discussion) ;
- VII. Report of the working party on Structure.

Sri Lanka was represented at this conference by a tripartite delegation consisting of :—

Government Delegates

- (1) Secretary, Ministry of Labour and Commissioner of Labour.
- (2) Permanent Representative, Geneva.

Government Advisers

- (1) First Secretary, Permanent Mission, Geneva.
- (2) Representative, Ministry of Industries and Scientific Affairs, and
- (3) President, Nursing Association of Sri Lanka.

Employers' Delegate

Secretary, Employers' Federation of Sri Lanka.

Workers' Delegates

- (1) Joint Secretary, Sri Lanka Independent Trade Union Federation.

Seventh session of the Committee on plantations was held in Geneva from 8-16 December, 1976. The agenda of the conference was :—

- I. General report.
- II. Collective Bargaining problems and practices on plantations and the exercise of trade union rights.
- III. Housing, medical and welfare facilities and occupational safety and health on plantations.

Sri Lanka was represented at this meeting by a tripartite delegation consisting of the following :

- | | | |
|--|---|----------------------|
| 1. Secretary, Ministry of Labour and Commissioner of Labour | } | Government delegates |
| 2. Permanent Representative, Geneva | | |
| 3. First Secretary, Permanent Mission, Geneva | — | Alternate delegate |
| 4. Chairman, Sri Lanka State Plantations Corporation | } | Employers' delegates |
| 5. General Manager, Janawasama, Janatha Estate Development Board | | |
| 6. President, Sri Lanka Independent Estate Workers' Congress and the | } | Workers' delegates |
| 7. International Representative, Ceylon Workers' Congress | | |

Convention (No. 135) concerning workers' representatives 1971, was also ratified.

XIII—NATIONAL YOUTH SERVICE COUNCIL

Under the National Service—Youth Development Programme of the National Youth Service Council, 1,022 youths had participated in the training programme at the Eraminiyaya Training Centre during 1975. Youths in co-operative Farms in Badulla District were also trained at this centre. Vocational training facilities were provided for youths of the Akmeemana area at the new vocational training centre established at Akmeemana. Action as regards establishment of new training centres at several other districts is being completed.

On a request made by the national committee on international women's year, two seminars were held at the Eraminiyaya training centre for 400 women.

Apart from opportunities being provided for youth to participate in development projects, the co-operative farm at Sirimavopura has earned an income of Rs. 650,000 from the cultivation of chillies, soya bean, green gram, Lanka parippu, etc. An income of Rs. 290,000 has also been obtained from the cultivation of paddy, coconut, pineapples etc. at the Walakumburumulle co-operative Janawasa with an area of 469 acres and a membership of 150 youths. Animal husbandry was also commenced during the year in addition to cultivation of tea, rubber, coconut and paddy at the Batangala co-operative farm.

Tractor units at Sirimavopura, Tissamaharamaya and Hingurakgoda have been useful to farmers in those areas in their agricultural activities.

As a part of a cultural development scheme a radio programme "Tharuna Sewa" was commenced by the Sri Lanka broadcasting corporation. Action was also taken to publish a quarterly magazine on cultural activities. All-island competitions, cultural seminars, award of scholarships to school children and establishment of cultural committees for youth services were also commenced during the year.

The council maintained close relationship with international youth organizations and a youth exchange programme with Canada was initiated. Under this programme, 35 youths from Sri Lanka were sent to Canada for a period of about 4 months and on their return 38 youths from Canada visited Sri Lanka for a similar period.

A national seminar at the Sri Lanka foundation institute for 35 youth workers selected on a divisional basis was mooted with the assistance of the UNESCO.

XIV—EMPLOYMENT AND MANPOWER PLANNING

There were 298 graduate trainees who remained unabsorbed in permanent employment from a total of 4,116 trainees admitted to the graduate training scheme as at end of 1975. Of this number, it was possible to secure permanent employment for 234 trainees during 1976, of whom 197 were in government departments and 37 in state corporations.

A total of 320 graduates were recruited in 1975 for training in development co-operatives established under the divisional development council Programme. Among them 220 were absorbed into permanent posts in the regional development division. The programme was continued and 1,340 graduates were deployed in training during 1976. Permanent employment was secured for 323 trainees in 1976, of whom 246 were in government departments and 77 in state corporations and statutory boards.

Studies were undertaken as regards employment generation, out-turn of graduates from universities, supply, surplus and outflow of skilled manpower categories and possibilities in obtaining employment for surplus manpower categories in manpower importing countries.

Training Unit

The training unit of the department of labour was intended to cater to training needs of the staff in the various departmental grades. Staff attached to the unit is headed by a senior assistant Commissioner of Labour.

Seven refresher courses for senior labour officers, an induction course for thirty three new recruits and a recapitulation course for similar officials were held during the year.

These courses, each of which was of two weeks duration, were held at the labour secretariat. Instructions were imparted solely in the form of lectures, followed by discussions.

CHAPTER XVII

EDUCATION

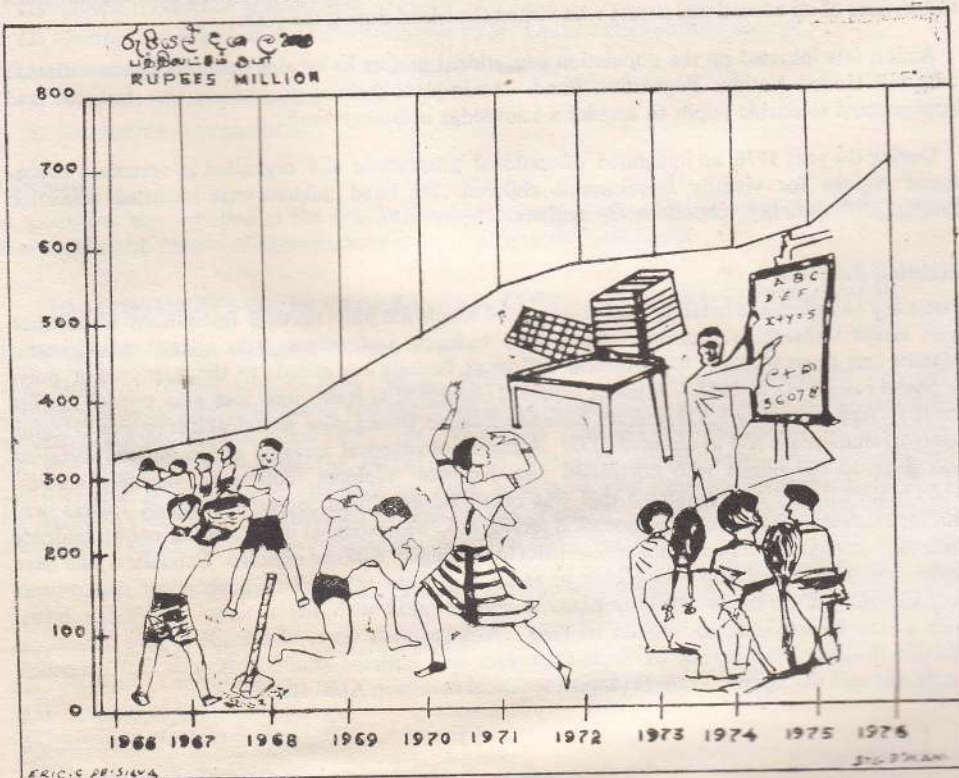
I—THE MINISTRY OF EDUCATION

Administration

The Department of Education that held the responsibility for the development of the educational system of Sri Lanka for well over a hundred years was decentralized in October 1966. The outcome of this change was the devolution of authority and responsibility on regional directors of education, who were entrusted with the management of education in all its aspects at regional level. The over-all charge of the education system, with regard to policy decisions and directions rests with the Ministry of Education.

The Island is divided into seventeen regions, each being placed under a regional director who is directly responsible to the Director-General of Education.

CHART No. 21—EXPENDITURE ON EDUCATION, 1966–1976



The Ministry of Education is composed of the following divisions:—

- Administration and foreign agencies ;
- Elementary, secondary and technical education ;
- Regional organisation ;
- Finance ;
- School works ;
- UNESCO national commission ;
- Education publications.

Educational Planning

Implementation of the educational reforms introduced in 1972 was continued, and changes were also effected as regards higher education. Few primary programmes were implemented in grades 1, 2 and 3. Arrangements were made to implement junior secondary programmes in grades 6, 7 and 9 and senior secondary programmes in grade 10. Preliminary work done in this regard, helped selection of subject streams for these grades with the commencement of work on curricular development.

A national committee to undertake research activities in education was set up in 1974.

A school census was conducted successfully on 1st March, 1976, on an islandwide basis.

Curriculum Development

The necessary syllabuses and curricula for the implementation of the new education programmes were prepared and in-service training classes were organised by the curriculum development centre. This centre has organised educational tours, educational sessions and training courses, to enlist the services of an educational expert who visited the island during the year.

Action was initiated on the population educational project in keeping with an agreement made with the United Nations Population Fund. An in-plant training programme was initiated and implemented to enable pupils to acquire a knowledge in factory work.

During the year 1976, an integrated educational programme was organised in seventeen educational regions for visually handicapped children. 268 blind children were imparted education through 209 ordinary schools in the regions.

Technical Education

There are 14 technical education institutions, 7 of which are polytechnical institutions while three were junior technical institutions. Three new technical institutions were opened at Kalutara, Matara and Samanthurai, the technical college at Badulla was raised to the status of a polytechnical institution in 1975. A junior technical institution at Ratnapura was also opened during the year. Approximately 5,300 students were admitted to these junior technical institutions bringing the total number on roll to about 10,000. A course of practical training of 3-6 months duration was given to 107 pupils who completed the national diploma course in business studies. The vocational training programme that was organised as a pilot project for school leavers was further extended. The technical education service too, was extended by providing correspondence courses in management science and mathematics for the higher national diploma. Candidates who have undergone the national diploma course in technology were attached to government departments corporations and private sector Institutions in collaboration with the national apprentice board with a view to providing an in-plant training. Arrangements were, also made to give a practical training to those following the course in commerce and business studies. A technical education curricular unit was opened at the Sri Lanka technical college in April 1975.

Scholarships

A total of 625 scholarships with financial aid and 2,619 scholarships without financial aid were awarded on the results of the grade 5 scholarship examination held in 1976; and on the grade 7 examination, 480 with financial aid and 1,800 without financial aid. On the results of the general certificate of education (ordinary level) examination, 71 general scholarships, 60 special aptitude scholarships and also 135 grade 5 scholarships in Tamil medium have been awarded. A sum of Rs. 550,000 were spent on library books and periodicals during the year.

Recruitment

A total of 8,850 teachers were recruited during 1976.

II—THE DEPARTMENT OF EXAMINATIONS

A total of 129,484 candidates from 4,657 schools received their education under the new curricula of 1972 and sat the National Certificate of General Education examination in 1975. At this examination 23,946 candidates were qualified for the Higher National Certificate of Education examination. Of these 10,000 were qualified for science. 226,998 candidates sat this examination in 1976.

The General Certificate of Education (ordinary level) examination, the largest examination of the department was also held in December 1975. 563,000 candidates sat this examination while in 1976 there were 434,871 candidates.

A total of 43,484 school candidates and 18,274 private candidates sat the General Certificate of Education (advanced level) examination in 1976.

The following examinations were also conducted by the department of examinations :—

- (1) Technical college entrance examination,
- (2) Sinhala proficiency examination,
- (3) Competitive examinations for recruitment to Sri Lanka administrative service,
- (4) Examination for recruitment to accountant's service,
- (5) Guru vidyalaya final examination,
- (6) Scholarship examinations.

Computer

A Computer was installed at the data processing branch of the department during 1976. This facilitated quick release of examination results to prospective candidates.

III—UNIVERSITY OF SRI LANKA AND COUNCIL OF LEGAL EDUCATION

University of Sri Lanka—Colombo Campus

Post Graduate courses such as M.A., M.Sc., PhD. which were formerly conducted by the three campuses of Peradeniya, Vidyodaya and Vidyalandara were centralized and are now being conducted at the Colombo campus since 1975. In 1976, post graduate degrees, Master of Education (M. Ed.) Master of Philosophy (M. Phil.), Modern Economics special degree, M. Sc. in applied statistics and post graduate diplomas as land settlement and development and the teaching handicapped children were introduced as new courses of study. These post-graduate and diploma courses were under the faculty of education, faculty of arts and faculty of natural sciences.

The faculty of education was centralized in 1975 and was brought under the following four divisions :—

- (1) Division of psychology of education,
- (2) Division of sociology,
- (3) Division of humanities,
- (4) Division of scientific and industrial education.

The demographic research and training unit was shifted to its new premises at No. 202, Buller's road, Colombo 7. Timely aid from the United Nations Development Project helped in doing so.

Staff attached to each of the faculties of the Colombo campus were :—

Faculty of medicine	..	69
Faculty of education	..	36
Faculty of natural sciences	..	69
Faculty of arts	..	83
Faculty of law	..	05

Total number of students registered for degrees in 1976 is 3,344 ; of whom 1,791 were males and 1,553 females. The new admissions for the year were 1,749.

Following were the results of the 1976 examination conducted by the University :—

<i>Course</i>	<i>Number of Students</i>
M.B.B.S.	70
LL. B. (External)	46
LL. B. (Internal)	36
General Science	94
Special Science	47
General Arts	13
Public Finance and Taxation	97
Estate Management and Valuation	159
Bachelor of Philosophy	12
M. A. (Geography)	01
M. Sc.	02
Ph. D.	01
M. D.	10

A total of 573 students had received Rs. 939,360 as loans for their educational activities in 1976. 526 first year students received Rs. 873,680 ; while 47 others Rs. 65,680.

University of Sri Lanka—Peradeniya Campus

The Peradeniya campus was known earlier as the university of Ceylon, Peradeniya. It now functions as a campus of the University of Sri Lanka. The Peradeniya campus continues to provide courses of study in arts, medicine inclusive of dental surgery and veterinary science, engineering, science and agriculture.

Number of students registered under various courses and faculties during 1976 appear below :—

Arts	..	2,079
Medicine	..	417
Dental Surgery	..	191
Veterinary Science	..	109
Engineering	..	604
Science	..	631
Agriculture	..	405

The following were the details of the examinations conducted by the Peradeniya Campus in 1976:—

<i>Name of Examination</i>	<i>Number Passed</i>
Bachelor of Arts (General)—results not released	.. —
Bachelor of Arts (Special)—results not released	.. —
Bachelor of Science (General)—results not released	.. —
Bachelor of Science (Special)	.. 69
Bachelor of Medicine and Bachelor of Surgery	.. 84
Bachelor of Science Agriculture	.. 89
Bachelor of Science (Engineering)—repeat examination August	28
Master of Medical Science	.. 01
Master of Arts (Geography)	.. 02
Doctor of Philosophy (Chemistry)	.. 01
Doctor of Philosophy (History)	.. 01
Bachelor of Science (Engineering)—results not released	.. —

University of Sri Lanka—Vidyodaya Campus

The Vidyodaya university of Ceylon was founded on January 1, 1959, with the enactment of Vidyodaya University and Vidyalkankara 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.

With the enactment of the higher education act, No. 20 of 1966, provision was made for the former universities to be constituted as transferred universities. In accordance with this act, higher education was co-ordinated to the needs of the state through the national council of higher education. In terms of the University Act, No. 1 of 1972, Vidyodaya University became one of the campuses of the University of Sri Lanka with effect from 15th February, 1972. Under the new act, the President became the academic and administrative Head of the campus, whilst the responsibilities of the faculties devolved on the Deans.

A campus board, faculty councils of Buddhism, languages, arts and sciences for administrative matters and academic committees of the faculties of Buddhism, languages, arts and science for academic matters were the new authorities of a campus.

In addition to the above authorities, a Board of Governors and a Senate were established as penultimate authorities of the university to decide on administrative and academic matters. These authorities function only in an advisory capacity, the Vice-Chancellor being the final authority.

The three faculties of study are as follows :—

Arts ;

Management Studies and Commerce ;

Applied Sciences and cover the following subjects :—

Sinhala, Pali, Sanskrit, geography, economics, social science, Tamil, English, history, public administration, business administration, commerce, estate management and valuation mathematics, statistics, physics, chemistry, biology and food science.

Sinhala is the medium of instruction at the campus. However, courses are provided in English for non-Sinhalese students. Facilities are also being provided for the first degrees in public administration, business administration and commerce courses in the Tamil medium and post graduate degrees in public and business administration in the English medium.

There were 2,378 students registered for various courses of study during the academic year 1976. Of these 1,439 were males ; and 939 females.

Distribution of teaching staff (Faculty-wise) was as follows :—

Faculty of Arts	.. 98
Faculty of Applied Sciences	.. 56
Faculty of Management Studies and Commerce	.. 27
Total	181

Number of students passed as graduates (relevant subjects) during academic year 1975 :—

<i>Examination</i>	<i>No. sat</i>	<i>No. passed</i>	<i>First class</i>	<i>Second upper</i>	<i>Second lower</i>
1975 Diploma in statistics examination— 1976 January	30	15	—	—	—
1975 Bachelor of science degree exami- nation (general)—1976 February/ March	53	26	7	5	11
1976 B.Sc. (public and business adminis- tration)—special degree exami- nation—1976 March	149	88	1	9	39
1975 B.Sc. (Polymer Sc. & technology) degree examination—1976 April	6	6	—	—	—
1975 Honours B.A. examination (philo- sophy)—1976 May	1	1	—	—	—
M.Sc. degree examination	2	2	—	—	—
1975 B.A. degree examination (external) —1976 May/June	462	318	—	1	4
M.A. degree examination—economics	1	1	—	—	—
Do. history	2	2	—	—	—
Do. sinhala	8	6	—	—	—
Do. pali	2	2	—	—	—
Do. buddhism	4	2	—	—	—

449 students have received loans to the amount of Rs. 2,782,500.

A campus board, faculty board, faculty meetings and departmental committees were formed during the year to deal with the various affairs of the campus.

University of Sri Lanka—Vidyalankara Campus

The origin of the Vidyalankara campus was the Vidyalankara Pirivena, which was founded in 1875. It developed into an important seat of learning and was constituted as a university on 1st January, 1959. The Vidyalankara University became one of the campuses of the University of Sri Lanka as the integrated University of Ceylon on 15th February, 1972, in terms of the provisions of the university of Ceylon Act, No. 1 of 1972. The Vidyalankara campus of the University of Sri Lanka is a body corporate, consisting of a Chancellor, Pro-Chancellor, Vice-Chancellor, Board of Governors and a Senate duly nominated, appointed or elected by or in accordance with provisions of the university act.

The four faculties of the Vidyalankara campus, viz., languages, Buddhist studies, arts and science were reconstituted as from 14th June, 1973 to function as two faculties of arts and science under two Deans.

Arts : Sinhala, English, Tamil and Hindi culture, linguistics, Buddhist studies, Arabic and Islamic culture, Western classical Culture (including Latin and Greek languages), Pali, Sanskrit, modern languages (including Hindi, Chinese, German, French and Russian), mass media, statistical systems, philosophy, history and archaeology geography, economics, library science and educational science.

Science : Mathematics, physics, chemistry, botany, zoology and Industrial Administration.

Staff : Strength of the Vidyalkara campus in 1976, consists of :—

Professors	...	...	16
Co-Professors	...	...	08
Senior Lecturers	...	...	25
Lecturers	...	...	39
Assistant Lecturers		...	69
Assistant Lecturers (Temporary)	...	...	42
Visiting Lecturers		...	83
Instructors (English)		...	32
Instructor (Chemistry)		...	01
Tutors	...	...	12

Out of 2,293 students registered during the academic year 1976-75 were females. The faculty of arts had a registration of 2,059 students, while the balance 234 were registrations for the faculty of Science.

Library facilities were extended with the availability of books and magazines in sufficient numbers.

University of Sri Lanka—Katubedda Campus

The Katubedda Campus of the University of Sri Lanka provides undergraduate courses in engineering, architecture, applied science and post graduate courses in architecture and engineering. The campus in addition conducts courses at technical level, viz., the national diploma in technology course, a certificate course for technical teachers and various part-time courses for middle grade technical personnel.

A new department of applied science was established in 1974 within the faculty of engineering. It is being developed in liaison with the University of Leeds and assisted by the Overseas Development Ministry of the United Kingdom. The course in applied science is closely geared to the needs of the industry to meet immediate demand for applied scientists and is of four-year duration leading to an honours degree.

The Town and Country Planning Department set up in 1974, provides a post-graduate course in town and country planning and would be of two years duration. The course would eventually leads to the award of Master of Science degree. The proposed course would be project-based and geared to special needs of Sri Lanka.

The Master's degree course in civil engineering (building science and technology) commenced during the year 1974.

Full-time courses

Undergraduate courses in engineering (civil, mechanical, electrical and electronics)

Undergraduate course in built environment

Undergraduate course in applied science

(mining, mineral processing and extraction ; metallurgy material science and ceramics ; chemical engineering and fuel science)

Postgraduate course in architecture

Post-graduate course in civil engineering (building science and technology)

National diploma in technology

Certificate in technical teacher-training.

Part-time courses include

Rubber technology
 Geology
 Gemmology
 Engineering (mechanical and electrical)
 Architecture
 Builders quantities
 Building construction
 Course for engineering apprentices
 Course for professional examination of the institute of engineers, Sri Lanka.

Student Population

There were 1,283 students, in respect of full-time courses and 1,074 in respect of part-time courses in 1974. Student intake increased by 2 per cent for full-time courses and 22 per cent for part-time courses over the preceding year.

The staff position at the end of 1976 is outlined below :—

Faculty of engineering and architecture—

Professors	... 08
Associate Professors	... 01
Senior Lecturers	... 18
Lecturers	... 13
Assitant Lecturers	... 51

Courses conducted and number of freshers admitted (1976) :—

<i>(i) Postgraduate courses :</i>	
M. Sc. in Town and Country Planning	... 05
M. Sc. in Architecture	... 04
<i>(ii) Full-time Degree Courses :</i>	
(a) B. Sc. Engineering	... 119
(b) Bachelor of Applied Science (B. A. Sc.)	... 20
(c) B. Sc. Built Environment	... 31
<i>(iii) Full-time Technician Level Diploma Courses :</i>	
(a) Technical Teacher and Instructor Training	... 28
(b) National Diploma in Technology	... 220
<i>(iv) Part-time Engineering Courses :</i>	
(a) Engineering Apprentices	... 59
(b) Gemmology	... 33
(c) Rubber Technology	... 58
(d) Geology	... 20
(e) Builders Quantities II	... 66
(f) Building Construction	... 84
(g) Electrical Engineering	... 62
(h) Mechanical Engineering	... 176
(i) Surveying and Levelling	... 14

Total number of students at the campus is given below :—

	<i>Full-time</i>	<i>Part-time</i>
Men	... 1,127	1,243
Women	... 162	58
Total	... 1,289	1,301

New Courses (1976)

Textile technology and rubber technology under the national diploma in technology (full-time) course.

Number of graduates passed out—

(a) M. Sc. in architecture	... 03
(b) B. Sc. engineering	... 100
(c) B. Sc. built environment	... 09

598 students received bank loans to the amount of Rs. 910,620 in 1976.

University of Sri Lanka—Jaffna Campus

The Jaffna campus of the University of Sri Lanka with the proposed Faculties of science, law, humanities and department of physical education was established with effect from 1st August, 1974, by *Gazette Extraordinary* No. 121/15 of July 25, 1974.

The higher education section of Jaffna college at Vaddukoddai and Parameshwaram college at Tirunelvely were brought under the University Act in setting up the campus.

In terms of the university of Sri Lanka Act. No. 1 of 1972. Section No. 8 (1) clause (a) the President shall be the administrative head of the campus.

Faculties and Deans

Of the proposed faculties, only two faculties, viz., the science and the humanities have been established. Each faculty functions under a Dean and there are a number of departments of study under each faculty. Every department is headed by either a professor or a head. The departments of economics, English, geography, Hindu civilization, history, philosophy, Sanskrit, Sinhala and Tamil are functioning under the faculty of humanities and botany, chemistry, physics, zoology, mathematics and statistics are functioning under the faculty of science at present.

Finance

The expenditure of the campus is met by the annual grants voted by the government.

Land Acquisition

Land to the extent of nearly 6 acres at Vaddukoddai ; and about 21 acres at Tirunelvely were acquired by the campus at the inception. Arrangements were being made to acquire a further extent of 25 acres of land in the neighbourhood of Thirunelvely.

Student Hostels

Separate hostel facilities were being provided for men and women at Vaddukoddai.

Teaching Staff

The teaching staff consists of 7 professors, 1 associate professor, 9 lecturers, 58 assistant lecturers, 39 instructors and 15 visiting lecturers.

Students

There were 114 students at the inception and this increased to 605 during the academic year 1976. 35 candidates have been registered for post graduate degrees.

Candidates who have registered for the post-graduate degree in the academic year 1976 were :—

<i>Courses</i>	<i>No. of Candidates</i>
Science (M.Sc)	07
Humanities (M.A.)	24
Doctorate	04

Legal Education

Apart from the courses of study in law that are available at the Colombo campus of the University of Sri Lanka legal education for students who wish to qualify as Attorneys-at-law of the Supreme Court is provided by the Sri Lanka Law College which is controlled by the Incorporated Council of Legal Education. The Council consists of the Chief Justice, Secretary, Ministry of Justice, Attorney-General and persons of standing in the legal profession appointed by the Minister of Justice. Admission to the law college takes place in the month of September each year. A total of 249 students were admitted to the college during 1976. Attorney-at law students who entered for examinations during the year totalled 1,008, of whom 559 students were successful. This figure includes candidates who withdrew themselves and candidates who did not appear for these examinations.

IV—RESIDENTIAL UNIVERSITY FOR BUDDHIST MONKS

Buddhasrawaka Dharmapeetaya

This Institution, inaugurated on 13th June, 1969, is a residential University for Buddhist monks established under the provisions of Act of Parliament No. 16 of 1968.

The objects of the University are :—

- (a) to train Bikkhus in accordance with the teachings of the Buddha ;
- (b) to promote meditation among the students of the University ;
- (c) to train Bikkhus for the propagation of the teachings of the Buddha in Sri Lanka and abroad ;
- (d) to encourage the study and research on Buddhism ; and
- (e) to promote Buddhist culture.

Examinations and courses of study are given below :—

The University provides a five year course of study leading to Tripitakavedi degree. The curriculum consists of the following subjects :—

- (1) Tripitaka (Sutra, Vinaya, Abhidhamma) ;
- (2) Buddhist philosophy and logic ;
- (3) Buddhist history and culture ;
- (4) Languages consisting of Sinhala, Pali, Sanskrit, English and Tamil ;
- (5) Meditation.

The University comprises four departments of study each of which is headed by a professor and consists of Buddhist monks and laymen as lecturers. The organisation and supervision of education is the responsibility of the Peetadhipathi the Head of the faculty.

All the subjects mentioned in the curriculum are compulsory during the first three years which constitute a qualifying examination for the degree. The fourth and the fifth years of the course are designated "degree first year" and degree final year respectively. "Degree first year" students are required to select only one of the languages, mentioned in the curriculum. The language so selected shall be a compulsory subject in the final year. The examination in meditation consists of two tests, namely a test in theory and a practical test.

Students are expected to pass in both these tests. A degree will be conferred on a student only after the board of education and administration has approved the dissertation submitted by him at the end of the five year course.

The First Year Examination

Sixteen students who entered the University in 1969 sat the final examination in August 1974, no completing the five year course. The results of the examination were as follows :

	<i>Number of Students</i>
Passes with honours	4
Passes in the first division	7
Passes in the second division (upper)	2
Passes in the second division (lower)	2
Ordinary passes	1

Degrees were conferred on these students at the convocation held in January 1975.

The results of the Tripitakavedi examination held in 1976 are as follows :

	<i>Number of Students</i>
First Class	Nil
Second Class (Upper)	1
Second Class (Lower)	2
Ordinary Passes	17

Meditation

Special emphasis is laid on the teaching of meditation in the Theravada tradition. While lectures are designed to provide instruction in the theory of meditation practical experience in meditation is afforded under the guidance of an instructor.

Propagation of the Dhamma

Religious activities were organized in the villages of Nallamudawa and Pullimuddai to train students in the propagation of the Dhamma. These students rendered valuable service in meeting various religious needs of the villagers as delivering religious sermons and conducting house to house visits begging for alms.

The following publications were released by the institution :

1. Buddha Sravaka Sangrahaya—1974, (The annual publication of the Brotherhood of Buddhist monks of the Dharmapeethaya) ;
2. Administration report—1975
3. Administration report—1976
4. The publication 'Buddha Sravaka Dhamma Peethaya' issued on the occasion of the opening of the Dhamma Peethaya.

Educational Publications Department

The Educational Publications Department was established in October 1966, by incorporating the publications section of the official language department and the 'book writing' section of the Education Department. Functions assigned to the department were :—

- (1) Preparation and publication of readers in Sinhala, Tamil and English for grades 1 to IX students ;
- (2) Preparation and publication of text books in Sinhala and Tamil in all subjects in the school curriculum ;
- (3) Writing and encouraging others to write books in Sinhala, Tamil and English on all subjects in the syllabus for grades 10 and 11 in accordance with the new educational programme and publication of these texts ;
- (4) Writing new Sinhala and Tamil books that are essential for higher education and translation of necessary English books into Sinhala and publication ;
- (5) Preparation and publication in Sinhala and Tamil of dictionaries and encyclopaedia.
- (6) Preparation and publication of Sinhala and Tamil glossaries that are necessary for various subjects taught in schools ;
- (7) Writing and publication of biographies in Sinhala ;
- (8) Writing and publication, in Sinhala and in English of supplementary story books for children ;
- (9) Writing and publication, in Sinhala and Tamil, of a series of books under the titles " Denuma Veduma " and " Arivichchudar " ;
- (10) Writing and publication of two students' monthlies, in Sinhala and Tamil titled " Nuwana " and " Valarmathie " respectively ;
- (11) Preparation for publication of a Sinhala version of the " Courier " magazine published by the UNESCO.

Distribution of Books

The department distributes all the books it publishes. A sales point has been established at Olcott Mawatha, Colombo 10. Books are distributed in the outstations through book sellers and district multi-purpose co-operative societies registered with the department. The number of registered book sellers at the end of 1976 was 1,064. M. P. C. SS. so registered were 212. The total income accrued from the sale of books during the year was Rs. 24,635,813.

Books published in 1976 were :—

School Books

<i>New prints</i> —	Sinhala	23	221,483 copies
	Tamil	19	116,336 „
	English	17	59,477 „
<i>Reprints</i> —	Sinhala	28	1,697,645 copies
	Tamil	22	575,124 „
	English	8	289,381 „

Higher Education Books

<i>New prints</i> —	Sinhala	5	9,962 copies
<i>Reprints</i> —	Sinhala	3	6,714 copies

Other Books

<i>New prints</i> —	Tamil	1	2,000 copies
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Magazines

<i>Issues</i> —	Sinhala	9	72,000 copies
	Tamil	2	7,849 „

Details of all books published by the department are included in a catalogue.

V—LIBRARIES AND DOCUMENTATION SERVICES

The establishment of a central library agency to organise the national library infra-structure was considered essential for a plan of library development to be successfully implemented. Library legislation was accordingly enacted in Sri Lanka, for the first time with the promulgation of the national library services act, No. 17 of 1970.

Development programmes originated in 1972 with the selection of one public library and one school library at least from each electorate with a view to maintaining a minimum standard of adequacy so that it could function as a district central library. The assistance of the Departments of Local Government and Education were available in this effort. These activities *per se* included provision of accommodation, furniture, and library equipment, and adequate collection of books co-operate reference, lending and children's services. Other aspects in the scheme of development were the appointment of qualified full-time librarians and library advisory committees to supervise the management of libraries. Necessary bye-laws have been framed.

The next stage in the development programme was the operation of mobile book supply services based on district central public libraries and school libraries. This service was initiated with the assistance of voluntary workers. An objective of this service is to provide readers who were hitherto prevented from procuring books they desired either due to poverty or vocational difficulties to obtain books with convenience. These services, the home delivery services in particular are gaining popularity.

Book clubs and readers' societies were being organised in various towns and villages, to foster reading habit, while book exhibitions had been organised with the collaboration of the national book development council where facilities were afforded readers to purchase books at reasonable prices.

Library statistics, available for the year give the total number of libraries functioning in the Island as 1,075. There were in addition, a fair number of libraries in various stages of organisation distributed throughout the Island. Of the total enumerated more than half were those organised with assistance of the library services board, while others that were established during last two decades by various government departments and institutions had limited objectives.

Public Libraries totalled 388 ; school libraries 595 ; libraries in educational institutions including those of university campuses 43 ; and special libraries totalled 49. Collections in all these libraries accounted for 3,000,333 books, 12,325 Manuscripts and 680,816 journals.

Best libraries are found in the University of Sri Lanka. Peradeniya Campus library is considered among the best. Of the six campus libraries those in the Colombo and Vidyodaya campuses are barely adequate, while others are in the process of development.

During the year 1976, a total of 7,484 books from the Ranfurly Scheme were distributed among public and school libraries in the island.

Floor space of libraries available was in the region of 266,791 sq. metres, providing a seating capacity of 14,894. There were 450,151 registered readers. Percentage wise distribution of the population served by the 3 principal library categories is :—

- (1) 94 per cent in institutions of higher education ;
- (2) 14 per cent in schools ;
- (3) 19 per cent in public libraries.

These figures reveal that the population yet served by schools and public libraries is inadequate and improvements in this regard would be the main development objective in ensuing years.

There is no national library in Sri Lanka. Some of the services provided by a national library are now discharged partly by Colombo National Museum Library established in 1877 and partly by the legal deposit library maintained by the Department of National Archives. The Ceylon National Library services board took over the possession of a site released by the government for the construction of buildings for the national library of Sri Lanka in 1976. This site about 2 acres in extent is situated at Torrington Avenue, Colombo 7. The work had been already handed over to the buildings department for commencement of work.

There were 1,393 librarians in service of whom 219 were employed in part-time service and only 203 librarians had obtained professional qualifications in library science. The Library Act, (No. 17) of 1970 empowered the Ceylon National Library services board to assist the government in developing library education in the Island. In pursuance of this authority, the board was successful in initiating action to open a Department of Library Science, at the Vidyalankara campus of the Sri Lanka University where this subject is now taught at graduate and post-graduate levels.

The library science course at preliminary, intermediate and final levels, provided by the Sri Lanka library associations since 1960 has been of much use to school-leavers particularly those seeking employment in the library profession.

A recommendation has been made to the Ministry of Education that, steps be taken to provide a minimal course in library science to teachers in training at the Guru Vidyalayas with a view to improving their library services. Some of the Guru Vidyalayas, it is hoped, would commence the course early. The board itself has also conducted regularly short-term courses in various urban centres in Sri Lanka. The organisation of library material has become somewhat systematic, while assistance sought in this regard from librarians is on the increase.

Sri Lanka National Publications Development Board

Sri Lanka National Publications Development Board is an institute which functions as a separate unit in the Ministry of Education, and was set up by the Ministry of Education in 1972.

The institution is located at the educational publications department, new secretariat, Maligawatte, Colombo 10.

Membership of the institution is a broad based one, many of whom are high ranking government officials and others are drawn from the respective private sectors, which include editors, publishers, printers and book-sellers.

The objectives of the board are to develop the institution of reading, writing, production, distribution, including exports and imports and work hand in hand with international organisations and institutions for the promotion and sale of books. The establishment and development of libraries also come under the purview of the Board.

VI—SRI LANKA ACADEMY OF ADMINISTRATIVE STUDIES

The courses of study conducted at the Sri Lanka Academy of Administrative Studies are mainly for government officials. The courses consist of financial management, administrative, managerial, supervisory and any course of study at the request of certain government departments.

The academy conducted 19 courses in Sinhala and 16 in English media making a total of 35 in the year 1976.

Total number of officers who attended these courses was 1,023 ; 569 in Sinhala and 454 in English media.

The courses are of short-term duration usually up to one-week or one-month ; courses conducted for accountants are of nine months.

A sum of Rs. 10,130 was levied from those who attended these courses of study.

CHAPTER XVIII

MUSEUMS, NATIONAL ARCHIVES, ARCHAEOLOGY, FINE ARTS AND CULTURAL ACTIVITIES

I—MUSEUMS

The Colombo Museum established on 1 January, 1877 completed a century of its existence in January, 1977. The most important and the largest of the National Museums, the Colombo Museum has within its walls objects of cultural, historical and artistic significance safely deposited over the past years. Provincial museums at Kandy and Ratnapura and the Folk Museum at Anuradhapura display cultural objects with a local background particularly of the respective regions these are located.

The natural history museum, constructed under the extension programme of the Colombo Museum when complete would exhibit objects of natural history. The old museum building would be utilised to exhibit ethnological and anthropological objects. There are at present separate galleries in the Colombo Museum for objects of Anuradhapura, Polonnaruwa, Kotte and Kandyan periods, as lamps, coins, crafts, costumes, anthropological objects, objects of Dutch era, ancient fine arts and the regalia.

The Colombo Museum consists of sections of ethnology, anthropology, geology, entomology, zoology and botany conducting research in their respective fields. The results of such research are published in the *Spolia Zeylanica*, the official publication of the department. Among research works of the department of National Museum were :—

- (1) Some of the statues in Colombo Museum.
- (2) A few historic places in Siyane Korale.
- (3) Foreign policy in international movement of plants.

Publications of historical volumes undertaken by the department during the year is outlined below :

- (1) *Ephigraphia Zeylanica*—Volume 1.
- (2) Coins and Currency—by Codrington.
- (3) Bronzes in Colombo Museum—by Dr. Ananda Coomaraswamy.
- (4) Ceylon National Congress—by S. W. R. D. Bandaranaike.
- (5) Banners and Standards—by E. W. Perera.

Besides *Spolia Zeylanica*—Volume 32, Part 2,, Volume 34, and the catalogue of palm leaf scripts of the Colombo Museum library are under print.

Under the education programmes, 19,250 students were benefited by the free guide lecture service, while public lectures and film shows were also held during one year. A children's magazine "Singithi" is published by the department. Three editions of this magazine have already been released. All publications of the national museums are available for sale in Colombo and in the provincial museums.

The museum library, the oldest and the largest in the island consists of more than 350,000 books and about 3,500 palm leaf inscriptions. A copy of each publication in the island is sent to the Museum Library by the Registrar of Books and Newspapers. Only approved readers are allowed access to the library. Research workers are eligible to be approved readers. There were 248 registered readers in 1975.

The national museums have collected 273 objects and 1,814 zoological specimens during the year. Two boxes of pressed plants were received from the Smithsonian Institution as gift. A joint survey conducted in collaboration with the Smithsonian Institution during the year 1976 helped collect 1,500 specimens.

The department held a photographic exhibition in connection with the Non-Aligned Summit Conference and an exhibition of gifts presented by the Prime Minister of Sri Lanka to the national museums.

The number of visitors to the Colombo museum and provincial museums were respectively in the region of 236,115 and 118,303. A sum of Rs. 47,519 has been collected as admission fees. Income from other sources totalled Rs. 34,991.

All national museums are open daily, 9.00 a.m. to 5.00 p.m. excepting Fridays, Saturdays, the Sinhalese New year day and the Vesak full moon day.

The national museums continue maintain cultural relations with the International Council of Museums, Paris.

II—NATIONAL ARCHIVES

The functions of the Department are governed by Law No. 48 of 1973. According to the Archives Law, state records more than 25 years old and selected for preservation for development, administration and historical research are transferred to the National Archives for permanent deposit. The department also conducts surveys among temple libraries and other private collections to select documents of national importance, and also render assistance in listing, calendering and repairing these documents. It also encourages individuals and institutions possessing valuable documents, to deposit them in the national archives for permanent preservation and to be used by research students. The department affords training facilities to binders, document repairers, reprographers and records managers in government and semi-government offices and renders assistance to individuals and organisations in organising their record rooms and in the preservation of records. The Director, National Archives also administers the printing presses ordinance, the Printers and publishers ordinance and the newspapers ordinance (cap. 178-180). The national archives is also the legal depository for all publications and newspapers printed and published in the island.

Construction work on the second two-storeyed block of the north wing was completed and all divisions of the department housed under one 'roof'. Work of the first two storeys of the six-storeyed special repository commenced in December, 1976.

Departmental officers completed 19 record rooms of various state and state-sponsored institutions. A total of 122 linear feet of records, accrued for permanent preservation from 66 such institutions during 1976. Final documents for preservation and destruction of public records under section 16 (h) of the National Archives Law No. 48 of 1973 were signed in respect of court records of the Ministry of Justice. Preliminary documents were also prepared in respect of the following State institutions. viz : Ministry of Education, Kachcheries, Police Department, Land Development Department, Petroleum Corporation, Sri Lanka Electricity Board, Tea Research Institute (Talawa-kele), Port Cargo Corporation. Specimens of new issues of Stamps and 'first day covers' issued during 1976 were transmitted by the Post and Telecommunications Department. Specimens of currency notes issued during the year were similarly transmitted by the Central Bank to the archives. Other records obtained for permanent preservation include election material of the two by-elections of Ja-Ela and Mulikirigala constituencies.

During the year 18 temple libraries were examined by the Department of National Archives. Of these, 9 libraries were given necessary technical assistance for purpose of preserving documents and books. A large collection of documents and other literature in the possession of individuals

were received as donations. Some manuscripts of historical value brought from temples and individuals, were microfilmed for departmental purposes and originals returned to owners after conservation work. Two public exhibitions were held during the year.

Under requirements of the printers and publishers ordinance (chapter 179) 3,807 publications^s have been received for registration and under the newspapers ordinance (cap. 180), 192 newspapers^s have been registered. A total of 51 declarations were received for registration of new printing presses, while 57 printing presses were closed down during the year. There were 908 printing presses in Sri Lanka registered as at end of 1976.

III—ARCHAEOLOGY

Activities of the Department of Archaeology were expanded during 1976 and two major conservation projects, viz., lifting of colossal Buddha statue at Maligavila and construction of a shelter for the Avukana Buddha statue were taken in hand.

Excavations

The excavation in the ancient city and the seaport of Mantota in Mannar district were expanded and continued. Various 'finds' recovered from the site are being examined at the laboratory.

Excavations at the Yatala Vihara and Sandagiri Dagoba in Tissamaharama were continued and the excavated sections of these monuments were conserved.

Further excavations were undertaken to expose subterranean water channels in the pleasure garden at Sigiriya. The excavation and conservation of the dome and pesava of the Dighavapi-dagoba was continued.

Chemical Conservation of Ancient Paintings and Monuments

Ancient paintings at Ridivihara in Kurunegala district and Pokunuvita Rajamahavihara and Kelani Rajamahavihara in Colombo district were cleaned up and conserved. Paintings at Kosgoda Vihara, Ganegodellavihara, Kivulpene Vihara, Sunandarama Vihara and Yataththevela Vihara were examined.

The Buddha statues at Galvihara, Polonnaruwa and Avukana were chemically treated and conserved.

Lighting of Ancient Monuments and sites

An expert from UNESCO was consulted as regards lighting of the ancient cave temple of Dambulla in Matale district. A blue print was prepared under the guidance of the expert for the lighting of Potgul Vihara and Thuparama in Polonnaruwa.

New Museums

The construction of buildings in connection with the establishment of archaeological museums in Jaffna, Galle and Isurumuniya Vihara in Anuradhapura was undertaken and satisfactory progress made at the end of the year.

Exhibitions

A cultural exhibition was held at the National Museum premises, Colombo in connection with the Non-aligned Summit Conference.

Publications

A total of 2,101,000 picture post cards of ancient monuments and two guide books to ancient sites^s of Sigiriya and Polonnaruwa were printed and published. Action was also initiated to prepare an archaeological map of Sri Lanka.

Antiquities Ordinance

Draft amendments to the antiquities ordinance for purpose of restricting export of antiquities were prepared.

Inspections

A number of sites were inspected and necessary action taken to declare important sites as archaeological reserves and protected monuments.

Routine Excavation and Conservation Work

Repairs to the Audience hall, Kandy, were completed. The excavation and conservation of remains at the following sites were continued :—

Kantharodai, Polonnaruwa, Ritigala, Padaviya, Anuradhapura, Mihintale, Tiriyaya, Velgam vehara, Seruvila, Mudu Maha Vihare, Neelagiri seya, Menikdena, Panduwasnuwara, Yapahuwa, Rajangane, Kotte, Tantirimale, Deliwala and Ridivihare.

Inscriptions

Forty nine inscriptions were discovered and copied during 1976.

IV—FINE ARTS

The pictorial traditions of Sri Lanka goes back to the third 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 more a part of the scheme of moral edification and less of aesthetic decoration. The themes of these paintings were selected from the 550 Jataka stories which were connected with the life of the Bodhisathva and were the visual side to bring home the value of the Paramitas or Strivings towards perfection.

The remains of these ancient paintings are known through notices in ancient books as well as from the researches of the archaeological department. The earliest paintings of any note extent are, however, datable no earlier than the 5th century A. D. They are known as the Sigiriya frescoes but are not patently religious. The Kandyan school and its counterpart in the south evolved their own methods of painting technique.

In the opinion of an Indian expert, Sri Lanka's remnants of paintings are more numerous than in India. The folk art of the Island, known as Sittara, is peculiar to Sri Lanka. This type of art persists to this day. During the Kandyan times, i.e. from the 16th to 18th centuries, this art received its best expression. With the coming of the first European (Portuguese) with vested interests in the Island there appeared a new trend in art which became most noticeable in British times.

Folk Art

The tradition in the folk art is what has been handed down from the middle ages in the island's history. 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 Badde, 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 Sri Lanka, the artistic expression of the folk mind, as distinguished from the "fine arts", the art of the sophisticated. Sri Lanka masks are of the 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 and those used in Kolam, which 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 Sri Lanka mask ranks among the highest expression of the art of simple folk.

A folk art of mediaeval ages was the rukada, or the art of puppetry, dramatising stories with the use of figures in the round gorgeously coloured and manually operated.

Fine Arts

The Arts Council of Ceylon constituted by an act of Parliament in a pivotal organisation which helps promote development of the arts in Sri Lanka, the arts council receives an annual grant from the government.

Kandyan dancing—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, the Udekki and the Pantheru dances. These dance forms are spectacular displays of artistic excellence and possess great entertainment and educative value.

Government College of Dancing and Ballet

The Government College of Dancing and Ballet has been reconstituted to cover all aspects of, aesthetic education. This institution now functions as the institute of aesthetic studies of the University of Sri Lanka. There were 428 students on roll at this institution as at end of 1976. Ramanathan academy of fine arts which also functions under the University of Sri Lanka, conducts a four year course in music.

V—CULTURAL ACTIVITIES

State participation in fostering, encouraging and assisting in the development of the cultural life of the people is primarily the responsibility of the Ministry of Cultural Affairs. Promotion of religious activities of adherents of principal religions in Sri Lanka is also the responsibility of the Ministry, which channels its activities through the Department of Cultural Affairs.

Religious Activities

A host of various activities in promoting religious affairs were fulfilled during the year, while granting financial assistance to religious organizations to propagate Buddhism on foreign soil.

Dhamma Examinations.—At the final certificate examination for Dhamma schools held in February, 1976 at 182 centres 3,476 candidates were successful. The Bauddha Dhammachariya examination was held on 27 and 28 November, 1976 at 55 centres. A total of 3,021 candidates appeared for this examination.

Dhamma Schools.—506 new Dhamma schools were registered during the year. In keeping with modern education trends, a series of Dhamma school text books were compiled by a board well-versed in Buddhist education. Sri Lanka Dhamma schools' day celebrations were held in October 1976 at the John De Silva memorial theatre, presided over by the Minister of Cultural Affairs. Successful students were the recipients of awards.

Bhikku Identity Cards.—684 Bhikku identity cards were issued in 1976 giving an over-all total of 18,480 identity cards so far issued.

Divisional Sasanarakksaka Councils.—A set of Tripitaka books was gifted to the best divisional council selected in each district. Allocations to government agencies were Rs. 21,677 to cover incidental expenses of these councils.

Sasanarakksaka Societies.—Initial steps were introduced to widen cultural relations between rural folk and temple authorities.

Religious Grants

(a) A sum of Rs. 148,000 was paid to 142 religious centres to effect improvements to Vihara buildings. Grants were also paid for such purposes as :

- (i) Vipassana Meditation centre Rs. 2,000
- (ii) The Dhamma publications section of the Sasana Sevaka Samitiya (Ltd). Rs. 2,500
- (iii) Pirith-chanting at the Sri-Maha Bodhiya Rs. 5,000
- (iv) All island contest conducted by the Sri Lanka Bauddha Peramuna to commemorate 2,600 years of the Birth of Prince Siddhartha Rs. 1,440

(b) Grants to other Religious Bodies :

- (i) Hindu religious affairs Rs. 36,000
- (ii) Islamic religious activities Rs. 25,200
- (iii) Catholic and Christian organisations Rs. 21,600
- (iv) A grant of Rs. 800 was also made to the Buddhist Society of University of Sri Lanka, Peradeniya campus.

(c) Financial Aid for food, clothes, medicine and lodging.

Financial assistance for provision of food, clothing, medicine and shelter. A sum of Rs. 840 has been incurred in providing these facilities to incumbents at the Swarnabimbaramaya, Mannar, Tissa Vihare, Kankesanturai and the Bodhiraja Viharaya, Madu Road ; Buddhist Clergy and temples in United States, United Kingdom and Malaysia were afforded assistance totalling Rs. 65,000.

Other Activities

The newly elected Anunayake of Asgiriya Chapter, Siyam Nikaya, was ceremonially presented the Act of Appointment at the Audience Hall, Kandy, by the President of the Republic of Sri Lanka on 16 July, 1976.

A State funeral was accorded at the cremation of the late Deepegoda Chandrakeerthi Sri Chanda-wimala Mahanayaka Thero of Ramannaya Nikaya.

Fine Arts

Kalayathanas, artists and amateur writers were granted subsidies to promote fine arts in the island. Cultural relations with countries abroad were strengthened.

Activities in this regard were :—

- (a) A grant of Rs. 10,880 under the scheme of subsidies to the needy.
- (b) Rs. 190,875 paid to Kalayathanas and Rs. 6,000 to Royal Art Society (Ceylon Branch)
- (c) 85 new cultural societies were registered during the year. A system of registration of Kalayathanas is being devised.

(d) A festival of drama organised for the Non-Aligned Summit Conference ;

A series of publications on cultural aspects of the country were released for purpose of sale.

Cultural Shows

Cultural shows were arranged with the participants of foreign countries :—

- (i) Soviet ballet.
- (ii) Puppet show from German Democratic Republic.
- (iii) Musical entertainment also from the German Democratic Republic.

The state dance ensemble of the Republic of Sri Lanka which visited the Soviet Union and the German Democratic Republic staged performances in the two countries.

Literary Activities

Much progress was achieved in the development of various literary activities to assist both writers and the reading public. These took form of purchase of books, literary awards competitions and the Sahithya Day celebrations. Highlights of the literary activities during the year were :—

- (a) Purchase of books to the value of Rs. 13,110 under the scheme of assistance to amateur writers ; subsidies of Rs. 5,500 to print books on research work.
- (b) Literary awards to the value of Rs. 9,000 to authors of the best literary creatives in Sinhala and Tamil.
- (c) An Island-wide series of literary competition for amateur writers and school going children.
- (d) Annual Sahithya day celebration held on 27 and 28 November, 1976 at the Paththalagedera teachers' training college, Veyangoda. A Special issue of the "Sahithya Sangarawa" was released covering mainly articles on the literary revival since 1956.
- (e) Translation of Tripitakaya and compilation of Sinhala dictionary and the Buddhist encyclopaedia.

CHAPTER XIX

PUBLIC HEALTH

1—GENERAL

The planning and financing of Public Health and Medical Services in Sri Lanka rest mainly with the state. The national health services are administered by the Department of Health which functions under the Ministry of Health. The amalgamation of the department with the Ministry of Health in 1966 saw a progressive step been taken towards a closer co-operation of health administration in the Island. Budgetary allocation for provision of Sri Lanka's health services in 1976 totalled Rs. 409.2 million compared with Rs. 351.6 million the preceding year.

There were 345 government hospitals with a total bed-strength of 39,568 scattered over the island. Doctors and assistant medical practitioners in state medical institutions totalled 3,181 with an overall nursing staff in the region of 5,600.

II—VITAL STATISTICS

Records of vital occurrences in the life of the community as births, deaths, marriages, etc., are commonly referred to as vital statistics.

Population

The estimated mid-year population of Sri Lanka for the year 1976 was 13,730,000 an increase of 1.6 percent over the preceding year.

Births

The number of births registered during 1976 was 378,833 compared with 374,889 in 1975. The crude birth rate for 1976 was 27.6 per 1,000 population. This had decreased from 27.7 in 1975.

Deaths

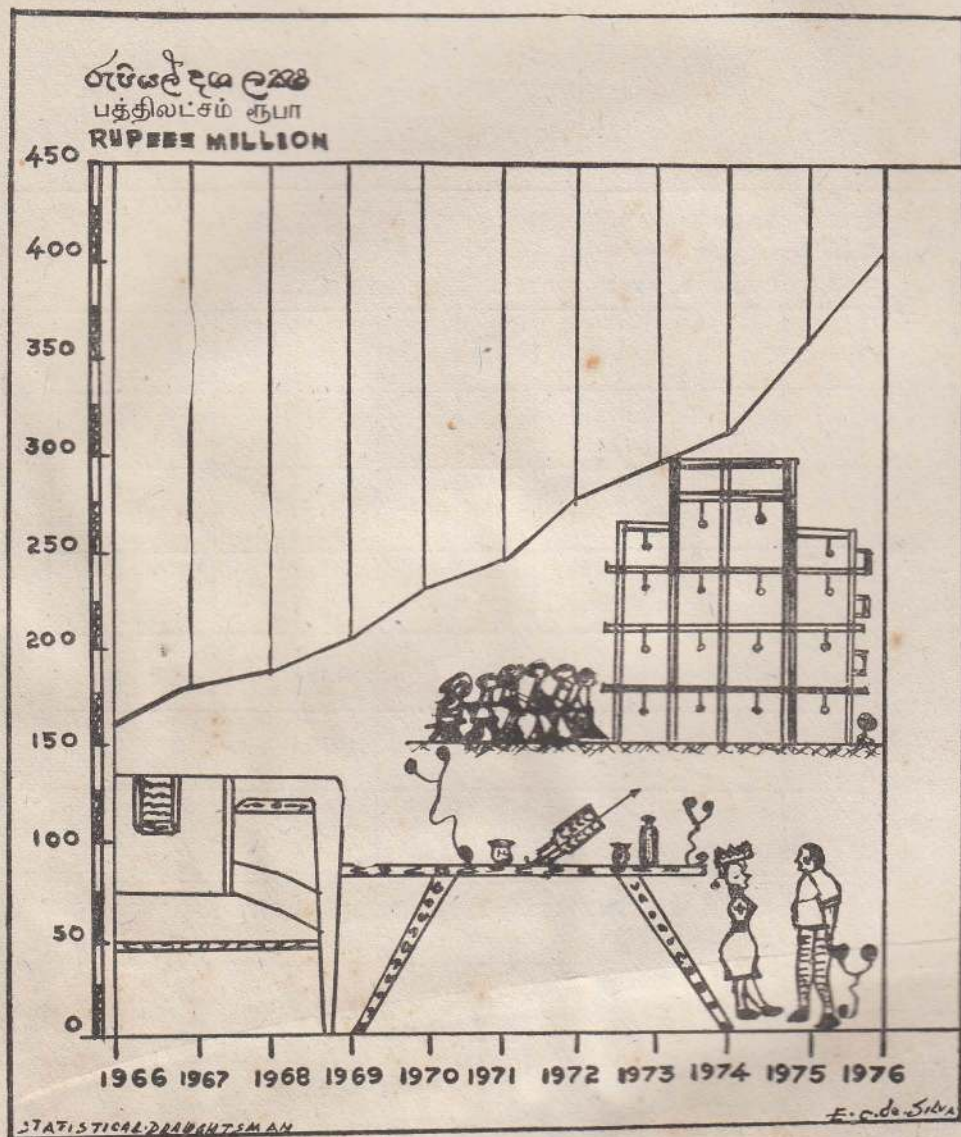
Deaths registered for the year 1976 were 109,293 the corresponding figure for 1975 been 115,175. The crude death rate for 1976 was 8.0 per 1,000 population as compared with 8.5 in 1975.

The rate of natural increase of population which in 1975 was 19.2 increased to 19.6 in 1976.

Infant Deaths

Deaths of Infants (under 1 year of age) registered during 1974 totalled 17,743 with a corresponding increase in infant mortality rate from 46.3 in 1973 to 51.2 in 1974.

CHART NO. 22—EXPENDITURE ON PUBLIC HEALTH, 1966-1976



Maternal Deaths:—The number of maternal deaths recorded in 1973, was 453 as compared with 454 the preceding year. Maternal mortality rate was static during years 1970 and 1971 with 1.2, a similar trend continuing up to the year 1973. This figure declined further to 1.0 during 1974.

CHART NO. 23—INFANTILE MORTALITY RATE, 1966-1974

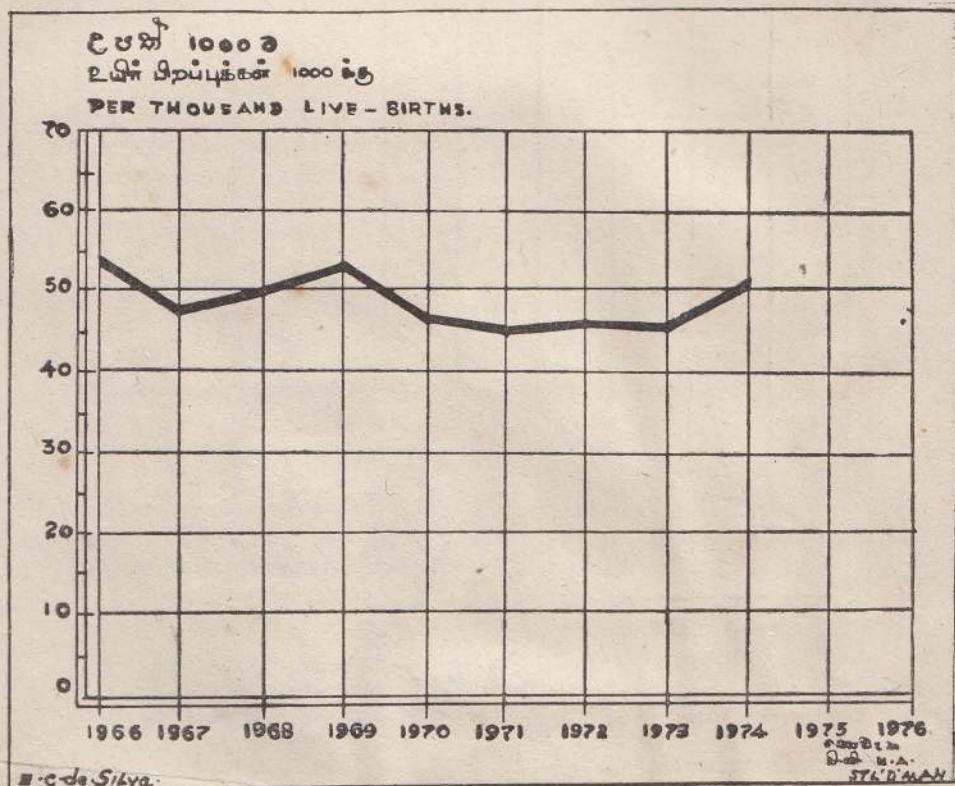
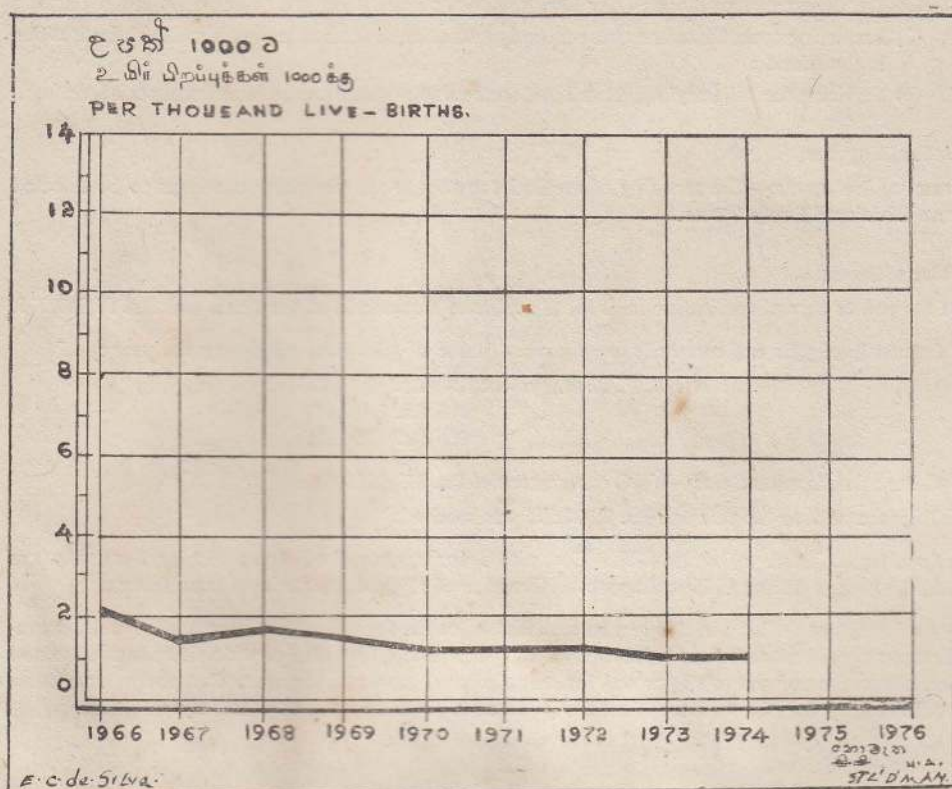


CHART No. 24—MATERNAL DEATH RATE, 1966-1974



III—HEALTH PLANNING AND PROGRAMMING

The health planning and programming division as in the previous years continues to operate—

- (1) An annual health plan spelling out a general programme of action ;
- (2) An annual implementation programme setting out physical and financial targets for all projects and programmes of the department of health and the department of ayurveda ;
- (3) A financial and work plan.

Progress was reviewed in terms of the financial and work plan and the annual implementation programme.

New proposals for the health sector capital investments were formulated and forwarded to the Ministry of Planning for incorporation in the annual estimates.

Statistics were compiled from institutions and cadre requirements for institutions up to all levels had been determined. Similar statistics in respect of the district, base, provincial hospitals and special institutions were processed to determine cadre requirements for those institutions.

Apart from the normal activities in health planning and programming, necessary attention has been focussed during the year on—

- (a) Financial analysis and institutional planning ;
- (b) Organise a regional work shop on health man-power planning at the beginning of 1976, and another on country health programming during December, in collaboration with the W. H. O.

The Planning and programming activities were directed towards :—

- (a) Rendering reports to brief Sri Lanka missions abroad on health activities in Sri Lanka ;
- (b) Rendering consolidated reports on food production in medical and public health institutions in the Island ;
- (c) Servicing the Ministry budget cell and sectoral sub-committee on health and social services.

Medical Supplies

State medical stores.—The servicing of medical supplies to the periphery continues to be directed from Divisional Drugs Stores.

Value of Stocks

At the end of annual verification in 1976, the value of stocks held at the stores was Rs. 55,709,005.

International gifts and care milk programme.—Value of gifts received during the year :

U. N. F. R. A. Project 104	Rs. 4,477
„ 105	Rs. 1,462,477
„ 106	Rs. 296,115

Other miscellaneous items—WHO other agencies Rs. 849,060.

Triplosha milk to the value of Rs. 9,304,575 was received.

Local manufacture of drugs.—The Committee for approval of drugs for local manufacture held 8 meetings during 1976 and approved formulae of 37 products for local manufacture.

An important decision in this regard was that, once the formulae have been approved all manufacturers should manufacture 'trial batches' of the products, formulae of which have been approved and obtain the committee's approval for manufactured products, to ensure that the manufacturer would become familiar with technicalities involved to produce drugs satisfactorily on tender.

<i>Drug dealers :</i>	No. of dealers	3,096
	Dealers licensed	1,274
	Licences to be renewed	922
	Closed cases	900

Total revenue collected by way of licensing fees for the year was Rs. 50,900.

Equipment.—Equipment for the various health institutions in the island continued to be supplied by the state medical stores.

IV—FAMILY HEALTH

The family health programme has completed its eighth year of operation. Success gained in this regard is evidenced from details below :—

- (a) The Government's co-operation with the Royal Government of Sweden has been established by enhanced assistance from S. I. D. A. Work on construction of the new Family Health Bureau commenced and has progressed quite satisfactorily.
- (b) Acceptance of family health by Sri Lanka masses has now been established in principle.
- (c) Two hundred new M. C. H. clinics have been established in the estate sector ;
- (d) All voluntary organizations, societies, and social service groups have co-operated very encouragingly with the government's programme. Original programme which embraced mother and child health 'concept' with family planning now involves immunization, nutrition and environmental health ;
- (e) The Family Health Bureau extends its assistance to specialized campaigns whenever a need so arises.

Administration

There has been no appreciable change in the general administration of the family health bureau. All sub-programmes however, have been inter-related on a better footing.

Training.—In-Service training programme of the family health bureau during the year is outlined below :

Category	No. in-Service	Trainees		
		1974	1975	1976
Medical Officers	1,661	104	340	216
Nursing Personnel	6,168	1,322	1,587	925
Other Health Personnel	5,902	957	1,127	960

Ayurvedic physicians.—Divisional training conducted during 1976 :

	Number Trained
Kurunegala	21
Galle	22
Kandy	18
Colombo	22
Anuradhapura	18
Jaffna	20
Ratnapura	22

Other activities of the bureau include training programmes and seminars for family health workers, CNAPT volunteers and social service workers.

Health Education

Most of the anticipated activities were curtailed due to the non-availability of essential basic resources. The non-availability of financial resources and delayed assistance as regards personnel services were main hazards in the curtailment of activities on family health work.

Family health bureau nevertheless carried out activities as :

1. Family health education,
2. Library services,
3. Intensive implementation of the district organization.

Family health education activities.—Talks, discussions, and film shows were conducted in government departments, corporations, and voluntary organizations for staff personnel.

Family planning instructions booklet.

Reprinted .. 10,000 copies—Sinhala
5,000 copies—Tamil

Posters reprinted :

- (a) For a small family —4,000 Sinhala
—5,000 Tamil
—5,000 English

(b) Preparation of Tamil versions

- ‘ On Spacing ’
- ‘ On Vasectomy ’
- ‘ On getting information on F. P. ’
- ‘ On economic benefits. ’

The routine distribution of printed material to all medical officers, ayurvedic practitioners and departmental staff were undertaken by the bureau.

Library

The library of the bureau continues to receive periodicals, journals and other publications.

Intensive Implementation Districts

The programme was initiated in 4 S. H. S. divisions—Colombo South, Kegalle, Jaffna and Batticaloa. Preliminary discussions have been held and initial basic data collected for analysis. Further progress is being planned to implement the programmes on a wider coverage.

Supplies and Services

Supplies and services section of the bureau has forged ahead its scheme of decentralization in the distribution of contraceptives to the 14 divisional drug stores. The bureau continues to distribute equipment, instruments and other items received from SIDA apart from requests for sterilization programmes.

Equipment and other items received on UNFPA project SRL 0105 have been distributed though at a slower pace due to shortage of transport facilities.

Steps were taken to introduce Depo Provera (Medoxy Progesterone, Acetate Suspension) as a method of contraception while 'follow-up' was carried out as trials on 'norigest', another injectable preparation and the intra-uterine contraceptives device.

Sterilization services.—The programme commenced at the beginning of 1976 was somewhat thwarted towards second half of the year.

Estate Sector

Training and orientation of estate para-medical staff in family health has continued. Basic training of midwives for employment in the estate sector is in progress. Of a total commitment of 100 midwives, 82 are in training.

Two hundred polyclinics in the estate sector continued to function during the year. Provision has been made to upgrade these clinics with basic clinic equipment and drugs, obtained through UNICEF assistance. Apart from maternal and child care services offered at these clinics, provision has also been made to provide Thripasha to 'vulnerable' groups. Family planning services have been provided with the establishment of sales points on estates.

School Health

The service needs much more attention than could be afforded with restricted personnel, equipment and funds. Unrestricted extension of 'mother and child' health services to school health work would help prevent health hazards in the adolescence.

V—DENTAL SERVICES

Dental care is an important aspect of health work. Facilities afforded in this regard were expanded during the year. Provision of dental staff in 1976 was :

Dental Surgeons	255
School Dental Nurses	310
Dental Technicians	12
Pupil Dental Nurses	50

There were 108 hospital dental clinics inclusive of branch clinics and 159 school dental clinics functioning as at end of 1976.

The work done at these Institutions is shown below :—

<i>Hospital Dental Clinics</i>		<i>School Dental Clinics</i>	
Fillings	97,493	Fillings	145,673
Extractions	745,395	Extractions	96,203
Sealings	37,142	Sealings	240,113

School dental clinics (one each) have been established in schools given below :—

Amparai Maha Vidyalaya
 Primary School, Morawaka
 Junior School, Rambodagalla
 Gamini Maha Vidyalaya, Vavuniya
 Muslim Maha Vidyalaya, Trincomalee
 Christ Church Balika, Baddegama
 Sinhala Maha Vidyalaya, Punduluoya.

VI—NUTRITION

With the increase in awareness towards food and nutrition work of the nutrition division has been directed particularly at defining, preventing and alleviating problems which have an impact on food and nutrition.

An explicit interest was evinced in nutritional problems of the population at highest levels of national planning in the country. This was manifest as evident from other activities as :—

- (1) successful completion of the first ever, nationwide survey of nutritional status of pre-school children, initiated by the Ministry of Health ;
- (2) serious attempts to set up a nutritional surveillance system, with help of U. N. agencies ;
- (3) attempts to evolve a national food and nutrition policy.

The department of nutrition of the Ministry was closely involved in each one of these fields.

Sri Lanka Nutritional Status Survey of pre-school children

A statistically acceptable sample of 13,000 pre-school children drawn from the 15 s. h. s. areas were surveyed to assess prevalence of protein-energy undernutrition, vitamin (A) deficiency and anaemia. A total of 438 pre-school children from several private schools in Colombo were similarly surveyed, primarily for purposes of comparison and also as an effort in setting up local reference standards. This survey was conducted with assistance of the centre for disease control, Atlanta, Georgia, U. S. A.I.D. and CARE-Sri Lanka.

Diet and Nutrition Survey of the Lower Socio Economic bracket in Colombo Municipality

While the many diet and nutrition surveys carried out by the health department in the past and the 1975-76 Sri Lanka Nutrition Status Survey of pre-school children have provided some information regarding nutritional status of the rural population, no such reliable information is available concerning the urban population. With a view to bridging this gap, a diet and nutrition survey of pre-school children living in shanties and tenements within Colombo Municipality was initiated in August 1976. The survey is being assisted by the National Science Council and the UNICEF. The Public Health Department of the Colombo municipality has extended its co-operation.

Routine Investigations

Chemical analysis of biscuits (for supplementary feeding programme in schools) and various formulations related to the Thripasha programme were continued.

Biological evaluations of several formulations of supplementary feeding mixtures received from CARE-Sri Lanka were undertaken.

Publicity

Lectures on nutrition were given under sponsorship of the division to :—

- Post graduate Academy of Medicine (Ceylon College of Obstetricians Gynaecologists)
- Pupil nurses of the Nurses' Training School, Colombo
- Midwives—(in service training) at the Nurses' Training School.
- Other health personnel (in service training).

Papers presented at the annual sessions of the nutrition society of Sri Lanka were :—

Nutritional Anaemia—A review of the current situation in Sri Lanka.

Intervention Programmes

Research and Priorities

Protein-Energy Malnutrition.—Some observations on the recent all-island survey of pre-school children.

The role of nutrition in national planning and development continues to be felt over the years. The nutrition division of the Health Ministry has represented in various deliberations of national committees and foreign consultant agencies as W.H.O., F.A.O. and the UNICEF.

VII—EPIDEMIOLOGY

Poliomyelitis

Incidence of Poliomyelitis for the last five years is :—

Year	No. of Cases	Rate/100,000
1972	297	2.3
1973	362	2.7
1974	603	4.5
1975	190	1.4
1976	258	1.9

258 cases were reported in 1976. The normal seasonal pattern prevailed with most of cases occurring during latter half of the year. Incidence was high in Colombo SHS area, Jaffna and the Colombo MC area. Poliomyelitis in Sri Lanka continues to be a problem due to incomplete immunization coverage. Epidemics occur in six-year cycles, on the average about 250 cases being recorded during inter-epidemic spells.

Serological studies conducted in Colombo and Jaffna have shown that the anti-body response of children under two years of age after immunization has been quite satisfactory in Colombo and almost zero in Jaffna.

Typhoid

The number of cases of typhoid treated in government institutions during the five-year period is shown below :—

Year	No. of Cases	Rate/100,000
1972	4,553	35.1
1973	5,197	39.2
1974	8,014	59.2
1975	10,620	76.7
1976	..	..

A rising trend commenced in 1974. Hospital statistics for 1976 are not available. According to notifications received, the rising trend and high incidence appear to be generally maintained. In 1976, 3,595 cases were notified. Most of the notifications have been received from Kandy (733), Colombo (562) and Badulla (468) health divisions.

El Tor Cholera

The incidence of cholera in Sri Lanka from the time the disease was detected in October 1973 is :

Year	No. of cases	Rate/100,000	No. of deaths	Case fatality rate
1973	188	1.4	13	6.9
1974	4,559	33.7	333	7.3
1975	1,453	10.5	67	4.6
1976	728	5.1	16	2.2

Morbidity, mortality and case fatality rate show a steady decline since 1974.

A total of 728 cases were reported, the lowest incidence on record for a year since 1973. Most of these cases occurred in Colombo M. C. area (308), S.H.S. divisions of Colombo (293) and Jaffna (52). The incidence commenced a rise in March, increasing steadily till it reached peak level in September and declined to base level in November. This could well be due to failure of the south-west monsoon in 1976 showing that cholera in Sri Lanka is associated with spells of drought. Since commencement of the outbreak the age incidence in Colombo has not shown any evidence of endemicity with most of the cases occurring in upper age groups. In Jaffna however age incidence for 1976 shows a definite endemic pattern.

Viral Hepatitis

The number of cases treated in Government hospitals from 1972, is given below :—

Year	No. of Cases	Rate/100,000
1972	10,327	80
1973	14,206	107
1974	9,707	72
1975	14,779	107
1976	..	..

The increased incidence which commenced in 1972 is generally being maintained.

A total of 7,670 notifications were received in 1976, an indicative of a high incidence. Most of these notifications were from the S.H.S. divisions of Colombo (2,335) and Kurunegala (1,298). Viral Hepatitis continues to present a health problem in Sri Lanka.

Most of the cases diagnosed appear to be Hepatitis A. Multi-purpose serological survey carried out by the epidemiological unit on 317 randomly selected persons in Mahawatte ward of the Colombo municipality showed Hepatitis (B) carrier state to be 1.58 per cent. This figure could considerably be lower and such a possibility is being presently investigated. The Hepatitis (B) infection rate on the same sample was 4.10 per cent.

Bacillary Dysentery

This disease due to *Shigella dysenteriae* I occurred in Sri Lanka for the first time in an epidemic form. The first outbreak was reported from Jaffna in April and was a mistaken identity for amoebic dysentery till proved to be otherwise. Subsequently it spread to all the other parts of the island in somewhat epidemic proportions. The disease was made notifiable in December, 1976, so that the Epidemiological pattern of the disease could be studied. An estimate based on reports of the epidemic sent by Medical Officers of Health show that in 1976, there would have been at least 10,000 cases. Certain

outbreaks recorded case fatality rate as high as 8 per cent. Main symptoms are diarrhoea with blood and mucus accompanied by abdominal cramp and tenesmus. Dehydration is not much of a problem and response to Furazolidone appears good.

Arbovirus Infection

A survey conducted during mid-year 1976, revealed that there were signs of Dengue activity in the community and that children under age of 10 years had no immunity against Dengue infection. This could result in an epidemic of Dengue which would well be followed by an outbreak of Dengue haemorrhagic fever causing high mortality among children. The problem, however, is mainly urban, risk exposure of the Colombo M. C. area been at a higher level.

The virologist of the M. R. I. has studied the problem in its perspective and a special committee for intensified surveillance of Dengue haemorrhagic fever has been organised.

Details of blood samples received at the medical research institute mainly from fever cases during the year were :—

No. Examined	No. Positive for Dengue		
	Recent Infection	Recent Past Infection	Past Infection
943	42 (4.5 percent)	75 (8.0 percent)	251 (26.6 percent)

There has been a rise in infection rate since June, 1976.

Most of the blood specimens incidentally, were received from Colombo.

Non-Communicable Diseases

Cancer.—The epidemiological unit commenced surveillance of non-communicable diseases in 1975. Cancer was given priority, a systematic cancer notification system has been developed, and a national cancer registry established. A notification system was implemented at the cancer institute, Maharagama, in 1975 and continues at present. All notifications received were checked with case records at the cancer Institute and data analysed and studied.

There was a total of 3,049 new cases of cancer in 1975, 50.7 percent of these being males and 49.3 percent females. Highest incidence of cancer (38.5) percent occurred in the buccal cavity and pharynx and 87 percent of these malignancies occurred among males. Genito-urinary cancer ranked second highest (21 percent) majority of which were cancer cases of the cervix uteri. Connective tissue cancer which formed 13 percent of all cancers were mainly due to breast cancer.

Accidents

The problem of accidents has been studied. A mini survey was conducted at the accident service of the general hospital, Colombo, and revealed that 'Home Accidents' formed bulk (38.8) percent of all traumatic injuries. A detailed survey is being conducted with assistance of the judicial medical officers.

Immunization Activities

	Years	1975	1976
Smallpox : Primary vaccination	0-1	65,671	71,241
	1-2	67,412	82,603
	2-5	93,517	105,112
	5 plus	85,855	91,776
	Total	312,455	350,732
Secondary vaccination (all ages)		35,907	36,385

A total of 350,732 primary vaccinations have been carried out during the year an increase of 12.2 per cent over the figure for 1975. Total primary vaccinations represent 91.7 per cent of the estimated infant population for the year (i.e., 382,428). 18.6 per cent of primary vaccinations have been carried out in infancy, compared with 21.0 percent the preceding year.

		1975	1976
<i>Anti Typhoid</i>	1st dose	213,935	177,450
	2nd dose	128,961	111,034
	Booster	69,103	59,061
	Total	411,999	347,545

347,545 doses have been administered, a drop 15.6 per cent over 1975 figure.

<i>Immunization with D.P.T.</i>		1975	1976
0-1 year	1st dose	165,642	211,423
	2nd dose	120,730	165,542
	3rd dose	80,562	120,084
	Total	366,934	497,049
1-4 years	1st dose	89,149	80,164
	2nd dose	57,905	67,411
	3rd dose	50,814	62,718
	Booster	1,859	3,224
	Total	199,727	213,517
0-4 years	1st dose	254,791	291,587
	2nd dose	178,635	232,953
	3rd dose	131,376	182,802
	Booster	1,859	3,224
	Total	566,661	710,566

A total of 710,566 doses of D.P.T. have been administered during the year. This figure is the highest on record since D.P.T. was introduced for mass immunization and shows a 25.3 per cent increase on the 1975 figure. The first, second and third doses have been administered to 55.2 per cent 43.2 per cent and 31.4 per cent of the estimated infant population as compared with 44.3 per cent, 32.3 per cent and 21.5 per cent respectively in 1975.

<i>Double Vaccine (D.T.)</i>	1975	1976
1st dose	12,343	24,110
2nd dose	6,183	17,464
Booster	1,393	4,566
Total	19,919	46,140

There has been a considerable increase in number of doses administered in 1976—an increase of 131.6 per cent over the preceding year and a 102.4 per cent increase over the figure for 1974.

Tetanus Toxoid :—Immunization of pregnant mothers.

	1975	1976
1st dose	61,698	165,093
2nd dose	26,854	94,301
3rd dose	5,272	17,750
Booster	610	3,434
Total	94,434	280,578

Immunization of pregnant mothers is one of the most popular programmes and is mainly due to availability of tetanus toxoid through the family health programme. There has been an almost 200 per cent increase over the figure for 1975. Those receiving 1st and 2nd doses are about 43.1 per cent and 24.6 per cent of the estimated pregnant mothers.

*Other Immunization
(Tetanus Toxoid)*

	1975	1976
1st dose	111,878	143,981
2nd dose	23,797	30,053
3rd dose	6,133	10,267
Booster	1,024	8,711
Total	142,832	193,012

Immunization with Oral Polio

	Vaccine	1975	1976
Infants 0-1 year	1st dose	162,551	181,375
	2nd dose	116,956	143,855
	3rd dose	78,454	97,989
	Total	357,961	423,219
Pre-school 1-4 year	1st dose	119,033	125,765
	2nd dose	97,908	103,415
	3rd dose	81,305	83,015
	Booster	13,988	5,973
	Total	312,234	318,168
	Grand Total	670,195	741,387

The dosage administered with Polio Vaccine shows an increase of 10.6 per cent over the preceding year.

Anti-Cholera Immunization.—There was very little demand for cholera vaccine in 1976, only 88,797 doses being administered during the year.

A sum of Rs. 150,000 U.S. dollars has been provided by UNICEF for the years 1976 and 1977.

Training Programmes

The epidemiological unit of the Ministry of Health participated in such programmes as :

- (1) Training programmes for public health personnel.
- (2) Training programme on family health.
- (3) Training programme for ayurvedic practitioners.
- (4) W.H.O. sponsored national orientation course for hospital administrators.
- (5) Workshop on school health education for lecturers of the training colleges for school teachers.

VIII—SPECIALISED CAMPAIGNS

Malaria

Incidence of malaria showed a considerable decrease during 1976 as compared with the previous year. A total of 1,408,644 blood films were examined and 304,487 found positive for malaria with a slide positivity rate of 21.6 per cent. There were 18,206 *P. vivax falciparum* and 586 mixed infections of *P. falciparum* and *P. vivax*, while 295,690 *P.* were recorded as against 336,918 in 1975. Response of *P. falciparum* has been more dramatic. There has been a 70 per cent drop of *P. falciparum* recorded during the year, as compared with 1975. Failure of the south-west monsoon in 1976, pooling in river beds as the Maha-Oya, Deduru-Oya and Attanagalu-Oya contributed towards localized epidemics which broke out in the months of May/June, in health areas Mirigama, Kochchikade, Dankotuwa, Rambukkana, Mawanella, Kirindiwela, Polgahawela, Kegalle, Galigamuwa and Warakapola. Focal spraying with malathion and intensified treatment enabled epidemic to be brought under control. The onset of the north-east monsoon rains in October/November was also responsible for the increase in malaria in the dry zone during the months of November/December. The increase was confined mainly to those areas which were not under malathion coverage.

Malathion spraying was limited to the Health Division—Anuradhapura, the health area Puttalam and health areas Bibile, Moneragala in the south eastern-foot-hills with adjacent health areas Atakalanpanna and Hambantota. In November, malathion spraying was extended to health areas Maho, Galgamuwa, Naula and focal areas in Kilinochchi, Vavuniya, Gokarella and Dambulla. Operational defects as breakdown of vehicles, lack of spares continued to impede smooth working of the programme in the operational areas. Larval surveys and intensified treatment were carried out in areas where spraying was withdrawn.

The relative humidity values recorded from various parts of the country during the year were generally high. The daytime lowest relative humidity ranged from 52-72 per cent whilst the lowest relative humidity during night ranged from 65-84 per cent.

Incidence.—The annual parasite incidence for the whole island was 21.75 per 1,000 population as compared with 28.62 per 1,000 in 1975. The decline was due to two main contributory factors :

- (1) The effect of malathion spray which commenced in the highly malarious areas Bibile/Moneragala and adjacent health areas, Puttalam health area and S.H.S Division Anuradhapura.
- (2) Failure of the north-east monsoon rains in the latter part of 1975 and early 1976 resulted in a large scale reduction of vector breeding places in the North Central Province and in the northern area.

Several outbreaks occurred in south-western foot-hills in health areas, as Kirindiwela, Mirigama, Mawanella, Kochchikade, Chilaw, Dankotuwa, Rambukkana, Kegalle and Galigamuwa. Localized epidemics also occurred in Gampola, Kandy areas along the river banks. Focal malathion spraying, intensified treatment and drug administration help bring epidemic under control. In Kandy region, however, in the Polgolla basin malaria outbreak was controlled by intermittent flushings of Mahaweli Ganga carried out at weekly intervals during drought with assistance of the Mahaweli Development Board.

Species Prevalence.—Species distribution of the positive cases by blood film examination during 1976 showed :

<i>No. Positive</i>	<i>P.V.</i>	<i>P.F.</i>	<i>P.M.</i>	<i>Mixed</i>
304,487	285,696	18,205	—	586

P. vivax continues to be the predominant species—93·8 per cent. *P. falciparum* has decreased from 15·1 percent to 6 percent.

Clinical Diagnosis.—Table 19.1 shows total OPD attendance, fever cases and those clinically diagnosed, at medical institutions in 1976. There was a decrease of 32 per cent in the number of malaria cases as compared with the preceding year. Approximately 40 per cent of the fever cases in the island had been diagnosed as malaria.

Mortality.—4 deaths had been notified during 1976 as malaria cases. Of these, 2 were confirmed after investigation, yielding a mortality rate of 0·14 per cent per million population. Both these deaths had occurred due to *P. falciparum* infection.

Residual Insecticide Spraying.—The residual spraying of human dwellings continued to be the main mode of attack. Spraying activities had however to be withdrawn from certain areas due to development of resistance of the vector mosquito to DDT. At the beginning of the year, 17 'walking' units and 34 mobile units were engaged in spraying of malathion in 357,896 structures in the highly malarious areas of the country while 213 'walking units' and 38 mobile units were carrying out DDT spraying in 748,613 structures in the remaining areas of the Island. In November, malathion spraying was extended to a few more health areas where incidence of malaria was increasing in spite of intensified treatment. Maho, Galgamuwa and Naula were taken up fully, whilst sections of health areas Kilinochchi, Vavuniya, Gokarella and Dambulla were also taken up for malathion spraying. The malathion programme was extended in health areas Atakalanpanna and Hambantota. Altogether 83,598 new structures went under malathion in November 1976. The 357,896 structures in health areas Anuradhapura, Kekirawa, Kahatagasdigiliya, Trincomalee, Puttalam, Bibile, Moneragala, Atakalanpanna, Balangoda and Hambantota which were under malathion coverage continued to be sprayed with the insecticide at 3-months intervals.

A Plan of Operation was prepared in December 1976 and it is proposed to place 1 million structures in the malarious areas of the country under malathion coverage.

Case Detection.—Case detection was carried out by all medical institutions and departmental officers during 1976. Total blood films collected by all case detection agencies were 1,408,644.

TABLE 19.1—O.P.D. ATTENDANCE AND NUMBER OF MALARIA CASES DIAGNOSED CLINICALLY BY HEALTH DIVISIONS—1976

<i>Health Division</i>	<i>O. P. D. Attendance</i>	<i>Fever Cases</i>	<i>Clinical Malaria</i>	<i>Positive Microscopically</i>
Colombo	4,903,924	696,540	20,636	8,324
Puttalam	1,822,670	72,826	40,792	12,177
Ratnapura	1,280,875	99,245	47,581	35,380
Kegalle	1,367,021	84,474	24,303	11,594
Kalutara	1,270,227	94,830	1,222	511
Galle	939,538	73,457	4,014	527
Matara	1,767,370	294,799	119,039	64,210
Matale	548,242	52,130	82,096	36,789
Vavuniya	578,942	62,712	44,075	14,215
Batticaloa	1,189,015	103,392	71,736	22,514
Kandy	2,520,693	161,094	14,291	8,035
Jaffna	1,446,313	88,677	44,776	11,813
Anuradhapura	190,954	30,501	136,255	36,998
Kurunegala	275,799	48,770	130,764	19,751
Badulla	116,229	13,850	7,089	21,649
	20,218,012	1,977,297	788,669	304,487

A total of 1,408,644 blood smears were examined and 304,487 cases found positive.

<i>Health Areas covered</i>	<i>Total Population</i>	<i>Blood Smears Examined</i>	<i>Positive Cases</i>
104	14,164,000	1,408,644	304,487

Passive Case Detection (PCD).—Out of 765 medical institutions in the country, 228 were activated with Field Staff to carry out blood filming.

A total of 1,977,297 fever cases had sought medical attention at the medical institutions, of which only 1,220,861 (61.7 per cent were blood filmed).

Out of 304,487 positive cases detected, 276,348 (90.8 per cent) had been detected by the PCD agencies.

Active Case Detection (ACD).—250 ACD agencies functioned in specially selected areas, as in gemming centres and remote chenas where medical facilities are hard to obtain and also where insecticide spraying has to be supplemented with prompt treatment of fever cases.

Treatment.—In malarious areas all fever cases other than clinical or suspected cases in medical institutions were given single dose treatment with Amodiaquine and Pyrimethamine. Prophylactic treatment with Chloroquine on a weekly basis was given visitors entering malarious areas from non-malarious areas on a temporary basis, and also to those who are engaged in development programmes, as Irrigation and Agricultural activities and Youth Settlement Schemes. A total of 288,564 cases had been given Prophylactic treatment in the year.

Entomological Surveillance.—Entomological surveillance was carried under the direction of the Entomologist by five entomological teams based at Anuradhapura, Batticaloa, Kurunegala and Matara and a team operating from the Anti-Malaria Campaign Headquarters in Colombo.

Entomological assessment included observations of the susceptibility status of *A. culicifacies* to Malathion and DDT, the vector's indoor and outdoor biting rates, parous rates, its resting densities within houses during daytime, 24 hour mortality rates of vector mosquitoes from outlet window traps in sprayed houses and also activity and persistence of malathion residues on various surfaces of treated premises.

Methodology in obtaining the necessary data for assessment included susceptibility tests, all-night indoor and outdoor human bait collections, examination of ovaries, space spray collections and bio-assay tests.

Vectorial Capacity Studies.—Special studies on vectorial capacity were carried out at Kahatagollewa, Tonigala, Thanamalwila and Mailagama during November/December as in preceding years.

An extremely low vectorial capacity was obtained at Thanamalwila and Mailagama. Compared with values obtained for 1975 a significant increase in vectorial capacity was recorded at Tonigala while at Kahatagollewa there was no significant change in vectorial capacity.

Heavy rains during October/November in the Tonigala area led to the formation of a large number of rock pools contributing towards heavy breeding and an increase in vector density. Low vectorial capacity recorded from Thanamalwila and Mailagama was attributed to very low parous rates observed during study period.

Larval Surveys.—Larval surveys were intensified from June, 1976 covering all malarious areas. Emphasis was placed on collections from paddy fields to determine extent of *A. culicifacies* breeding in relation to different field conditions. The sample of Anopheline larvae collected was relatively small as most of the paddy fields were dry at the time of collection due to prolonged spells of drought.

A total of 7,237 Anopheline larvae were collected of which 559 were identified as *A. culicifacies* forming 7.7 per cent of the total sample.

Anti-larval Operations.—Prolonged spells of drought led to pool formation along Mahaweli Ganga at Polgolla contributing to an increase in vector density followed by an increase in incidence of malaria in several localities.

On the basis of results of two trials conducted in co-ordination with the authorities of the Mahaweli Development Board it was found that a release of 2,000 cusecs of water for 3 hours at weekly intervals from the Polgolla dam significantly reduced Anopheline (and Culicine) breeding in the Mahaweli Ganga up to a distance of about 9 to 9½ miles from Polgolla Dam.

Bio-assay Tests on Malathion Residues.—Routine bio-assay tests performed in the Hambantota health area during 1976 showed over 50 per cent kills of *A. culicifacies* up to 8 weeks after spraying while tests conducted in health area Puttalam showed significant kills even 12 weeks after spraying.

Based on these results action was taken to intensify analysis of physical and chemical properties of malathion.

TABLE 19.2—AGE AND SEX DISTRIBUTION OF POSITIVE MALARIA CASES
BY HEALTH DIVISIONS 1976

Health Division	Sex		Age Group			
	Male	Female	Under 1yr	1-5 yrs.	6-15 yrs	Over 15 yrs
Jaffna	8,104	3,709	105	1,007	2,413	8,288
Vavuniya	9,087	5,128	156	1,541	3,454	9,064
Anuradhapura	23,762	13,236	3,012	6,391	8,761	18,834
Puttalam	6,903	5,274	272	1,409	3,575	6,921
Kurunegala	11,831	7,920	136	2,246	5,550	11,819
Matale	23,810	12,979	196	3,921	9,095	23,577
Batticaloa	15,451	7,063	157	2,140	6,880	13,337
Badulla	15,155	6,494	220	2,369	4,384	14,676
Matara	43,645	20,565	1,624	6,264	14,936	41,386
Galle	440	87	—	10	64	453
Ratnapura	23,390	11,990	574	3,586	8,130	23,090
Kegalle	7,762	3,832	61	801	2,556	8,176
Kandy	5,586	2,449	25	527	1,516	5,967
Colombo	5,481	2,843	89	681	1,734	5,820
Kalutara	417	94	02	18	64	427
Total	200,824	103,663	6,629	32,911	73,112	191,835

Withdrawal of DDT Spraying

DDT spraying was withdrawn after a period of about 30 years. The effect of malathion was noted especially on *P. falciparum* transmission. A ban on use of Malathion and Fenitrothion was initiated after a Conference of Health and other officials in 1976. All efforts are being geared to commence an Intensive Malaria Programme. It is felt essential that malaria be brought under control especially with increased food production drive and various irrigation and river diversion schemes being carried out in malarious areas of the island. Though deaths may not be significant, man-productive days lost due to malaria must significantly impede development programmes of the government.

Filariasis

Infection due to *W. bancrofti* is still a problem in Sri Lanka. Antifilaria activities carried out during the year were :—

- (a) Parasite investigation and control,
- (b) Vector investigation and control,
- (c) Health education,
- (d) Special activities.

Parasite Investigation and Control.—1,636,255. blood films were examined for *Microfilaria*. These include 18,002 from Special Surveys ; 4,352 of these were positive for *Microfilaria* and 89 were positive from special surveys.

The microfilaria rate for the year was 0.26 per cent. Blood filming activities have continued to suffer due to shortage of glass slides. In areas where both Vector and Parasite Control work are carried out, high rates were recorded at Balapitiya and Peliyagoda. Where only Parasite Control work is carried out a high rate was recorded only at Hikkaduwa. The *Microfilaria* rate for endemic belt has decreased from 0.4 per cent in 1975 to 0.26 per cent.

Infection rates have been decreasing quite gradually but still there are a good number of positive cases being detected each year. Infected mosquitoes have also been detected in dissections carried out at the Entomology Laboratory. This reveals that transmission has still not been interrupted and any reduction in the present control measures would worsen the situation particularly because of deteriorating sanitary standards.

M/F. Positive Cases :—

1971-72	10,952
1973	7,629
1974	6,825
1975	6,747
1976	4,352

Complete treatment has been given to 4,572 cases. A total of 4,431 treated cases have been blood filmed after treatment and 134 were re-positive. 4,297 of these were negative and conversion to negativity rate was 97 per cent. Low conversion to negativity rates were at Godigamuwa, Madampe, Kataluwa, Katuwawala, Urugamuwa and Unawatuna.

8,522 visits had been made by patients with clinical manifestations for treatment at 15 clinic centres in the endemic belt. A total of 2,093 new clinical cases had sought treatment at these centres during the year.

Vector Investigation and Control.—Routine entomological investigations were carried out in two different groups of stations, viz., (a) Areas where vector and parasite control work are being carried out (b) where only parasite control work is being carried out.

A total of 21,760 mosquitoes were collected and identified of which 18,496 were C.P. fatigans constituting 85 per cent of the total catch. The other predominant species were A(S) aegypti, A(A) obturbans and M(M) uniformis. A total of 12,276 of mosquitoes of which 10,869 were C.P. fatigans 53 C.P. fatigans were infected with filarial larvae of different stages. The overall infection rate of C.P. fatigans was 0.5 per cent.

The infectivity rate was 0.2 per cent. Infection rate varied from 0.7 per cent at Matara, Moratuwa, to 1.0 per cent at Peliyagoda in Vector controlled areas and from 0.8 per cent at Dickwella to 0.0 per cent at Ja-ela in the uncontrolled (Vector) areas.

A total of 15,835 mosquito larvae from various breeding places were identified. Special *Aedes* Surveys were carried out in the following areas :—

Matara, Weherahena, Dondra, Panadura, Kehelwatte, Bentota, Peliyagoda, Kolonnawa, Pamunugama, Beruwala and Galle.

Special Studies—

- (a) Examination of fungi in mosquito larvae.
- (b) Resistance of mosquito larvae to insecticides.

Control.—The prevention of breeding and elimination of breeding places of the Vector were chief methods adopted. A total of 81,759 permanent breeding places were treated weekly with mixture of Fenthion using water ($\frac{1}{2}$ oz. Fenthion in $2\frac{1}{2}$ gallons of water). Conversions of 'catch pits' to water seal type totalled 1,275. Elimination of permanent places and collection and disposal of

discarded receptacles in premises were carried out. Fogging of houses with folithion as adulticide was undertaken at Dehiwela municipality and Matara in areas selected for the purpose. Hedges too in these areas were fogged. Efficiency rate of larval control work was over 95 per cent for the year.

The cost of insecticide had continued to rise ; consequently, it was not possible to purchase adequate quantities of insecticides.

Health Education

Intensive health education activities were carried out in 62 areas, and 301 volunteers trained. 90 pupil Midwives were given pre-service training. The health educator service participated in 2 exhibitions—Richmond College Galle, All-Island Development Exhibition Colombo, and in 2 Shramadana Campaigns at Gandara and Veyangoda. Schools were assisted by the Campaign in planning and implementing Project Programmes.

Special Activities

- (1) Mass blood filming programme was conducted at Kataragama ;
- (2) Blood filming in hospitals in the Island continued ;
- (3) Blood filming in special institutions was carried out ;
- (4) All-Island Filariasis Survey—48 blood films from indoor patients were examined at various hospitals outside the endemic belt. There was a solitary case of positive *Microfilaria*.

UNDP Project SRL VBC 001—Vector Control.

Project Activities

- (i) WHO Epidemiologist/Parasitologist joined Project SRL VBC 001 in March, 1976, as Team Leader ;
- (ii) A six-month study on the distribution and density of *Aedes* (*Stegomyia*) species adults in relation to cases of Dengue-haemorrhagic fever and Pyrexia of unknown aetiology was initiated ;
- (iii) The collection and analysis of basic information of epidemiology of Arthropod-borne diseases ;
- (iv) Possibilities of initiating work on Virology and Serology of Arbovirus diseases.

Project Achievements.—Studies on distribution, biology and ecology of *Aedes* (*Stegomyia*) species—Vectors of Dengue-haemorrhagic fever completed in 13 stations of the endemic filariasis belt.

Microfilaria rates for the two-year period 1975 and 1976 were :—

	1975	1976
Blood Films examined	1,599,821	1,636,255
Found positive	6,747	4,352
Percentage positive	0.42	0.26

Tuberculosis

Chest clinics, chest hospitals and TB wards in general hospitals and general health institutions scattered throughout the island carried out tuberculosis control activities as in preceding years.

A total of 6,823 new tuberculosis patients were detected and registered during the year. Of these, 5,993 were cases of pulmonary tuberculosis while 830 were diagnosed as extra pulmonary. Only 3,440 (57 per cent suffering from pulmonary tuberculosis however, were bacteriologically confirmed.

The mortality rate for tuberculosis as available for a recent year was 11.7 per 100,000 population.

The 18 chest clinics and 20 branch chest clinics examined 124,308 persons and among them 5,363 patients were detected.

General health institutions under the integrated TB control programme selected 31,693 symptomatics for sputum examination detecting 934 sputum positive tuberculosis cases.

A total of 151,217 persons were X'rayed during 1976, at these clinics and hospitals.

Three chest hospitals and 17 TB wards with a total bed strength of 2,074 provide 645,257 patient-days care treating 11,460 patients. The BCG vaccination programme of new-borns was carried out in 156 hospitals vaccinating 161,166 new babies.

Vaccinations of infants and pre-school children at well-baby clinics totalled 153,931. The programme covered 7,131 schools involving a total of 320,497 school children.

Vaccinations in the other groups were in the region of 50,327 giving an overall total of 685,871 vaccinations carried out in 1976.

The TB health education programme was directed towards promoting voluntary community participation in integrated TB control programme. A total of 1,062 medical and para-medical personnel inclusive of volunteers were trained under this programme.

Cancer

Cancer institute at Maharagama caters to the needs of cancer patients in the entire island. There are 15 wards at the institute and a bed-strength of 452.

Admissions for the year 1976	7,002
Clinic attendance—1st visits	4,722
Subsequent visits	14,828
Deaths	318

Laboratory examinations carried out by the department of pathology during 1976 were :—

Histopathology	4,772
Haematology	29,289
Blood Bank Sorology	8,832
Biochemistry	8,471
General Pathology	9,634
Specimens sent to M. R. I.	556
Specimens sent to A. V. D. C.	68
Blood pints requested	1,923
Blood pints received	1,203

The physiotherapy unit treated 3,457 patients during the year.

Operations performed :

Major operations	1,627
Minor operations	695

Total

2,322

Quantities of radioisotopes imported during 1976 were :—

Iodine 131	3,900 millicuries
Gold 198	200
Phosphorus 32	15
Technitium 99 (m)	100
Indium 113 (m)	10
Iodine 131—MAA	4

A total of 712 thyroid uptake tests were performed in 1976.

Patients treated with radium in 1976 totalled 433. Taking into consideration the second visit of the same patient as in gynaecological radium insertions the number treated was 663. All cases requiring treatment with cobalt and deep X'ray were taken up by the physics department.

<i>Radiotherapy treatments</i>	<i>Cobalt 60</i>	<i>S. X. R. T.</i>	
New patients treated	1843	133	
<i>Treatment Analysis</i>	<i>Patients</i>	<i>Treatment</i>	<i>Daily Average</i>
Cobalt 60	1,843	53,023	202
S. X. R. T.	133	1,980	07

X'ray Department.—The X'ray Department is manned by one Radiographer.

Patients taken up for X'ray in 1976	4,857
Examinations including Special Examinations	6,242
Films used	8,165

Leprosy

There were 8,993 leprosy cases at the end of 1976, of whom 2,930 (32.5%) are lepromatous, an increase of 3.5 per cent over total of the preceding year.

TABLE 19.3—TOTAL LEPROSY CASES ALL-ISLAND (BY RACE)—1976

<i>Race</i>	<i>Lepromatous Total</i>	<i>Tuberculoid Total</i>	<i>Indeterminate Total</i>	<i>Grand Total</i>
Sinhalese	2,191	4,601	208	7,000
Ceylon Tamil	317	637	21	975
Ceylon Moors	224	348	12	584
Malays	10	07	—	17
Burghers	24	29	02	55
Indian Tamils	144	184	07	335
Indian Moors	18	06	—	24
Others	02	01	—	03
Total	2,930	5,813	250	8,993

TABLE 19.4—TOTAL LEPROSY CASES—ALL-ISLAND (BY S. H. S. AREA)—1976

<i>S. H. S. Area</i>	<i>Lepromatous Total</i>	<i>Tuberculoid Total</i>	<i>Indeterminate Total</i>	<i>Grand Total</i>
Anuradhapura	111	212	15	338
Badulla	83	145	01	229
Batticaloa	223	277	12	512
Colombo (North)	371	689	26	1,086
Colombo Municipal Area	312	875	47	1,234
Galle	183	290	05	478
Kandy	94	138	07	239
Kegalle	68	83	04	155
Kurunegala	135	148	03	286
Matale	63	90	03	156
Matara	210	696	17	923
Puttalam	76	92	01	169
Ratnapura	112	201	08	321
Vavuniya	37	41	02	80
Colombo (South)	480	1,087	74	1,641
Total	2,930	5,813	250	8,993

The decrease in lepromatous rate to 32.5 per cent is due to increase detection of tuberculoid cases most of which still remain undetected.

The overall prevalence for the island as a whole is 0.630/1,000 which is an increase from 0.608 of the preceding year.

A total of 819 new cases were detected during 1976. Among them are 236 cases of children under 15 years. There were 54 deaths among registered cases.

TABLE 19.5—NEW LEPROSY CASES REGISTERED—ALL-ISLAND (BY AGE GROUPS)—1976

Age Group	Lepromatous Total	Tuberculoid Total	Indeterminate Total	Grand Total
0—4	—	03	02	05
5—9	02	70	23	95
10—14	06	103	31	130
15—24	20	148	09	177
25—39	35	145	02	182
40—49	16	73	01	90
50—59	13	51	03	67
60—69	18	29	01	48
70+	08	17	—	25
Total	118	639	62	819

Western Province shows the highest endemicity (1.27/1,000) followed by Eastern Province (0.877/1,000), Southern Province (0.773/1,000) Northern Province (0.43/1,000), North-Central Province (0.351), Sabaragamuwa (0.33), North-Western Province (0.29), Uva (0.25) and Central Province (0.13) 11.4 per cent of total cases were children under 15 years. Majority of the new cases were referrals (71 per cent) followed by school Surveys (10 per cent), field surveys (19 per cent).

Case Finding.—In Colombo and suburbs 66,437 school children were examined by the Central Leprosy Clinic Team resulting in 79 cases and an incidence of 1.19/1,000. In the provinces 112,243 school children were examined by the Anti-Leprosy Campaign with assistance of Local Public Health Personnel.

Treatment.—Domiciliary treatment is in force. More than 50 per cent of the recorded cases defaulted from treatment. It is apparent that there has been no follow-up action pursued at field-level to bring defaulters to 'book'.

Special Events.—86 patients were selected among applicants from both leprosy hospitals and outside for the award of a leprosy (disability) allowance of Rs. 55 p.m. by the director of social services. The panel of selection was composed of 3 leprologists.

Health Education.—Health education activities were carried out by campaign personnel at all levels in the course of leprosy control work. Ayurvedic practitioners were acquainted with symptoms of leprosy and referral treatment facilities made available. More than 90 per cent by new cases reported had already taken Ayurvedic treatment before referral to a leprosy clinic.

Voluntary Agencies.—The anti-Leprosy campaign worked in close collaboration with the leprosy association of Sri Lanka.

Venereal Diseases

Morbidity.—Attendance cases of early infectious syphilis reached an unprecedented high during the year. There were 4,273 new cases of early infectious syphilis registered at the full-time clinics as compared with 3,000 the preceding year, an increase of nearly 42.4 per cent.

The rate per 100,000 population for early infectious syphilis was 30, as compared with 21.5 in 1975 incidentally the highest rate recorded for the island during the past 25 years.

New cases of Gonorrhoea registered a decline from 8,559 cases to 7,358 cases during the year, a drop of 14 per cent. No specific reason could be adduced to the drop in attendance of new cases of Gonorrhoea. This phenomenon has been observed both in outstation clinics as well as in Colombo clinics unlike in the preceding year where outstation clinics registered an increase while Colombo clinics recorded a decline.

The rate per 100,000 population for Gonorrhoea was 52 as compared with 61.6 the preceding year.

Colombo clinics recorded 50 per cent more cases of early infectious Syphilis and 13 per cent less cases of Gonorrhoea in 1976.

Attendance of new cases of infectious Venereal Diseases was more marked in second and third quarters of the year.

The 20-29 age group accounted for 60 per cent of all cases of early cases of Syphilis and 63.5 per cent of cases of Gonorrhoea. This compared favourably with 61.1 per cent and 65.5 per cent respectively as compared with 1975 figures.

Analysis of New Cases Registered in 1976 at the full-time V. D. Clinics both in Colombo and outstations appear below :—

	1975	1976
Syphilis :		
Sero-negative primary	385	454
Sero-positive primary	2,005	2,966
Secondary	610	853
Latent—early	324	413
late	225	232
Neuro-syphilis	08	06
Cardiovascular	02	01
Other late syphilis	03	06
Congenital—early (under 2 years)	06	19
late (over 2 years)	35	38
Gonorrhoea	8,559	7,358
Presumptive gonorrhoea	1,283	997
Ngu/cervicitis	1,006	1,013
Chancroid	1,674	1,140
Lymphogranuloma venereum	02	—
Granuloma inguinale	—	—
Herpes progenitalis	778	677
Trichomoniasis	1,044	1,649
Other venereal	1,599	1,453
Yaws—early	—	—
late	33	14
Non-venereal	5,798	4,494
Total	25,379	23,783

Mental Health

Angoda, Mulleriyawa and Pelawatte Mental Hospitals with a bed strength of 3,592, provide the main in-patients services. The Peripheral psychiatric units provide 267 beds for in-patient care. Ragama chest hospital was converted to a rehabilitation hospital providing 200 beds for psychiatric tuberculosis patients. Latest figures available on the number of patients treated at mental hospitals were :—

	<i>Patients</i>
Mental Hospital, Angoda	11,218
Mental Hospital, Mulleriyawa	3,593
	<hr/> 14,811 <hr/>

Daily average of in-patients treated at mental hospital, Angoda, during the year was in the region of 2,700 while at mental hospital, Mulleriyawa, it was about 577 patients.

A total of 21 outstation clinics were conducted by psychiatrists attached to mental hospital, Angoda. The psychiatrist attached to peripheral psychiatric units conducted clinics at provincial Hospitals, Jaffna, Point Pedro, Tellipallai, Kandy, Matara, Galle, Anuradhapura, Kurunegala and Unawatuna. Daily attendance at these clinics was about 50 patients per clinic.

Though there was a dearth of psychiatrists, the mental health division continues to provide a satisfactory service as regards both indoor and outdoor treatment. The Pelawatte mental hospital has been closed down.

Under the organizational set up the superintendent, mental health service, is in overall charge of mental health services in the Island. Peripheral psychiatric units are under the control of the Superintendent of Health Services of the respective divisions.

Occupational therapy activities consisted of textile weaving, carpentry, rattan work, masonry, mat-weaving. New activities commenced during the year were the production of coconut shell grit and preservation of coconut refuse.

Recreational facilities are available to both male and female patients. Apart from indoor and outdoor games, film shows were organised by several voluntary organisations. These organisations helped cater to religious needs of the patients.

IX—ENVIRONMENTAL SANITATION

Environmental sanitation is an important routine activity of public health personnel and includes such measures as disposal of human waste, provision of safe water supplies, refuse disposal, housing, food and food sanitation.

In view of the success of a pilot project for community health, routine projects are being undertaken in each m. o. h's area under the direction of Superintendent of health services. The co-operation of voluntary agencies has been solicited in this regard.

A sum of Rs. 2,000,000 was allocated to 16 S.H.SS. on subsidies to poor and needy house-holds for latrine construction. A part of the subsidy is spent on the construction of pre-school latrines. Environmental sanitation measures were executed through field personnel of public health services with active co-operation of the local authorities and voluntary agencies. In the filaria endemic belt assistance was afforded for conversion of bucket latrines to water-seal type. Health education continues to be an important aspect in the planned programme of environmental sanitation.

Food and Drugs Control

Sampling of various food items for which purity standards have been laid down has been carried out and legal proceedings instituted against offenders of the law.

Food Sanitation

Public health personnel of the department have inspected and passed for slaughter .—

<i>Cattle :</i>	
Inspected	147,673
Passed for slaughter	144,385
<i>Goats :</i>	
Inspected	28,339
Passed for slaughter	27,823
<i>Milk Supply :</i>	
Samples analysed	168
Samples found adulterated	140
<i>Food Samples :</i>	
No. of samples	841
No. of samples condemned (unfit for human consumption)	264

The percentage adulteration as regards food items is comparatively high entailing strict measures to thwart adulteration of food.

X—HEALTH EDUCATION

The year 1976 saw considerable progress been achieved in the field of health education. The health education bureau provides co-ordination and assistance to other divisions of the Health Ministry, other ministries and institutions particularly in the field of training.

UNFPA/WHO Projects (SRL 001 and HED 002)

Fellowships provided under UNFPA/WHO projects have been fully utilized. Three full-time health educators received training in health education at the central health education bureau, New Delhi.

Participation in intercountry workshops/seminars.—A medical officer and health education officer participated in the W.H.O. intercountry workshop on pretesting and evaluation of health education material.

The hospital education programme functions in the following institutions :

- (1) Colombo group—
 - (a) Children's Hospital
 - (b) General Hospital, Colombo
 - (c) De Soyza Maternity Hospital
 - (d) Castle Street Hospital for women.
- (2) Provinces—
 - (a) Ratnapura
 - (b) Kurunegala
 - (c) Kandy
 - (d) Anuradhapura
 - (e) Panadura
 - (f) Kalutara

Health education activities are being carried out in the O.P.D.D wards and clinics. Training programmes have also been organised for institutional staff.

Field Study and Demonstration Area.—The F.S.D.A. at Alubomulla, in Panadura M.O.H. area is being developed. Volunteers have been trained in health work. A basic survey of the area was conducted with the assistance of volunteers and midwives at the Panadura m.o.h. office. A Dental health education programme was conducted at Mahabellana Junior School by the dental health unit of the bureau.

Training

Training programmes were organised and conducted by the training unit of the bureau for medical health staff, health educators, assistant medical practitioners, students and school teachers. Assistance was provided for training of rural teachers, community development officers, public health and nursing personnel.

Community Health Education.—The family health education action programme initiated in 314 villages throughout the country is making steady progress.

Prevention and control of venereal diseases was included as a priority within Family Health Services and a detailed programme for V.D. control commenced in Ratnapura s.h.s. division.

School Health Education.—The school health education unit continues to co-ordinate with curriculum development centre of the Ministry of Education in reviewing and revising school health education curriculum. A school health education workshop was held at Horana for teachers, local health staff and parents. A similar workshop was organised at Hikkaduwa under sponsorship of the World Health Organization.

A workshop on health and physical education in teachers' training colleges was held in collaboration with the Ministry of Education at Sri Lanka Foundation Institute.

Research and Evaluation

A research protocol on "A study to determine effectiveness of health education by volunteers in Family Health Education Programme" developed by the Unit was accepted by the W.H.O. for purpose of funding.

Surveys carried out by school health education Unit during the year were :—

- (i) *Hidogama.*—A baseline survey in Hidogama village to support family health communication seminar organised by the "Sepatha" Readers' Club, Hidogama.
- (ii) *Mirigama.*—A Survey to determine behavioural patterns on dental health among rural children ;
- (iii) *Alubomulla.*—A health status survey to establish a baseline for field study and demonstration activity.

Preventive Dental Health

A school oral health preventive Programme was commenced at Maligawatte Balika Vidyalaya and Maligawatte Maha Vidyalaya. A baseline survey of oral health status of 11-12 year old children of these 'test' schools and Vijayaba Vidyalaya has been completed. Children with dental defects were treated at school clinics.

Mass Communication

(a) *Press Publication.*—Press articles and features were released regularly on topics of current and general interest. Assistance was given "Tharunee" to bring out a supplement on immunisation. Material from W. H. O. and other agencies were provided to the press and radio.

'Sepatha' Supplements.—Supplements to the official journal 'Sepatha' have been released.

- No. 1 Communication.
- No. 2 School Health Education.
- No. 3 Guide to Health Education (in print).

Special Projects

A 'Sepatha' Readers' club was inaugurated at Hidogama in the S. H. S. division of Anuradhapura.

A baseline survey of the Hidogama village and a seminar on family health communication for members of the club were carried out. First issue of "NIROGI", the journal of the club was published.

(a) *Radio and Films.*—The health services radio programmes continue broadcasts in the three services in collaboration with personnel from the department of health, other government departments, university campuses and voluntary agencies.

Two commercial programmes "Pahan Siluwa" and "Kankanda Deivam" in Sinhala and Tamil were completed in association with the UNICEF.

Film shows on various health topics were conducted by Health Educators in the periphery.

Material Production

The material production unit has been reorganised, photographic coverage was provided for official participation. Film slides were prepared on health topics and photographic material provided for exhibitions.

XI—VETERINARY SERVICES

A Veterinary public health unit has been set up in the Ministry of Health at national level to safeguard human health from zoonotic diseases and food-borne infection.

Zoonosis Control

Rabies being the main zoonotic problem in Sri Lanka, a Project Plan of operation for the control and eradication of Rabies has been approved by the Sri Lanka Government and the W. H. O. A total of 150,000 doses of Flury Strain Chick Embrayo vaccine was imported during the year to commence a programme of control work.

The Mass immunization programme against rabies in dogs was conducted in the Southern Province. The entire Galle district was covered and S. H. S. area Matara was almost completed by the end of the year. Dogs immunized in Galle district and the S. H. S. area, Matara, were respectively 23,331 and 17,772.

A part of M. O. H. area Kamburupitiya and M. O. H. area Hakmana, Walasmulla, Tangalle and Hambantota have yet to be completed. A few Crash Programmes were carried out in the three M. O. H. areas Pitakotte, Dehiwela and Kelaniya, where high incidence of rabies was reported.

Immunization figures of these three areas were in the region of 19,300. A total of 60,451 dogs were immunized during the year 1976, compared with 42,252 in 1975. Extension of immunization activities to counter rabies infection is in offing. There was also a drop in the total number of positive cases of animal rabies diagnosed at the Medical Research Institute from 454 to 387.

In addition, there is an appreciably marked reduction in the total number of doses of A. R. V. administered in different hospitals in the Island, from the figure of 48,320 for the year 1975 to 20,173 for the year 1976.

Most of the requests for elimination of stray dogs received during the year were from government hospitals, state corporations, local bodies and some private sector institutions. Only a small percentage of these requests has been attended to. Non-availability of dog-seizing vehicles retards much progress in the campaign. W. H. O. assistance has been sought.

XII—QUARANTINE ACTIVITIES

Immunization and quarantine work including granting of pratique to ships and fumigation of food cargo is carried out by the chief port health officer.

A total of 1,909 ships and 627 sailing craft were granted pratique ; 6 other vessels were also granted Radio Pratique during 1976.

No quarantinable diseases were detected during the year. All crew members of sailing vessels from India are kept under strict surveillance.

Immunizations carried out during the year were :—

Small Pox	...	1,727
Anti Cholera	...	4,284
T. A. B.	...	15
Yellow Fever	...	749

The fumigation of rice and other fumigable cargo from Burma and China continues as in preceding years. Cargo from Bangkok too was fumigated.

Quantity of Rice fumigated	...	3,078,556 (bags)
Lighters fumigated	...	41 (number)

All vessels bringing food cargo are being inspected by Quality Control Officers from the C. W. E. and Port Health personnel. Sampling is undertaken when necessary.

Rodent control work has been intensified during the year.

Aedes investigation is being done by entomological staff attached to the port health office. A total of 6,129 breeding 'spots' were examined. Positive cases recorded were :—

AEDES	AEDES
Aegypti	Albopictus
450	92

There were 3,699 aircraft arrivals with 142,486 passengers aboard during 1976. Granting of pratique and health checks were carried out satisfactorily. Regular inspections of the Airport premises (Katunayake) were carried out. Necessary observations and recommendations as regards quarantine facilities were made to civil aviation authorities for suitable action. Work carried out by the assistant port health officer (immigration) during the year is given below :—

Number of air passengers	...	6,772
Number of boat passengers	...	4,435
Number of defaulters	...	405

Defaulting dues collected were Rs. 945.50

Immunization

Immunization charges against Small Pox	...	21,689 (persons)
Smallpox immunization done free of charge (official)	...	788 do.
Immunization charges against Cholera	...	9,894 do.
Cholera immunization done free of charge (official)	...	274 do.
Immunization charges against Typhoid	...	182 do.
Immunization fees collected—Rs. 158,980		

XIII—FOREIGN AID

Financial aid received from non-national health services, as foreign governments and international agencies and expenditure incurred up to end of December 1976, appear below :—

<i>Total Aid Rs.</i>	<i>Source</i>	<i>Expenditure Incurred Rs.</i>
7,934,690 ..	Colombo Plan Financial Aid—Government of Australia (Chest Clinics)	7,801,940
2,040,000 ..	Colombo Plan Financial Aid—Government of Australia (Institute of Hygiene)	1,801,536
1,349,021 ..	Colombo Plan Financial Aid—Government of Australia (purchase of Anti- T. B. Drugs)	1,348,789
711,499 ..	Colombo Plan Financial Aid—Government of New Zealand (Dental Nurses Training School and Hostel, Maharagama)	699,543
422,868 ..	U.S.A. Cash Grant (construction of a Prosthetic and Orthetic Workshop at General Hospital, Kandy)	372,433
64,201 ..	W.H.O. Cash Grant (National Health Man Power Survey)	39,353
164,160 ..	UNICEF Aid (Orientation Training Programme of Public Health Personnel)	34,284
967,594 ..	Amenities to patients at Angoda and Mulleriyawa Hospitals—CARE Programme	—
564,340 ..	UNFPA Cash Grant (Health Education on Family Health)	564,340
3,849,938 ..	UNFPA Cash Grant (Family Health)	3,849,938
585,728 ..	UNFPA Cash Grant (Nursing and Midwifery)	537,621
7,240 ..	UNICEF Aid (Teacher Training Workshop for Obstetricians and Paediatricians, Surgeons and Anaestheticians)	—
3,355 ..	W.H.O. Aid (Nursing Advisory Services)	—
65,700 ..	UNICEF Aid (National Pre-Profile on Pre-School children)	—
1,996 ..	W.H.O. Aid (National Course in Public Health Microbiology)	—
<hr/> 18,732,330		<hr/> 17,049,777

* A sum of Rs. 206,366 spent during the year from the Consolidated Fund is chargeable to Aid Account.

XIV—MEDICAL CONFERENCES AND SEMINARS

Sri Lanka representation at the conferences and seminars organised by the W.H.O. and other International agencies during the year is outlined below :—

- (a) Regional seminar on the development of cardiac resuscitation and rehabilitation services organised by W.H.O. was held in New Delhi from 29th December, 1975 to 3rd January, 1976. Participants at this Seminar assessed incidence of cardio-vascular diseases in urban and rural sectors and evaluated facilities available for management of 'emergency' care of cardiac patients in district and provincial hospitals.
- (b) The W.H.O. organised a Regional Seminar on "Medical Assistants" in New Delhi from 16th to 21st February, 1976. This Seminar provided an opportunity for top level health personnel of countries of this region to exchange information and experience and consolidate their views on the subject of training and utility of Medical Assistants in extending health services to peripheral areas.
- (c) Inter-country seminar on application of 'ways and approaches' resulting earlier studies to achieve increased coverage by health care delivery Programme sponsored by W.H.O. was held in New Delhi from 3rd to 9th February, 1976.

- (d) Consultative meeting on malaria control was organised by the W.H.O. in New Delhi from 21st to 23rd April, 1976.
- (e) Consultative meeting on prevention of blindness organised by W.H.O. was held in New Delhi from 24th to 26th March, 1976. This meeting was a focal point in the development of future programmes for the prevention of blindness in countries of the Region.
- (f) Meeting on "Measuring effects of Family Planning Programmes on Fertility" was arranged by the Organization for Economic Co-operation and Development in Paris from 28th to 30th January, 1976.
- (g) An Inter-country course in the prevention of disability and rehabilitation of the disabled was held in Indonesia from 17th February to 8th March, 1976. Emphasis was stressed at this course, that the entire community should become aware of the concept of patient care in the context that 'prevention is better than cure' and the necessity for a positive approach.
- (h) A workshop on infant weaning food product development was held at Colorado State University from 2nd to 4th June, 1976.
- (i) Symposium on field operational research in maternal and child health and family planning services was held in Indonesia from 14th to 18th June, 1976. The Symposium was primarily concerned with research programmes to alienate approaches in delivery of these services and practical issues of implementation.
- (j) The Australian and New Zealand Society of Nuclear Medicine arranged the First Asia and Oceania Congress of Nuclear Medicine in Sydney from 6th to 10th September, 1976. The Congress included symposium on many aspects of current knowledge with particular reference to those topics related to nuclear medicine practice in Asia and Oceania regions.
- (k) 29th Session of the W.H.O. Regional Committee for South East Asia held in India from 14th to 20th September, 1976.
- (l) The Government of Japan organised a Seminar on Medical and Biological aspects in Family Planning in Japan from 26th August to 22nd September, 1976 to acquaint participants on knowledge and techniques of medical and biological coverage in the field of Family Planning.
- (m) Seminar on Epidemiological Methodology in the study of Pesticide Poisoning and potential long-term effects was organised by the W.H.O. in Geneva from 4th to 8th October, 1976.
- (n) Inter-regional training course on biological standardization was held in Yugoslavia from 22nd September to 6th October, 1976. This course covered techniques employed in preparation of primary tissue culture and establishment of a 'cell' bank.
- (o) A working group in the form of a workshop study on lay reporting of morbidity and mortality statistics under sponsorship of the W.H.O. was held in New Delhi from 22nd to 27th November, 1976. This helped prepare, a method of reporting mortality and morbidity based on complaints, to be used by lay reporters from most peripheral areas and primary health centres.
- (p) Training in management programme for W.H.O. and national health staff was held in Manila from 13th September to 7th October, 1976.
- (q) The W.H.O. held a Regional Seminar on Health Planning and Health System Management in Thailand from 7th to 16th December, 1976. The purpose of this seminar was mainly to stimulate further health planning and management procedure and teaching in countries of the Region.
- (r) A workshop to develop and pre-test a manual for audio visual and mass communication strategies in support of family health education was held in New Delhi from 25th to 29th October, 1976.
- (s) Consultation Meeting on the integration of Nutrition and Family Planning Programme was held in New Delhi from 5th to 9th October, 1976. Methods of integration at different levels—obstacles for such integration—advantages both functionally and operationally and a module for such an integrated approach were among themes discussed at the meeting.
- (t) Seminar on Management of Evaluation of the Expanded Programme of Immunization was held by the World Health Organization in New Delhi from 17th to 20th November, 1976. The objective of the Seminar was to review the present situation in immunization and explore possibilities of expanding the programme in countries of this region.

XV—AYURVEDA

Promotion and development of Ayurveda are important aspects of the national health services. The Department of Ayurveda, through its health institutions scattered in various parts of Sri Lanka caters to the needs of indoor and out-door patients seeking this form of treatment.

Bandaranaike Memorial Ayurveda Research Institute, Nawinna

Skin diseases, leukoderma, arthritis, asthma and high blood pressure and diabetic ailments continue to be treated at the institute. Satisfactory progress was made on research conducted to test response of drug "KAROL ARISI" for treatment of "white leprosy" and efficacy of the ointment "KITI BHARI" which have proved quite satisfactory.

Ayurveda Medical College

A total of 150 students were enrolled for one year course commencing 1976. Enrolments for the year were 100 students for Ayurveda, 25 for Siddha and 25 for Unani courses. At the D.A.M. Examination, 71 students were successful of whom, 62 students were from the Ayurveda section, 6 from Siddha and 3 from Unani sections.

Ayurvedic General Hospital, Colombo

There were 4,935 patients who received in-door treatment. Out-door cases treated during the year were 287,924. Paying wards at the hospital continue to be popular. First class paying wards are charged for at the rate of Rs. 30 per day, while charges for second class paying wards are Rs. 15 per day. There are 8 beds in first class wards and 24 beds in second class wards. Apart from these payments, patients are charged for special drugs supplied, laboratory and clinical tests.

Ayurvedic Hospital, Anuradhapura

Out-door patients treated at this hospital totalled 96,112 while there were 2,304 in-door cases.

Ayurvedic Hospital, Ratnapura

A total of 92,282 out-door patients and 1,261 in-door patients were treated at this hospital.

Ayurvedic Hospital, Kurunegala

There were 79,777 out-door patients and 1,521 in-door patients treated at the Kurunegala hospital. Action has been initiated to open more new wards at this hospital.

Ayurvedic Hospital, Beliatta

The hospital at Beliatta provides facilities for out-door treatment. A total of 64,922 patients were treated during the year. Action has been initiated to open 2 new wards with a bed strength of 60 and also providing necessary water supplies to this institution.

Ayurvedic Hospital, Jaffna

A total of 23,737 out-door patients were treated during 1976. The hospital has a maternity ward and a college of ayurveda. Construction of buildings to provide additional wards at the hospital with 150 beds is nearing completion.

Ayurvedic Hospital, Diyatalawa

Facilities for out-door treatment exists at the hospital. A total of 53,845 patients were treated during the year.

A two-storeyed structure to provide additional wards is under construction. In-door treatment could be provided for 144 patients in the future.

Ayurvedic Hospital, Lunawa

The Lunawa ayurvedic hospital was declared open in February 1976. A total of 64,336 patients were treated as out-door cases.

Proposed Ayurvedic Hospital, Kandy

Buildings at the site of state plantation, Palkelele, have been vested in the government for the proposed ayurvedic hospital.

Free Ayurvedic Dispensaries maintained by Local Authorities

There were 242 free ayurvedic dispensaries maintained by local authorities. A total of 2,399,516 patients were treated at these dispensaries. State assistance afforded for maintenance of these institutions was in the region of Rs. 4.2 million.

Private Ayurvedic centres too have been granted Rs. 69,985 during the year.

Ayurvedic Medical Council

The ayurvedic medical council held six meetings during the year. For purpose of registration of ayurvedic practitioners, 17 inquiry committees were held and 252 applicants interviewed. Of these 83 have been qualified for purpose of registration. A total of 172 registrations were made as 'general practitioners' and 21 as 'specialist practitioners'.

Ayurveda Formulary and Yoga Sangraha Ayurveda Drug Committees

Part I of the report of the ayurveda formulary board has been printed. Part II is in print, while Part III is under preparation. Four drug-manufacturing (ayurvedic) institutions were approved during the year. Preliminary discussions were held as regards determining standards and quality control in respect of ayurvedic drugs manufactured in Sri Lanka.

State Pharmaceuticals Corporation of Sri Lanka

The State Pharmaceuticals Corporation of Sri Lanka was instituted by the Minister of Industries and Scientific Affairs in pursuance of the order published in the *Government Gazette* (No. 14,976/8) of 22nd September, 1971.

The corporation continues to import total requirements of finished pharmaceuticals for the private sector and almost the entire requirements of the state sector. Imports also include pharmaceutical raw material to be processed locally utilizing excess capacities available with the pharmaceutical industry. Import programme handled by the corporation during the year is outlined below :—

Imports for private sector	Rs. 30.6 million
Raw Materials	Rs. 6.3 million
Imports for State Sector Institutions	Rs. 31.2 million

The corporations' bulk turnover including value of indenting services to State Medical Stores amounted to Rs. 88 million, while turnover at Osu Sala was Rs. 4.4 million.

Preliminary steps were initiated to open a second retail outlet at Bambalapitiya. This would help reduce pressure on existing retail shop and offer a better service to the customer.

There was a net profit of Rs. 1.4 million during the year, after taxation and contribution to the Consolidated Fund.

CHAPTER XX

SOCIAL SERVICES, RURAL DEVELOPMENT, CO-OPERATIVE MOVEMENT, TOWN AND COUNTRY PLANNING AND NATIONAL HOUSING

I—SOCIAL SERVICES

The Department of Social Services was established in 1948. One of the recommendations of the social services commission was thus implemented when a separate department was established for the co-ordination and development of social insurance schemes which the commission outlined.

In this country, the family provides the basic unit of protection and security to its members. The family unit is recognised as a well-knit entity in the social structure and the individual's security and welfare are to a large extent dependent on the cohesion and living standards of the family. In a period of rapid social changes and urbanisation movements which have affected the family in various ways, services have to be provided to help sustain the family and its members to fulfil their functions in a changing society.

At the inception, the new department took over the payment of Public Assistance Monthly Allowance, Workmen's Compensation and the organisation of relief of distress due to floods, drought etc., as its primary functions. These programmes of assistance have progressively expanded since then. The department handles at present a major portion of the country's social assistance schemes as set out below :—

I. SOCIAL ASSISTANCE SERVICES

- (1) Public assistance monthly allowance ;
- (2) Rehabilitation of public assistance recipients ;
- (3) Financial assistance to T. B. patients and their dependants ;
- (4) Financial assistance to leprosy patients and their dependants ;
- (5) Casual relief ;
- (6) Relief of widespread distress due to floods, drought, epidemics or other exceptional causes ;
- (7) Care and welfare of the aged and infirm ;
- (8) Services for the physically and mentally handicapped ;
- (9) Rehabilitation of socially handicapped persons ;
- (10) Assistance to voluntary agencies engaged in social welfare work.

II. PROTECTION OF WORKERS AGAINST INJURY AND INVALIDITY

Workmen's Compensation.

III. SOCIAL WORK TRAINING

School of social work.

Details of these services are outlined in the sections that follow.

Social Assistance Services

Public Assistance Monthly Allowance.—The poor law ordinance of 1939, is operative only within the three major municipalities of Colombo, Kandy and Galle. These municipalities 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 serves as the major governmental protection against hazards of old age, sickness and disability. Assistance is also given destitute widows and

women deprived of their husband's 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. Maximum amounts paid under the scheme are Rs. 12 per mensem to an individual without dependants and Rs. 24 per mensem to a person with dependants. With a view to helping large families, steps have been taken to increase the monthly allowance by Rs. 5 per child in excess of 4 children under the age of 16 years living and dependant on public assistance recipients, subject to a maximum of Rs. 60 per family. A 10 per cent increase in rate of payment was granted recipients with effect from 1st October, 1973 and 1st April, 1974, to meet increased cost of living.

Persons receiving monthly allowances and total sums expended on such cases since 1969-70 are given below :—

<i>Year</i>	<i>Number of Persons</i>	<i>Total sum expended Rs.</i>
1969-70	163,575	15,260,140
1970-71	161,457	17,276,903
1971-72	160,251	22,902,083*
1973	158,793	18,207,072
1974	154,099	22,096,633
1975	152,459	23,235,860
1976	149,466	19,930,568†

* For a 15-month period.

† January-October 1976.

The responsibility for the administration and expenditure of public assistance is borne by the central government through the government agencies of the various districts.

Rehabilitation of Public Assistance Recipients.—The departure from the original objective of merely relieving destitution and indefinite continuation of monthly allowance on the basis of a means-test with no incentive afforded recipient to rid himself of his state of dependance became reality in 1970, with the implementation of a pilot project, to initiate rehabilitation of selected cases of public assistance recipients with some form of enthusiasm.

A lump sum advance on public assistance is given accordingly to recipients of such assistance for purposes as opening up sundry shops, purchase of sewing machines, trade implements raw material seed and manure, agricultural implements, livestock, establishing workshops, cottage industries or any other small projects which would afford an avenue of employment and also a source of income. Public Assistance monthly allowance ceases three months after payment of such lump sum advance.

Families in receipt of public assistance are carefully selected and counselled over a period of time by the departmental personnel for purpose of rehabilitation. These families are given cash assistance in suitable instalments at the appropriate stage.

All cases successfully rehabilitated had their average earnings exceeded or doubled the amount of the monthly allowance received earlier. There were a few instances where earnings as high as Rs. 250 per month, have been recorded.

The scheme of public assistance has been accordingly transformed from an age-old 'dole' system to a positive and constructive programme geared to current national efforts to increasing productivity through self-help and self-reliance thus contributing to social and economic development.

Progress of the scheme since 1971-72 is shown below :—

Year	Number of families (rehabilitated)	Expenditure Rs.
1971-72	984	492,000
1973	1,433	712,610
1974	821	317,410
1975	416	137,255
1976	511	242,930

Financial Assistance to T.B. Patients and their dependants.—The scheme was introduced to provide financial assistance to indigent tuberculosis patients, who due to lost of earning capacity are unable to maintain themselves and their dependants. The recipient is expected to follow medical advice and prescribed course of treatment in order to be eligible for assistance.

This scheme of assistance provided payment of a monthly allowance at the rate of Rs. 40 to a single T.B. patient, maximum of Rs. 60 to dependants of a patient receiving in-door treatment and a maximum of Rs. 80 to out-door patients with dependants. These cases should be certified by a medical officer of a chest clinic or a hospital as suffering from T.B. A means-test is being done in all cases by the field staff of the department to ascertain the rate of assistance payable.

The scheme was inaugurated in 1953 and continues unchanged. Family units assisted and the expenditure incurred since 1968/69 are given below :—

Year	Number Assisted	Expenditure Rs.
1968/69	8,929	3,886,754
1969/70	8,631	3,669,842
1970/71	6,847	3,139,404
1971/72	3,416	3,142,357*
1973	3,794	2,660,063
1974	3,825	2,891,896
1975	3,955	2,972,770
1976	4,350	3,138,070

* 15-month period.

Incidence of T.B. which had a marked decline up to 1972 showed an upward trend from 1973, when the numbers receiving assistance increased from 3,416 in 1972 to 3,794 in 1973 and 3,955 in 1975. There were 4,350, cases in 1976.

Financial Assistance to leprosy patients and their dependants.—This scheme of financial assistance provides payment of monthly allowances to leprosy patients discharged from hospital, declared non-effective and recommended by the Superintendent of Leprosy Hospital. Monthly allowance payable is a maximum of Rs. 50 subject to a means-test carried out by the field staff of the department.

During the year 1976, a total of 800 patients were granted assistance involving payment Rs. 205,639.

Medical surveys have revealed that leprosy is spreading in the community and a considerable number of leprosy patients are at large without taking any form of treatment. Spread of leprosy among school children has also been arrested in the light of recent surveys.

Casual Relief.—Assistance is given to relieve distress, resulting from sudden calamities or other emergencies affecting individuals or small groups. Casual relief covers distress resulting from loss of earnings or food supply by fire or accident and includes assistance to repair or reconstruct

houses, purchase clothing, implements of trade or tools, or cooking utensils lost through fire, rain, storm or similar causes. The maximum grant payable in any one case is Rs. 300. Amount spent on casual relief in 1976 was Rs. 131,665.

Relief of Widespread Distress.—This scheme of assistance provides relief to persons and families rendered destitute as a result of flood, cyclone, drought, earthslips and other similar casuses.

- (a) **FLOODS AND EARTHSLEIPS.**—A sum of Rs. 1,339,744. has been spent during 1976 for providing immediate relief as food, clothing, temporary shelter, etc., and cash grants up to a maximum of Rs. 500 per family for the repair or reconstruction of damaged houses.
- (b) **RELIEF TO FISHERMEN IN DISTRESS.**—A sum of Rs. 12,095 has been spent during 1976 for individual cash grants to 53 fishermen for repair or replacement of fishing gear lost or damaged by storm, fire, etc.
- (c) **DROUGHT RELIEF.**—Relief of distress among those affected by drought has been the responsibility of the department since inception in 1948. Workers selected from families in distress, number from each family depending on family size were provided with work in their own village on public utility items as restoration of village tanks, clearing of channels, improvements to roads, etc. They were paid daily wages in cash which were generally less than the prevailing market rates. A sum of Rs. 4,516,566 was spent during the year under drought relief.
- (d) **DRINKING WATER SUPPLY.**—Drinking water had to be distributed in some districts particularly in the dry zone areas where severe shortage of drinking water occurred due to long spells of drought. A sum of Rs. 151,364 has been spent for supply of drinking water during 1976.
- (e) **RELIEF FOR CROPS DAMAGED BY WILD ANIMALS.**—A sum of Rs. 2,500 was spent on 75 cases by the Government Agents to assist cultivators whose crops were damaged by wild animals.

Care and Welfare of the Aged and Infirm—

(a) *State Homes for Elders.*—There are three state homes for elders at Anuradhapura, Kaithady and Mirigama with accommodation for about 240 inmates in each, administered by the Department of Social Services with a resident superintendent, assistant medical practitioner and other staff. Admission to these homes is determined by the Director of Social Services on reports of an applicants circumstances furnished by Government Agents of the districts concerned and reports obtained through the departmental officers.

In each state home facilities are afforded for residential medical care, recreation, gardening and religious activities. Advisory committees and unofficial visitors have been appointed to each Home to assist the administration.

A sum of Rs. 552,626 was spent during the financial year 1976 on running these State Homes.

(b) *Cottage Homes for the Elders.*—Cottage homes have been set up in areas where there is a need for them and where no state homes or voluntary homes exist. Majority of these cottage homes have in each accommodation for a maximum of 25 persons. There are seven cottage homes in Kandy district, two in Kegalle district, one in Kurunegala district, one each in Galle, Matara, Hambantota and Matale districts.

There were 325 inmates in residence in cottage homes during the year involving a total expenditure of Rs. 180,823,

(c) *Voluntary Homes for the Elders.*—Under the scheme of assistance for the construction and running expenses of voluntary homes for the elders, 52 homes run by voluntary organisations engaged in institutional care of the aged were assisted by way of grants for maintenance, purchase of equipment and for extension and repairs to building etc. A sum of Rs. 927,305 was paid to these voluntary organisations as ad-hoc grant and per capita maintenance grants during 1976.

World Food Programme Aid

Families in districts involved were :—

Anuradhapura
Vavuniya
Mannar
Puttalam
Kurunegala
Matale
Kandy
Trincomalee
Nuwara Eliya
Jaffna
Polonnaruwa
Badulla
Moneragala

World Food Programme Aid to drought victims in these districts was given under projects as given below :—

- (1) *Project No. 1054.*—10,800 metric tons wheat flour issued to 143,098 drought affected families for the period 15 February to 31 March, 1976.
- (2) *Project No. 21,956.*—Relief work was provided to drought victims during the period 1 June to 15 October, 1976. Relief workers were issued food stuffs under the World Food Programme in lieu of cash payment.

Wheat Flour	..	28,197 metric tons
Milk Powder	..	4,524 metric tons
Canned Fish	..	586 metric tons
Pulses	..	450 metric tons
Dried Fish	..	667 metric tons

- (3) *Project No. 1069.*—Emergency assistance to drought victims in the form of 10,368 metric tons wheat flour to 229,377 families in affected areas donated during the period November and December 1976. Estimated cost of these food items is Rs. 93,079,081.

Timely assistance from the World Food Programme besides helping overcome malnutrition and under-nutrition has prevented diversion of financial resources of the government from its development programme.

Physically and Mentally Handicapped

Services provided for the welfare of the physically handicapped by the department in conjunction with other government departments, voluntary agencies and private industrial establishments, could be grouped under—

- (a) **MEDICAL REHABILITATION.**—Where it is found that, a disabled person needs medical rehabilitation before education, training, etc., the department through its network of agencies and personnel, provides them with necessary medical attention in co-operation with the Department of Health.
- (b) **EDUCATION AND CUSTODIAL CARE.**—No direct services in this field are rendered by the department. It is through Voluntary Agencies, assisted by grants-in-aid, that the department has been able to provide these services for the education and custodial care of the disabled. Under the existing scheme 33 such institutions were assisted during the year 1976. A sum of Rs. 927,000 was paid to these institutions by way of per capita maintenance grants, block grants and ad-hoc grants.

- (c) **VOCATIONAL TRAINING, PLACEMENT AND RE-SETTLEMENT.**—With a view to making disabled persons earn their living and thus become useful citizens, training is given in various trades with assistance of government departments as well as establishments in the private sector. The department trains these persons for a maximum period of 1½ years by payment of an allowance of Rs. 3.50 per day, during the period of training.

Vocational training given exclusively to adult deaf, dumb and blind persons at the two training centres at Seeduwa and Wattagama provide for self employment under home workers scheme and sheltered employment. Training is given at these centres in carpentry, rattan work, needle work, textile weaving, etc.

The training centre for the disabled (other than the blind) at Ampitiya in Kandy district, a non-residential centre provides training facilities in the following trades : motor mechanism welding, tinkering, spray painting, electrical work, sheet metal work, carpentry, tailoring, etc.

- (d) **GENERAL WELFARE.**—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 eyesight and hearing are defective are provided with spectacles and hearing-aids.

Rehabilitation of Socially Handicapped Persons.—In the past the department administered only one House of Detention at Gangodawila under the House of Detention Ordinance (Chapter 33 of the Legislative Enactments of Ceylon), for the rehabilitation of beggars, vagrants and other socially handicapped persons. As accomodation at Gangodawila was limited, a second House of Detention was established at Ridiyagama in February, 1975. All males were transferred to the Social Welfare Institution at Ridiyagama from Gangodawila and Gangodawila reserved for females.

Correction and rehabilitation programme adopted at these institutions consists of an ordered and disciplined life promoting a wide range of skills and occupations as weaving, sewing, knitting, lace-making, paper-match work, cooking, rattan work, agriculture, furniture polishing, coir work, etc. so that inmates may gain greater confidence in their own capacities for self-maintenance. With the expiry of a reasonable period of time, the inmates are assisted to obtain suitable employment or released to responsible relatives.

<i>No. of Persons Admitted</i>	<i>Adult Females</i>	<i>Adult Males</i>	<i>Children</i>	<i>Total</i>
No. of Persons at 1 January, 1976	364	258	—	622
From 1 January 1976 to 31 December, 1976	584	484	138	1,206
Established in Employment	30	—	—	30
Released to Relatives	54	63	—	117
Released by Courts	43	—	14	57
Given in Marriage	38	—	—	38
Released to Institutions	45	—	—	45
Escaped from Institutions	81	108	26	215
Escaped from Hospital	92	—	—	92
Died	72	239	01	313
No. of persons as at 31 December, 1976	492	332	97	921

Assistance to other Voluntary Agencies engaged in Social Welfare Work :

The quantum of assistance to other outdoor social services organisations is based on actual expenditure incurred by these institutions on welfare services during the preceding year. Such assistance is subject to a maximum of 50 per cent of the actual expenditure. There were 25 Voluntary Organisations engaged in outdoor relief work during 1976.

A sum of Rs. 28,883 was paid to these institutions during the year.

Grants paid to voluntary organisations which provided institutional care for unmarried mothers and children during the financial year 1976 was Rs. 110,310.

Distribution of CARE Flour.—As in preceding years, relief in kind received from the care organisation and some other organisations were distributed among institutions recognised by the Department of Social Services and the Department of Probation and Child Care Services. A total of 271,150 lb. Thripasha flour received from the Sri Lanka Care Organisation were distributed among 277 social services institutions during 1976.

Distribution of Dried Milk powder received from New Zealand.—Consignments of 324,500 lb. dried milk powder were distributed among 321 social services institutions from a stock received from the New Zealand Government.

The department of social services spent a sum of Rs. 75,000 as transport expenses for distribution of Thripasha flour and dried milk powder.

Concession of import permits and tax payments.—Applications from social welfare organisations for issue of import licenses and waivers of customs duty were granted in respect of gifts from abroad essential for furtherance of social welfare activities of recipient charitable institutions.

Protection of Workers Against Injury and Invalidity

Workmen's Compensations.—The Workmen's Compensation Ordinance and Amendments thereunder provide for payment of compensation to workmen who suffer personal injury by accidents arising of and in the course of employment. The ordinance expressly extends the definition "accident" to include occupational diseases like anthrax, lead poisoning, etc. Compensation payable in non-fatal cases is determined on the basis of wages earned by a worker and the nature or extent of his disablement.

Insurance is not compulsory under the Ordinance but an employer may insure with the Insurance Corporation of Sri Lanka in order safeguard himself against these risks.

Amount paid to employees involved in accidents since 1972, according to registers maintained by the department is —

Year	Claims	Amount Rs.
1972	2,789	341,554
1973	2,575	330,071
1974	2,177	271,294
1975	972	153,786

Compensation is paid in a large number of cases direct to workmen involved by the employers' themselves.

Social Work Training

School of Social Work.—The Sri Lanka school of social work which was inaugurated in 1964, has as its objective, improving the quality and standard of social services through the programme of social work training made available to social workers both in government and voluntary sectors. The programme of social work education at the school is designed to prepare students for professional practice in social work.

The school has introduced several programmes for in-service training and extension courses in different fields of social work.

The school at 32, fifth lane, Colombo 3, functions under the aegis of the Ministry of Social Services.

II—RURAL DEVELOPMENT

Economic, moral and cultural advancement of the peasantry in Sri Lanka, is the main responsibility of the Rural Development Department.

Rural Development Societies and Kantha Samithi

A model constitution for rural development societies was revised and re-organisation of these societies completed. This has enabled registration of those societies which had hitherto, not been registered. By the end of the year the number of registered societies including kantha samithies increased to 4,354. Each of these Societies drew up and implemented a development programme of its own.

Community Development.—199 training classes in community development and allied matters were held by the department through its 10 divisional training centres during the year. Attendance at these classes totalled, 3,362 males and 1,696 females. In addition 16 classes were held at the training and research institute, Borella.

Shramadana Work.—The Shramadana Movement of the department with the aid of the World Food Programme repaired 834 tanks and 219 irrigation channels during the year. Aid received in this regard from the World Food Programme was distributed among those participating in Shramadana work as follows :

Wheat flour	4,946,292 lb.
Sugar	144,755 lb.
Dhal	312,388 lb.
Dry Fish	188,122 lb.

Needlework and Home Science.—A total of 7 dress making centres and 140 Kantha centres were maintained during the year for the welfare of rural women. There were 6,150 trainees at these centres.

Intensive Development.—The procedure followed hitherto in selection of villages for development under this scheme was revised. Under the revised scheme the entire area coming within purview of a registered rural development society was treated as a single village and a programme of an year's duration was drawn up in each of these villages.

Special Development Schemes.—5 villages were developed under this scheme during 1976. The villages so far developed number 44. Under this development scheme 6 industries in 5 districts have been granted a total of Rs. 32,980 as aid. These industries include dress-making, brick work, wood carving, soap and Wetekeiya industries.

Foreign Aid.—The institute of international relationship of the Konrad Adenauer Foundation, West Germany, contributed Rs. 341,352 in cash and materials worth Rs. 217,464 as aid for community development work undertaken by the department.

III—YOUTH REHABILITATION

Youth rehabilitation in Sri Lanka, was initiated with the establishment of the Department of Rehabilitation in October 1971, for purpose of rehabilitating some 18,000 youths under custody for their involvement in the April insurrection. The rehabilitation programme initially was fraught with many problems, as apart from a co-ordinated planning, suitable personnel had to be recruited to forge ahead a task of such magnitude.

A training scheme for a number of vocations was commenced with a view to enabling detainees to get themselves self-employed in a vocation they were trained on release. Youths were selected for such vocations as agriculture, poultry-farming, carpentry, masonry, cane work, tailoring,

motor repairs and tractor driving. All available land within camps was cultivated. Food crops as onions, chillies, green gram, vegetables and paddy were cultivated with much success. Facilities were afforded the youths to pursue their educational career. Emphasis was also stressed on spiritual, social and cultural needs of the detainees. Recreational facilities were provided.

A loan scheme to assist youths on release was commenced. A sum of Rs. 125,000 has so far been given as loans, the maximum amount payable being Rs. 500. The loan could be utilized for such purposes as development of agriculture, sundry shops, shoe making, radio repair and several other purposes.

IV—CO-OPERATIVE MOVEMENT

The Co-operative Movement of Sri Lanka, which had its origin to a function of credit as far back as 1911 expanded rapidly during period of the second world war giving rise to thousands of stores societies by the end of 1945. The movement gradually extended itself to cover a host of several other activities.

There were 7,898 co-operative societies of various types formed for multi-farious purposes by 31 December, 1976. divisional structure of the co-operative movement is out lined below :—

<i>Division</i>	<i>No. of Societies</i>
Colombo	543
Gampaha	604
Kalutara	530
Kandy	555
Matale	162
Nuwara Eliya	263
Galle	522
Matara	367
Hambantota	169
Jaffna	610
Paranthan	45
Mannar	113
Vavuniya	176
Batticaloa	145
Ampara	64
Kalmunai	158
Trincomalee	154
Kurunegala	493
Kuliyapitiya	355
Chilaw	196
Anuradhapura	302
Polonnaruwa	162
Badulla	323
Moneragala	91
Ratnapura	317
Kegalle	479
Total	7,898

The network of these co-operatives comprised 275 M. P. C. SS (large primaries) 35 other M. P. C. SS, 2,448 credit societies of unlimited liability, 376 credit societies of limited liability, 254 thrift and welfare societies, 101 stores societies, 754 agricultural societies, 69 animal husbandry societies, 52 fisheries societies, 30 textile societies and unions, 700 industrial societies, 2,748 primaries and 56 secondary and all-island unions.

Multi-purpose Co-operatives

The multi-purpose co-operatives came to existence in 1957. A re-organization was launched in 1971 with a view to eliminating any shortcomings as apparent at the end of fourteen years existence. Under this "co-operative re-organization" thousands of M. P. C. SS throughout the island were amalgamated to form about 365 large primaries.

Activities of the movement were oriented towards new trends and a scheme was put into operation in 1976, with targets as set out below :—

- (1) Maximum consumer satisfaction ;
- (2) Co-operative employees satisfaction ;
- (3) Making of all co-operative societies viable units ;
- (4) Scheme co-operative district wholesale depots ;
- (5) Assigning co-operative leadership to M. P. C. SS.

Co-operative District Authorities

As a step towards achieving these targets 22 co-operative district authorities were set up under the guidance of the government agencies. These authorities were vested with special powers on administration and consumer activities particularly at the M. P. C. S. Level and amalgamation of uneconomic units. The A. CC. C. D. of the respective divisions functioned as secretaries of these authorities while three co-operators or government officials in the particular district were appointed as members.

The main responsibility of these authorities was to improve efficiency of societies and provide an optimum service to consumers by eliminating mismanagement, corruption and fraud. These authorities were vested with such powers, where necessary, as to vary areas of operations, amalgamate societies and removal of inefficient Boards of Directors and appoint new boards instead.

Consequent to this re-organisation scheme the number of M. P. C. SS which stood at 348 in 1975 was reduced to 276 as at the end of 1976.

Modernisation of Branch Societies

Steps were taken to eliminate shortcomings in branch societies and transform these into attractive centres of distribution rendering a courteous service to consumers. Under this scheme, modernisation of 4,553 of the 7,809 branches of M. P. C. SS was completed by September, 1976. The scheme of modernisation however, suffered certain set backs as shortage of buildings inadequate space and lack of funds.

Incentive Payment

With a view to preventing unrest and frustration among co-operative employees, and increasing sales per ration book, a scheme was introduced to pay employees, in addition to their normal salaries, an incentive payment on the ratio of profits made by sale of off-ration items. Already 99 M. P. C. SS have made incentive payments amounting to Rs. 876,273.

Membership Drive

Action was initiated to popularise the movement with the increase in membership of M. P. C. SS and extend services afforded by these Societies. As against 1,263,976 at the end of 1975, membership in M. P. C. SS was 1,800,073 as at end of 1976, an increase of 536,097 over the preceding year. With a view to increasing women participation in consumer activities, suitable steps were taken to evince popularity among women. The number of ration books attached to co-operatives is in the region of 12.26 million. Greater attention is paid to payment of rebate to members of these societies.

District Wholesale Depots

In view of practical difficulties experienced by the Societies in the availability of consumer items a scheme was implemented to achieve maximum services with limited transport facilities available, preventing non-purchase of items due to lack of funds.

The scheme of district wholesale depots was first initiated in Trincomalee district in collaboration with the C. W. E. for purpose of reducing transport costs to societies. Resultant benefits of this scheme saw its extension to other districts—Moneragala, Matara, Polonnaruwa, Anuradhapura, Galle, Amparai Badulla, Kurunegala and Batticaloa during the course of the year.

District Authorities Special Fund

With the setting up of district authorities, monetary provision was made in Rs. 15 million to obtain funds required for promotion of co-operative activities in districts. 'Weak' societies have been granted Rs. 5,300,000 as low interest loans and Rs. 651,388 as aid from the fund.

All Island Co-operative Competition

An all island Co-operative competition was held in 1976, to evince much interest among the M. P. C. SS, focus attention of the public on activities of Societies and ensure an overall efficiency of the co-operative service. The competition was organized at district and all-island levels. The three best Societies and a similar number of best districts were selected.

At the all-island competition, the first prize of Rs. 50,000 was awarded to Uva Paranagama M.P.C.S. (Ltd), in Badulla district, the second, Rs. 25,000 to Kundasale M. P. C. S. (Ltd.), in Kandy district and the third Rs. 15,000 to Homagama M. P. C. S. (Ltd.), in Colombo district. The three best districts selected were Badulla, Kurunegala and Ratnapura.

Rural Banks

Rural banks attached to M. P. C. SS have become quite popular, particularly with the introduction of a comprehensive credit coverage.

There were 485 rural banks (exclusive of special branches) as at end of 1976. Cultivation loans granted upto 30 September, 1976, amounted to Rs. 50,758,000 while saving deposits were Rs. 100,948,692. Rural banking activities during the year covering up to 30 September, 1976, are shown in the table below :—

TABLE 20.1—ACTIVITIES OF RURAL BANKS BY A.C.C.D. DIVISIONS AS AT END OF SEPTEMBER, 1976

A. C. C. D. Division	No of Rural Banks	Savings Deposits	Fixed Deposits	Short Term Deposits	Mortgages	Financial Operation
		Rs.	Rs.	Rs.	Rs.	Rs.
Colombo	23	9,843,306	259,078	5,837,109	4,979,510	147,230 +
Gampaha	49	13,521,148	240,459	6,010,445	10,911,807	100,860 +
Kalutara	27	5,202,202	37,026	2,834,472	2,330,772	53,120 +
Chilaw	15	4,353,765	30,611	1,462,553	1,774,965	11,875 +
Kurunegala	15	5,672,731	37,781	1,764,967	1,369,328	47,253 +
Kuliyapitiya	19	5,066,254	7,429	2,835,063	831,550	66,078 +
Kegalle	18	4,327,047	103,625	2,469,371	1,880,671	106,667 +
Kandy	33	6,797,875	83,144	3,613,671	3,261,644	62,673 +
Nuwaraeliya	10	1,731,607	19,962	749,326	822,555	21,237 +
Matale	15	1,826,748	1,081	884,275	650,734	6,510 +
Badulla	23	5,466,334	59,048	3,187,566	1,602,397	15,116 +
Monaragala	09	783,953	11,200	543,494	289,361	11,636 +
Ratnapura	25	8,222,704	175,350	2,413,394	1,721,434	24,756 +
Amparai	08	1,363,964	20,825	52,290	980,103	8,214 -
Kalmunai	08	245,656	1,000	28,861	1,601,845	34,676 +
Galle	41	6,507,398	131,553	2,883,143	2,968,665	29,478 +
Matara	22	3,242,127	56,390	1,607,343	2,648,428	74,008 +
Hambantota	14	2,138,727	71,486	808,098	848,271	1,173 -
Anuradhapura	29	2,565,783	492	825,156	1,570,876	81,527 -
Polonnaruwa	15	7,196,898	34,936	1,131,809	1,306,787	206,603 +
Trincomalee	11	379,245	—	17,925	914,040	1,006 -
Batticaloa	11	279,726	—	59,845	999,054	2,839 -
Vavuniya	06	502,210	20,000	5,000	927,133	4,194 -
Mannar	06	121,630	—	—	500,205	1,308 -
Jaffna	27	3,065,440	373,170	769,623	11,587,310	72,457 +
Paranthan	06	524,214	127,476	—	911,940	8,266 +
	485	100,948,692	1,903,122	42,794,799	60,191,385	1,000,238 *

(*) Overall figure.

(+) Profit

(—) Loss

Paddy Purchases

Paddy purchased from farmers on behalf of the P.M.B. during Maha 1975-76 and Yala 1976 seasons totalled 12,508,417 bushels.

Cultivation Loans

Cultivation loans were issued to farmers for cultivation of crops other than paddy particularly sugar cane and cotton. Loans issued for paddy cultivation for maha and yala seasons as at end of September 1976, amounted to Rs. 50,758,000 and subsidiary food crops for maha season Rs. 9,098,000.

Turnover

A considerable progress was achieved in the activities of the M. P. C. SS. Turnover for the first 9 months of 1976 was Rs. 1,866,729,190 and compares favourably with Rs. 2,571,246,805 for the year 1975. Profit earned during the corresponding period was Rs. 33,838,773.

Finance analysis of the co-operative structure during 1975 and 1976 appears below :

	1975	1976*
	Rs.	Rs.
Overdraft facilities utilised	--- 65,628,404	82,753,435
Loans obtained from all sectors	--- 303,720,229	647,353,027
Bank deposits	--- 101,856,120	97,143,064
Loans due to Societies	--- 385,361,957	378,406,698

* from 1st January to 30th September, 1976.

Textile Societies

The administrative structure of these societies was re-organised reducing the number of textile co-operatives to 30 as at end of 1976.

Further, salary scales were drawn up for the employees of these Societies while the cadre of the societies were determined.

Yarn and other weaving accessories were distributed to these societies and unions through the Weaving Supplies Corporation.

The Sri Lanka marketing services export the locally produced textiles of exquisite designs.

Agricultural Co-operatives

By the end of September 1976, there were 754 agricultural societies comprising 64 co-operative Gammanas, 103 co-operative Janawasas, 56 electorate level land reform co-operatives, 65 young farmers societies, 72 DDCC agricultural societies, 17 other DDCC societies, 130 electoral level co-operatives and 247 other types.

Apart from providing employment opportunities to young men and women these co-operatives have extended their scope of activities to achieve optimum production levels.

Land Reform Activities

Administration of lands under the land reform law was for the greater part vested in the M. P. C. SS in the first instance and subsequently transferred to co-operative-based institutions as the "Janawasama", "Usawasama" plantations corporation and land reform co-operative society.

Some of these lands continue to be administered by the co-operative sector.

Schools Societies

There were 785 registered schools co-operatives at the end of the year.

Fisheries Societies

52 fisheries co-operatives were functioning throughout the island. Ten fisheries co-operatives located south of Colombo including Southern Province were given loan facilities by the Asian Development Bank. A special programme of development is in operation.

School of Co-operation

The school of co-operation at Polgolla continues to train co-operative personnel at various levels and the 1st and 2nd examinations were held. The school is also the venue of special conferences, discussions and seminars.

Co-operative Management Services Centre

Elimination and reduction of queues, introduction of the new system of billing, modernisation of branches, incentive payments, scheme of district wholesale depots are some of the schemes initiated by the centre. The project was set up with Government and SIDA funds, the ILO being the executing UN Agency. A management consultancy division and a management training division deal with all aspects of its activities.

National Co-operative Council of Sri Lanka

The co-operative council is an apex level organisation of the co-operative movement. All M. P. C. S. S. in the island constitute its membership. A total of 405 societies were members of the council. Activities of this organisation are primarily directed towards M. P. C. S. S. during 1976. Time is now opportune to focus its attention on other types of co-operatives as well. All island competitions, conferences and seminars, training of co-operative employees are some of the activities of the council.

Apex Level Societies

Sri Lanka Co-operative Marketing Federation, Sri Lanka co-operative industries union, Sri Lanka coconut producers' co-operative society, Sri Lanka co-operative fisheries union render a considerable service to member institutions as well as the Co-operative Movement itself.

Co-operative Commission

The Commission continues to determine the service conditions of employees, and function in an advisory capacity as regards employee relations.

The Co-operative Wholesale Establishment

The Co-operative Wholesale Establishment became a state sponsored corporation by the C.W.E. act (no. 47) of 1949.

The objects of the C.W.E. in terms of the act as amended from time to time, are :—

- (i) Procure and supply the requirements of co-operatives ;
- (ii) Carry on business as exporters and importers of and as wholesale and retail dealers in goods of every description ;
- (iii) Transact any such trade or business including any agricultural or industrial undertaking or business of banking, shipping or insurance as may be incidental or conducive to attainment of its objectives ;
- (iv) Invest or acquire or hold shares or stock in any public company carrying on or engaged in or about to carry on or engaged in any business being a company having objectives similar or substantially similar to objectives of the company, provided, however, that no such investment, acquisition, or holding shall be made or entered into unless the Establishment acquires thereby a controlling interest in the company ;
- (v) Conduct such other trade or business as may be approved by the Minister of Trade with concurrence of the Minister of Finance in pursuance of the C.W.E. Amendment Act (No. 12) of 1969.

With a view to achieving these objectives, the co-operative management services centre proposed that the C.W.E. should set up nineteen regional warehouses which would supply "all commodities" required by the co-operatives.

Nine regional warehouses were set up in 1976 at Trincomalee, Moneragala, Matara, Galle, Polonnaruwa, Anuradhapura, Kurunegala, Badulla and Ampara—Moneragala and Ampara warehouses being selected at the instance of Parliamentary representatives of those regions. There are 90 retail shops set up by the C.W.E. in Colombo and the outstations.

Dried Fish.—Two delegations visited India, Pakistan and Aden with a view to promoting better trade relations with suppliers of dried fish of which Pakistan continues to be the main source. Total imports in 1976 amounted to Rs. 42.47 million of foreign exchange. Imports of Maldivian fish cost Rs. 9.11 million. Supplies of this item are dwindling and the ration of $\frac{1}{2}$ oz. per book could not be regularly maintained.

Cumin Seed.—The full exchange allocation of Rs. 12.65 million was utilized, chief sources of supply being Pakistan and Lebanon.

Garlic.—The allocation utilized was Rs. 1.9 million. Smoked garlic was not imported in view of prohibitive prices.

Coriander.—Rs. 26.65 million in foreign exchange was utilized for these Imports Despite crop failure in major producing countries as Roumania, Morocco and China and consequent prices escalation, the normal ration of this item was maintained.

Mathesed.—The only other pulse or spice imported was mathesed (costing Rs. 1.12 million).

Groceries.—Particulars of imported grocery items were :

Commodity	Expend Foreign Exchange Rs. million
Dried yeast	4.39
Dates	7.95
Ayurvedic raisins	0.19
Infant's and invalid foods	9.43
Liquor	0.05

Radio, Electrical and Scientific Items

The CWE is the sole importer of these items—total value being Rs. 2.34 million for radio spares and Rs. 0.32 million for other items.

Isuzu Lorry Chassis and Spares

The CWE handles the agency for Isuzu Lorries. The exchange allocation of Rs. 8.64 million for import of Isuzu chassis and Rs. 3.23 million for motor spares was fully utilized. Chassis with CRA foreign exchange purchased from State Trading (Consolidated Exports) Corporation amounting to Rs. 0.47 million were also imported.

Local purchases.—These included some items that were imported as well, e.g., dried fish (765 cwts.) groceries (Rs. 3.2 million), sports goods (Rs. 0.65 million), electrical goods (Rs. 1.75 million) and motor spares (Rs. 0.55 million). Other local purchases were :—

	<i>Rs. million</i>
Dried chillies	5.66
Pepper	1.97
Coffee seeds	1.04
Turmeric	0.68
Cowpea	0.59
Oorid	0.26
Green moong	0.26
Rice	0.20
Other purchases	0.57
Total	11.23

	<i>Rs. million</i>
Groceries	3.20
Household goods	11.42
Textiles	34.17
Stationery	7.29
Tyres and tubes	24.01
Hardware	1.40
Total	81.49

Rubber.—The C. W. E. continues to function as a “rubber shipper” registered with the Commissioner of Commodity Purchase and purchased in all Rs. 0.4 million worth rubber sheet.

Long term Investments of the C. W. E. are :—

	<i>Rs. million</i>
(a) Shares in Asian Hotels Corporation	14.75
(b) Loan to Asian Hotels Corporation	10.0
(c) Capital contribution to State Trading— (consolidated exports) Corporation	1.54

Finance.—Total turnover of the C. W. E. in 1976, amounted to Rs. 330,179,982 on which Rs. 2,430,903 was paid as business turnover tax. Gross profit amounted to Rs. 47,959,381. The net profit after payment of interest Expenses (Rs. 1.6 million), bonus (Rs. 3.1 million) and income tax (Rs. 4.16 million) was Rs. 3,225,189.

Salu Sala.—The Salu Sala, Sri Lanka state trading (textiles) corporation was set up as a separate corporation under the Sri Lanka state trading corporation Act, No. 33 of 1970, as from 8th April, 1971, to take over the duties and functions of Lanka Salu Sala Ltd. The Salu Sala commenced business from 1st January, 1972, having taken over the assets and liabilities of Lanka Salu Sala Ltd.

The textile factories of the national textile corporation located at Thulhiriya, Veyangoda and Pugoda and power loom workshops of the small industries department supply locally manufactured textiles to the Salu Sala.

Primarily, a servicing institution, Salu Sala embarked on a programme of textile printing (chints) during 1975. This would help improve both quantity and quality of the local textile printing industry. Construction of buildings for the second project was commenced during 1976. A total of 41.7 million yards of locally printed chints were distributed among consumers during the year.

The total turnover for the year 1976, decreased by Rs. 0.4 million as compared with that of 1975. A total of 26.6 million yards of printed cotton chints using raw materials supplied by the Salu Sala were made available during the year. In addition 4.9 million yards of locally manufactured 'synthetic' textiles, 2.7 million yards of cotton cloth were issued to manufactures of wearing apparel. Gross profits of the Salu Sala were Rs. 12.3 million. Contribution to the consolidated fund was Rs. 8.0 million.

V—TOWN AND COUNTRY PLANNING

Administration of the Town and Country Planning Ordinance is the responsibility of the Town and Country Planning Department. Apart from technical assistance and advice for planned development of urban and rural sectors, the department is also responsible for demarcation and administration of 'Sacred Areas'. Several local authorities including town councils and village councils made requests to the department for preparation of planning schemes and zoning schemes for their areas. The department however, could not fulfil all those requests due to shortage of technical personnel.

Planning

The department continued to work in preparation of zoning schemes for local authorities :—

- (1) Jaffna M.C.
- (2) Galle M.C.
- (3) Panadura U.C.

Town Planning Schemes

Town planning schemes for Kekirawa, Killinochchi, Ukuwela were undertaken. Draft planning schemes were completed for Sigiriya while draft planning schemes for Dambulla sacred area have been prepared.

Civic Buildings

Detailed plans and estimates were prepared for new improvement schemes to markets, rest houses, libraries, community centres and stadiums.

Housing

During the year the department assisted 15 local authorities in the preparation of layout plans and construction of slum clearance and middle class housing schemes.

Kataragama Planning Scheme

In the Sacred Area, work continued on drainage and water supply scheme.

More pilgrims' shelters were constructed and work on processional route completed.

Mahiyangana Planning Scheme

Construction of roads in the new town of the Sacred Area Scheme was completed. Floor walls were constructed. Work continued on the electricity scheme for provision of electricity supply to the Sacred Area.

Kelaniya Planning Scheme

Work on the construction of roads were continued and work on the surface drainage schemes undertaken.

Master Plan Project

The Project team commenced work on the preparation of a report on physical development options for the Colombo metropolitan region with a view to preparing a draft structure plan for the metropolis after consideration of possible development options. A report detailing three possible development options was considered by the steering committee in August 1976, viz. :—

- (i) *Sprawl*—to allow the present unplanned ribbon development to continue.
- (ii) *Concentration*.—to accommodate the entire increase within inner metropolitan area.
- (iii) *Growth Centres*.—to accommodate the entire growth in planned development centres within outer metropolitan area.

The steering committee agreed to adoption of a combination of options (ii) and (iii) as a working basis for the work on the regional structure plan.

The project team has already commenced work on the draft regional structure plan.

VI—NATIONAL HOUSING

The Department of National Housing was established under the National Housing Act (No. 37) of 1954, as amended by Act (No. 42) of 1958, and Act (No. 36) of 1966. The main activities carried out by the department as outlined in the Act, are :—

- (1) Grant of financial assistance for housing construction, purchase of houses and lands for residential purposes ;
- (2) Acquisition of land for housing objects ;
- (3) Construction of houses and flats for residential purposes ;
- (4) Implementation of the protection of Tenants (Special Provisions) Act (No. 28) of 1970, Rent Act (No. 7) of 1972 and the Ceiling on Housing Property Law (No. 1) of 1973.

Details of housing loans offered by the department during 1976 were :—

	<i>Loans offered</i>	<i>Amount involved Rs.</i>
(a) On personal surety-construction, completion, extension and repairs to houses	2,577	10,687,700
On mortgage of property and contract basis	1,097	14,807,800
	<hr/> 3,674	<hr/> 25,495,500
(b) For purchase of residential houses	79	1,419,700
For purchase of lands	140	828,200

The rates of interest on loans offered by the Department were basically the same as in the preceding year :—

Up to Rs. 10,000	... 6 per cent
From Rs. 10,001 up to Rs. 15,000	... 7 per cent
From Rs. 15,001 up to Rs. 40,000	... 9 per cent

Acquisition of lands

The Department of Housing obtains land required either by acquisition of private land or by vesting Crown land in the department. Acquisition of lands is undertaken by the department on behalf of members of housing societies and groups of prospective house builders.

Action was taken during the year to acquire land in extent of 56 Acres 03 Roods to carry out housing objects at an approximate value of Rs. 1,528,000.

Construction of houses and flats.

Another important task of the department is construction of houses and flats for purpose of renting out to lower and middle income brackets on a monthly rental basis and on rent purchase. Apart from availability of land, supply of building materials and necessary technical advice, the department also successfully initiates house construction on the basis of Self-Help. Of the 838 units of Aided Self-Help houses commenced during the year, 226 units were completed. A total of 415 flats were also completed and allocated during 1976.

Protection of Tenants' Act

The Department of National Housing implements the Protection of Tenants (Special Provisions) Act (No. 28) of 1970. The Act was introduced to prevent landlords from ejecting tenants by threat violence and harrasament and discontinuing or withholding amenities, thus causing obstruction to use and occupation of premises and resorting to various other means.

A total of 10,113 complaints were received under this Act during 1976 of which inquiries were completed on about 4,350 complaints.

Implementation of the Rent Act (No. 7) of 1972

This Act was designed to safeguard rights of both tenants and landlords and is implemented by rent boards and authorised officers. There were 87 rent boards functioning during 1976 and of these 15 boards whose term of office had lapsed were reconstituted. A total of 376 areas were declared within purview of the Rent Act and these were afforded services of rent boards by amalgamating them with those rent boards in proximity.

Ceiling on Housing Property Law (No. 1) of 1973

The Ceiling on Housing Property Law is an integral part of housing legislation enacted by the government. The object of this legislation was to grant ownership to certain categories of tenants who are hitherto in occupation of rented houses.

Under the Ceiling on Housing Property Law (No. 1), 43,366 applications were received from tenants up to the end of 1976 for purchase of houses. Of these 16,366 were in respect of surplus houses (under section 9) and 27,000 were non-surplus houses (under section 13) of the Law. Action is being taken to allocate these houses to tenants.

VII—BUILDING MATERIALS CORPORATION

The Building Materials Corporation was instituted on 17th June, 1971, under the Sri Lanka State Trading Corporation Act No. 32 (Section 2) of 1970. Initial capital of the corporation was Rs. 13.0 million.

The main objective of the corporation is to assist the building industry and the production of local building materials. Among statutory functions of the corporation, the most important are, (a) affording entrepreneur necessary advice in the production of building materials, (b) promoting sales of the items produced, (c) encouraging local raw material consumption in the production processes so as to ensure that sufficient supplies are available to substitute items now being imported and (d) estimating import requirements of the building industry. The import and systematic distribution of building materials is also the responsibility of the corporation.

Prior to the establishment of the building materials corporation, over 400 private dealers imported building materials to the country involving a large amount of foreign exchange. The corporation by co-ordinating import activities through a scheme of world-wide tender had helped reduce foreign exchange costs considerably.

Four sales outlets of the corporation function in Colombo. Regional depots opened in outstations are located at :—

Badulla
Kandy
Jaffna
Matara
Kalmunegoda
Batticaloa

Two more regional depots were opened at Ratnapura and Anuradhapura in 1976. The network of retail outlets ensures equitable distribution of building materials in the island.

Review of construction activity, sales potential and distribution problems would entail opening of regional depots at Galle and Nuwara Eliya. Sales points in chosen multi-purpose co-operatives would help service of rural house builders more efficiently.

Finance and Profitability

Import allocations have been on a six-monthly basis. The corporation is compelled to carry a substantial stock of imported items which leads to additional problems in financing, storing, etc. Imports on behalf of private industrialists are undertaken by the corporation in order to bolster up dwindling import business so that the wharf and commercial units of the corporation could maintain maximum capacity levels.

There has been an upward trend in profits earned by the corporation due to an expansion in its commercial activities.

Net Profit (before taxation) *Rs. million*

1972	Rs. 3.2
1973	Rs. 8.8
1974	Rs. 11.9
1975	Rs. 15.4

Turnover of Rs. 117.4 million was achieved during 1975 exceeding the budgeted figure.

Promotion of Rural Sector Production of Building Materials

A major break-through has been achieved in the promotion of rural sector products. Apart from providing marketing facilities for the rural sector producers, the corporation opened production units to make available adequate supply of building materials at reasonable prices, particularly those subject to seasonal fluctuations. Feasibility studies have been undertaken to locate suitable sites for developing more units with the participation of other institutions engaged in the production of building materials. Rural sector products have generally been of varying standards. In the course of providing marketing facilities, it has been observed that products manufactured by various rural sector producers are of divergent standards. Hence, it is proposed to give adequate incentives for the production of goods of acceptable quality, thus ensuring that the house-builders will be benefited in the long run.

VIII—DEPARTMENT OF KANDYAN PEASANTRY REHABILITATION

The Department of Kandy Peasantry Rehabilitation was established for the sole purpose of rehabilitating the peasantry of the Central and Uva Provinces, who were for centuries gravely oppressed economically, educationally and socially due to foreign domination. The department continues take a positive approach towards betterment of living conditions of the Kandy Peasantry. Five districts are involved in the rehabilitation programme—Kandy, Matale, Nuwara Eliya, Badulla and Moneragala.

A sum of Rs. 7,587,464 was thus allocated for the year 1976. Break-down of this figure on various items of expenditure appears below.

	<i>Rs.</i>
Public roads	3,918,852
School buildings	1,158,633
Village committee roads	464,438
Rural water supply schemes	293,261
Libraries, shop premises, etc.	42,775
Health centres	1,618,908
Industrial workshops *	75,351
Agricultural development	15,246
Total	7,587,464

* Construction Activities.

CHAPTER XXI

POLICE, PRISONS, PROBATION AND CHILD CARE SERVICES

I—POLICE SYSTEM AND CRIME STATISTICS

The Police Service in Sri Lanka was established and is governed by Ordinance No. 16 of 1865, as amended by subsequent ordinances from time to time. There was however, a Police Force dating as far back as early 19th century. Village headmen now known as Grama Sevakas continue to perform Police duties in some parts of the island which are still not policed. In policed areas too, particularly in rural areas, the Grama Sevakas play a vital role in detection and investigation of Crime.

There were 286 Police stations in the island at the end of 1976 with a total of 16,556 Police officers in the department's cadre. Financial considerations have virtually hampered the department's plans for taking over unpoliced areas.

Crime Statistics

Grave crime include offences of abduction, arson, burglary, cattle thefts, exposure of children, grievous hurt, attempted homicide, hurt by knife, rape, unnatural offences, riot, robbery, theft over Rs. 20, theft of bicycles and retention of stolen property.

TABLE 21.1—CRIME STATISTICS 1970-1976

<i>Year</i>	<i>Total Crime</i>	<i>True</i>	<i>Convictions</i>	<i>Percentage</i>	<i>Pending</i>
1970	38,541	19,550	3,642	18.63	20,511
1971	37,876	20,578	3,291	16.00	21,448
1972	42,936	22,238	4,805	21.60	21,127
1973	52,609	25,889	7,377	17.31	27,038
1974	63,719	35,042	7,822	12.27	31,083
1975	61,084	40,232	8,314	20.67	27,179
1976	64,269	48,038	9,193	19.17	28,924

Vehicular Traffic

A total of 66,609 detections of traffic offences were made by the Police in 1976. In 3,421 cases, warning tickets were issued to offenders for instructions in lieu of prosecution, emphasis being more on correction than punishment.

There were 14,344 accidents in 1976 with 8,057 persons injured and 675 killed. The following tables shows accident figures over the last decade.

TABLE 21.2—ROAD ACCIDENTS 1967-1976

<i>Year</i>	<i>Total No. of Accidents</i>	<i>No. of Persons Injured</i>	<i>Number Killed</i>
1967	13,303	6,158	571
1968	14,591	8,060	533
1969	14,221	8,072	590
1970	15,804	8,894	651
1971	13,844	7,711	587
1972	15,140	9,384	657
1973	15,267	9,177	721
1974	14,070	8,749	705
1975	13,023	7,923	690
1976	14,344	8,057	675

II—PRISONS

The Department of Prisons functions under the Ministry of Justice and has under its charge correctional institutions for criminal offenders over 16 years of age. Sri Lanka has 15 closed prisons, (four of which are exclusively remand prisons), three open prison camps, four work camps, four work release centres, four community service centres and two open training schools (Borstals) for youthful offenders. Average daily population in all these institutions during the year 1975 was approximately 9,726 of whom 4,022 were remand prisoners. The 32 prison lock-ups provide accommodation for remand prisoners. A total of 145,037 prisoners passed through these lock-ups during the year.

The four largest prisons are at Welikade (Colombo), Mahara, Bogambara (Kandy) and Jaffna. The other prisons are located at Anuradhapura, Galle, Batticaloa, Badulla, Matara, Tangalle, Negombo, Kandy and Colombo (Colombo remand prison), magazine prison and Hulftsdorp prisons). The three open prison camps are located at Pallekelle, Kopay and Anuradhapura and the two training schools for youthful offenders at Wathupitiwela and Taldena. The four work camps are at Pallansena, Homagama, Koggala and Wirawila. A work release centre functions at Negombo and four community service centres are at Wellampitiya, Negombo, Matara and Balapitiya.

Industrial and Agricultural Training

Prisoners capable of being trained in Industrial work are given a training in 23 selected trades. At Welikada, Mahara and Bogambara Prisons there are large-scale industrial workshops providing training in carpentry, tailoring, laundry, shoe making blacksmithy and tin-smithy, rattan work, weaving, mat making and printing.

In work camps prisoners are trained in horticulture, animal husbandry and agriculture. Inmates of the open prison camps too are engaged in agricultural and industrial activities and also animal husbandry.

The object of the industry scheme is to provide individual prisoner with a rehabilitative form of trade training. The original scheme was initiated in 1931.

In accordance with government's food drive every effort is being made by the department to raise its own food supplies for feeding prisoners.

Prison industries have over years established a tradition for skilled workmanship. Articles turned out and work done have been mainly for government departments. The total value of Industrial and Agricultural output during last five years is as shown below :—

<i>Year</i>	<i>Value Rs.</i>
1970-71	2,630,715
1971-72	3,465,392
1973	3,884,703
1974	6,131,351
1975	7,308,669

Moral and Spiritual Welfare

Prisoners of all religious denominations are provided with facilities for performance of religious rites in keeping with their faiths. Prisons in the island have places of worship within premises where inmates are allowed access.

Besides vocational training every effort is made to give prisoners some form of basic education. In prisons at Welikada, Galle, Negombo and Bogambara, open prison camp Kundasale and training school for youthful offenders Wathupitiwela, educational classes are held on a scheme of Adult Education.

Provision has been made for moral and spiritual guidance for prisoners of all denominations. Abhidamma classes are held at Welikade, Galle, Jaffna, Kundasale and Bogambara and meditation classes are conducted at Welikade, Matara, Jaffna, Kundasale and Bogambara.

Welfare officers attached to prisons are primarily responsible for attending to social needs of prisoners, whose problems are numerous and varied. Apart from their normal work within prisons, Welfare officers are also called on to visit homes of needy prisoners and undertake individual case work regarding financial relief, placement of children in approved homes, legal aid, rehabilitation of discharged, prisoners, etc.

Recreation

At all institutions, inmates are afforded facilities for indoor and outdoor games. At Welikade Prison all wards and cell blocks are served with a network of amplifiers for prisoners to listen to religious, educational and popular radio programmes.

Several humane practices in treatment of offenders are also available for the rehabilitation of criminals in Sri Lanka. One of these, is the release on licence scheme (quite similar to Parole) whereby long-term prisoners are released, having served a portion of their sentence subject to certain conditions and supervision of welfare officers.

A 'Home Leave' scheme provides selected long-term prisoners to be sent out for a period of one week with no supervision. Under work release scheme long-term prisoners on discharge are allowed to work during the day and return to prison or work release centre at night.

After-Care

The after-care of discharged prisoners is the responsibility of the prisoner's welfare association, a voluntary organisation receiving grant from the state. The welfare branch of prison headquarters also supervises after-care of discharged offenders. Organisations as Jaycees, Lions' club, the rotary movement have been encouraged to assist after-care activities. A unique 'experiment' in after-care has been the formation of a discharged prisoners' building society, where discharged prisoners have been employed on building and maintenance programmes of the prisons department.

TABLE 21.3—PRISON STATISTICS—NUMBER OF ADMISSION ON CONVICTIONS

	1970-71	1971-72	1973	1974	1975
Total admission on conviction	10,642	18,138	22,370	12,067	15,015
Males	10,330	17,684	21,546	11,767	14,606
Females	312	454	824	300	409
From Supreme Court, Magistrate and District Court and High Court	549	670	804	693	623
For murder and culpable homicide not amounting to murder	406	417	493	557	358
Sentenced to death	80	85	47	107	68
Number executed	—	06	06	24	04
Sentences commuted to terms of imprisonment	53	51	38	26	33
Reconvicted prisoners	3,921	7,910	10,537	4,408	5,161
Non-payment of Fines	4,621	9,276	11,415	5,210	5,610
Statutory Offences	2,711	4,286	5,501	3,491	4,316
Daily Average Population convicted and unconvicted Total	8,861	7,716	9,837	9,979	9,726
Males	8,557	7,409	9,255	9,629	9,326
Females	304	307	532	350	400

III—PROBATION AND CHILD CARE SERVICES

The major functions of the Department of Probation and Child Care Services comprise the following :

- (1) Study, diagnosis, treatment and rehabilitation of—
 - (a) offenders placed on probation by Courts ;
 - (b) children in need of care and protection by Courts ;
 - (c) children needing institutional correctional services.
- (2) Care and protection of orphaned, deserted, stranded and destitute children.
- (3) Registration, supervision and financial assistance to voluntary agencies engaged in child care work.

Ancillary services which help perform these functions are :

- (a) The probation services
- (b) Juvenile institutional correctional services
- (c) State receiving homes
- (d) Registration and inspection of orphanages, approved homes and creches
- (e) psychiatric service.

The Probation Service

The probation service is the field service of the department. It has received recognition as an effective service for the rehabilitation of selected offenders who are allowed to remain in their home environment subject to certain conditions governing their conduct for a period not less than one year and not more than three years as prescribed in each Court order.

Prior to making a probation order, a Court has to call for such information relating to character, antecedents, environment and mental and physical state of the offender from a Probation Officer of the judicial division in which the offence was committed.

These social reports and also social reports to Court in respect of children in need of care and protection are furnished by Probation Officers.

During period of supervision that ensue since making supervision order, the Probation Officer is required to see that conditions in the Order are complied with and also to help the client to solve the problem or problems faced by him by initiating his own efforts and mobilising resources in the community.

There were 125 probation officers deployed in the 38 Judicial Divisions in the island.

Probation Officers' functions are :

- (1) Inquires into applications for adoption of children ;
- (2) Investigation of children in need of care and protection and their placement ;
- (3) After-care of children in certified and approved schools ;
- (4) Inquires and supervision in terms of the payment of fines ordinance ;
- (5) Investigations and assistance to the prisoners' welfare association ;
- (6) Investigations regarding suitability for admission to training school for youthful offenders ;
- (7) Matrimonial conciliation ;
- (8) General social welfare work connected with social service agencies and youth welfare services.

Activities of the Department of Probation and Child Care Services :—

Investigations—10,220 cases

Supervision—4,598 cases

Child Adoption

Many a childless couple and others desirous of doing so, resort to adoption of children to a considerable extent. Most of the Courts to which these applications are made prefer to employ probation officers for investigation of suitability of the proposed adoption rather than appointing untrained individuals. The probation officers so appointed as *guardians-ad-litem* assess the motives for adoption and submit reports indicating whether the proposed adoption is in the best interest of each child. There were 901 adoption inquiries carried out during 1976.

Institutional Correctional Services

The institutional correctional service is a major aspect of the department's activities. The department runs 4 state remand homes and 7 certified schools which have been established under the provisions of the children and young persons ordinance—Chapter 23 of the revised legislative enactments of Sri Lanka. One certified school and a remand home have been established exclusively for girls. An approved school is a juvenile correctional institution similar in functions to a certified school but maintained by a voluntary agency. There is only one approved school, at Maggona, which caters to children and young persons of the Roman Catholic faith.

Certified and Approved Schools

Certified schools and approved schools provide juvenile offenders or children and young persons in need of care and protection, suitable rehabilitative treatment under residential conditions. The inmates are given normal education as well as training in a vocation suitable to the aptitude of each inmate. The institution is intended to be a home where proper guidance is given youthful adolescents in an atmosphere of mutual understanding, to enable them to lead a socially acceptable and useful life on release.

During the period of residential training probation officers as after-care agents maintain close contact with homes of the inmates and the institution. They also help discharged inmates to settle down in their communities and look after them until they could maintain themselves.

The 6 certified schools for boys are situated at Makola, Hikkaduwa, Koggala, Atchuvvely, Keppeti-pola and Senapura. The school for girls is at Ranmuthugala near Kadawata.

The state gives a monthly per capita grant of Rs. 45 for maintenance of inmates in the approved school. There were in all 929 inmates in certified schools and the approved school.

The department also assists ten after-care centres designed to provide opportunities to discharge inmates for on-going training outside institutions or provide residential facilities to enable further training or engagement in an occupation for a period of one year.

Remand Homes

The state remand homes for boys are situated at Kottawa, Koggala and Atchuvvely and the remand home for girls is at Dehiwela. These Institutions provide detention facilities for children and young persons pending production in Court or pending trial and on other orders of Court. A total of 2,798 (males and females) received detention care at these Remand Homes.

Several voluntary remand homes have also been established by voluntary agencies in certain parts of the island for reception of juvenile remandees in areas where state remand homes are not available. These institutions are financially assisted by the state for maintenance and custodial care of 'remandees'.

State Receiving Homes

These homes have been established for reception of children who have been deprived either temporarily or permanently of a normal home life. Such children are provided short-term care in these homes until long-term or permanent placement could be arranged for them in accordance with the specific needs of each child. Apart from providing immediate needs and necessary care for children

admitted to these homes, they also provide necessary facilities for close observation and conduct of investigations as regards their social history and family background. These would help formulate a treatment plan designed to ensure the welfare and best interests of the children. There were 5 state receiving homes located in Jaffna, Panadura, Bandarawela, Galle and Kandy with a resident population of 221 children.

The Registration and Supervision of Voluntary Children's Homes and Day-Care Centres

There were 134 voluntary children's homes administered by voluntary agencies registered with the department in terms of the orphanages ordinance. These homes provide long-term care and maintenance of orphans, deserted and destitute children. In recognition of this invaluable service rendered by voluntary agencies, the state pays a monthly per-capita grant of Rs. 44 to infants below 2 years, Rs. 38.50 to girls between 2-18 years, Rs. 38.50 to boys between 2-16 years and Rs. 12 to boys between 16-18 years. The state also provide an *ad-hoc* grant in suitable cases for purchase of clothing, furniture and other equipment, repair and maintenance of buildings. There was a total of 4,026 children in the children's homes who were paid maintenance grant as at end of 1976. A sum of Rs. 1,593,341 was paid these homes as maintenance grants and Rs. 157,581 as *ad-hoc* grants.

The department of probation and child care services supervises and assists the day-care centres maintained by voluntary agencies. These centres take care of children between 3 months and 5 years of working mothers during day time. There were 158 such day-care centres in 1976. The per capita grant of Rs. 11 per month is paid on the basis of an approved maximum number of children for each day-care centre. A total of 4,225 children have been cared for in these centres involving a sum of Rs. 503,476 as maintenance grants and Rs. 1,600 as *ad-hoc* grants.

There were 5 vocational training centres attached to children's homes registered in the department to give a job-oriented vocational training for children between 14-16 years selected from voluntary children's homes. A total of 214 children were trained at these institutions during the year. Maintenance grants for children admitted to these training centres and also *ad-hoc* grants have been paid to voluntary children's homes to which these centres are attached.

Psychiatric Service

The psychiatric service is administered by a qualified psychiatrist, who assesses and reports on cases referred him by the Courts and departmental officers. On-going treatment is provided for these cases which warrant such treatment.

CHAPTER XXII

TRANSPORT AND COMMUNICATIONS

I—RAILWAYS

The Railway system of the island has been designed primarily for the transport of passengers, goods, parcels and the conveyance of mail, covering a total track of 908 miles. All sections of Sri Lanka, railway excepting the Kelani valley line—from Colombo Fort to Padukka—are of broad gauge. Double tracks are provided from Colombo to Polgahawela on the main line and from Colombo to Panadura on the coast line. At Ragama between Colombo Fort and Polgahawela, the branch line stretches along the coast northwards to Puttalam. The Aruakalu extension takes off at Puttalam to the limestone quarry with a branch at Illuvankulam to the clay fields of the cement factory. At Polgahawela one line runs up to Badulla and Matale the deviating point being at Peradeniya en route Kandy, the Hill Capital. The other line goes up to Kankesanthurai with branches at Maho and Medawachchi. The branch line at Maho proceeds to Gal Oya where it forks out to Trincomalee and Batticaloa on the eastern Coast. At Medawachchi the branch line proceeds to Talaimannar Pier from where a ferry service provides a connection to the Southern Railway in India. The coast line hugs the southern coast from Colombo to Matara. Two short lines branch off at Urugodawatta on the main line to the Kolonnawa oil installations and Colombo harbour. On the Puttalam line at Seeduwa, another deviation branches off to the International Air Port, Katunayake.

Colour light signalling has been installed on sub-urban routes from Colombo to Panadura on the coast line, Colombo to Polgahawela on the main line and Ragama to Katunayake and the international air port on the Puttalam line.

Organisation

The railway in Sri Lanka, is state-owned, management being vested in the Ceylon Government Railway Department. The organisation consists of eight sub-departments under the general manager as head of the railway department. The eight sub-departments are civil engineering, mechanical engineering, motive power, transportation, commercial, accounts, stores and traffic costing, the last named being of recent origin. A railway planning unit directly responsible to the general manager has also been recently set up. The catering service provided at stations and on trains, now operate as a separate unit under the commercial sub-department.

Stock position of locomotives as at end of 1976 was :—

Steam Locomotives	28
Diesel Hydraulic Locomotives	60
Diesel Electric Locomotives	53
Diesel Hydraulic Power Coaches	60
Diesel Hydraulic Shunting Locomotives	35
Diesel Electric Shunting Locomotives	09
K. V. Diesel Mechanical Locomotives	04
Diesel Electric Rail Cars	10
Diesel Hydro-mechanical Rail Cars	05
K. V. Diesel Hydraulic Locomotives	08
Air Conditioned Sets	04
Other Locomotives—(high powered coaches)	63

Rolling Stock position during the year is shown below :

Broad Gauge Carriages	1,084
Broad Gauge Wagons	3,788
Narrow Gauge Carriages	99
Narrow Gauge Wagons	199

Co-ordinated Services

Rail-road co-ordinated services for passenger and freight traffic are operated for convenience of the general public particularly on long-distant routes :

- (a) *Collection and Delivery Services*.—The services performed in Colombo, with departmental motor vehicles deal with wagon-load traffic, as tea, paddy, paper and small consignments to and from government departments, state corporations and private-sector firms. These services also extend to other patrons by prior arrangement.
- (b) *Carrier Services*.—Regular road motor carrier services for transport of goods and parcels operate between Matara/Tissamaharama ; Nanu/Oya Ragala ; Nanu/Oya Welimada ; Haputale/Moneragala ; Badulla/Bibile and Kandy/Mahiyangana. These freight services afford links between rail-heads and outlying environs.
- (c) *Rail-Road Passenger Transport*.—Co-ordinated rail-bus connections are provided at important railway stations on the coast, up-country and northern lines enabling residents of remote areas to patronise popular, long-distant express trains.

Retiring Rooms

Retiring rooms fully furnished and equipped with modern amenities for use of rail and non-rail borne passengers are available at Anuradhapura, Kandy, Jaffna, Galle, Trincomalee and Polgahawela.

Restaurant services are available at important railway centres and on long-distant express trains.

Diesel-De-Luxe

A self-propelled saloon car with de-luxe accommodation for 30 passengers is available for parties who wish exclusive travel.

Observation Saloons

Observation saloons equipped and fitted for first class travel help view the landscape on the run. These saloons are available for public use. A passenger (adult or child) in the observation saloon should hold in addition to a first class travel ticket, an observation saloon ticket, which costs Rs. 7.50.

Air-Conditioned Saloon

A first-class air-conditioned saloon with accommodation for 32 passengers runs between Colombo and Kankasanturai on the fast express trains. First class fare plus Rs. 15 for air-conditioned ticket is payable for such travel.

Second and Third Class Sleeperettes

Second and third class sleeperettes are in service on long-distant trains. Passengers with second or third class travel tickets could avail of sleeperettes on payment of Rs. 7.50 for a second class sleeperette ticket or Rs. 5.00 for a third class sleeperette ticket.

Special Services

Apart from the two luxury coaches catering to the needs of foreign tourists visiting Sri Lanka, special services are also provided during ' pilgrim influx ' to important religious centres in the island, ' Specials ' run during the year extending transport facilities to pilgrims were :—

Sri Pada	34
Wesak	121
Poson	50
Maha Nuwara Esala Perahera	92
Kataragama	22
Madhu Srine	52
Talawila, St. Annes	13

Railway Traffic

Volume of railway traffic during the year 1976 appears in table 22.1

TABLE 22.1—VOLUME OF RAILWAY TRAFFIC—1976

Year	Passengers conveyed (thousands)	Season Ticket holders (thousands)	Goods conveyed (thousands tons)	Income (Rs. Million)	Expenditure
1976	29,658	750	1,488	198 0	256 0

Development Activities

Two ticket agencies were opened during 1976.

Anuradhapura new town —between Srawasthi Pura and Anuradhapura (124 miles 75 chains)

Waikkal —between Kochchikade and Bolawatta (28 miles 31 chains)

Construction work including extension and repair was carried out at Galgamuwa, Thambuttegama and Maho, Ganewatta and Pothuhera on the northern line, Paiyagala (South) and Palapitiya on the coast line.

Bridge repair and maintenance work continue, particularly on the Batticaloa and Trincomalee line.

Improvements to rest rooms and platform 'shelters' were provided at Ragama, Veyangoda and Badulla.

A housing unit was constructed at Ratmalana. Housing facilities were also afforded departmental minor grades at Mirigama, Kurunegala and Alutgama.

II—ROADS AND ROAD TRANSPORT**Highways**

Important among activities of the Department of Highways during the year 1976 were :—

Road Extensions

Skinner's road (south)

Narahrenpita-Nawala-Nugegoda

Nugegoda-lower Church street

Yatiantota diversions

Colombo-Puttalam road—Three-way diversion from Katunayake

Galle Face (centre) road

Church Street-Nugegoda

Ambepussa-Kurunegala-Trincomalee road (37th to 41st mile posts)—widening and repair

Bridges

Theberton-Polpitiya—bridge over Maskeli Oya

Kalawellawa bridge

Matara-Hakmana road—bridge No. 4/2

Colombo-Kandy road—bridge No. 20/1

Negombo-Giriulla road—bridge No. 18/3

Thiruwanketiya-Agalawatta road—bridge No. 35/3

Gurugala-Amithirigala road—bridge over Kelani Ganga

Allai-Kantale road—bridge over Mahaveli Ganga

Trincomalee-Pulmoddai road—bridge over Talpe Aru

Malwana-Dompe road—bridge No. 2/3 (reconstruction)

Ayagama-Kitulegama—bridge No. 1/1

Yalebedda-Egoda Kolonnawa—bridge over Heen Ela (new construction)

Motor Traffic

The Department of Motor Traffic is responsible for the administration of the motor traffic Act and regulations made thereunder. Its functions are the registration and licensing of motor vehicles, registration of transfer of motor vehicles, issue of drivers and conductors licences, issue of permits for buses used on tours and excursions, fitness certificates for commercial vehicles, examine and report on vehicles involved in accidents. The implementation of the finance Act (no. II) of 1963 on sale of certain motor cars and finance Law (no. 47) of 1973 on the recovery of a levy on private motor cars registered under the Sri series also fall within the scope of its functions.

Registration of Motor Vehicles

The largest number of motor vehicles ever registered during a year in Sri Lanka was in 1960 when 15,521 vehicles were registered. Of these, 8,280 were private cars, 663 were hiring cars and 2,758 lorries. A virtual ban was imposed in 1961 on importation of motor vehicles to conserve foreign exchange. This objective, has apparently been achieved, as evident from data appearing below.

Imports of Motor Vehicles showed a comparative increase in years, 1967, 1969, 1970 and 1976 due to the operation of open general licences scheme during these years. Statistics of Motor Vehicles (operating) as available in the registers and new Vehicles registered from 1960 to 1976 were :—

<i>Year</i>	<i>Motor Vehicles (Number)</i>	<i>New Registrations (Number)</i>
1960	136,976	15,521
1961	142,970	7,858
1962	145,216	3,924
1963	146,323	2,456
1964	147,589	2,404
1965	148,760	2,453
1966	151,417	3,687
1967	156,754	6,073
1968	161,154	4,978
1969	169,353	9,241
1970	176,792	8,834
1971	180,252	4,547
1972	184,094	4,543
1973	187,671	4,274
1974	191,962	4,986
1975	194,972	3,985
1976	199,660	5,362

With the introduction of the ban on import of cars, ownership of registered vehicles change more frequently than in the past. A sum of Rs. 2,948,261 was collected as revenue on transfers of motor vehicles during 1976.

Licensing of Motor Vehicles

The Commissioner of Motor Traffic who is also the registrar of motor vehicles is the accounting Authority for collection of licence duty on motor vehicles. Licence duty in respect of motor vehicles in Colombo district is collected by the Commissioner of Motor Traffic and in respect of motor vehicles in other districts through Government Agencies of the district administration.

Statistics of revenue collected by the department of motor traffic and government agencies since financial year 1964-1965 are :

Financial Year	Revenue Collected	
	Registrar of Motor Vehicles	Government Agencies
	Rs.	Rs.
1964-65	6,278,207	5,972,553
1965-66	5,906,570	5,167,813
1966-67	10,046,089	6,111,509
1967-68	8,424,812	6,219,736
1968-69	8,856,796	6,011,276
1969-70	9,163,656	6,935,845
1970-71	10,892,175	8,600,322
(a) 1971-72	16,606,960	(a) 15,286,828
*1973	19,890,901	*9,387,679
1974	20,432,363	6,929,240
1975	23,149,703	10,750,168
1976	18,353,842	14,820,715

(a) 15 month period.

* Revised figures.

Driving Licences

A driving licence is issued only after a test of an applicant in driving and road rules. The applicant must satisfy the examiner in both tests to qualify for a driving licence. An applicant who is aggrieved by a decision of an examiner is given the right of appeal. In such cases he is re-tested by a departmental official nominated by the commissioner of motor transport. Licences to drive commercial vehicles are issued in Colombo after a test conducted by two examiners. In outstations these licences are issued after a test by an examiner attached to the district administration and an official nominated by the Government Agent. The number of driving licences to drive private cars and commercial vehicles issued during 1976, was 14,803.

Conductors Licences

Applicants for conductors licences should have at least the VIII standard qualification. As the number of persons already holding licences exceeds the number of buses operating, new licences are issued only to those applicants sponsored by the Ceylon transport board and private applicants who could adduce satisfactory proof as regards guarantee of employment as conductors by private omnibus owners. A total of 121 conductors' licences were issued during 1976.

Road Safety

Motor traffic (highway code) regulation 1951, published in the form of a brochure is being sold at a nominal price of 10 cents. Copies of the brochure are available in Sinhala, Tamil and English. The highway code embodies rules required for the guidance of persons using the roads.

Examination of Motor Vehicles

In Colombo district commercial vehicles required by law to obtain annual certificate of fitness are examined at the testing station of the department. In the outstations this work is being done by examiners of motor vehicles attached to various government agencies.

International Convention Relating to Motor Traffic

Sri Lanka is a signatory to the 1949, international convention relating to motor traffic. International driving permits are issued by the department of motor traffic through the automobile Association of Ceylon. Domestic driving licences issued by countries subscribing to the convention are recognized and temporary recognition permits are issued to tourists and others visiting the country.

Tax on the sale of Motor Cars

Under the finance act, (no. II) of 1963, tax is payable on the sale after 1 August, 1963, of motor cars :

- (a) registered for the first time in Sri Lanka on or after 26 January 1961 (registration number on 26 January 1961 was 4 Sri 4064 and
- (b) imported free of custom duty or on special concessions given to diplomatic and other privileged persons.

A sum of Rs. 2,447,844 was collected during the period from 1 January to 31 December 1976. The tax is applicable to such motor cars for a period of 7 years from date of first registration of the motor car in Sri Lanka. The purpose of the tax is to prevent owners of motor vehicles who have obtained the privilege and concession of importing motor cars into the country from making unconscionable profits by selling cars at fabulous prices in a booming second-hand market. This is particularly so when the vast majority of owners and users of motor cars cannot import new cars under existing import control regulations.

Tax on private cars registered under Sri Series

With the introduction of Finance Law (No. 47) of 1973 persons who on 10 November 1972 were registered owners of private cars which had been assigned distinctive numbers of the Sri Series and every person registered as first owner of a motor car registered since that date become liable to pay a levy. The total amount collected as levy on these vehicles upto the end of December 1976 was Rs. 13.8 million.

Ceylon Transport Board

The Ceylon Transport Board, was established as the first nationalised venture on 1 January, 1958. With the nationalisation of the bus services, the board took over the services operated by 76 private companies.

The board has during the past 18 years expanded into a vast complex of 76 depots with 49,200 employees and 6733 buses. It operates a fleet of buses perhaps one of the largest in the world.

Bus services covering the entire island of 25,332 square miles are operated by the board giving a total operated mileage of 247,551,341. It provides both city services and long distant services linking principal towns, places of religious and tourist interest, holiday resorts and ancient cities of historic fame.

The Ceylon Transport Board was the first of the nationalised ventures to establish employees councils, selected by secret ballot. There are a total of 76 councils established at various depots, workshops, offices and other work places of the Board.

The expansion progress of the Ceylon transport board could best be gauged by the increase in fleet and staff since the year of nationalisation.

<i>Year</i>	<i>Fleet Strength</i>	<i>Employees (number)</i>	<i>Mileage Operated</i>
1958	3,400	15,000	102,616,664
1976	6,733	49,200	247,551,341

Statistics below indicate the growth and development of the Board's activities during the past 18 years :

TABLE 22.2 MILES OPERATED AND PASSENGERS CARRIED 1958-1976

<i>Year</i>	<i>Mileage Operated</i>	<i>Passengers carried</i>
1958	102,616,664	456,401,935
1959	108,824,831	513,532,364
1960	115,006,429	555,363,140
1961	120,636,509	617,456,145
1962	122,529,145	665,940,386
1963	119,426,355	666,199,639
1964	138,406,268	792,863,080
1965	159,541,047	929,455,291
1966	184,378,662	1,052,444,895
1967	208,576,429	1,171,027,467
1968	212,591,436	1,271,102,316
1969	221,285,392	1,328,412,218
1970	237,031,717	1,374,414,164
1971	241,148,795	1,335,846,790
1972	270,882,614	1,390,351,993
1973	250,899,496	1,405,164,385
1974	234,765,144	1,248,690,917
1975*	246,387,000	1,336,411,000
1976	247,551,341	1,436,275,003

* Figures subject to revision.

The results of financial operations of the board during 1976 showed a loss of Rs. 46.5 (estimated) million in contrast to a profit of Rs. 21.3 million the preceding year.

An initial phase in the planned programme of development of bus services covered Greater Colombo and western areas, which deploy 50 per cent of total fleet strength. Improvements in the other areas are in offing.

III—SHIPPING

The Department of merchant shipping was amalgamated with the Ministry of Shipping and Tourism in January 1973, with the establishment of merchant shipping division within the Ministry.

Central Freight Bureau

The Central Freight Bureau of Sri Lanka, established on first September 1973, provides a central freight booking office for allocation of freight space on vessels for goods shipped from Sri Lanka to any destination. Other functions of the bureau include ensuring economic loads to vessels, rationalising frequency of call and availability of vessels for shipment of goods from Sri Lanka. It negotiates and enters into agreements with ship-owners and shipping lines on matters as freight rates, surcharges and efficiency of shipping services, to reduce costs incurred by Shippers and obtain favourable Freight rates.

The bureau continued its efforts towards helping shippers and shipowners to cut down operational costs. Several promotional freight rates were established and validity period extended. Negotiations with conferences/rate agreements and lines with a view to containing freight rates backed by statistical data maintained by the research division, were pursued with utmost vigour.

A brochure was published by the bureau on scope of its activities and circulated among all countries attending the Non-Aligned summit conference. A three member delegation from the Philippines studied operations of the bureau in December 1976.

The bureau purchased 40 per cent of share-holdings of the Trincomalee Tea Administration Co. Ltd., at a par value. Commodities affected by the economic recession were exempted from freight increase and special freight rates were fixed on others. Several more promotional freight rates were also established. A vigilant monitoring of vessels' movements to areas where congestion surcharges were collected by lines has ensured that only legitimate dues to the lines have been collected.

Bureau Officials conduct regular discussions with port tally, Ceylon association of steamer agents and Port (cargo) Corporation officials to review matters arising out of routine functions of these organizations.

Collection of Revenue

In compliance with provisions of the fees Regulations under the merchant shipping act no. 52 of 1971 and licensing of Shipping Agents Act No. 10 of 1972, the merchant shipping division of the Ministry of Shipping has collected a sum of Rs. 246,804 during the year as revenue. This amount has been credited to the consolidated fund. Collections during 1976, have exceeded preceding year's revenue by Rs. 44,737. A sum of Rs. 90,026 has been in the form of foreign exchange.

	Rs.
(1) Shipping and Attendance Fees	103,757
(2) Registration of vessels and survey fees	9,395
(3) FEECs	63,143
(4) Issue of Seamen's Record Books and Certificate of Discharge	10,560
(5) Licensing of Shipping Agents	28,500
(6) Fees for issue of certificates	30,915
(7) Fines	534
	<hr/>
	246,804
	<hr/>

Under the Scheme of Licensing 37 Shipping Agents obtained licences during the year.

Seamen's Training

For the fifth batch of seamen trainees, 52 were recruited to the naval and maritime institute, Trincomalee.

Shipping officers' registry :—

(1) Ships Masters attended to	724
(2) Change of Masters	43
(3) Seamen signed on	5,126
(4) Seamen signed off	3,211
(5) Number of Sri Lanka seamen engaged	2,364
(6) Deaths of seamen reported	02

Registration of vessels

M. V. Samudra Maru belonging to the fisheries department and M. T. Mahaweli belonging to Ceylon petroleum corporation were registered respectively as Sri Lanka ships in March and November 1976.

Surveys

Survey of vessels carried out during the year were :

	Colombo	Outports
Passenger Launches	31	62
Passenger and Cargo Launches	29	06
Tugs	—	02
Self propelled barges	—	25
Fishing trawlers/Fishing boats	—	332

Merchant Shipping Regulations

Regulations relating to Mates 1976, examination were gazetted on 21st June, 1976, in *Gazette Extra-ordinary* No. 218/3.

Ceylon Shipping Corporation

The Ceylon Shipping Corporation was established to operate services for the transport of goods and mail by sea and to transact business as ship-owners, charterers, ship brokers and shipping agents. In terms of the Ceylon Shipping Corporation Act (No. 11) of 1971, the corporation began functioning as a commercial entity with effect from 6th June, 1971.

To achieve the main objective of the corporation, the Ceylon—UK/Continent Liner Service was inaugurated with a westbound sailing in December 1971, by M.V. Lanka Rani. Liner Services from Sri Lanka to U.K., the Continent, People's Republic of China, Japan, the Far East and Persian Gulf/Red-Sea ports were subsequently consolidated and established on a regular basis.

Fleet strength of the corporation's vessels gives a total dock weight tonnage of 116,244—

Vessel	Dock weight tons
Lanka Rani	15,228
Lanka Sagarika	2,521
Lanka Devi	14,100
Lanka Kalyani	6,275
Lanka Kanthi	6,790
Lanka Shanthi	14,350
Tammanna	30,278
Lanka Keerthi	11,877
Lanka Ratna	14,825
	<u>116,244</u>

Twenty seven round voyages have been completed as at 31st December, 1976. Details of voyages so completed are :—

	1976				
	<i>1st Qtr.</i>	<i>2nd Qtr.</i>	<i>3rd Qtr.</i>	<i>4th Qtr.</i>	<i>Total (12 months)</i>
Ceylon/U.K./Continent	2	4	2	4	12
Ceylon—Far East	3	1	1	3	8
Others	—	—	—	—	—
M. V. LANKA SAGARIKA	2	2	1	2	7
	7	7	4	9	27

Provisional results of financial operations show a profit of Rs. 56.5 million before charging interest and financing charges as against Rs. 55.6 million for the preceding year.

The net profit for the year after charging Interest, works out to Rs. 46.5 million as against Rs. 46.0 million for the year 1975.

TABLE 22.3—CEYLON SHIPPING CORPORATION—PROGRESS AND COMMERCIAL VIABILITY

	1972	1973	1974	1975
	<i>Rs. Million</i>	<i>Rs. Million</i>	<i>Rs. Million</i>	<i>Rs. Million</i>
Government Authorised Capital	100	100	100	100
Government Contributed Capital	15.4	26.3	41.8	41.8
Loan Redemption Reserve	—	14.7	36.0	70.5
Loan Capital	42.2	60.7	49.9	55.4
Provision for Depreciation	2.4	5.0	6.0	10.9
Gross Earnings (Liner Service and Agency)	57.6	76.8	155.7	188.6
Tonnage lifted by CSC vessels (Freight Tons)—				
Exports	87,720	105,928	99,758	130,362
Imports	86,153	123,223	205,428	188,018
Number of Round Voyages performed	14	16	23	24*

* Voyages performed by 8 vessels.

Port Tally and Protective Services Corporation

The Port Tally and Protective Services Corporation was established under the Port Tally and Protective Services Corporation Act, No. 10 of 1967.

The corporation continues to provide efficient and regular tally and protective services in the interests of ship owners, agents and masters of ships in the ports of Colombo and Trincomalee.

The corporation enjoys a statutory monopoly over tally and protective services in the ports of Sri Lanka. Operational activities of the corporation are confined to the ports of Colombo and Trincomalee. Long-term development plans could only be organised by improving services, the corporation renders to its customers—ship owners and their gents.

Finances of the corporation during the year were :—

	<i>Rs. Million</i>
Income	8,226
FEECs	4,316
Total	12,542
Expenditure	10,448
Profit	2,094
Taxation	1,256
Contribution to Consolidated Fund	—
Total payments to Government	1,256

Tonnage tallied and protective personnel engaged in the two ports during 1976 were :—

	<i>Colombo</i>	<i>Trincomalee</i>
Tonnage tallied (General Cargo Discharged)	379,306	50
Tonnage tallied (Bagged Cargo Discharged)	860,267	52,500
Tonnage tallied (Cargo loaded)	1,013,823	72,650
Protective Personnel engaged	29,814	3,016

Port (Cargo) Corporation

The Port (Cargo) Corporation was established in August 1958, under the Port (Cargo) Corporation Act, No. 13 of 1958, as amended by Amendment Act (No. 67) of 1961 and (No. 41) of 1964.

Main functions of the Corporation as stipulated in the Act under section 4 (1) are :—

- (1) to provide in the Port of Colombo and in any other port that may be determined by the Minister of Shipping and Tourism by "Order" published in the *Government Gazette*, efficient and regular services for stevedoring, landing and warehousing cargo, wharfage, the supply of water and the bunkering of coal and any other services incidental thereto ; and
- (2) to conduct the business of the corporation in such manner and to make in accordance with the provisions of the Act, such charges for services rendered by the corporation, as will secure that the revenue of the corporation is not less sufficient for meeting the charges which are proper to be made to the revenue of the Corporation and for establishing and maintaining an adequate general reserve.

Cargo Handling operations

The cargo handled in all three ports of the corporation during the year were :—

Port	Callers	Cargo Vessels			Imports	Exports	Total
		Food	Others	Total			
Colombo	1,715	90	934	1,024	1,244,773	999,993	2,244,766
Galle	17	8	9	17	44,320	8,684	53,004
Trincomalee	72	5	67	72	65,802	61,226	127,028
Total	1,804	103	1,010	1,113	1,354,895	1,069,903	2,424,798

Container, 'LASH' and Palletized Cargo Handling

Containerized cargo and 'LASH' barge handling and palletization has recorded an increase during the year. Of a total volume of 2,244,766 tons of dry cargo handled, approximately 39,753 tons were containerized (imports and exports) in 24 sailings, and recorded an increase of 2 per cent over the preceding year. As regards 'LASH' Barge operations a total tonnage of 23,642 tons were loaded and discharged in 19 sailings. Construction of the 100 foot container quay by the Colombo Port Commission has reached half way mark. It is expected that 500 feet of the quay would be ready for operations in the near future.

Transshipment

The volume of transshipment cargo handled in 1976 was 11,485 tons as against 3,265 tons during 1975, an increase of over 250 per cent.

Supply of Water

The volume of fresh water supplied to ships was—

Port	Volume tons
Colombo	347,798
Trincomalee	17,357
Galle	—
	365,155

Modern trends in Cargo Handling

Although the port of Colombo is still handicapped without facility of a container berth, it could render efficient service to all container carriers and to 'LASH' ships that called at Colombo port frequently during the year. The number of 'LASH' barges handled during the year was 253 as against 207 in the preceding year. "Rollon"/"Rolloff" vessels were also handled during the year.

Despatch and Demurrage

Based on information available, demurrage incurred on chartered vessels, mainly on food and fertilizer cargo during the year was Rs. 1.53 million whilst in 1975 it amounted to Rs. 4.7 million. Amount earned as despatch money was Rs. 1.6 million as against Rs. 4.9 million in the preceding year.

Financial Performance

The corporation recorded an overall profit of Rs. 11.1 million as compared with a profit of Rs. 1.6 million in 1975. The cumulative loss was reduced to Rs. 27.4 million thus—

	1976				1975
	Colombo (Rs. million)	Galle (Rs. million)	Trincomalee (Rs. million)	Total (Rs. million)	Total (Rs. million)
Revenue	150.1	1.8	4.6	156.5	136.3
Less—Operating Cost	104.3	3.6	11.5	119.4	113.7
Operating Profit/Loss	45.8	1.8*	6.9*	37.1	22.6
Less/Add—Administrative Expenses	19.7	1.3	5.0	26.0	21.0
Nett Profit/Loss	26.1	3.1*	11.9*	11.1	1.6
Cumulative Loss (carried over)				38.5	
Cumulative Loss				27.4	

* indicate loss.

Employees Benefits

The annual bonus for the year 1976 was computed on the same basis as that for the year 1975. The total paid amounted to Rs. 5.39 million. Of this a sum of Rs. 0.99 million based on allowance of Rs. 90 paid to certain employee categories had been treated as an advance pending a final decision.

Gazette Extraordinary No. 280/4 of 27th April, 1976

Metricalion.—Main purpose of the amendment was to effect conversion of all weights and measures in schedules of charges to metric equivalents and reinterpretation of measurement and deadweight cargo charges for stevedoring as from April 1976.

Gazette Extraordinary No. 243/7 of 16th December, 1976 (FEECs), enabled the corporation to recover FEECs on stevedoring charges paid through local accounts.

Accident Compensation

A sum of Rs. 79,123 was paid as workmen's compensation on account of accidents in the three ports. Accidents involved and payments made were :—

Port	No. of Accidents			Payments made
	Fatal	Non-Fatal	Total	
Colombo	02	187	189	76,620
Galle	—	01	01	331
Trincomalee	—	09	09	2,172
Total	02	197	199	79,123

Bonding

Packages bonded during the year were 17,221. A total of 13,040 packages have been delivered from the bonded warehouse. Cargo bonded has increased by 5,701 packages over the year 1975. Value of cargo lying in the bonded warehouse is in the region of Rs. 2,300,000 and amount recovered by the corporation from consignees as bonding services was approximately Rs. 136,332.

Employee Strength

Employee Strength of the corporation as at end of 31st December, 1976, stood at 14,274 comprising executive, technical, clerical and labour grades.

Port	Executive Grade	Other Non-Labour Grades	Labour Grades	Total
Colombo	126	2,901	9,235	12,262
Galle	02	73	428	503
Trincomalee	06	310	1,193	1,509
Total	134	3,284	10,856	14,274

There was a decrease of 577 employees in the labour grades as compared with the preceding year.

Colombo Port Commission

Major schemes completed by the department during the year 1976, are outlined below :—

- (1) *Extension of Queen Elizabeth Jetty.*—The estimated total cost increased up to Rs. 25 million. South West breakwater dam is complete. An extent of $4\frac{1}{2}$ acres has been filled by utilising the dredger "Diyakawa".
- (2) *Tanker Berth Project.*—The revised total cost of estimate is Rs. 28 million. Suspended work was resumed. Construction of dolphin is being carried out using the dredger "Diyakawa".
- (3) *Trincomalee Development Project.*—This scheme has been suspended on a government directive ;
- (4) *Galle Harbour Development Project.*—Construction work of the fisheries harbour is being carried out.
- (5) *Coastal Constructions.*—Maintenance of roads, floating craft, and plants in Colombo, Galle and Trincomalee harbours have been attended to. Work on buildings, roads and coastal protection has also been carried out.

Transportation Research

The Sri Lanka Centre for Transportation Research initiated in early 1975, as a result of endeavours of professional, managerial and academic personnel in various Ministries, departments, corporations and the university authorities who had in some measure a concern for the development of transportation in the country. Its primary objective is to conduct research in transportation on a co-ordinated, multi-disciplinary basis. Cabinet approval for setting up of the organisation was granted in 1976 and functioned initially under the Ministry of Irrigation, Power and Highways. Adequate funds continue to be provided for an extended programme.

One of the goals in the formation of the Sri Lanka centre for transportation research is to provide a consulting agency in the transportation field and afford necessary assistance to the government on matters of general transport policy and planning.

There is an absence of a comprehensive policy on transport and consequently a serious lack of integrated planning in this sector. Infra-structure development has been divorced from planning operations and those agencies utilising various transportation services. A situation of this sort could be avoided to a very great extent, if developments are planned and executed to set standards at initial stages.

Inadequate and ineffective performance of available transport has in recent years contributed in no small measure to an increase in cost of living due to slowing down of factory output, poor handling, of imports at destinations, deterioration of the distribution of essential household commodities and generated commuter dis-satisfaction. Long queues of ships loading and unloading goods, over-flowing ware houses and congestion partly attributable to inadequate supply of lorries and their inefficient operations and lack of co-ordination at the supply and receiving ends portray a similar situation where water transport is concerned.

Goods transport is still a major concern of the private sector. In rural areas intermediate forms of transport, as converted buses, vans and taxis not only serve as a mode of passenger transport but also a means in haulage of commodities from farm gate to market.

Energy consumption looms large in the transport sector. Sri Lanka uses a large proportion of fossil fuels in the transport industries. This situation is likely to continue for many more years with an expansionary impact of operational costs on industrial activities and cost of living. In this context alternative uses and other sources of energy and options available are of vital significance.

Institutional and policy matters would exert a wide impact on growth of the economy and encourage conditions to make best use of resources in international transport—shipping and aviation on the one hand and inland transport—railways, public road transport, highway operations and inland

water transport on the other. Close co-ordination of road and rail services, planning and the development, of highways in both urban and rural areas, public transportation operations of passengers and goods with possible coastal sea transport could positively bring in optimum results in investments on the transport sector.

Among suggestions made for the development of Sri Lanka's transportation services are :—

- (1) *A Transport Authority.*—A transport authority should be set up under the Ministry of Planning to formulate and outline policy to determine priorities. Functions of the Ministry of Transport defined to include the transport of passengers and goods by all modes—highway, rail, air, water and mass transit and operating on a functional basis for the administration, planning, programming, design, construction, operation and maintenance of transport and transport infra-structure.
- (2) To formulate a transport policy which would identify problems and provide for safe and efficient movement in terms of passengers and goods, giving due emphasis to economic, social and environmental factors.
- (3) Continuing data surveys and comprehensive inter-disciplinary studies.
- (4) Assess relative roles of the different modes of transport.
- (5) Due consideration for the use of fossil fuels and tapping alternative sources of energy for transport.
- (6) Define the role of the private sector in the development of goods transport.
- (7) Provide multi-modal transportation funding instead of present modally segregated funding procedures.

IV—CIVIL AVIATION

International Airport (Katunayake)

With the development of air transportation Sri Lanka like many other countries has felt the impact of rapid changes in providing high speed, increased capacity passenger and cargo aircraft. The international airport (Katunayake) designed to serve international standards functions as the premier Airport for Sri Lanka and the gateway for all tourists visiting the country.

Air Ceylon (international) British air ways, Quantas airways, Swiss air, Aeroflot, U.T.A. French airlines, Indian airlines, Garuda Indonesian airlines, Pakistan international airlines corporation, Singapore airlines and the Sri Lanka Air Force operated scheduled flights to and through the International airport during 1976.

Regular and seasonal charters were operated by Balair, Sterling, Condor, Caledonian, Cargolus, Gulfstream, Martinair, Luxair, Lloyd International, K.L.M. Transmeridian, Donaldson International and Scanair airlines.

A considerable number of technical landings by foreign airlines and foreign military aircraft were staged through the International Airport during the year.

Aerodromes

The other Customs Air ports available for use by International services are :—

- (1) *Colombo Airport, Ratmalana.*—This airport is situated eight miles south of Colombo city.
- (2) *Jaffna Airport (Kankasanturai).*—Situated on the northern coast strip of the Island, the airport is approximately twelve miles north of Jaffna.

Aerodromes at Amparai and Batticaloa are maintained for domestic Air services operated by Air Ceylon Ltd. The aerodromes at Puttalam and Koggala are maintained by the government as emergency landing grounds.

Puttalam and Koggala continue to function as regular Beacon stations. Work on the new, Aerodrome at Wirawila has been completed.

Air Ceylon Services

East Bound

AE—332	AE—322
Sunday/Monday	Tuesday/Wednesday
Paris	Dharan
Zurich	Sharjah
Sharjah	Bombay
Colombo	Colombo

West Bound

AE—331	AE—321
Saturdays	Tuesdays
Colombo	Colombo
Sharjah	Bombay
Zurich	Sharjah
Paris	Dharan

East Bound

AE—322
Wednesdays
Sharjah
Bombay
Colombo

West Bound

AE—331
Tuesdays
Colombo
Bombay
Sharjah

AIR CEYLON—AE 323/324

Colombo/Madras/Colombo—Sundays, Mondays and Fridays

FLIGHT AE—327

Colombo/Kuala Lumpur/Singapore—Sundays and Fridays

FLIGHT AE—328

Singapore/Kuala Lumpur/Singapore—Mondays and Saturdays
 Colombo/Tiruchirappallai—Mondays, Wednesdays and Saturdays
 Jaffna/Tiruchirappallai—Mondays, Wednesdays and Fridays
 Thiruchirappallai/Jaffna—Mondays, Wednesdays, and Fridays Saturdays and Sundays
 Thiruchirappallai to Colombo—Mondays, Wednesdays and Saturdays
 Colombo/Male/Colombo—Mondays, Tuesdays, Wednesdays, Fridays, Saturdays and Sundays
 Ratmalana/Trincomalee—Mondays, Fridays, Sundays
 Ratmalana/Jaffna/Ratmalana—Daily
 Trincomalee/Jaffna/Trincomalee—Mondays, Fridays, and Sundays

Commercial Operations 1976

International and regional routes

(a) *International operated by DC8—53 aircraft on the following routes.*—London to Colombo via Paris and Karachi

(b) *Regional*

(i) Operated with Hawker Siddeley Trident aircraft on the following route network

Colombo/Bombay/Colombo
 Colombo/Kuala Lumpur/Singapore/Kuala Lumpur/Colombo
 Colombo/Bangkok/Colombo
 Colombo/Madras/Colombo

Information on Air Ceylon Services is subject to revision.

- (ii) Operated with Avro aircraft
Colombo/Tiruchirappalli/Colombo
Jaffna/Tiruchirappalli/Jaffna
Colombo/Male/Colombo

(c) Domestic

- Operated with Avro (HS. 748) aircraft
Colombo/Trincomalee/Jaffna/Colombo

Engineering

(a) Aircraft Fleet :

DC8	1
Trident	1
Avro 748	2
Convair*	1
Boeing 707*	1

*Using Hired Aircraft

(b) Aircraft Utilisation Hours :

DC8	2,862 (hours)
Trident	2,305 "
Avro 748	3,013 "
Convair	20 "
Boeing 707	8 "

Statistics available for the year 1976, appear below :—

Scheduled Services

(1) Aircraft Departures	3,958
(2) Aircraft hours	7,797
(3) Aircraft kilometres (000)	4,363
(4) Passengers carried—	
International	101,170
Domestic	26,529
(5) Passenger kilometres (000)	
International	295,816
Domestic	8,795
(6) Available seat kilometres (000)	
International	469,873
Domestic	12,397
(7) Passenger Load Factor (per cent)	
International	62.9
Domestic	70.9
(8) Tonne kilometres available (000)	
International	52,805
Domestic	1,206
(9) Tonne kilometres performed (000)	
International	29,278
Domestic	710
(10) Weight Load Factor (per cent)	
International	55.4
Domestic	58.9

V—POSTAL AND TELECOMMUNICATION SERVICES

The Sri Lanka Postal Service was inaugurated in 1815.

Main functions of the postal administration are :—

- (1) To make arrangements, through the inland postal service, for nextday delivery of letters to as many areas of the Island as possible ;
- (2) To provide postal facilities to areas that do not enjoy such facilities at present ;
- (3) Extension of the existing services by providing letter boxes, tappal bags and franking machines ;
- (4) To expedite mail transport by extensions to the mail transport section ;
- (5) To reorganise Sri Lanka's foreign postal service ;
- (6) Extension of money order and postal order facilities ;
- (7) To help the national savings bank, through all post offices and sub-post offices in its efforts to inculcate a saving habit among the public ;
- (8) Services rendered for other departments : Payment of—
 - (a) Teacher's salaries ;
 - (b) Pensions ;
 - (c) Widow's pensions ;
 - (d) T. B. Allowances and allowances under the scheme of public assistance.
- (9) Issue of radio licences on behalf of the Sri Lanka broadcasting corporation ;
- (10) Issue of identity cards, which facilitate transactions at post offices and establish proof of identity by candidates appearing for examinations.

Mail Transport Facilities

Mail transport facilities have been improved and made safer with the replacement of several runner services and contractor services by providing motor mail transport.

Foreign Postal Service

Apart from air parcel services and 'express' delivery services between Sri Lanka and foreign countries, direct air mail services to the following countries now exist :—

Belgrade	(Yugoslavia)
Budapest	(Hungary)
Lagos	(Nigeria)
Prague	(Czechoslovakia)
Oslo	(Norway)
Vienna	(Austria)
Madrid	(Spain)
Bucharest	(Rumania)
Perth	(Australia)
Buenos Aires	(Argentina)
New Delhi	(India)
Dubai	(United Arab Emirates)

Post Offices and Sub Post Offices

Based on available statistics, the number of post and telegraph offices stands at 1,597. This figure excludes sub offices void of telegraph facilities and receiving offices.

Postal and Money Orders

Particulars relating to postal and money order transactions during 1976, appear below :—

<i>Postal Orders</i> —(1) Number of postal orders issued during the year	707,800
(2) Value	Rs. 4,129,049
(3) Commission earned	Rs. 86,739.80
(4) Number of postal orders paid during the year	685,378
(5) Value of postal orders paid	Rs. 4,347,166.50

Money Orders

<i>Inland/Foreign</i>	<i>No. Issued</i>	<i>Amount Rs.</i>	<i>Money Orders Paid</i>	<i>Amount Rs.</i>	<i>Commission Earned Rs.</i>
Inland*	2,263,134	444,842,893.40	2,207,642	445,069,652.88	3,765,923.60
Indian	7,423	765,903.40	4	396.79	—
Foreign	190	45,648.17	1,236	232,607.42	—

* Figures cover only the period 1 January to 31 August, 1976.

Posts and Telecommunications Training Centre, Horetuduwa, Moratuwa

A total of 463 trainees including departmental personnel, undergraduates and diploma students of Katubedda campus (university of Sri Lanka) followed training courses outlined below :

Course of training

Telephone maintenance
 Switch board maintenance
 Relays and switch adjustments
 Non-Director exchanges
 Rural automatic exchange
 Principles of crossbar switching (cb 1)
 D.C. telecommunication power system
 Creed teleprinters (English)
 RFT teleprinters (English)
 Sinhala teleprinters
 Basic electronics
 Transister techniques
 Radio engineering
 Open-wire carrier system
 Transmission and microwave engineering
 Overhead lines and fitters course
 Underground cables

Theory classes on the following subjects for a 3 month period were also given a batch of 17 officers of the telegraph inspectorate:

Telephony
 Telegraphy
 Line Plant Practice
 Radio
 Line Transmission

Training Abroad

Senior telecommunication engineers attended the third meeting of the national coordinators for sub regions (3,5 and 6) in Dacca and also at the international switching symposium. Apart from this a telecommunication engineer followed a group training course in carrier telephony engineering in Japan held from May to August 1976.

Cable Section

Underground Cable. —Augmentation of subscriber cable network (underground) has been carried out at such places as :

Hotel Tilly
Galle Face Hotel
National Paper Corporation
E.B. Creasy
Hotel Ranmuthu
Mt. Lavinia Hotel
Council Avenue Mt.Lavinia
Church Road, Nugegoda
Kirillapone Avenue, Nugegoda
Padukka
Kilinochchi
Petroleum Corporation, Colombo
Bloemendhal
Ceylon Trading Corporation, Grandpass
Power Station, Kelanitissa
International Air Port, (Katunayake)
Negombo Tourist Hotel
Brighton Hotel
Ceramic Corporation, Colombo
B.M.I.C.H
Sravasthi
Duro Hotel, Colombo 3
O.T.S., Central Exchange
Harrison and Crossfield, Darly Road
Keppitipola Housing Scheme
Press Centre, Colombo
S.L.A.F.
S.L.B.C. and O.T.S.
Closed Circuit TV

Aerial Cable

Subscriber aerial cable installations were carried out at :

Wimalawatta, Nugegoda
Veliveriya
Kirindiwela

Junction Cables

Additional junction circuits were provided by drawing junction cables to the following exchanges :

Hikkaduwa
Beruwala
Payagala
Hanwella
Pugoda
Kosgama
Akuressa

Augmentation of subscriber cable net work (aerial) has been carried out at :

Trincomalee
Talawakele
Maharagama
Polonnaruwa
Hingurakkoda
Anuradhapura
Chilaw
Puttalam
Weligama
Kegalle
Jaffna

Trunk and Junctions Circuits

Additional junctions were provided between stations listed below :

Havelock Town and Central Exchange
Havelock Town and Maradana Exchange
Kilinochchi and Punakari Exchange
Colombo and Kegalle
Maradana
Boragas
Vavuniya
Kuruwita-Ratnapura
Ratnapura-Bandarawela
Eheliyagoda-Avissawella
Teldeniya
Vavuniya-Jaffna
Bandarawela-Badulla
Nuwara Eliya-Bandarawela
Colombo-Mannar
Mannar-Colombo
Mannar-Vavuniya
Mannar-Jaffna
Hambantota-Kataragama
Kilinochchi-Colombo
Nuwara Eliya-Badulla
Dambulla-Colombo
Anuradhapura-Kekirawa
Anuradhapura-Habarana
Anuradhapura-Ippolagama
Anuradhapura-Maha Illupallama
Kegalle-Colombo
Jaffna
Panadura
Kalutara
Colombo-Polonnaruwa
Anuradhapura

Telegraph Circuits

New telegraph circuits were :

Kilinochchi	C.T.O.
Pesalai	Jaffna
Trincomalee	Colombo
Kalutara	Kegalle

Exchange Equipment

Two public automatic telephone exchanges at Akuressa and Kataragama were commissioned during the year. Exchanges were also installed at :

- (1) Vavuniya
- (2) Weeraketiya
- (3) Kegalle (400 line RND)
- (4) Trincomalee (500 line RND)
- (5) Ingiriya (RAX)
- (6) Moneragala (100 line RAX)
- (7) Havelock Town (600 line addl. line unit)
- (8) Mannar (150 line RAX)
- (9) Boralesgamuwa (Addl. 50 line unit)
- (10) Talawakele (200 line RAX)

Telephone exchanges overhauled during 1976 were :—

Kayts, Gokarella, Dankotuwa, Madulkele, General Hospital, Colombo, SLBC., Kelaniya, Kadawatha, Mirigama, Malwana, Veyangoda, Pasyala, Kalmunai, Warakapola.

Private Manual Branch Exchanges were installed at :—

Hotel Duro, Kollupitiya
 Hotel Tilly
 Hotel Brighton
 Hotel Janaka
 Hotel Omega Inn
 Mt. Lavinia Hotel
 Press Centre Colombo
 Ranmuthu Hotel
 Bentota Beach Hotel
 Serendib Hotel
 Lihiniya Surf Hotel
 B. M. I. C. H. (central operating room)
 B. M. I. C. H. (protocol division)
 Sravasti
 Temple Trees
 Police communication centre
 Auckland house
 Rosemead place
 Confifi hotel
 Hotel Rajini Lanka
 Hotel Neptune

Power and Air Conditioning

Items of works completed during the year were :—

- (a) Colombo district switching centre (commissioned a—360 KV standby engine) ;
- (b) Havelock Town exchange—a new 1,500 AH battery installed ;
- (c) Electrical wiring completed at 14 stations ;
- (d) Electric fittings installed at 12 centres including auto exchange.

Electric water pumps were installed at three post offices, two exchanges and at two public-sector institutions.

Air Conditioners were replaced at 12 exchanges and at 7 state institutions, while air conditioners at the following exchanges were attended to :—

Negombo
Avisawella
Kalutara
Hambantota
Colombo radio room
Central exchange
Maradana
Havelock Town exchange

Telephone facilities to sub post offices

Sub Post Offices provided with telegraph facilities during 1976, were :—

Wenamulla
Bonnirya
Bujomura
Bokundara
Arathienne
Ambalakanthe
Pilana
Telagasyaya
Nawinna
Dehiwela-Mt. Lavinia, M.C.
Diganathenna
Bermada
Galauda
Chandyanthalawa
Saalawa
Dangahawila
Pavakulam
Gorakana
Ramanathapuram
Vaddakachchi (converted to auto working)
Kurumanveli
Vantharamoolai
Matarambe
Maspanne
Mahawalatenne
Dunukadeniya
Kadawathagama
Uduwara
Suduhurunpola
Gadamuna
Pillayaradi
Kannankuda
Manchanthoduwai
Kabagama
Meevanapalana
Meethanwela
Parape

Radio Links

Radio links provided were as follows :—

Colombo : Ship to shore	—	A High Frequency Radio Transmission (H.F.R.T.) service was provided
Mutur post office	—	Radio link to Trincomalee has been installed and awaits commissioning. W/T Service provided between Colombo/Mutur
Bandarawela post office	—	Aerial erected and trans-receiver installed
B. M. I. C. H.	—	Modifications carried out to existing announcement system
Jaffna	Nainativu	} New equipment installed and commissioned
	Analaithiru	
	Delft	
Colombo	Kandy	} V. F. T. circuits commissioned
	Batticaloa	
	Negombo	
Anuradhapura	—	Radio link provided to Megodawewa S. P. O.
Colombo-Rameshawaram	—	6 channel V. F. T. installed ; in addition to the 4 voice cast circuits and 1 V. F. T. circuit that existed between Sri Lanka and India, 4 additional circuits were provided
Colombo-Negombo	—	12 additional circuits were provided from a total of 45 wired between V. D. F. F.
Colombo-Valaichenai	—	Single channel V. H. F. link via the repeater at Kiri-metiyakanda installed for the National Paper Corporation
Colombo-Mannar	—	One in-coming and one out-going circuit on Multi-channel Radio link in place of circuits on open wire carrier
Colombo-Nuwara Eliya	—	12 additional circuits were provided
Colombo-Kalutara	—	7 additional circuits were provided from a total of 23 wired between V. D. F. F.
Puttalam	}	Aerial replaced
Chilaw		
Anuradhapura		

Colombo Fault repair Service—Telephones

The position of 'faults' recorded and cleared during the year shown below :—

Total No. of faults reported—60,956
 No. cleared : on day reported—51,596
 within 2 days of reporting 7,440
 within one week of reporting 1,200
 after one week of reporting 720

Research and Development

The research and development section was engaged in the design of equipment listed below :—

Speech and Duplex (S+DX)
 Voice frequency transmission (V. F. T.)
 Channel panel
 Frequency generating equipment
 Very High frequency (V. H. F.) trans-receiver
 Antenna and diplexer

The manufacture of the 26 volt float charger has also been undertaken. Six units have been manufactured and are being tested.

Overseas Telecommunication Service

The Overseas Telecommunication Service, a division of the post and telecommunication department, provides, maintains and operates international telegraph, telephone and telex Services between Sri Lanka and other countries. Photo-Telegraph service and leased telegraph circuits are also provided to overseas countries depending on the demand for these facilities. Transmission of live and recorded television programmes at the satellite earth station, Padukka via Indian ocean region satellites is also available. Transit facilities are provided to the Commonwealth and other foreign countries. Sri Lanka is a signatory to the Commonwealth telecommunication financial agreement of 1973 and is also a member of the international telecommunication satellite organisation.

Until December, 1975, the telecommunication services to overseas countries were provided by means of high frequency (short wave) radio circuits. The telephone service to different countries was operated on a schedule basis. Wide band telecommunication facilities became available with the commissioning of the satellite earth station at Padukka in December, 1975. Additional circuits were provided for expeditious handling of international traffic to meet telecommunication requirements for the Non-Aligned summit conference in Colombo during August, 1976. The earth satellite station at Padukka was specially equipped for transmission of live and recorded television programmes of proceedings at the conference. The number of international telephone circuits was doubled and semi-automatic telephone service provided to most countries via London and Rome.

International Telephone Service

A high quality 24 hours telephone service is now available to Great Britain and most European Countries, South American, Africa, the Middle East, U. S. A., Australia, Canada, India, China, Indonesia, Japan, Malaysia, Singapore, Hongkong and most countries in Far East. The International telephone service is available to 174 countries. International semi-automatic telephone switching centre with an initial capacity of 36 trunks was commissioned in November, 1976.

Telex Service

Fully automatic telex services were introduced to Japan, Singapore, Hongkong, Sydney and London and two new direct telex circuits were established to Kuala Lumpur and Rome. The Telex Service is operated to 170 destinations and a complete automatic service is available to 87 destinations. Trunk capacity of the international telex exchange was increased from 26 to 96. Local Telex service between subscribers in Colombo was introduced early part of the year. A Printergram service in outward direction was also introduced in August, 1976.

Telegraph Service

International telegraph circuits are operated direct from Colombo to London, Aden, Karachi, Bombay, Rangoon, Singapore, Osaka and Peking. Telegraph service via these countries is available to almost all parts of the world.

CHAPTER XXIII

ELECTRICITY, WATER SUPPLIES AND PUBLIC WORKS

I—ELECTRICITY

The generation, transmission and supply of electricity in Sri Lanka is primarily a function of the state. The Central Authority for the execution of these functions is the Ceylon Electricity Board. A few local authorities, State Sponsored Institutions and Industrial Undertakings however, have generation facilities.

The generating capacity of the Ceylon Electricity Board, as at end of 1976, was 381 megawatts—the hydro power plant contributing 331 megawatts and balance 50 megawatts being obtained from thermal sets. Two (2×20 MW.) hydro generating sets were commissioned at Ukuwela Power Station (1×20 MW.), in July 1976 and the other (1×20 MW.) in September 1976.

The total energy generated during the year was 1,133 million kilowatt hours of which hydro generated sources were 1,109 million kilowatt hours. Highest grid system demand during the year was 240.5 megawatts compared with 218.9 megawatts in 1975.

Transmission

The transmission of electricity in Sri Lanka is the sole monopoly of the Ceylon Electricity Board. Main transmission lines are energised at 132 KV. or 66 KV. and sub transmission operates at 33 kV. or 11 kV. A major part of the work in connection with 1×10 MVA., 132 kV./33kV. grid sub station at Trincomalee was carried out during 1976. The extension to the Anuradhapura switching station was carried out by constructing two 132 kV. bay to accommodate Trincomalee and Rajangane feeders.

Distribution

Distribution of electricity is carried out directly by the board and local authority licencees. 179 rural electrification schemes were completed during the year compared with 126 schemes in 1975.

Commercial

Of 1,133 million units generated, 10 million units were used for power station auxiliaries, giving a balance of 1,123 million units which were released. Total sales during the year were 997 million units. The number of consumers increased by 8,830 during 1976, giving a total of 115,182 as at end of the year. There were 86,867 domestic consumers.

II—WATER RESOURCES, SUPPLY AND DRAINAGE

Water is the most important among resources of a country requiring an integrated plan for its development and use. A central authority for the development of Sri Lanka's water resources became reality with the passage of the Water Resources Board Act (No. 29) of 1964.

Water Resources Board

The Water Resources Board was set up in 1966. Its main function is to advise the Minister on all matters relating to water resources of the island and utilisation of such resources in pursuance of section 12 of the act.

Among the subjects on which reports and advice were tendered to the Minister during 1976, were:—

- (a) Desirability of having a separate source of water supply to the Paper Mills at Embilipitiya, as continuous drawing of three to five million gallons of water from Chandrikawewa would further aggravate water problem of Chandrikawewa farmers ;
- (b) A scheme to convey the 'flow' in rivers of the wet zone, as the Kelani Ganga, to irrigate paddy cultivation in the North-Western Province ;

Recommendations were made for establishment of a separate department, board or corporation for the sole function of exploring and developing 'ground water' so that this matter would receive attention it so deserves.

- (c) Desirability of considering opening up for paddy cultivation land which lie between Potuvila and Menik Ganga and is below the hundred-foot contour. The area is over 200,000 acres in extent and abounds with tanks and other ancient irrigation works, which are at present in a state of decadence. Known as the ancient Ruhunu granary of the country, the rivers that flow through the land convey million tons of water to sea without being used for agricultural purposes.

Practically the entire area is now a wild life reserve. A large area above the hundred-foot contour is more suited for wild life habitat.

Importance of preservation of valuable trees as the Kara tree was recommended. Kara leaves and berries are edible and regularly consumed by the villagers. Large scale clearing if undertaken, should be done by those who appreciate forestry as a source of national wealth.

Recommendations were made stressing importance of setting up a department of environment. Many countries have taken positive steps to set up necessary machinery to protect and improve their environment by controlling water and air pollution and also regulate use of pesticides, fungicides, insecticides and toxic substances. Although problems which beset the highly industrialised countries are not being encountered, nevertheless timely action in this regard is of prime importance.

Water Supply and Drainage

The National Water Supply and Drainage Board established under Law (No. 2) of 1974, is responsible for the following :—

- (1) Investigation and feasibility studies of water supply, surface drainage and sewerage schemes ;
- (2) Designing and construction work ;
- (3) Operation and maintenance of water supply schemes ;
- (4) Advisory and consultancy services to other boards and corporations and the private sector on water supply and sewerage projects.

For purpose of the board's activities Sri Lanka is divided into 3 ranges as south-western range which includes the Western, Southern and Sabaragamuwa Regions, central range consisting of the Central, Uva and Eastern Regions while the northern range consists of North-Central and Northern Regions.

Water supply schemes completed during the year were :—

Andigama, Kegalle, Rambukkana, Galle, Kirindiwela, Anaivilandampathu, Uduwela, Pinnawela, Kuruwita, Madurankuli, Karaitivu, Morawaka, Gampola, Galewela, Hasalaka, Hali-Ela, Kandaketiya, Galenbindunuwewa, Sampur and harbour villages.

Construction work was commenced or is in progress on Schemes as :—

Uprating towns south of Colombo water supply schemes, Veyangoda, Peliyagoda, Giriulla, Ratnapura, Ruwanwella, Yatiyantota, Balangoda, Pelmadulla, Kahawatta, Kalawana, Weligama, Hambantota, Ambalantota, Baddegama, Akuressa, Kamburupitiya, Matale, Mawanella, Mariawatta, Bandarawela, Welimada, Buttaka, Passara, Demodara, Komarikagoda, Kantalai, Horowpatana, Kekirawa, Kilinochchi, Nedunkeney, Vaddukodai, Velanai, Pungudutivu, Araly (South) and Karainagar (north).

Surface Drainage and Sewerage Schemes.—Work is in progress on Peliyagoda, Dehiwela-Mt. Lavinia and Moratuwa surface drainage schemes and Kataragama sewerage disposal scheme.

Maintenance Schemes.—The board operated and maintained the following schemes—

Towns south of Colombo, Negombo, Gampaha, Matara, Tangalle, Hambantota, Kataragama, Vadakandiya, Weeraketiya, Ridiyagama, fisheries harbour, university of Sri Lanka, Kadugannawa, Galagedera, Udunuwara-Yatinuwara, Polgolla, Uyanwatta, Gandahaya, Badulla, Diyatalawa, Nuwara Eliya, Mahiyangana, Anuradhapura, Medawachchiya, Galgamuwa, Maradankadawala, Kebetigollewa, Vavuniya, Karaveddy, Kayts, Nainativu, Mannar, Talaimannar, Enkklampoddy, Tiruketheeswaram, Vankalai, Vidaththativu, Batticaloa, Ampara Group, Kathankudy and Polonnaruwa.

South-West Coastal Project.—With the availability of a loan from the World Bank, it is proposed to undertake the following water supply schemes, for which final designs and feasibility studies were undertaken and completed during the year :

- (a) Towns north of Colombo (serving Peliyagoda, Wattala-Mabole, Dalugama, Kelaniya Hendala and part of Mahara) ;
- (b) Integration of Colombo and towns south of Colombo with additions and improvements ;
- (c) Kalutara (serving Wadduwa, Kalutara, Beruwela, Aluthgama, Dharga Town, part of Bentota and coastal works of v. c. area between Wadduwa and Bentota) ;
- (d) Ambalangoda (serving Ambalangoda and Balapitiya). Estimated cost of the project is in the region of Rs. 350 million.

Colombo Water Supply

Water Supply within the city of Colombo and Colombo area is obtained from the two reservoirs at Labugama and Kalatuwawa, at distances of 28 and 31 miles respectively from the city limits.

Statistics of water supply in the city of Colombo and Colombo area appear below :—

<i>Water Supply</i>	<i>Gallons</i>
Kalatuwawa reservoir	4,868,720,000
Labugama reservoir	3,113,280,000
Colombo South water supply scheme	504,170,000
Mulleriyawa purifying plant and Ambatale	3,141,150,000
Water supplied to areas outside Colombo Municipality	284,410,000
Water Supplied to vessels	221,950,000
Water supplied for distribution within city limits including water supplied to vessels	10,556,520,000

Kandy Water Supply

The major water supply scheme for the city of Kandy was completed in 1966.

All domestic consumers are given a 'free allowance' and are charged at Re. 1 per 1,000 gallons, for any excess quantity of water consumed over the free allowance.

The quantity of water allowed in respect of each quarter of the assessment year is based on annual value of premises.

<i>Annual Value of Premises</i>	<i>Quantity allowed per quarter</i>
Not exceeding Rs. 1,000	3,000 gallons
Rs. 1,000 and not exceeding Rs. 3,000	9,000 gallons
Rs. 3,000 and not exceeding Rs. 6,000	13,500 gallons
Rs. 6,000 and over	18,000 gallons

Water supplied to trade, commercial purposes, industry and manufacturing premises as well as supplies for construction purposes are charged at the rate of Rs. 5 per 1,000 gallons. There is no free allowance. Water supply is metered for private consumption and stand-posts supplying free water are available along roads for public use.

Important features relating to the water supply scheme are :—

Main supply	5.0 M. G. D. (Maximum)
Stand-by supply	3.0 M. G. D. (Maximum)
No. of service connections	5,482
Public Stand Posts	753
Length of distribution mains	78 miles
Average daily supply	3.88 M. G. D.
Total Rain Fall	53.42 inches (Kandy city)
Length of new pipelines laid during 1976	8,664 feet

Chemicals used :

Alum	194,010 (lbs.)
Lime	140,924 (lbs.)
Chlorine	7,022 (lbs.)

(M. G. D. = million gallon density)

III—DEPARTMENT OF BUILDINGS

The functions of the Department of Buildings are the designing, estimating and construction of buildings for government departments and corporations, maintenance and effecting additions and improvements to state Institutions. Provision of ancillary services as water supply, drainage, sewerage disposal, electricity supply, approach roads and surface drainage is also the responsibility of the department.

Major works carried out during the year were aided self-help housing schemes, hospitals including quarters for medical staff, Police stations and other buildings including I. c. Barracks.

Expenditure incurred during the year in respect of construction works was Rs. 83.69 million as against provision of Rs. 104.93 million under votes of the department giving a financial performance of 79 per cent.

Expenditure incurred on other departmental votes was Rs. 31.49 million, against a target of Rs. 44.38 million with a performance of 70 per cent. Decentralised Budget incurred Rs. 15.12 million as against a target of Rs. 17.05 million and a performance of 88 per cent.

Items of work completed during the year were :—

- (a) 11 housing schemes consisting 344 living units, including aided self-help housing schemes and low cost housing schemes costing Rs. 21.23 million.
- (b) 52 buildings for Police Department including 4 Police stations, 18 barracks, 30 production rooms, etc., costing Rs. 38.54 million.
- (c) 141 hospital buildings including quarters for medical staff, administration blocks, X-Ray rooms, dental clinics, mortuaries, maternal and child health clinics costing Rs. 29.48 million.
- (d) 3 sewerage schemes, water supply schemes and several conversions to waterseal type toilets costing Rs. 491,000.
- (e) 8 school buildings consisting class rooms costing Rs. 2.41 million.
- (f) Rs. 3.28 million for Social Services Department buildings.
- (g) 30 buildings for the Department of Buildings including quarters for engineering and other staff stores and depots costing Rs. 1.59 million.
- (h) 54 buildings for several other departments including extensions and special repair costing Rs. 20.62 million.

Action was initiated for the timely completion of Keppetipola Mawatha Housing Scheme costing Rs. 35,000,000 in collaboration with the State Engineering Corporation to accommodate personnel for the Non-Aligned Summit Conference. The V. I. P. Lounge and extensions to the International Airport, Katunayake, costing Rs. 18.72 million was also completed on schedule.

Housing Schemes completed during 1976, were :—

1. Dunwatte	Aided Self-Help Housing Scheme
2. Hikkaduwa	do.
3. Talpe	do.
4. Elpitiya	do.
5. Ambalangoda	do.
6. Dodanduwa	do.
7. Pannala	do.
8. Digana, Kundasale	do.
9. Ketawalamulla	Low Cost Housing Scheme
10. Bolamesawatta	do.
11. Sooriyampura, Stage I	do.

Housing Schemes under construction as at end of the year were :—

1. Sanchiarachchigewatte Low Cost Housing Scheme, Stage II (State Engineering Corporation)
2. Sanchiarachchigewatte Low Cost Housing Scheme, Stage III
3. Weluwarama Low Cost Housing Scheme, Stage I
4. Weluwarama Low Cost Housing Scheme, Stage II
5. Stace Road Low Cost Housing Scheme
6. Sooriyampura Low Cost Housing Scheme, Stage II
7. Woodlands Kalubowila Aided Self-Help Housing Scheme
8. Madiwela, Stage III Aided Self-Help Housing Scheme
9. Walapane Aided Self-Help Housing Scheme
10. Kegalle Aided Self-Help Housing Scheme
11. Emergency Housing Scheme, Maligawatte
12. Four-Storeyed Flats, Angulana
13. Ratmalana Flats, Stage IV and V
14. Elvitigalamawatha Housing Scheme
15. Galkissa Housing Scheme, Stage IV (Railway Land).

Major works in progress during 1976 were :—

- (a) School building for Education Department at St. Anthony Balika Vidyalaya, Balika Vidyalaya Maligawatta, Kelani Vidyalaya, Thondar Vidyalaya, St. Mary's Vidyalaya, St. Sebastian Vidyalaya, Al Hidhyar Vidyalaya, Visaka Vidyalaya (Stage I), St. Clares Girls M. V., Jayanthi Vidyalaya.
- (b) University buildings at Colombo, Jaffna, Peradeniya and Vidyalankara Campuses.
- (c) Postal buildings at Gunepuna, Ukuruwela, Moneragala, Thanamalwila, Chullipuram, Vavuniya, Kekirawa, Pannala, Gonawila, Borella, Nugegoda, Balangoda, Batticaloa ; Auto Exchanges at Hasalaka, Badulla, Valachchenai, Nillawellie, Batticaloa, Anuradhapura and Mount Lavinia.
- (d) Wards for hospitals at Radawana, Panadura, Gampaha, Eramuduliyadde, Aluthgama, Galapihilla, Madugoda, Dambulla, Kekirawa ; Male and Female wards Kandy O. P. D., Ginigathhena, Diyatalawa, Batticaloa, Hanguranketa, Uragasmanhandiya, Ratgama, Children's ward Matara ; Hakuruwela, Kalawana, Indulgodakanda.
- (e) Major sewerage schemes for hospitals at Karawanella, Anuradhapura, Kurunegala, Chilaw, Trincomalee, Jaffna, Stage I and Stage II.
- (f) Police Stations at Hataraliyadda, Avissawella, Batticaloa, Jaffna, Head Quarters and Kollupitiya.
- (g) Quarters for Government Employees attached to Health Department, Department of buildings, Department of Public Administration and Social Services Department.
- (h) Buildings for other government departments as National Archives, Forest Department, etc.

IV—STATE ENGINEERING CORPORATION OF SRI LANKA

The State Engineering Corporation was established on 1st January, 1962, under the State Industrial Corporation Act (No. 49) of 1957.

The Corporation achieved a total turnover of Rs. 124.5 million on activities carried out by the six divisions listed below :—

- (1) Construction Group ;
- (2) Building Components Group ;
- (3) Consultancy Group ;
- (4) Computer Group ;
- (5) Mechanical and Electrical Group ;
- (6) Building Research and Wirecon Project.

Construction and Building Components Group

The construction group handles 46 projects and the building components group is being engaged on 12 housing projects, in addition to production work at Ekala, Narahenpita and Mahara. The building components Group also commenced during latter part of the year work on three service projects associated with Maligawatte Development Scheme.

Among the projects completed by the corporation during 1976, were :—

- (1) Trade School, Maradana,
- (2) Leyland Factory, Godagama,
- (3) People's Bank, Head Office,
- (4) Mahaweli Development, Polgolla,
- (5) National Textile Corporation Project, Pugoda,
- (6) I. D. B., Atchuvely,
- (7) Paranthan Chemicals Corporation,
- (8) Agrarian Research and Traininig Institute,
- (9) S. L. B. C., Mandathievu,
- (10) Paddy Silos at Polonnaruwa, Galgamuwa, Inginiyagala and Hasalaka,
- (11) Kandy Secretariat,
- (12) Maha Vidyalaya, Slave Island,
- (13) S. L. B. C., Ampara,
- (14) Katunayake Airport Project,
- (15) Police Communication Building,
- (16) Keppitipola Housing Scheme.

Several housing projects were almost complete and one of them handed over to clients for housing tenants of old dwellings which are to be demolished to give way for new flats.

Consultancy Group

The consultancy group has carried out preparation of detailed architectural, structural, water supply sewerage, and electrical drawings and bills of quantities of 16 new projects in addition to completion of works on projects undertaken during the preceding year. Periodic supervision and certification of bills on 30 other projects which were under construction during the year has also being carried out by consultancy group.

Computer Group

The computer group continues handle internal work as the preparation of pay abstracts, leave records and stock records of the corporation. The computer group finalised a stock control system for the C. W. E. Other items of work handled during the year were the Processing of a statistical survey for agrarian research and training institute, standard scientific programming assignments for corporation and the department of national housing. Several activities were commenced on the research front envisaging a change of programming technology within the division. Development research handled at present includes modular programming, structural programming, systematic programming and introduction of ALGOL 60 programming language.

Mechanical and Electrical Group

The group continues to provide necessary services to the construction and building components group of the corporation.

Among items of work handled by the group are :—

- (1) Installation of air conditioners for the Gem Corporation,
- (2) Sprinkler system for fire protection, National Textile Corporation,
- (3) Paddy Processing Complex, Galgamuwa,
- (4) Sewerage equipment for Health and Buildings Department,
- (5) Kalawewa Gateway Mahaweli Development Board,
- (6) Gateway for Dambulu Oya Irrigation Scheme,

Building Research and Wirecon Project

Wirecon Project.—The corporation's boatyard at Peliyagoda undertakes:—

- (1) Construction of 25-ton Wirecon Concrete Barge (first prototype)
- (2) 6 Ton and 3-Ton Catamarans
- (3) 22 Ton Wirecon barge
- (4) Canal Bank protection
- (5) Wirecon Louvre Construction for C. W. E. building

The Building Research Institute undertakes several research projects in addition to routine testing normally carried out as a feeder-service to the corporation's construction divisions and other organisations.

Some of the research projects so far undertaken are—

- (1) Development of bamboo as a building material.
- (2) Techniques to stabilize local lateritic soils for use in building construction.
- (3) Preservation of building materials of herbivorous origin
- (4) Use of fibre and clay in building construction
- (5) Studies on economic use of cement, lime, sand and bricks.
- (6) Use of rubber latex as a Sealant in water proofing.

V—STATE DEVELOPMENT AND CONSTRUCTION CORPORATION

The State Development and Construction Corporation was established under the provisions of the state Industrial Corporation Act, (No. 47) of 1957. The corporation handled construction of 74 projects during 1975, at an estimated cost of approximately Rs. 101,400,000. The value of work done during the year was approximately Rs. 33 million. While 23 new projects were taken up for construction work on 27 projects were completed.

Among the major projects on which construction work was carried out were—

	Rs.
The Bowatenne Diversion Dam	24,499,095
Improvements to the Ambatale Water Supply Scheme	9,456,547
Bridge 15/4 Colombo–Puttalam road	4,194,629
Construction of approach roads to the Indo–Sri Lanka Micro-wave Link station sites	2,865,604
Bridge 7/1 Colombo–Puttalam road	3,000,000 (approx.)
Bandarawela Water Supply Scheme	2,100,000
Construction of Air Strip at Wirawila	3,020,867
Bridge across Salapi Aru on the Trinco–Pulmoddai road	3,059,864
Galle Water Supply Scheme	8,454,727
Bridges across Sudu Ganga (one way)–bridge and 9 Foot Bridges	913,590
Construction of the Rutile/Zircon Godown at Pulmoddai	1,583,960
Bowatenne Power Project	3,507,475

Distribution of work undertaken on the basis of state departments and statutory boards was—

Department of highways	35 projects
National Water Supply and Drainage Board	6 Do.
Mahaweli Development Board	13 Do.
Territorial civil engineering organisation	11 Do.
Other organisations	9 Do.

Apart from construction activities, the corporation manufactured at its central concrete casting yard, Ratmalana, precast prestressed concrete units like prestressed concrete bridge beams, spun pipes and vibro-concrete pipes, reinforced concrete, piles, handrails, handrail uprights, transmission poles and various other concrete products.

These manufactures of the corporation serve as requirements of various departments and boards as the Territorial Civil Engineering Organization and the Mahaweli Development Board.

The value of Concrete manufactures is in the region of Rs. 4.5 million.

TABLE 23.1—STATE DEVELOPMENT AND CONSTRUCTION CORPORATION

State Institution	No. of Projects handled	New Projects Commenced	Projects Completed	Estimated	Value of
				Cost of Projects	work done *
				Rs.	Rs.
Department of Highways	35	6	13	40,707,262	17,659,305
National Water Supply and Drainage Board	6	1	—	20,612,744	3,583,570
Mahaweli Development Board	13	6	3	26,833,784	8,282,387
Territorial Civil Engineering Organization	11	5	10	4,281,347	1,339,907
Other Institutions	9	5	1	8,956,066	2,241,964
Total	74	23	27	101,391,203	33,107,133

(Figures relate to the year 1975).

* on Bills tendered.

VI—DEPARTMENT OF MACHINERY AND EQUIPMENT

The Department of Machinery and Equipment was established with a view to affording better utilisation of engineering skill by servicing machinery and equipment requirements of the Territorial Civil Engineering Organisation, Irrigation Department and other institutions under the Ministry of Irrigation, Power and Highways. It is responsible for the purchase, custody, maintenance, repair

and overhaul of machinery and vehicles. Besides servicing the machinery and equipment requirements of the Territorial Civil Engineering Organisation and other institutions the department also undertake jungle clearing and earthwork on a contract basis.

(1) Complete Overhauls		Number
Crawler Tractors—Class I		18
Crawler Tractors—Class II		02
Motor Graders and Wheel Tractors		04
Excavators		03
Other Heavy Equipment		09
Water Pumps		15
Compressors		03
Construction Equipment		51
(2) Vehicle Repair Inclusive of Running Repair		
Cars, Jeeps and Light Vehicles		137
Lorries, Trucks and Tippers		84
Repairs to Components		865
(3) Jobs Completed on Basis of Departmental Accounts		
Advance Account Jobs		928
Cost Transferable Jobs		251
Cost Recoverable Jobs		12
Total		1,191*

* Items completed.

Various state institutions and departments have had the assistance of the Department of Machinery and Equipment in training personnel on repair and general mechanical engineering.

A production shop is in the process of being set up. This would help conserve valuable foreign exchange. At present spares are being turned out whenever possible on a job demand basis.

Advisory services have been afforded other departments, corporations and statutory bodies on various engineering skills.

Assignments undertaken and value of such assignments appear in table 23-2. The total value of work done during the year was in the region of Rs. 4.6 million.

TABLE 23.2—DEPARTMENT OF MACHINERY AND EQUIPMENT—ASSIGNMENTS UNDERTAKEN AND VALUE

Agency	Jungle Clearing		Earthwork		Rock Blasting		Sand Blanket		Stripping Top Soil		Silt Clearing and Core Trench Cutting		Decomposed Rock Blasting	
	Acres	Value	Cubes	Value	Cubes	Value	Cubes	Value	Cubes	Value	Cubes	Value	Cubes	Value
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
Irrigation Department	350	280,000	61,140	1,528,500	—	—	4,140	227,700	900	10,800	—	—	—	—
T. C. E. O.	—	—	32,360	809,000	3,550	674,500	—	—	—	—	1,250	27,500	525	47,250
Mahaweli Development Board	1,275	1,020,000	—	—	—	—	—	—	—	—	—	—	—	—
Total	1,625	1,300,000	93,500	2,337,500	3,550	674,500	4,140	227,700	900	10,800	1,250	27,500	525	47,250

Total value of work done : Rs. 4,625,250

VII—NATIONAL ENGINEERING RESEARCH AND DEVELOPMENT CENTRE OF SRI LANKA

The National Engineering Research and Development Centre of Sri Lanka was established on 14 August, 1974, under the State Industrial Corporations Act, No. 49 of 1957. Its primary functions include technological research and development, design manufacture and testing of prototype machinery and pilot plant, promotion of research and development in public and private sectors, study and advise on measures relating to transfer of technology and provision of consultancy services.

Research and Development

In addition to collaboration with industries in the public sector the centre was able to establish links with various important industrial and engineering establishments in the private sector. This has enabled accumulation of knowledge and data pertaining to various fields of the industry needing technological development. Such data are also essential from the point of view of formulation of plans and policy especially as regards developing engineering potential of the nation.

The centre continued to further strengthen its links with the University of Sri Lanka with its support for an increase in the number of research projects. The principal criterion for selecting a research project for this purpose is its relevance to immediate needs of the country.

Programme of work undertaken by the centre during 1976, covers among other fields, agricultural equipment, rubber industry, telecommunication and medical equipment.

Development projects undertaken during the year were—

- (1) Windmill Pumps
- (2) Petrol/Kerosene Engine
- (3) Telecommunication Equipment
- (4) Solar Devices
- (5) Electric Steriliser
- (6) Electric Cardiograph
- (7) Dental Chair
- (8) Agricultural Equipment—Test rig for agricultural sprayers
- (9) Equipment for Rubber Industry
- (10) Extrusion Punches in the manufacture of dry cell batteries
- (11) Spares and accessories for Textile Industry
- (12) Manufacture of Service 'cut-outs'—15 Amps and above
- (13) Design of Constant Discharge outlet for use in irrigation channels
- (14) Investigation into traditional drying techniques used in Coconut/Copra and Timber Industries

Substantial progress was achieved in the development of windmill pumps and telecommunication equipment.

A successful proto-type windmill water pump was developed jointly by the Katubedda Campus of the University of Sri Lanka and the N. E. R. D. Centre. Windmill and water pump development is primarily for non-paddy cultivation with an output of about 100 gallons per hour and total head approximately 30' operating at wind speeds of 6-8 miles an hour.

- (a) a high capacity low head pump with suitable windmill for use in salterns and similar applications. It is designed for an output of approximately 20,000 gallons per hour against a 3' head.
- (b) windmill and pump to be used for paddy cultivation with an output of about 900-1,000 gallons per hour against 30'-40' head.

The first phase of the telecommunication equipment project was the development of a float charger. A project team consisting of personnel from the Department of Telecommunications as well as N. E. R. D. Centre, working at Katubedde Campus laboratories developed a design for local manufacture.

Based on this design, orders were placed for 31 regulated float chargers to be delivered to the Department of Telecommunications. The estimated saving in foreign exchange per unit is Rs. 3,000 and the overall saving in cost as compared with an imported unit is Rs. 2,000 leaving allowance for research and development costs.

Research Grants

Research grants were approved for these projects :—

- (1) Reduction of Waste Ferric Oxide into useful Iron Powder
- (2) Development of a fluidized bed to be used in the manufacture of Iron Oxide Stains
- (3) Research into improvements to Grey Iron Castings
- (4) Design, Fabrication/manufacture, assembly of electronic/electrical measuring instruments
- (5) Design, fabrication and manufacture of medical instruments
- (6) Development of V. H. F. equipment
- (7) Development of an automatic water level transmitter
- (8) Development of a vertical axis wind-turbine
- (9) Development of a turbine pump.

Consultancy Assignments

The centre continues to provide consultancy services for various sectors of the industry with preference to development activity rather than routine engineering. Consultancy assignments so undertaken included advice on setting up heat treatment plant at the Industrial Development Board, provision of consultancy services to Tea Research Institute for its Instant Tea Factory at Ekala, assistance in the manufacture of bicycle components and in metal forming techniques. Consultancy assignments also include a full-scale study of various production facilities in a major private sector industrial group, replacement of an expansion of machinery and equipment, import of spares, etc. Arising from findings of a metal forming survey carried out by N. E. R. D. Centre the Ministry of Industries and Scientific Affairs appointed a committee to determine requirements of 'special' steel for the industry.

Training Programme

A programme of training was drawn up by the Centre to equip its personnel with 'specialized' knowledge required in the various fields of activity undertaken. Post-graduate academic training as well as short term industrial training programmes are to be provided.

CHAPTER XXIV

THE PRESS, BROADCASTING, INFORMATION, PUBLICITY AND TOURISM

I—PRESS

Newspapers and Periodicals

Three of the four main newspaper groups were functioning in Sri Lanka during the year 1976, namely, the Associated Newspapers of Ceylon Ltd., the Times of Ceylon Ltd. and the Virakesari (Express Newspapers of Ceylon) Ltd. The Associated Newspapers of Ceylon Ltd. published five daily and ten weekly papers and other periodicals. The Times of Ceylon Ltd., published two daily and two weekly papers and other periodicals. The Express Newspapers (Ceylon) Ltd., (Virakesari) published two dailies and two weekly papers.

On a language basis there were 3 daily and 8 weekly papers in Sinhala ; 3 daily and 3 weekly papers in Tamil ; 3 daily and 3 weekly papers in English. Elanadu, a Tamil daily with a Sunday edition has a wide circulation, mainly in the Jaffna peninsula.

The oldest of the Sri Lanka newspapers is the Ceylon Observer, counting over a century of continuous publication. Information as regards principal newspapers and periodicals published in Sri Lanka during the year appears in table 24.1. The Independent Newspapers of Ceylon Ltd. did not function during 1976 in accordance with the Emergency (Defence) Regulations as exercised by the Competent Authority.

TABLE 24.1—PRINCIPAL NATIONAL NEWSPAPERS AND PERIODICALS

<i>Name of Publication</i>	<i>Year Established</i>	<i>Language of Publications</i>	<i>Average Circulation</i>	<i>Publishers</i>
1. Newspapers :				
(i) Morning daily—				
Dinamina	1909	Sinhala	114,829	The Associated Newspapers of Ceylon Ltd.
Lankadipa	1947	Sinhala	14,000	The Times of Ceylon Ltd.
Virakesari	1930	Tamil	25,118	The Express Newspapers (Ceylon) Ltd.
Thinakaran	1932	Tamil	12,196	The Associated Newspapers of Ceylon Ltd.
Ceylon Daily News	1918	English	49,325	The Associated Newspapers of Ceylon Ltd.
Daily Mirror	1961	English	8,500	The Times of Ceylon Ltd.
(ii) Evening Daily—				
Janatha	1953	Sinhala	5,609	The Associated Newspapers of Ceylon Ltd.
Mithran	1966	Tamil	10,463	The Express Newspapers (Ceylon) Ltd.
Ceylon Observer	1834	English	4,674	The Associated Newspapers of Ceylon Ltd.

TABLE 24.1—PRINCIPAL NATIONAL NEWSPAPERS AND PERIODICALS—(contd.)

<i>Name of Publication</i>	<i>Year Established</i>	<i>Language of Publication</i>	<i>Average Circulation</i>	<i>Publishers</i>
(iii) <i>Sunday Papers</i>				
Silumina	1930	Sinhala	253,914	The Associated Newspapers of Ceylon Ltd.
Sri Lankadipa	1951	Sinhala	55,000	The Times of Ceylon Ltd.
Virakesari	1931	Tamil	25,894	The Express Newspapers (Ceylon) Ltd.
Illustrated Thinakaran Vara Manjari	1948	Tamil	19,272	The Associated Newspaper of Ceylon Ltd.
Observer Sunday Edition	1925	English	75,083	The Associated Newspapers of Ceylon Ltd.
Sunday Times	1923	English	18,500	The Times of Ceylon Ltd.
(iv) <i>Weekly</i>				
Sarasaviya	1963	Sinhala	70,418	The Associated Newspapers of Ceylon Ltd.
Mihira	1964	Sinhala	78,363	do.
Budusarana	1965	Sinhala	11,001	do.
Tharunee	1969	Sinhala	114,511	do.
Subasetha	1969	Sinhala	22,771	do.
Mithran Varamalar	1969	Tamil	12,438	The Express Newspapers (Ceylon) Ltd.
Sathuta	1972	Sinhala	129,773	The Associated Newspapers of Ceylon Ltd.
World Today	1976	English	8,826	do.
2. Periodicals :				
(i) <i>Fortnightly</i>				
Nava Yugaya	1966	Sinhala	49,303	The Associated Newspapers of Ceylon Ltd.
Honey	1976	English	..	M. D. Gunasena (Printers) and Company, Colombo.
Priyavi	1976	Sinhala	..	do.

Sri Lanka Press Council

The Sri Lanka Press Council was instituted in accordance with the Sri Lanka Press Council Act (No. 5) of 1973. Membership of the council including Chairman, is seven. The Director of Information serves the council as member (ex officio).

Inquiries into complaints against local newspapers and research on journalism and the newspaper industry are main functions of the council.

Mass media publications on journalism were received during the year with the assistance of the Indian High Commission in Sri Lanka. Several publications were also obtained through such institutions as the Ceder Institute and the International Press Institute.

A total of 150 newspapers were registered during the year.

II—BROADCASTING

The island's broadcasting services are provided by the Sri Lanka Broadcasting Corporation, the pivotal mass media organisation of the state. Radio Ceylon, a government department as known earlier, was constituted a corporation under the Ceylon Broadcasting Corporation Act, No. 17 of 1966.

Administration

The Administration and management of the corporation is vested in the Director-General of broadcasting, while responsibilities of the main language services, viz., Sinhala, Tamil and English are under the control of Directors.

Identification of programme services under different language media is known as Channel I and Channel II of the broadcasting services.

Sinhala Service

Themes of programmes beamed on this service had particular reference to the Non-Aligned summit Conference. The significance of Non-Alignment, power-blocs and national leadership were portrayed in a series of programmes with the first telecast of music pageant for overseas countries.

Obsequies of the late Mahanayake, Asgiri Chapter Ramanna Sect, presentation of the Act of Appointment to the Prelate's successor and the national tree planting campaign were covered on this service. Three commercial recordings, "SALALIHINIYO" "DASCON" and MADUWANTHI" were released during the year. The recording "MADUWANTHI" commemorates writer and composer the late Mahagamasekera.

Among other important programmes beamed on this service was the commemorative broadcast of an all night Pirith chanting relayed from "KIRIVEHERA, Kataragama to mark the 51st Anniversary of the national radio.

Tamil Service

Channel One.—Channel one of the Tamil Service which had broadcast 56 hours a week from January to April 1976, extended its service to 59½ hours a week from May with the extension of the evening transmission from 10.30-11.00 p.m. since May 1976. Regular programmes featuring in this service consist of light and classical music and spoken word programmes for rural listeners, women, children and youth. These broadcasts were both of entertainment and educational value. Among special programmes beamed on channel I during the year were :—

Spoken Word Programmes.—A new series of research talks of 30 minutes duration in memory of Sri Arumuga Navalar were broadcast from April. Fortnightly talks on the Non-Aligned movement and its policy were also commenced during April 1976.

A series on Experimental Drama were commenced from January 1976 using new techniques in the presentation. The adaptations from world classics in the drama were broadcast during the year.

A new discussion programme by a panel of Experts replied questions relating to problems of the adolescents and handicapped children and marriage counselling.

The main topical event covered during the year was the Non-Aligned Conference held in Sri Lanka during August 1976.

Special broadcasts covered the Republic Day, May Day, Bandaranaike Day, 51st Broadcasting anniversary, the late Chu-En-Lai and Mao Tse Tung and the Tree planting campaign.

Classical music concerts both vocal and orchestral and light song programmes by local artistes featured regularly during the year.

Special music programmes broadcast on this service were :—

Thi apoosam
Maha Sivaratri
Rama Navami
Nallur Temple Festival
Navarathri
Deepavali and
Kanthasashti.

A Tamil Lyrics competition was held in August 1976. A total of 575 lyric composers sent in their entries. The first Tamil L.P. record titled "Gangaiyale" was released for sale in October 1976.

Channel II Programmes

Channel II of the Tamil service broadcasts 70 hours a week apart from Asia service which broadcasts 35 hours a week. Programme-content provides entertainment and affords opportunities to listeners to profitably participate in sustainer programmes.

Birthday greetings figure prominently in this service accruing the corporation revenue receipts of Rs. 72,959 at the end of the year.

Nine new and extended series of sponsored programmes were commenced on the Asia service Tamil (AST) which had evinced much popularity.

English Service

The English service (both channels I and II) comprise three units spoken word, music and presentation, each headed by a Controller.

Channel I is devoted to cultural, religious and development-oriented programmes and broadcasts 44 hours a week to listeners in Sri Lanka on the following frequencies :

Channel I—	337 M (890 Khz)	1000—1300 Hours
	49 M (6005 Khz)	Saturday, Sunday and Public Holidays
	337 M (890 Khz)	1900—2300 Hours
	61 M (4968 Khz)	Monday to Friday 1800—2300 Hours Saturday, Sunday and Public Holidays.

Channel II consists primarily of commercial spot advertisements and sponsored programmes, which feature significantly in commercial broadcasting. This service broadcasts to listeners in Sri Lanka 83 Hours a week on the following frequencies:—

Channel II—	326 M (920 Khz)	0600—0830 Hours 1700—2300 Hours Monday to Friday
		0600—0830 Hours 1600—2300 Hours Saturday, Sunday and Public Holidays
	326 M (920 Khz)	0830—0900 Hours
	49 M (6130 Khz)	1300—1500 Hours Monday to Friday 0830—1000 Hours 1300—1600 Hours Saturday, Sunday and Public Holidays

Programmes in English, both commercially sponsored and non-commercial are also broadcast and beamed on the all Asia, south east Asia and European services for 77 hours a week on the following frequencies :—

All Asia Service—	19 M (15425 Khz)	0600–1000 Hours daily
	31 M (9720 Khz)	
	49 M (6005 Khz)	
	19 M (15425 Khz)	1800–2300 Hours daily
	31 M (9720 Khz)	
	41 M (7190 Khz)	
South East Asia Service—	16 M (17850 Khz)	1600–1700 Hours daily
	19 M (15120 Khz)	
	25 M (11835 Khz)	
European Service—	25 M (11955 Khz)	0015–0115 Hours daily
	31 M (9720 Khz)	
	41 M (7190 Khz)	

News Division

Apart from the four main news bulletins and world bulletins on the respective language services, the news in brief in Sinhala, Tamil and English continue to be broadcast on a daily routine.

As regards foreign news, developments in the political and socio-economic sectors receive due coverage with a follow-up of topics of international importance.

In “behind the news” (Sinhala, Tamil and English) topics of national importance are treated in greater depth with participation of eminent personalities as scientists, politicians and economist, visiting Sri Lanka.

The quantum of foreign news culled from various news services is on the increase. Reuter, Tass, APN, AFP, DPA and Tanjug service provide the SLBC with a two way newscast transmission on a daily routine.

Summary of broadcasts of the news division under different language media is outlined below :

Sinhala Service.—Four main news bulletins, daily “Jathika Satana”, world news bulletin, hourly bulletins of ‘news in brief’, behind the news, ‘Mawbimin Asiri’ (twice weekly,) “printed word” (once a week) and a review of foreign affairs (also once a week) and a newsreel”.

Tamil Service.—Four main news bulletins, ‘Jathika Satana’ world news bulletin, bulletin to listeners in Asia, hourly bulletins of “news in brief”, “printed word” (once a week), behind the news, review of foreign affairs and a news reel (once a week).

English Service.—Four main news bulletins, two world news bulletins daily, three news bulletins to listeners in Asia, a bulletin to listeners in South East Asia, a bulletin on the European service (except on Wednesday) hourly bulletins of the ‘news in brief’, ‘behind the news’ ‘The printed word’ (once a week) comprising editorial comment culled from local and foreign newspapers and publications and a ‘review of foreign affairs’ (once a week).

Hindi Service.—10-minute bulletins are beamed daily in addition to a 5-minute bulletin in Nepali broadcast twice a week.

Engineering Division

Activities in the engineering division of the S. L. B. C. during the year were :—

- (1) 10 voice cast studios were constructed and operated during the Non-Aligned nations conference.
- (2) A closed circuit television system was installed with Yugoslav assistance at the B. M. I. C. H. and the Press Centre located at the Sri Lanka foundation institute.
- (3) A colour television channel was provided at the B. M. I. C. H. and the overseas telecommunication service for transmission of programmes overseas. This work was undertaken with Yugoslav assistance and equipment.
- (4) A 10 channel programme micro wave link was installed and commissioned at the studios at Torrington Square and short-wave station at Ekala to replace the under-ground cable installed many years ago.
- (5) Construction and installation of the stations at Jaffna, Amparai and the repeater station at Mannar were completed.

III—INFORMATION AND PUBLICITY

Department of Information

The Department of Information functions under the Ministry of Information and Broadcasting and is the principal agency for publicising the government's policies, programmes and activities, both locally and abroad. Two main divisions of the department are the films division and the government publications bureau.

Apart from issuing news bulletins in the form of press communiques of government departments and supply of photographic and publicity material including back-ground information of state activities, the department arranges press conferences for various Ministries.

The department's Press Officers are attached to some of the important Ministries to ensure wider publicity coverage.

The Director of Information functioned as chairmpn of the mass media committee for local and foreign publicity work at the Non-Aligned summit conference.

The research unit compiled a "Status Report on Mass Communication Media in Sri Lanka", an important document, to disseminate information on mass media, a prelude to the Non-Aligned conference.

The family planning communication strategy project formed under the sponsorship of the UNIPA/UNESCO completed some of its programmes during the year.

Publications released by the Project during 1976 were :—

- (1) Statistical Summary
- (2) Village in transition
- (3) Communication Strategy at village level
- (4) Communication and Development
- (5) Madama village
- (6) Some aspects of urbanisation in Sri Lanka
- (7) 'Flip' charts in human reproduction and contraception
- (8) Glossary of Population and Family Planning, Communication terms
- (9) Directory of Family Planning population Agencies in Sri Lanka
- (10) Manual of basic communication skills for Development Workers
- (11) Uhana Colony Village
- (12) A News Letter for Rural Development Departmental Staff.

Film Unit

The films division generally produces documentaries and news reels particularly for the people in Sri Lanka, emphasising the country's social and economic development, industries, natural resources, arts and sciences, cultural development, education, health, improved methods of agriculture irrigation, etc. The film thus serves as a medium of information and education.

News-reels in Sinhala, Tamil and English help maintain contact with the people in the availability of latest information on government activities and current local topics.

Productions are presented to the people through commercial cinema circuits all over the island and a fleet of mobile cinema vans. The vans conduct film shows in schools, colleges, rural development and community centres, public rallies and parks. Documentaries produced by the division are supplied to Sri Lanka Missions abroad in both 35 mm. and 16 mm. Many of these films have been shown at various international film festivals and have won prizes or awards of merit.

The division has produced 25 documentary films and presented for public shows during 1976. Captioned among them were :

1. Ape Janaraja Siritha (Sinhala)
2. Martin Wickremasinghe (Sinhala)
3. World Health Organisation (English)
4. Summit 76 (Sinhala and English)
5. An awakened Nation (English)
6. Cultural, Political and Social aspects of Sri Lanka
7. Science Education (English)
8. Tewatta Basilica (English)
9. Gamana—Journey (Sinhala, Tamil and English)
10. Rural Bank
11. Family Planning Filmlet (Nos. 2 and 3)
12. Pre-vocational education
13. Tourist and Information Documentaries.

Publication Bureau

The Government Publications Bureau is the government's bookshop and has its main office at the Galle Face Secretariat. There is also a sales centre at the kachcheri, Kurunegala.

A large number of regulations and legislative enactments have been translated into Sinhala and Tamil during the year. Copies of these translations were made available to the public at the counters of the bureau. The booklet "Dawn of the Mahaveli" deals with the inauguration of Mahaveli scheme. The sale of government gazette, hansards and desk calendars continues.

The bureau earned an income of Rs. 591,352 through sale of government publications during 1976.

State Printing Activities

Department of Government Printing.—Publications, posters and other material required in connection with Mahaweli diversion to Rajarata were printed and supplied by the department.

Among major items of work undertaken by the department were a large number of booklets, publications brochures required for the Non-Aligned summit conference, national tree planting campaign and the 29th series rice ration books for the Food Commissioner.

State Printing Corporation

The main objective of the State Printing Corporation is the printing of school texts for the department of educational publications. Printing work for other corporations and statutory boards is also undertaken by the corporation.

A total of 53 titles involving 2,330,000 copies were printed during the year apart from other "job" items.

Income earned from various printing assignments during the year realised Rs. 15,420,646. The corporation made a profit of Rs. 3,042,857.

IV—TOURISM

Sri Lanka—the Resplendent Isle, Taprobane to the Greeks, Serendib to the Arabs, Ceylon to the Portuguese, Dutch and the British, is famed the world over for its developing tourist potential.

The island, apart from its natural endowments for a viable tourist industry, being situated in the warm northern waters of the Indian Ocean, a pleasant tropical climate with cool montane variations, scenic splendour of a landscape, warm seas with sunny beaches also possesses a wealth of archaeological treasures, and species of exotic wild life. Colourful folklore and rituals of age-old pageants mingle with a warm and friendly disposition of her people.

Based on recent estimates the growth rate of 9.1 percent in tourist traffic compares quite favourably with traditional tourist destinations in the region as Singapore 10.4 percent, Pakistan 8.8 percent, Thailand 6.7 percent, India 1.8 per cent and Hong Kong 0.3 percent.

Sri Lanka's tourism plan initiated in 1967, spelt out a series of programmes on the various sectors of the industry—facilities development and public works, architectural requirements, marketing, community relations, manpower and investment outlay.

The plan identified 5 regions for the development of holiday resort complexes, provision of hotels and ancillary tourist facilities.

Sunny beaches, water sports and wild life	..	Colombo resort region, South coast resort region, East coast resort region
Archaeology and culture	..	.. Ancient cities resort region
Tea lands, scenic splendour, golf and trout fishing	..	Hill country resort region

Emphasis has been stressed on the establishment of self-contained resorts with a wide range of facilities—hotels, cottages, shopping and recreational centres, picnic areas and transportation.

Basic framework of development spelt out in the Plan continues serve as a guideline to periodical reviews in terms of performance and the trends in the tourist industry. There has been an impressive growth in visitor-flow since 1967. Tourist arrival during this ten-year span has recorded a massive increase from 23,666 to 118,971 in 1976, with corresponding increase in tourist receipts from Rs. 5.9 million to Rs. 237.8 million.

The tourist industry provides direct employment to about 12,000 while indirectly affording employment opportunities to well over 16,000. Of major significance during the year were the Fifth Non-Aligned Summit Conference and the Tenth World Congress of the Universal Federation of Travel Agents' association. The latter incidentally was the first fully-fledged travel congress held in Sri Lanka.

Growth of Hotel Plant

The hotel room capacity increased by 975 new rooms giving a total of 4,581 rooms as at end of 1976. Distribution of hotel plant at present is:—

	Units	Room
Colombo City	15	1,310
Beaches Greater Colombo	15	914
South Coast	21	1,007
East Coast	6	271
Ancient Cities	22	827
Hill Country	4	195
Northern Region	2	57
Total	85	4,581

Internal Transportation

Coaches, road buses and tourist trains serve as chief means of tourist transport within the island. Air transportation on schedule and charter flights affords additional facility.

The fleet-strength for tourist transportation stood at 242 cars, 40 large and 46 small coaches and 60 station wagons.

Travel Agents.—81 travel agents have been registered under the travel agents code which became operative in 1975.

Shops and Restaurants

There are 70 approved restaurants, specialising in western and eastern cuisine including local dishes and cocktail.

Approved shops dealing in gems and jewellery, handicrafts, batiks and other tourist wares total 139.

National Holiday Resort

A concept in Sri Lanka tourism plan is the development of national holiday resorts under the sponsorship of the Tourist Board to cater the tourist trade, both foreign and local needs. The Tourist Board undertakes planning, land purchase, infra-structure provision, whilst the hotels corporation and the private sector hold responsible for construction and operation of hotels, shops and affording other recreational facilities.

Holiday resorts and other tourist centres so established were :—

South Coast.—BENTOTA RESORT—4 hotels with 321 rooms.

Ancient Cities.—(a) POLONNARUWA RESORT—2 hotels with 70 rooms and a 'dormitory' cum cottage unit with 18 rooms.

(b) GIRITALE RESORT—2 hotels with 88 rooms, a camping centre of 10 under 'canvas' and 6 trailer camping sites.

(c) SIGIRIYA RESORT—one hotel with 32 rooms and camping centre.

East Coast.—(a) KALKUDAH/PASSEKUDAH RESORT—one hotel with 66 rooms. A hotel with 50 rooms and cottage units of 40 rooms are under construction.

(b) TRINCOMALEE RESORT—project report is being evaluated.

Other Developments : BANDARAWELA—(a) 3 cottages, a holiday hostel unit and a club house have been completed.

(b) NUWARA ELIYA—3 holiday cottages are in operation.

(c) KATARAGAMA—a 45 roomed Resthouse plus Pilgrim Halls operate.

(d) VIEWING PLATFORMS—A platform cum picnic facility at Dunhinda is being constructed.

Marketing Programme

The marketing programme for 1976, was basically the same as in preceding years, except that larger outlays were provided for certain promotion activities.

The programme consisted of sales seminars and calls, travel trade advertising, trade publicity, consumer advertising and promotion, educational tours, public relations and dissemination of a wide range of tourist literature in English and other language media.

A programme of educational visits to Sri Lanka by leading travel wholesalers and agents, airline and media representatives has contributed substantially in portraying Sri Lanka image as a tourist destination at consumer, trade and media levels.

A news bureau has been established for regular releases to overseas outlets with a view to meeting consumer and trade media demand.

Domestic Tourism

Two holiday resorts at Nuwara Eliya and Bandarawela operate to cater principally to local traffic. Other units already established are camping and holiday hostel centres at Polonnaruwa, Giritale and Sigiriya ; a 45 roomed Resthouse and Pilgrim Halls at Kataragama and a picnic area at Bentota.

Vocational Training

A new programme towards specialisation in different aspects of the tourist industry—kitchen, restaurant and bar, reception and house-keeping with a greater allotment of time on in-service training was introduced in mid 1976. The period of training ranges from 4 to 10 months followed by practical demonstration in hotels.

Cultural Tourism and Community Relations

The conservation of the age-old building which once occupied Pettah post office premises financed through the Netherlands Alumni association of Sri Lanka is in progress. The building would eventually be converted into a museum.

A publication in Sinhala—'Lassana Sri Lanka' depicting tourist attractions of the island, has been produced to cater to the student needs of the island. Another publication titled "Rural Theatre and Social Satire of Sri Lanka" has also been produced.

A total of 33 exhibitions were held at the Samudra Gallery with a display of paintings and handicrafts of Sri Lanka's young artists and craftsmen.

Regulatory Codes

The minimal requirements and the criteria for classification of hotels under the hotels code have been gazetted.

Further Developments

A tourism plan for further development covering a span from 1977 to 1981 has been formulated after an implementation review of the tourist trade performance over the last decade.

The plan projects 153,000 arrivals in 1977, reaching a figure of 253,000 in 1981.

Tourist receipts estimated on the basis of arrivals are in the region of Rs. 299 million in 1977 with an escalation up to Rs. 606 million in 1981.

Accommodation requirements are estimated at a total of 6,677 rooms by 1981. The plan emphasises consolidation and raising standards of existing facilities with major expansion on the east coast.

International Representation

The Chairman, Tourist Board, continues as a Vice President of the World Tourism Organisation and a Member of the Pacific Area Travel Association Board of Directorate.

The Tourist Board was represented at a number of international conferences notable among them being the Pacific Area Travel Association Annual Conference and Workshop in Hawaii, American Society of Travel Agents' World Congress in New Orleans, International Congress and Convention Association General Assembly in Monaco and South Asia Regional Travel Commission Meeting in Bangladesh.

Ceylon Hotels Corporation

The Ceylon Hotels Corporation was incorporated by an act of Parliament No. 14, of 1966 and has a share capital of Rs. 7,252,750. Business activities of the corporation commenced in 1967, with 5 resthouses made considerable progress over the years.

The corporation now operates 13 resthouses and 7 hotels located in important tourist centres of Sri Lanka providing direct employment to 1,088 employees.

Main objective of the corporation is to improve and develop the tourist industry in Sri Lanka. The corporation operates 4 divisions to achieve this objective, viz.—

Hotels and resthouses division,
Transport and tours division,
Airways division, and
Tourist shops division.

The 13 resthouses and 7 hotels amidst picturesque surroundings in Sri Lanka cater to both local and foreign needs. Total double-room strength of these institutions is 343 and are located at—

Resthouses

Ambepussa	Tissamaharama	Hanwella
Ella	Habarana	Medawachchiya
Kantale	Pussellawa	Sigiriya
Belihuloya	Dambulla	Kitulgala
Polonnaruwa		

Tissamaharama the largest resthouse run by the Corporation has 38 rooms.

Hotels

Lihiniya Surf Hotel, Bentota
Hotel Seruwa, Polonnaruwa
Hotel Dehigama, Kandy
Hotel Suisse, Kandy
Queens Hotel, Kandy
Farr Inn Hotel, Horton Plains
Harbour Inn, Galle.

The luxury air-conditioned 66 roomed Lihiniya Surf Hotel at the the Bentota tourist resort and Hotel Seruwa at the Polonnaruwa National Tourist Resort with 40 air-conditioned luxury rooms provide swimming pool facilities.

Management of the 3 premier hotels in Kandy, viz.—Queens Hotel consisting of 97 rooms at Dalada Vidiya, Hotel Suisse consisting of 67 rooms with swimming pool facilities at Ampitiya Road, and Hotel Dehigama consisting of 20 rooms at Raja Vidiya, has been vested in the corporation.

The corporation has invested a sum of Rs. 2,500,000 in share capital of Hotel Ceylon Inter-Continental, a 5-Star fully air conditioned luxury hotel comprising 252 rooms and also Rs. 250,000 in Pegasus Reef Hotel, Hendala.

The transport service of the corporation operates a fleet of 10 coaches, 65 cars including air conditioned luxury transport, and 3 vans.

A travel Bureau is operated by the corporation at the Hotel Ceylon Inter-Continental with travel counters at International Airport (Katunayake) and at Pegasus Reef Hotel, Hendala, for convenience of foreign tourists undertaking reservation of vehicles, food and lodging facilities and also organising conducted tours.

The corporation also function as general sales agents for British Airways one of the largest airlines operating in the world. This has helped earn considerable foreign exchange.

A tourist Shop at Chatham Street Colombo caters to the needs of foreign tourists diplomatic corps and visiting VIPs. Banned imported items as radios, cassettes, wristwatches, cameras, refrigerators, floor polishers, liquor, food, cigarettes and perfumes are available in exchange of foreign currency.

The corporation earned a net profit of Rs. 1,659,128 as at end of 1976.

Asian Hotels Corporation

The Asian Hotels Corporation Ltd., was incorporated in 1968, with the primary objective to construct a "Five Star" Luxury Hotel to cater the increase in tourist traffic. Work on this 265-room Hotel was initiated in 1972. The Hotel commenced operations in September 1975, initially employing about 580 persons. Work on an extension to provide 130 more rooms commenced in February 1975 and completed in July 1976. The extension ensured generating more employment opportunities.

Hotel Oberoi incidentally, is by far the largest "Five Star" Hotel in Sri Lanka. Emphasis was stressed the during construction stage of the Hotel, on the availability of local raw material, labour and expertise. The Extension was entirely under the supervision of Sri Lanka personnel.

V—STATE FILM CORPORATION

Cinema-going in Sri Lanka is perhaps the most popular and least expensive form of entertainment as evident from the fact that there are nearly 400 cinemas scattered in various parts of the country. This figure compares quite favourably with Pakistan giving a rate per 1000 of the population as the highest in South Asia.

The State Film Corporation established in terms of the State Film Corporation Act No. 47, of 1971 is the central authority for motion picture industry in Sri Lanka. All aspects of import, distribution, production and exhibition of films fall within the purview of the corporation.

The corporations' endeavours in achieving some of its prime objectives are :

- (a) Rectification of the massive imbalance between nationally produced and imported films : this situation has now been reversed securing the rightful place for nationally-produced films. Attempts are also being made to improve the position of the nationally-produced Tamil Films.
- (b) Rectification of the import imbalance has ensured a tremendous boost in film production industry. Films released have increased from an average of about 10 in the past to 29 during 1976. Feature films under production are in the region of 100. Achieving a qualitative improvement in the films produced has been the Corporation's main concentration.
- (c) *Distribution.*—One of the most beneficial steps taken during the year has been the nationalisation of film distribution. The corporation, since taking over distribution processes has eliminated wasteful competition among private distributors. Uniformity in film distribution has ensured optimum exploitation of the national product with the taking over of film distribution by the corporation. It was found that 79 percent of the cinemas in 1976, registered an increase in overall collections varying from a low 20 percent to over 200 percent as compared with preceding years. The nationally produced film competed quite satisfactorily with nearly 50 per cent of the films exhibited in 1976, recording a gross income of over a million rupees. Incidentally 2 of them grossed over 2½ million rupees.
- (d) A modern film laboratory and sound recording studio is being set up incorporating colour film processing facilities as well as two fully-equipped sound recording theatres at a cost of about Rs. 5 million.

The corporation's profits increased from Rs. 5.3 million in 1975 to Rs. 8.3 million during the year.

KEY ECONOMIC INDICATORS FOR SRI LANKA—1976

1. Area (sq. km.)					65,610
2. Population	(‘000 Census Year 1971)				12,689
	(‘000 Mid-Year estimate)				13,730
3. National Income	Gross national product (constant prices) (Rs. Million)				11,583
	Gross national product (current prices) (Rs. Million)				24,363
	Income per capita (Rs.)				1,774
4. Public Finance	Revenue (Rs. Million)				5,739
	Expenditure (Rs. Million)				9,314
	External assets (Rs. Million)				1,402
5. Foreign Trade	(Value—Rs. Million) :				
	Total exports (f.o.b.)				4,815
	Total imports (c.i.f.)				4,688
	Balance of trade (Rs. Million)			+	127
6. Consumer Price Indices	(Annual average all items)—base 1952=100				200.7
7. Employment		Technical and Clerical	Skilled and Semi-skilled	Un-skilled	Total
	(Registrants for employment and better employment)	103,993	177,564	265,687	547,244
8. Agricultural Production	Tea (Million lb.)				433
	Rubber (Million lb.)				335
	*Paddy (Million bush.)				60
	Index of agricultural production (volume)				
	base 1962=100				120.26
	*Grain in husk				
9. Transportation (Passenger)		(Operated kilometres)		Passengers conveyed	
		‘000		‘000	
Ceylon Transport Board		398,309		1,436,275	
Railway		7,666**		30,408*	
Air Ceylon Ltd.		4,363		127	
10. Tourism		Holiday	Business, Education, etc.	Other	Total
	(Arrivals in Sri Lanka by purpose)	105,539	9,844	3,588	118,971

** Subject to revision.

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