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Sri Lanka Year Book



1975

Cover—Front View of Bandaranaike Memorial International Conference Hall.



Sri Lanka Year Book

1975

DEPARTMENT OF CENSUS AND STATISTICS

COLOMBO, SRI LANKA (CEYLON)



Sri Lanka Year Book

1975

DEPARTMENT OF CENSUS AND STATISTICS

COLOMBO, SRI LANKA

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PREFACE

THIS issue of the Year Book is the twenty-third in its series. It contains for the most part information for the year 1973 ; but where-ever possible the subject matter has been up dated to cover the latest period for which information has been made available.

The Year Book is a factual narrative of the Government, the people and the socio-economic development of Sri Lanka presenting salient facts on the history, geography, social and economic conditions and government activities of the Island.

Official reports of Government Departments, Public Corporations and private institutions constitute the sources of its information. The co-operation of all these institutions in providing the necessary material for its compilation is acknowledged with gratitude.

Any suggestions that might help widen the scope and utility of the publication will be most welcome.

L. N. PERERA,
Director of Census and Statistics.

Department of Census and Statistics,
P. O. Box 563, Colombo 7,
January 6, 1976.

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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' 10½" and the females 5' 5" in height, the brow ridges were heavy but diffuse, the palate wide, the bit of the edge to the edge type, and the last molars were as large as the others and always well worn with usage. This race named *Homo Sapiens Balangodensis*, persisted into early historic times. Of special interest is the fact, that many of the stone implements found with these skeletons are of the palaeolithic type and these as well as pitted pebbles, microliths and ground and polished artefacts were used simultaneously by this race. When *Homo Sinhaleyus* inhabited Ceylon, the fauna included such large mammals as hippopotamus, rhinoceros and two species of elephants with heavy brow ridges. All these became extinct and *Homo Sapiens Balangodensis* came up on the scene together with the animals that now inhabit Ceylon, including 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 Veddhas ⁽¹⁾.

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 Ruhuna. The establishment of peace under one sovereign ruler was the direct result. There followed a period of prosperity leading to the spread of learning, 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, 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 Pandyan, 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 Kittu 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 capital shifted to other sites, as Ruhuna, Dambadeniya, Yapahuwa, Polonnaruwa, Kurunegala, Gampola, Dedigama, Rayigama, Kotte, Sitawaka and Kandy. 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 feuds 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. It was also the beginning of the eventual loss of freedom. The Portuguese arrived in 1505 A.D. and conquered parts of the Island. They were the first to introduce Christianity. The Portuguese were ousted by the Dutch who ruled over their possessions in the Island from 1640 A.D. They established trade, ruled the maritime provinces through a Governor. In 1706 A.D. the Dutch too yielded these to the English and in 1815 A.D. the Sinhalese surrendered their country to the British. New changes took place. The country was ruled by a Governor appointed from England. New laws were introduced and European ways and beliefs influenced the people. However, the Island regained its Independence in 1948 and is now ruled by the elected representatives of the people themselves under a democratic constitution. With the adoption of a New Constitution the Island became a Free, Sovereign and an Independent Republic known as the Republic of Sri Lanka on May 22nd, 1972. The Sovereignty of the people is exercised through a National Assembly of elected representatives.

Sri Lanka however continues to be a member of the Commonwealth.

(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 compared with some other Commonwealth Countries as the United Kingdom (95,000 sq. miles), Canada (3,846,000 sq. miles), Australia (2,974,000 sq. miles), India (1,220,000 sq. miles) Pakistan (361,000 sq. miles) and New Zealand (105,000 sq. miles).

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 Ceylon are the Maldiv Islands, to its West, the Nicobar and Andaman Islands to its East and North-East respectively.

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

Ceylon's position in the Indian Ocean has proved favourable and today Colombo, Trincomalee and Galle form important ports of call (passenger, bunkering, repairs, 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

Generally speaking, the relief of the Island may be said to comprise a mountainous area about the central part or more correctly the South central part, averaging in elevation from about 3,000 to 7,000 feet, which is again surrounded by an upland belt of about 1,000 to 3,000 feet, while the coastal plain 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 Sri Lanka :

TABLE 2.1—PRINCIPAL MOUNTAIN PEAKS IN SRI LANKA

<i>Mountain Peak</i>	<i>Height in feet</i>	<i>District situated</i>
Pidurutalagala	8,281	Nuwara Eliya
Kirigalpotta	7,857	do.
Totapalakanda	7,733	do.
Kudahagala	7,610	do.
Siri Pada (Adam's Peak)	7,360	Ratnapura
Kikilimana	7,349	Nuwara Eliya
Great Western	7,296	do.
Hakgala	7,118	do.
Conical Hill	7,106	do.
Mahakudagala	6,890	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 Ceylon—Pidurutalagala (8,281 feet), Kirigalpotta (7,857 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 Lunugala 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 plateaus, 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. Monadnocks or "relict mountains" composed of resistant rock-like granite, stand out to break the monotony of the level stretches. The Jaffna Peninsula and the Island of Mannar are entirely featureless plains.

Rivers and Waterways

The hydrographic pattern is a function essentially of relief and structure, and in Ceylon with its central hilly mass a general 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 Ceylon 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-arū	102	Menik-ganga	71
Kala-oya	92	Kalu-ganga	80
Kelaniganga	90	Kirindi-oya	73
Yan-oya	88	Kumbukkan-arū	72
Deduru-oya	88	Gin-ganga	70
Maduru-oya	85	Mi-oya	68
Walawe-ganga	86	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 occurs 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 Eastern and 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 over 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.—

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

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.

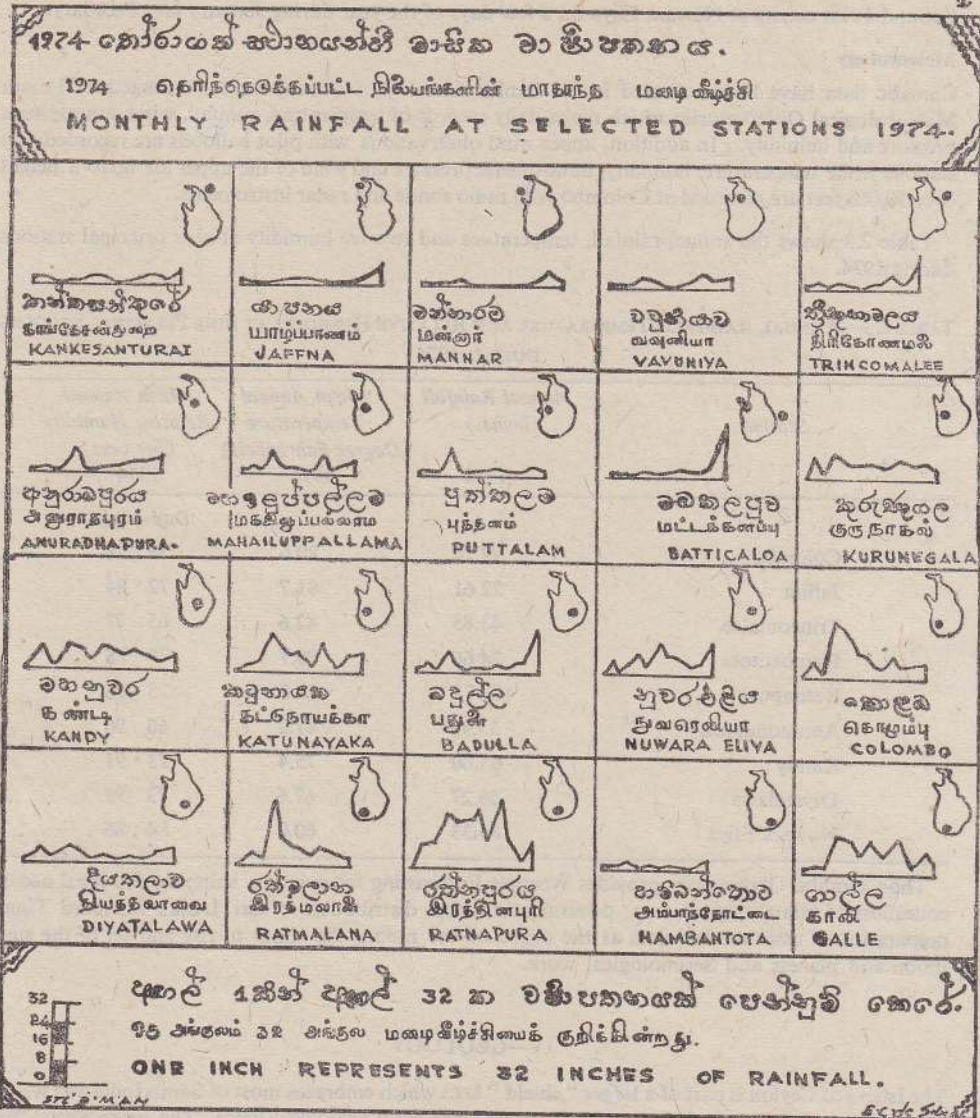
Inter-Monsoon Periods

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 the depressional activity. A depression in the Bay of Bengal will cause rainfall in the Eastern parts of the Island, while one in the Arabian Sea will cause rainfall in the Western parts. If however, the depression is of great extent, the rainfall will be heavy and wide-spread.

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

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

Chart No. 1—MONTHLY RAINFALL AT S.ELECTED STATIONS, 1974



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. This front, the ITF, moves north and south with the sun as it moves between the Tropic of Cancer and the Tropic of Capricorn. The ITF crosses Ceylon moving from south to north in May, and as it moves northwards it brings the South-West Monsoon to Sri Lanka and India in its rear. On its return journey, the ITF moving from north to south crosses Sri Lanka 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 Sri Lanka.

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 and today there are altogether 21 main Meteorological Observatories which 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 1974.

TABLE 2.3—ANNUAL RAINFALL, TEMPERATURE AND RELATIVE HUMIDITY AT NINE PRINCIPAL STATIONS DURING 1974

Station	Annual Rainfall (inches)	Mean Annual Temperature (Degree Fahrenheit)	Mean Annual Relative Humidity (per cent)
	1974	1974	1974
			<i>Day-Night</i>
Colombo	99.20	80.6	75 86
Jaffna	22.61	81.7	72 84
Trincomalee	43.85	82.6	65 77
Hambantota	24.66	80.7	75 88
Ratnapura	153.73	80.8	75 96
Anuradhapura	33.99	81.2	66 90
Kandy	63.60	75.4	73 91
Diyatalawa	56.27	67.6	73 89
Nuwara Eliya	85.33	60.0	84 86

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

IV—GEOLOGY

The Island of Ceylon is part of a larger "shield" area which embraces most of South India and which has not undergone any major earth movements since early geological times. 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-silliminite-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 Wollastenite-scapolite calc gneisses and garnet-cordiorite-silliminite 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 dolerite dykes, cut across all these Pre-Cambrian rocks, and range from 450 to 600 million years in age.

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

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

CHAPTER III

ECONOMIC REVIEW—1973-1974

A substantial expansion in real output in the domestic market highlighted the economic situation in 1973. The foundation for this expansion was firmly rooted in the production for domestic purposes. The annual rate of economic growth in 1973 was 3.5 per cent in real terms as against 2.6 per cent the previous year and 1.0 per cent in 1971.

The increase in population in 1973 was 1.76 per cent, a continuation of the declining trend as evidenced by the rate of 2.0 per cent the previous year. It has been reported that the sudden drop in the rate of population is due to a decline in the birth rate, an increase in the death rate and a migratory influx in the scheme of repatriation of Indian nationals. In per capita terms, the gross national product in 1973 increased by 1.7 per cent at constant prices. The growth in real national product has been checked by a decline in the output of coconut, tea and livestock products.

Major Economic changes which characterised the year 1973 are outlined below :—

- (1) The gross national product in real terms increased by 3.5 per cent.
- (2) Government fiscal operations incidentally the first time in many years resulted in a net contraction of Rs.53 million.
- (3) Unprecedented increase in money supply mainly due to an increase in foreign exchange holdings of the banking system.
- (4) The Colombo Consumers' Price Index rose by 9.7 per cent during the year, in contrast to an increase of 6.3 per cent in 1972.
- (5) Marked improvement in foreign exchange earnings in 1973 could not offset the severe external payments position which prevailed on a continuing basis since 1958.
- (6) Monetary expansion combined with administrative measures, as the restriction of certain imports with a view to affording greater incentives to boost domestic production resulted in an increasing trend in prices than in previous year.

Fiscal Policy

The Government Financial Year 1973 was the first fiscal year to coincide with the calendar year. Total government revenue for 1973 showed an increase as in previous years. Estimated total revenue of Rs. 3,880 million was exceeded by Rs. 154 million. The increase of 23 per cent in revenue was the highest recorded in a single year. Collections from income tax, export levies, business turnover tax, and revenue from sale of FEECs contributed substantially to this increase. Voted expenditure in 1973 totalled Rs. 5448 million. Recurrent expenditure on 'Advance Account' was Rs. 3,905 million. There was thus, a surplus of Rs. 129 million in the government current account during the year. Actual recurrent and capital expenditure were Rs. 3,857 million and Rs. 1,110 million respectively.

A substantial increase in revenue together with a record non-bank borrowing not only helped the government reduce its indebtedness to the banking system but also resulted in a contractionary effect of Rs. 53 million.

This significant performance in revenue collection despite a substantial increase in both recurrent and capital expenditure resulted in limiting the budget deficit to Rs. 1,414 million. Net cash deficit after adjustment for sinking fund contributions, special payments to international organizations and advance account operations, was Rs. 981 million as against Rs.1036 million the previous year.

In financing the net cash deficit government had recourse to the domestic market to the tune of Rs. 706 million, from domestic non-market sources Rs. 251 million and through foreign finance Rs. 394 million.

Financing of the Deficit—1973

	(Rs.) Million
(1) Budget deficit	1,414
(2) Less sinking fund contribution, etc.	433
(3) Net cash deficit	931
(4) Financing	
(a) Non-bank sources (inclusive of foreign finance)	1,034
(b) Domestic borrowing from the Banking system	-116
(c) Government cash balances and foreign aid counterpart funds	63
(5) Adjustment for change in U. S. aid counterpart funds	—
(6) Net expansionary impact of Government Fiscal Operation	-53
(4)b + (4)c and 5	
(figures are provisional)	

Foreign Trade

Total export earnings showed a marked increase as compared with the preceding year. Value of domestic exports rose from Rs. 2,009 million in 1972 to Rs. 2,617 million in 1973, an increase of 30.3 per cent. The volume of tea exports and substantial increases in the F. O. B. price of rubber were responsible for the expansion in export earnings during the year. Rubber exports in 1973 reached a record level of 354 million pounds, an increase of 48 million pounds over the 1972 figure. Prolonged drought during the previous year affected coconut production rather adversely in 1973. The situation was further aggravated by a drop in the application of fertilizer and in isolated cases the resurgence of the coconut pest. This drastic decline in production influenced the government to enforce a ban on the export of copra in February, 1973. A significant feature in Sri Lanka's export trade was the tremendous increase in value of gem exports. Export incentives as convertible rupee accounts and enhanced tax amnesty helped boost exchange earnings from the gem industry. Earnings from other selected industrial exports showed an increase of 77 per cent over the preceding year.

Customs data reveal that the value of imports in 1973 showed a substantial increase of Rs. 651 million over the corresponding figure for 1972. Consumption goods constituted bulk of the total imports sharing 56 per cent. Imports of intermediate and investment goods however decreased during the year. The value of imports rose from Rs. 2,064 million in 1972 to Rs. 2,715 million in 1973. The value of imports increased due to a certain extent, the consequences of Britain's entry into the EEC. Adoption of the Common External Tariff of the EEC on the part of Britain adversely affected Sri Lanka's foreign trade.

Balance of Payments

The severe external payment position experienced in 1972 continued in 1973. There was a further deterioration consequent to a fall in export earnings. The balance on current transactions showed a deficit of Rs. 161 million during the year. Strict import policies governing both quantities and payments thwarted an otherwise deteriorating situation. As regards imports the factors which were responsible for the large and persistent deficits in the current account continued to operate in 1973.

Merchandise account: The merchandise account showed a record deficit of Rs.299 million in 1973. Minimum level of consumption of certain items, with due consideration to local manufacture as well as employment opportunities governed import levels in 1973. The increase in export earnings helped minimise burden of import restrictions. Though tea exports could not benefit from the commodity boom rubber and coconut products shared significantly in the 1973 world boom. Export of precious and semi-precious stones showed a remarkable increase from Rs.8 million in 1972 to Rs. 130 million in 1973. This increase was mainly due to very attractive incentives afforded this sector.

The value of imports increased by 23 per cent in 1973. Though this does not reflect a change in the policy of limiting imports, it was the inevitable outcome of price increases of essential commodities. Import prices were considerably higher due to stringent supply position and with higher freight rates imposed by shipping lines, the import price index increased from 158 to 209. The food index rose from 173 to 233 in 1973.

Traditionally, a slump in Sri Lanka's balance of payments has been in the services account. A surplus under this account amounting to Rs. 57 million without additional restrictive measures was recorded in 1973. Tourist traffic continued its upward trend since the interruption in 1971 consequent to civil unrest in the early part of that year. An element of uncertainty in international tourism prevailed with the impact of fuel crisis on air-borne traffic. Grants-in-aid the major component of transfer payments declined to Rs. 83 million. Private transfers however, showed an increasing trend due mainly to official policy in affording greater incentives as FEECS and operation of the special accounts scheme. This private inflow was largely offset by private outflow on account of the increased tempo in the repatriation of non-citizens under the Indo-Ceylon Agreement.

The invisible component of the balance of payments comprising transfer payments account and services account showed a favourable trend with a surplus of Rs. 138 million. This helped reduce the current account deficit to Rs. 161 million. The financing of a resource gap over Rs. 1,000 million was a continuation of the pattern observed since 1969. The resource gap of Rs. 1,518 million was the highest so far recorded. Higher outlays on imports, the increasing debt service payments and repayment of bank borrowings contributed to this all-time increase. Long-term capital inflow suffered a further set back in 1973 declining to Rs. 335 million and the net inflow also declined to Rs. 194 million. The short-fall in the flow of grants and long-term capital stressed the necessity of short-term and medium-term borrowings. In 1973, Rs. 1021 million and Rs. 137 million were drawn from short-term sources and the I. M. F. respectively. Short-term borrowing featured a somewhat despondent view of the external accounts position. This is particularly so as sustenance of a critical level of imports depends on negotiation of deferred payment facilities afresh.

Prices

The basic indicator of price changes, the consumers' price index increased by 9.7 per cent in 1973, as compared with an increase of 6.3 per cent the preceding year. The increased prices reflected in major consumer items viz. rice, flour, milk foods, condiments coconuts, textiles and fuel contributed largely towards an upward trend in the index during 1973. Scarcities in world market aggravated the position further. Inflationary tendencies and freight increases have in certain cases exerted pressure on price equilibrium. The international energy crisis helped boost local prices. Extended coverage of BTT and an increase in the price of FEECS had their full impact on consumer commodities. An inelastic supply of goods in the middle of the year in wake of seasonal fluctuations in demand caused an upward trend in prices. Price increases in certain cases appear to have been influenced by factors of supply both domestic as well as import items.

The sub-indices for clothing, fuel and light, food and miscellaneous items increased by 14.0 per cent, 12.7 per cent, 11.7 per cent and 0.3 per cent respectively during the year. This sharp increase in food and clothing indices were mainly due to increases in the cost of imported food items and contracted supply situation. In view of drastic changes in the distribution scheme of rationed food items, flour, rice and sugar prices were increased substantially in 1973. Fall in local production attributed to price increases of coconuts and coconut oil.

The sharp increase in the money supply tended to exert consumer pressure on the relatively limited supply of goods, particularly in June, July and August 1973. The rate of increase in the Sub index for miscellaneous items in 1973 was comparatively slow 0.3 per cent as compared with 6.2 per cent the preceding year. Revision of excise on tobacco helped reduce the average annual increase in the sub-index.

Wages

Wage rates of central government employees were higher in 1973 than the average rates for 1972. Though these wage rates remained static for about three years there was a rise in December, 1972 consequent to the payment of a special allowance, to monthly paid employees, as outlined in the budget proposals. There was a further increase by 10 per cent in October, 1973. Wage rate indices of technical and clerical employees, minor grades and school teachers increased by 3.6 per cent 5.9 per cent and 2.2 per cent respectively during the year.

The real wages of government employees however, declined in 1973. The annual average wage rate indices for workers in agriculture and industry and commerce increased by 13.2 per cent and 10.1 per cent respectively. These increases in the indices were mainly attributed to the payment of a special allowance and other compensatory measures to all employees in the private sector.

Employment

The number of persons placed in employment by Employment Exchanges in 1973 was 2,622 a decrease of 20.4 per cent as compared with the preceding year. The total number of employees registered under the E. P. F. rose from 1,957,239 to 2,074,398 as at end of 1972. The number of registrants for employment or better employment at Employment Exchanges totalled 470,369 at the end of 1973 as compared with 445,422 at the end of the preceding year.

Gross National Product

The gross national product at constant prices, increased by 3.5 per cent as compared with 2.6 per cent in 1972. In absolute terms the real national product in 1973 rose by Rs. 353 million. There was a decline in the amount contributed by the Agricultural sector due to a fall in coconut production. This deficit was significantly offset by an increase in subsidiary food crops and minor export crops.

Output in mining and quarrying sector increased tremendously from 0.7 per cent to 2.6 per cent. The value added in real terms rose from 1.4 per cent in 1972 to 294.4 per cent mainly due to increased gem production. Value of output in the manufacturing sector showed an increase by 1.2 per cent as compared with an increase of 1.6 per cent the preceding year. The value added in construction at current prices increased by 12.8 per cent as compared with a decline of 5.3 per cent in 1972.

Economic growth in 1973 focussed attention on the production of food crops for domestic consumption. Government's boost in the food production programme was necessitated consequent to Foreign Exchange problems confronting Sri Lanka and also the implementation of its economic policies. The full impact of the national food drive augurs a substantial increase in the gross product.

Provisional data estimate an increase of 23.2 per cent in the gross national expenditure. This sharp increase is largely due to the very high prices. Private consumption expenditure and expenditure on capital formation increased by 21.8 per cent and 24.2 per cent respectively during the year.

The gross fixed capital formation increased by 13.0 per cent in 1973. This increase is mainly due to expansion of capital works in the private sector.

Economic Trends, 1974

Salient features of the national economy during the year are outlined below :—

The Gross National Product at constant factor cost prices during 1974 was Rs. 10,731 million as compared with Rs. 10,383 million the preceding year. This represents an increase of 3.4 per cent

during 1974 and 3.5 per cent during 1973. The growth rates however fell short of targets as set out in the Five Year Plan of Development. The per capita income at constant prices rose from Rs.784 in 1973 to Rs. 801 in 1974. The decline in population growth rate is mainly responsible for the increase. Growth analysis also takes into cognizance the terms of trade.

The phenomenal rise in commodity prices in world markets considerably impaired production targets in several sectors of the national economy. Although Tea, Rubber and Coconut products fetched the highest ever prices, production fell short of expectations resulting in the decline of foreign exchange earnings.

There was an increase in revenue receipts from Rs.4034 million in 1973 to Rs.4,795 million in 1974. On the expenditure side the increase was even higher. It rose from Rs. 5,448 million in 1973 to Rs. 6,394 million in 1974, giving a budget deficit of Rs. 1,599 million.

The Balance of Payments continues to record deficits. During 1973 the deficit was Rs. 298 million while in 1974 it was Rs. 1,227 million.

The Colombo Consumers' price index averaged 185.8 for the year as compared with an average of 165.4 in 1973.

Government Finance:—The price increases in world commodity market affected adversely the Budget estimates of revenue and expenditure resulting in several supplementary votes. Government revenue increased by Rs. 761 million over that of 1973. Sources of additional revenue were :—Sales and turnover taxes, Sale of FEECS, Export and Import duties and revenue from trading enterprises. High prices of exports contributed substantially towards increase in revenue.

Expenditure under recurrent votes during 1973 and 1974 were Rs. 3,850 million and Rs. 4 506 million respectively, showing an increase of Rs. 649 million over the preceding year. Transfer payments had absorbed nearly half the current expenditure of the Government. The subsidy on food continues to have a big 'slice' in current expenditure. Other items contributing towards increase in current expenditure are interest payments on Government debt and reimbursement of losses to public Corporations.

Total capital expenditure of the Government rose from Rs. 1,161 million in 1973 to Rs. 1 300 million in 1974. Increases in capital expenditure of Government Departments were in respect of civil administration and economic services. The breakdown of the economic services were in respect of agriculture, irrigation—food drive launched at the beginning of the year, surveys and irrigation projects and subsidy on tea planting.

There was an overall decline in capital transfers from Rs. 445 million in 1973 to Rs. 407 million in 1974. In the Agriculture and Irrigation sectors there was an increase of Rs. 52 million over the previous year.

In the manufacturing and mining sectors there was a decline of Rs. 51 million.

The net cash deficit in 1974 amounted to Rs. 1,035 million. Increases in recurrent and capital expenditure taken together, off set by revenue increase and net out payments on advanced account operations square up to more or less the net cash deficit.

In financing of the net cash deficit the Government resorted to the following measures :—

- (a) Domestic market borrowing from non bank sources Rs. 686 million.
- (b) Foreign assistance Rs. 358 million.
- (c) Domestic banking system Rs. 15 million.
- (d) Domestic non market sources Rs. 33 million.

Public Debt:—The Gross Public Debt at an end of the year was Rs. 12,380 million. Domestic Debt accounted for 76 per cent of the total debt, the balance representing foreign borrowings.

Foreign Trade : Trade deficit in 1974 was the highest ever recorded. Export earnings during the last three years, 1972, 1973 and 1974 were Rs. 2,009 million, Rs. 2,617 million and Rs. 3,472 million respectively. Imports during the same period respectively were Rs. 2,064 million, Rs. 2,715 million and Rs. 4,554 million. Sri Lanka's traditional exports, Tea, Rubber and Coconut products fetched record prices during 1974.

Exports of Tea dropped from 454 million lbs. to 387 million lbs. Export earnings however recorded an increase. An average increase of 40 per cent was realised for a pound at the Colombo Auctions. Among factors attributable to short fall in production were the implementation of the Land Reform programme, curtailed expenditure in replanting, manuring and maintenance of estates, production costs and unfavourable weather conditions.

Value of rubber exports during 1974 was Rs. 738 million as compared with Rs. 592 million the previous year. Exports however showed a decline from 354.4 million lbs. to 283.1 million lbs. in 1974. The 'oil crisis' contributed to an appreciable rise in prices of rubber.

Coconut products fetched favourable prices in world markets. Copra exports declined considerably and continued to be restricted. Export earnings from coconut products brought in Rs. 397 million during the year recording an increase of Rs. 252 million over the previous year.

Exports of precious and semi-precious stones saw a drop from Rs. 141 million to Rs. 109 million. Exports of other Agricultural and non-industrial commodities accounted for Rs. 348 million.

Sri Lanka was greatly affected by the World wide inflation. Despite restrictive measures adopted there was an increase of Rs. 1,839 million in the import bill over the preceding year. Increases in prices of several commodities in world markets contributed towards payment of Rs. 1,767 million for rice, flour and sugar, nearly 39 per cent of total imports. Under intermediate goods there was an unprecedented rise in prices of petroleum products, fertilizer, chemicals and paper, yarn, wheat and muslin. In the group investment goods building materials registered price increases.

Favourable balance of trade was maintained with the European Free Trade Association with a figure of Rs. 152.4 million. There were also Trade Surpluses countrywise with other trading groups as the U.K. and U.S.A. The overall deficit recorded for the year was Rs. 1,082 million.

Balance of Payments : Sri Lanka's balance of payments continued in its traditional deficit trend. Trade deficit in 1974 reached its peak level. The import bill was of considerable magnitude attributable to the oil crisis, prevailing high prices of raw materials and scarcity of food items in world markets. Export commodities fetched higher prices but drop in production offset the desired benefits in a commodity boom.

Receipts from the services account showed an improvement from Rs. 437 million in 1973 to Rs. 499 million in 1974. Payments during the two years were Rs. 380 million and Rs. 424 million respectively. On an overall basis the services account realized Rs. 75 million.

In financing the external resources gap Government resorted to the following :—

- (a) Short term and suppliers' credits.
- (b) Commodity aid.
- (c) Foreign Bank borrowings.
- (d) Official Grants.
- (e) Oil facility drawings.
- (f) Project aid.
- (g) Borrowing from the I.M.F

The Gross National Product

The Gross National Product at constant factor cost prices reflected an increase of 3.4 per cent. Increases were noted in the Agricultural, construction and trade sectors. Real G.N.P. per capita increased from Rs. 784 in 1973 to Rs. 801 in 1974.

In the Agriculture sector although there was a decline in Tea and Rubber production there was an appreciable increase in paddy production. Subsidiary foodcrops too recorded an increase attributable to the Government's Food Drive and incentives afforded the producer. In the manufacturing sector a decline in output was inevitable owing to shortage of raw materials. Increases were also noted in the services sector attributable to the expansion of health and education services. Administration and Defence too showed an increase consequent to expansion of employment opportunities. In the banking and financial sectors the opening of several bank branches throughout the island and also agricultural service centres contributed to an increase of 16.2 per cent in output.

The greater availability of building materials produced locally helped generate activity in this sector.

The Gross National Product at current factor cost prices is estimated to have increased by 30 per cent from Rs. 15,154 million to Rs. 19,694 million during 1974. The value added increases in the Agriculture, manufacturing, construction and services sectors of the economy were responsible for the overall increase in the Gross National Product.

Increase in Gross National Expenditure at current Market Prices is 29.1 per cent over the previous year, the increase being from Rs. 16,630 million to Rs. 21,469 million. Both consumption and capital expenditure registered increases due mainly to higher prices of domestic and imported items.

Prices and Wages

Prices : Inflationary pressure exerted its full impact on the national economy during the year. Soaring prices of consumer items, particularly food commodities set a tempo hitherto unprecedented. The Colombo Consumers' Price Index which seeks to measure changes in prices increased by 12.3 per cent as compared with an increase of 9.7 per cent the preceding year.

Commodity-wise the Food Group index increased from 164.8 to 189.7 in 1974. This was a result of price increases in paddy under the Guaranteed Price Scheme. Prices of imported rice, sugar and flour in world market, increases in crude oil had adverse effects recording corresponding increases in transport, costs fuel and light. The sub index-fuel and light recorded a phenomenal rise, an increase of 34.4 per cent as compared with the preceding year.

Wages : Consequent to increase in cost of living, there was a wage rise in the public sectors the private sector following suit. Employees drawing salaries up to Rs. 800 per mensem were given a 20 per cent increase subject to a maximum of Rs. 50.

CHAPTER IV

CONSTITUTION AND GOVERNMENT

I—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.

Law of the Constitution

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 of May, 1972.

The Constitution of the Republic of Sri Lanka provides for—

- (a) The State, Sovereignty and the People ;
- (b) Buddhism ;
- (c) Language :
 - (1) Official Language ;
 - (2) Language of Legislation ;
 - (3) Language of the Courts.
- (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 :
 - (1) The First National State Assembly ;
 - (2) First Prime Minister ;
 - (3) Legislative Powers of the National State Assembly.
- (i) Procedure for Enacting Laws ;
- (j) Procedure for laws amending the Constitution :
 - (1) Examination of Bills ;
 - (2) Constitutional Court.
- (k) Constitution of the National State Assembly :
 - (1) Franchise ;
 - (2) Election of members ;
 - (3) Delimitation of Electoral Districts ;
 - (4) Commissioner of Elections.
- (l) Control of Finance ;
- (m) Executive Government ;
 - (1) The President and the Cabinet of Ministers ;
 - (2) State Officers ;
 - (3) State Services Advisory and Disciplinary Boards.
- (n) Administration of Justice :
 - (1) Creation of Courts ;
 - (2) Judges of the Court of Appeal and the Supreme Court ;
 - (3) Appointment of Judges and other Officers administering justice ;
 - (c) 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 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 Assembly.

Unless the National State Assembly is dissolved earlier, every National State Assembly elected under the new 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.

The National State Assembly at present consists of 157 members.

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 pertaining to the National State Assembly and to their departments.

The present President of the Republic of Sri Lanka is Mr. William Gopallawa.

The Ministers and Deputy Ministers of the Republic of Sri Lanka reconstituted on 17 September 1975 consequent to changes in the Cabinet of Ministers were :—

Mrs. Sirimavo R. D. Bandaranaike (Attanagalla), Prime Minister and Minister of Defence and Foreign Affairs, Minister of Planning and Economic Affairs and Minister of Plan Implementation.

Mr. Maithripala Senanayake (Medawachchiya), Minister of Irrigation, Power and Highways and Leader of the Assembly.

Mr. T. B. Ilangaratna (Kolonnawa), Minister of Trade and Minister of Public Administration and Home Affairs.

Mr. P. B. G. Kalugalla (Kegalle), Minister of Shipping, Aviation and Tourism.

- Al. Haj. Dr. Badiuddin Mahmud (Appointed Member), Minister of Education.
- Mr. Felix R. D. Bandaranaike (Dompe), Minister of Finance and Minister of Justice.
- Mr. M. P. de Zoysa Siriwardena (Minuwangoda), Minister of Labour.
- Mr. T. B. Subasinghe (Katugampola), Minister of Industries and Scientific Affairs.
- Mr. W. P. G. Ariyadasa (Haputale), Minister of Local Government.
- Mr. T. B. Tennakoon (Dambulla), Minister of Cultural Affairs.
- Mr. George Rajapakse (MulKirigala), Minister of Health and Minister of Fisheries.
- Mr. P. G. B. Keuneman (Third Colombo Central), Minister of Housing and Construction.
- Mr. R. S. Perera (Kelaniya), Minister of Information and Broadcasting.
- Mr. K. B. Ratnayake (Anuradhapura), Minister of Parliamentary Affairs and Sports, Minister of Transport and Chief Government Whip.
- Mr. H. S. R. B. Kobbekaduwa (Yatinuwara), Minister of Agriculture and Lands.
- Mr. S. S. Kulatileke (Appointed Member), Minister of Social Services.
- Mr. C. Kumarasuriar (Appointed Member), Minister of Posts and Telecommunications.
- Mr. S. K. K. Suriarachchi (Mahara), Minister of Food, Co-operatives and Small Industries.
- Mr. Ratnasiri Wickremanayake (Horana), Minister of Plantation Industries.
- Mr. Lakshman Jayakody (Divulapitiya), Deputy Minister of Defence and External Affairs.
- Mr. Ratna Deshapriya Senanayake (Minneriya), Deputy Minister of Planning and Economic Affairs and Plan Implementation.
- Mr. Somaratne Senarath (Amparai), Deputy Minister of Irrigation, Power and Highways.
- Mr. P. R. Ratnayake (Mawanella), Deputy Minister of Trade.
- Mr. B. Y. Tudawe (Matara), Deputy Minister of Education.
- Mr. D. P. Wickremasinghe (Mawatagama), Deputy Minister of Shipping and Tourism.
- Mr. Hemachandra Sirisena (Second Akurana), Deputy Minister of Labour.
- Mr. Neal de Alwis (Baddegama), Deputy Minister of Finance.
- Mr. S. D. R. Jayaratne (Chilaw), Deputy Minister of Fisheries.
- Mr. J. P. Obeysekera (Mirigama), Deputy Minister of Health.
- Mr. T. B. M. Herath (Walapane), Deputy Minister of Transport.
- Mr. B. H. Bandara (Badulla), Deputy Minister of Housing and Construction.
- Mr. A. L. Abdul Majeed (First Mutur), Deputy Minister of Information and Broadcasting.
- Mr. G. W. Samarasinghe (Kuliyapitiya), Deputy Minister of Social Services.
- Mr. V. T. G. Karunaratne (Rakwana), Deputy Minister of Posts and Telecommunications.
- Mr. Albert Kariyawasam (Bentara-Elpitiya) Deputy Minister of Plantation Industries.
- Mr. Ratnasiri Wickremanayake (Horana), Deputy Minister of Justice.
- Mr. H. M. Navaratne (Minipe), Deputy Minister of Agriculture and Lands.

II—ELECTIONS

There are two main types of elections in the Island (a) National State Assembly (b) Local Authority. With the inauguration on May 22, 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 681 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 the Ceylon (Parliamentary Elections) Order in Council, 1946 (Reprint of April 12, 1970) subject to provisions contained in the Constitution 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 such 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 the purpose of elections to the National State Assembly, the Department (through the 23 Registering Officers who cover the whole Island) annually revises 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 made 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 elections 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 where the Local Authority is situated.

Principles on which elections are conducted, whether for National State Assembly or local election purposes, 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 name 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 recognize 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 and deposits it in a sealed ballot box which is placed in front of the Presiding Officer. At the close of the poll all 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 elections 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) show that the country by and large votes party-wise.

During the year 1973, three vacancies occurred in the National State Assembly consequent to death of members for Dedigama, Colombo North and Mannar. Vacancies in the Dedigama and Colombo North Electorates were filled by two by-elections held during the year, on July 9, 1973 and October 9, 1973 respectively.

The seat of the member for Kankesanturai which fell vacant on October 3, 1972 with the resignation of the sitting member, remained vacant as a result of Regulations under the Public Security Ordinance postponing nominations which were originally fixed for November 29, 1972. These Regulations were renewed monthly during the year.

No elections were held to Local Authorities in view of the Regulations framed under the Public Security Ordinance which decreed against all local authority elections during 1973.

The Island has a 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 percent. At the last Parliamentary General Election (under the old constitution) in 1970, the all-island average poll was 85.2 percent with an equally high percentage in local elections. The two by-elections to the National State Assembly held in July and October, 1973, recorded an average poll of 86.0 percent. At an all-island level, there were 6,182,160 voters on the last certified registers, the registers of 1972 as certified in April, 1973.

III—THE ADMINISTRATIVE SYSTEM

The Cabinet of Ministers as in other Commonwealth countries is responsible for the formation of Governmental policy. Day to day administration of the island is carried on by the State Service 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.

Functions of the various Ministries and important Departments under their control are given below—

Defence And Foreign Affairs

The Prime Minister is also the Minister of Defence and Foreign Affairs, Minister of Planning and Economic Affairs and Minister of Plan Implementation. Defence, Police, Foreign Affairs and Citizenship, Immigration, Emigration and Registration of Persons fall within the purview of the Ministry of Defence and Foreign Affairs.

The Departments under the Ministry are—

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

Planning and Economic Affairs And Plan Implementation

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

The Departments under the Ministry are—

National Planning Division, External Resources Division, Economic Affairs and Employment Divisions, Department of Census and Statistics, Export Promotion Secretariat, Regional Development, National Youth Council, Water Resources Board, State Film Corporation and Plan Implementation Division.

Irrigation, Power And Highways

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

The Departments under the Ministry are—

Irrigation Department, Sri Lanka Electricity Board, Department of Highways, Government Factory, River Valleys Development Board, Land Development Department, State Development and Construction Corporation, Department of Machinery and Equipment and Directorate of Works (Regional).

Trade

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

The Departments under the Ministry are :— Department of Commerce, Department of 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 and Asian Hotels Corporation Ltd.

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, Parliamentary Elections, Mosques and Muslim Charitable Trusts and Rural Development.

The 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 Muslim Charitable Trusts and Department of Rural Development.

Shipping, Aviation And Tourism

Shipping, Tourism, Wild Life and Aviation are subjects assigned the Ministry of Shipping, Aviation and Tourism.

The 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 the Island.

The Departments under the Ministry are—

Regional Departments of Education, UNESCO Secretariat, Ceylon, Department of Examinations Department of Educational Publications, Education at Publications Board, 'Buddha Sravaka Dharmapeta' and Ceylon National Library Services Board.

Justice

The subjects assigned the Ministry are—

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

The 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 the Court of Appeal, Department of the Registrar of the Supreme Court, Labour Tribunals, District and Magistrate's Courts.

Finance

The subjects falling within the purview of the Ministry include Treasury, Supply and Cadre, Economic Affairs, Finance, Accounts, State Corporations, Inland Revenue, Customs, Excise, Valuation, Gemming and National Savings.

The Departments under the Ministry are—

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

Labour

The Ministry is in charge of Labour. The Department under the Ministry is—

Department of Labour

Industries and Scientific Affairs

The subjects assigned the Ministry are—

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

The Departments under the Ministry are—

Geological Survey Department, Department of Salt, Industrial Development Board of Ceylon National Textile Corporation, Ceylon Oils and Fats Corporation, Paranthan Chemicals Corporation, Ceylon Ceramics Corporation, National Salt Corporation, Ceylon Mineral Sands Corporation, Ceylon Cement Corporation, Eastern Paper Mills Corporation, Ceylon Plywood Corporation, Ceylon Steel Corporation, Ceylon Leather Products Corporation, Ceylon Tyre Corporation, Ceylon State Hardware Corporation, Ceylon 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 Pharmaceuticals Corporation, Ceylon Hard Board Corporation and National Apprenticeship Board.

Local Government

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

The Departments under the Ministry are—

Department of Local Government Service, Department of Town and Country Planning, Department of Janatha Committees, National Water Supply and Drainage Board.

Cultural Affairs

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

The Departments under the Ministry are—

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

Fisheries

The functions assigned the Ministry of Fisheries include Fisheries Research and Development, Pearl Banks, Development of Coastal Fisheries, Registration of fishing craft, state owned fishing Trawlers, Distribution and Marketing of fish and fish products, Cold Rooms and Ice Plants and Fishing Rights.

The Departments under the Ministry are—

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

Housing and Construction

Housing Schemes, Residential Building Construction, Slum Clearance and Building Research are functions assigned the Ministry of Housing and Construction.

The Departments under the Ministry are—

Department of National Housing, Department of Buildings, State Engineering Corporation, Building Materials Corporation.

Health

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

The Departments under the Ministry are—

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

Information and Broadcasting

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

The Departments under the Ministry are—

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

Parliamentary Affairs and Sports

The subjects falling within the purview of the Ministry are—

Parliamentary Affairs, Encouragement and Development of Sports and Recreational Facilities and Rehabilitation of Insurgent Elements in custody. The Department of Rehabilitation functions under the Ministry.

Transport

Railways and Co-ordination of transport are functions of the Ministry.

The Departments under the Ministry are—

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

Agriculture and Lands

Agriculture, Agrarian services, Veterinary Services and Research, Food Production, Lands and State Forests are functions assigned the Ministry of Agriculture and Lands.

The Departments under the Ministry are—

Department of Agriculture, Department of Agrarian services, Land Commissioner's Department, Department of Minor Export Crops, Land Settlement Department, Kandyan Peasantry Rehabilitation Department, 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 and Land Reform Commission.

Social Services

The Ministry is in charge of Social Services and Probation and Child Care Services.

The Departments under the Ministry are—

Social Services Department and Probation and Child Care Services Department.

Posts and Telecommunications

Posts and Telecommunications Services are functions assigned to the Ministry. The Department under the Ministry is—

Posts and Telecommunications Department.

Food, Co-operatives and Small Industries

The Ministry is in charge of Food Supply, Control and Distribution, Co-operative Undertakings, Co-operative Employees Commission and Small Industries.

The Departments under the Ministry are—

Department of Food Commissioner, Department of Co-operative Development and Registrar of Co-operative Societies, Co-operative Employees Commission, Department of Small Industries, National Small Industries Corporation, Weaving Supplies Corporation and Ceylon Tobacco Industries Corporation.

Plantation Industries

Tea, Rubber and Coconut Industries, Minor Export Crops—Cinnamon, Cashew, Mulberry and Si'k. State Plantations and Agricultural Diversification of Tea and Rubber lands are functions assigned the Ministry of Plantation Industries.

The Departments under the Ministry are—

Tea Research Institute, Rubber Research Institute, Coconut Research Board, Tea and Rubber Control Departments, State Plantations Corporation, Coconut Development Authority, Coconut Cultivation and Coconut Processing Boards, Coconut Marketing Board, Ceylon Tea Propaganda Board, Sri Lanka Cashew Corporation and Sri Lanka State Trading (Tea) Corporation.

VI—THE JUDICIAL SYSTEM OF SRI LANKA**Courts**

The Court of Appeal is the highest Judicial Tribunal, with exclusive ultimate appellate jurisdiction in civil and criminal matters, and in matters arising from the granting or refusal to grant Prerogative Writs, and contempt matters under Section 47 of the Courts Ordinance. The Act under which the Court of Appeal was constituted also abolished the right of appeal to Her Majesty's Privy Council.

The Appellate Court consists of a President and not more than six judges appointed by the President of Sri Lanka for a fixed term of five years. The Court may be constituted with a minimum of three judges. It may also sit in two divisions. The judgment of the Appellate Court shall be final and conclusive in all cases and for all purposes.

The Supreme Court consists of a Chief Justice and 10 Puisne Judges, who exercise appellate jurisdiction in civil matters and original jurisdiction in the case of more serious criminal offences.

There is a Court of Criminal Appeal which exercises appellate jurisdiction in criminal cases tried by the Supreme Court. The Chief Justice and Puisne Judges of the Supreme Court function as its members.

¶ Election Petitions are heard by Judges nominated by the Chief Justice from a Panel of not less than five Election Judges from among persons for the time being holding office as Judges of the Supreme Court, Commissioners of Assize or District Judges of the districts of Colombo, Kandy, Galle and Jaffna.

District Courts, of which there are 28 at present, have unlimited original jurisdiction in all civil, revenue, matrimonial and testamentary matters and over the persons and estates of lunatics, minors and wards. These Courts have criminal jurisdiction in respect of all offences not within the exclusive jurisdiction of the Supreme Court. They could try only cases committed to them for trial by a Magistrate's Court.

There are 30 Magistrate's Courts in the Island. Apart from exercising an original jurisdiction in respect of a number of crimes and minor offences, Magistrates hold preliminary enquiries into the more serious crimes with a view to committal for trial by a District Court or by the Supreme Court. Special jurisdiction is conferred on Magistrate's Courts to make Orders for the maintenance of wives and children. The Magistrate's Courts also deal with statutory offences in respect of which jurisdiction has been specifically vested in these courts. There is a full-time Municipal Magistrate in Colombo. In other places the Magistrates function as Municipal Magistrates in addition to their normal duties.

Courts of Requests have original civil jurisdiction to hear (subject to certain exceptions) all actions in which the debt damage or demand otherwise than in actions relating to land do not exceed Rs.750 and in actions relating to land where the value of the land or the interests in dispute do not exceed Rs. 300. In Colombo and Kandy these Courts are presided over by a special commissioner. All other Courts of Requests are presided over by a District Judge or a Magistrate who acts as Commissioner of Requests in addition to his duties as District Judge or Magistrate. There are 29 Courts of Requests throughout the Island.

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

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

Rural Courts have criminal jurisdiction to try—

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

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

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

The Quazies for the Judicial Divisions of Colombo South and Panadura, Divisional Revenue Officer's Divisions of Pata Hewaheta including Four Gravets and Gangawatta, Udunuwara and Yatinuwara and Udalalata in Kandy and Moneragala Administrative district were appointed in the year 1966. The Quazi Board of Review consisting of five members has been appointed to hear appeals from the decisions of Quazies.

District Judges, Magistrates, Presidents of Rural Courts and Labour Tribunals, Quazies and other State Officers whose principal duty is the performance of functions of a judicial nature are appointed by the Cabinet on the advice of the Judicial Services Advisory Board. The Judicial Services Disciplinary Board exercises the power of dismissal and disciplinary control in respect of these officers.

Conciliation Boards

Conciliation Boards Act No. 10 of 1958 empowers the Minister of Justice to form panels of conciliators consisting of not less than 12 persons for 3-year periods for every village area and other areas determined by him. Suitable persons are selected from these areas by notification in the Government Gazette. Conciliation Boards each consisting of not less than 3 persons are drawn from these panels. The purpose of these boards is to bring about amicable settlement of disputes arising in these areas before parties go to formal Courts of Law. These boards apart from relieving pressure on the formal Courts provide an acceptable way of settling their disputes expeditiously 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 have functioned very effectively towards realization of the objects of the Act. There were 540 Conciliation Boards (established under the Conciliation Boards Act No. 10 of 1958) functioning in 1973.

The Criminal Justice Commissions

In 1972 the Criminal Justice Commissions Act No. 14, 1972, was passed. Under this Act the President of the Republic of Sri Lanka 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 and nature as to endanger the national economy or interest, or
- (iii) widespread offences of destruction, damages or destroying 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. Members of Criminal Justice Commission are Judges of the Supreme Court.

Language of the Courts

With the promulgation of Republic Status the Language of the Courts and Tribunals empowered by law to administer justice in all Courts, Tribunals, Other institutions established under the Industrial Disputes Act and all Conciliation Boards became Sinhala throughout Sri Lanka. The new constitution however, enables parties in the Northern and Eastern provinces to make representations and participate in Court proceedings in the Tamil Language.

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 Republic. Of the four members, one is appointed from amongst Judges under the Courts Ordinance, Presidents, Rural Courts and Judges of Courts which may be established by the National State Assembly.

Another member is 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 Judges of Courts established under the Courts Ordinance 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, with concurrence of the Chairman, to the Secretary of the Board.

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

The necessary Rules are made by the Cabinet in consultation with the Board. Rules of the Judicial Services Advisory Board were drafted and forwarded for approval by the Cabinet of Ministers during the year.

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 Courts Ordinance and 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 has to be transmitted to the Speaker of the National State Assembly.

The Judicial Services Disciplinary Board has to report 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.

The necessary Rules are made by the Cabinet in consultation with the Board. Rules of the Judicial Services Disciplinary Board were drafted and forwarded for approval by the Cabinet of Ministers during 1973.

V—LOCAL GOVERNMENT

Of the 25,332 square miles of land in Sri Lanka, all areas, excluding Gal Oya Development Board area, Trincomalee Dockyard area and the Anuradhapura Preservation Board area, come under some Local Authority or other. The total number of about 674 Local Authorities in the Island is comprised of 542 Village Councils, 83 Town Councils, 37 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 urban outlook. There are however, a few town councils in the island which are more developed than some of the urban councils in regard to 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 minimum number 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 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.

Local Government Department

The Department of Local Government was reorganised in 1973 on a pattern conducive to efficient handling of its activities. The reorganisational scheme was designed to focus the administrative set up on an effective realisation of departmental objectives as—

- (a) foster development of an efficient system of Local Government ;
- (b) supervision and control of work of local authorities ; and
- (c) ensure equitable distribution and proper utilisation of Central Government assistance.

Legislation

The Municipal Councils ordinance was amended by Act No. 38 of 1973 to widen scope of applicability of provisions of the Colombo Waterworks Ordinance to the Kandy Municipal Council for efficient and successful operation and maintenance of its Water Supply Scheme.

Finance

The Official Committee appointed by the Minister of Finance to go in to recommendations of earlier Commissions and Committees as regards additional sources of revenue to Local authorities, submitted its report to the Government. Its recommendations have been accepted in principle.

Action was taken during 1973 to introduce Programme Budgeting to Local Authorities, which would be adopted by all Local Authorities commencing 1974. Assistance afforded local authorities by the Central Government in the form of grants totalled Rs. 78,405,333 during 1973.

Community Centres

Community Centres function under the supervision and control of Local Authorities which finance the Community Centre Movement. There are at present 4000 Community Centres, and an annual grant of Rs. 175,000 is distributed among these Centres, the quantum of grant being based on the activities undertaken by individual centres.

Local Government Service Commission

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

The Local Government Service Commission consists of the Chairman and 4 other members with power and responsibility to determine all matters relating to methods and recruitment and conditions of employment in the Local Government Service.

Conditions of appointment in the Local Government Service are akin to those of State Employees with Provident Fund and W. and O. P. Schemes in operation.

The Local Government Service Commission held 95 meetings during 1973. Committees of Inquiry which were appointed by the Commission for disciplinary cases held 49 meetings. The Transfer Board which was appointed to deal with transfer applications of employees in the Local Government Services held 4 meetings. There were 57 new appointments made during the year.

VI—DIPLOMATIC SERVICE

Particulars in respect of the Diplomatic Service as at 31st December, 1973, appear below :—

Countries which have established diplomatic relations with Sri Lanka are :

Afghanistan	Kuwait
Arab Republic of Egypt	Laos
Argentina	Lebanon
Australia	Malaysia
Austria	Maldives, Republic of
Belgium	Mexico
Brazil	Mongolia, People's Republic of
Bulgaria	Nepal
Burma	Netherlands
Cambodia	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 Republics
Jordan	Vietnam, Democratic Republic of
	Yugoslavia, Socialist Federal Republic of

Foreign Representation in Sri Lanka

Country	Name of Head of Mission	Designation
Afghanistan	His Excellency Dr. Ali Ahmed Popal	Ambassador (Resident in Islamabad).
Arab Republic of Egypt	His Excellency Mr. Mohamed Atef El Nawawi	Ambassador
Argentina	His Excellency Mr. Calixto J. de La Torre	Ambassador (Resident in New Delhi)
Australia	His Excellency Mr. H. Marshall	High Commissioner
Austria	Her Excellency Dr. (Mrs) Erna Sailer	Ambassador (Resident in New Delhi)
Belgium	His Excellency Mr. Charles Kerremans	Ambassador (Resident in New Delhi)
Brazil	His Excellency Mr. Roberto Luiz Assumpcao de Arango	Ambassador (Resident in New Delhi)
Bulgaria	His Excellency Mr. Stoyan Vladimirov Zaimov	Ambassador (Resident in New Delhi)
Burma	His Excellency U Ohn Khin	Ambassador
Canada	Her Excellency Miss Marion Adams Macpherson	High Commissioner
China, People's Republic of	His Excellency Mr. Huang Ming-ta	Ambassador
Cuba	His Excellency Dr. Angel Ferras Moreno	Ambassador (Resident in New Delhi)
Czechoslovakia	His Excellency Mr. Frantisek Malik	Ambassador
Denmark	His Excellency Mr. Henning Halck	Ambassador (Resident in New Delhi)
Finland	His Excellency Mr. Wilhelm Schreck	Ambassador (Resident in New Delhi)
France	His Excellency Monseur Joseph Lambroschini	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 Vitsaxie	Ambassador (Resident in New Delhi)
Hungary	His Excellency Dr. Ferenc Turi	Ambassador (Resident in New Delhi)
India	His Excellency Shri V. H. Coelho	High Commissioner
Indonesia	His Excellency Mr. Soekirman	Ambassador
Iran	His Excellency Mr. Manoutchehr Zeil	Ambassador (Resident in Islamabad)

<i>Country</i>	<i>Name of Head of Mission</i>	<i>Designation</i>
Iraq	His Excellency Mr. Bashir Al-Talib	Ambassador
Italy	His Excellency Dr. Fabrizio Fabbriotti	Ambassador
Japan	His Excellency Mr. Akira Yoshioka (Designate)	Ambassador
Jordan	His Excellency Mr. Wajih Kilani	Ambassador (Resident in New Delhi)
Kuwait	His Excellency Mr. Essa Abdul Rhaman Al-Essa	Ambassador (Resident in New Delhi)
Laos	His Excellency Mr. Tianethone Chantharasy	Ambassador (Resident in New Delhi)
Lebanon	His Excellency Mr. Mahmoud Hafiz	Ambassador (Resident in New Delhi)
Malaysia	His Excellency Mr. Tengku Indra Petra	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 (Designate)	Ambassador (Resident in New Delhi)
Nepal	His Excellency Mr. Krishna Bom Malla	Ambassador (Resident in New Delhi)
Netherlands	His Excellency Mr. Tjark Asueer Meurs (Designate)	Ambassador (Resident in New Delhi)
New Zealand	His Excellency Mr. R. R. Cunnninghame	High Commissioner
Nigeria	Mr. B. A. Adeyemi	High Commissioner (Acting)
Norway	His Excellency Mr. Torbjorn Kristoffer Christiansen	Ambassador (Resident in New Delhi)
Pakistan	His Excellency Mr. Abdur Rauf Kahn	Ambassador
Philippines	His Excellency Mr. Librado D. Cayco	Ambassador
Poland	His Excellency Mr. Wiktor Kinecki	Ambassador (Resident in New Delhi)
Portugal	Dr. Gil Pessanha Alcoforado Saldanha	Charged' Affairs, ad interim
Romania	His Excellency Dr. Petro Tanasie	Ambassador (Resident in New Delhi)
Singapore	His Excellency Mr. Kenneth Michael Byrne	High Commissioner (Resident in New Delhi)
Spain	His Excellency Mr. Guillermo Nadal	Ambassador (Resident in New Delhi)
Sudan	His Excellency Mr. Ali Ahmed Sahloul	Ambassador (Resident in New Delhi)

Country	Name of Head of Mission	Designation
Sweden	His Excellency Count Axel Lowenhaupt	Ambassador (Resident in New Delhi)
Switzerland	His Excellency Monsieur Francois P. Chatelain	Ambassador
Thailand	His Excellency Mr. Owart Suthiwart-Narueput Mr. Santhorn Suwarnasaru	Ambassador (Resident in New Delhi) Charge d' Affaires, ad interim
Trinidad and Tobago	His Excellency Mr. Solomon Satcumar Latchman (Designate)	High Commissioner (Resident in New Delhi)
Turkey	His Excellency Mr. Gundogdu Ustun	Ambassador (Resident in New Delhi)
United Kingdom } Great Britain }	His Excellency Mr. H. Smedle	High Commissioner
United States of America	His Excellency Mr. Christopher Van Hollen	Ambassador
Union of the Soviet Socialist Republics	His Excellency Mr. Rafik Nishanov	Ambassador
Vietnam, Democratic Republic of	Vacant Mr. Pham Thang Dong	Ambassador Charge d' Affaires, ad interim
Yugoslavia, Socialist Federal Republic of	His Excellency Mr. Slobodan Martinovic	Ambassador

Consular Corps

The following countries are represented by Honorary Consuls—

Austria	El Salvador	Netherlands
Bolivia	Finland	Norway
Brazil	Greece	Peru
Denmark	Iberia	Spain
Dominican Republic	Mexico	Sweden and Turkey

Other Representation

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

The names and designations of Sri Lanka's Resident Representatives in these countries are—

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Arab Republic of Egypt	His Excellency Mr. R. A. A. R. Perera	Ambassador
Australia	Mr. E. M. K. B. Ekanayake Mr. A. M. F. Fernando	Acting High Commissioner Trade Commissioner (Resident in Sydney)
Belgium	Mr. S. Gautamadasa	Charge d' Affaires, ad interim
Britain	His Excellency Mr. Tilak E. Gooneratne	High Commissioner
Burma	Mr. M. R. Perera	Charge d' Affaires, ad interim
Canada	His Excellency Mr. V. L. B. Mendis	High Commissioner (Designate)
China, People's Republic of	His Excellency Mr. R. L. A. I. Karannagoda	Ambassador
France	His Excellency Dr. V. E. R. Sar chch ndra	Ambassador
Germany, Federal Republic of	Mr. C. Gunasingham	Charge d' Affaires, ad interim
India	His Excellency Mr. Justin Siriwardena Mr. G. A. Fernando Mr. A. G. Dharmawardena	High Commissioner Deputy High Commissioner (Resident in Madras) Trade Commissioner (Resident in Bombay)
Indonesia	His Excellency Mr. H. O. Wijegoonawardena	Ambassador
Iraq	Mr. A. T. Moorthy	Charge d' Affaires, ad interim
Italy	His Excellency Mr. J. E. J. Rodrigo	Ambassador

<i>Country</i>	<i>Name of Representative</i>	<i>Designation</i>
Japan	His Excellency Mr. A. Basnayake	Ambassador
Kenya	His Excellency Mr. I. B. Fonseka	High Commissioner
Malaysia, Federation of	Mr. B. A. B. Goonatillake	High Commissioner (Acting)
Pakistan	His Excellency Mr. Feisal Junaid	Ambassador
	Mr. K. J. Weerasinghe	Trade Commissioner (Resident in Karachchi)
Philippines	Mr. Y. Duraiswamy	Charge d' Affaires, ad interim
Sweden	His Excellency Mr. R. C. S. Koelmeyer	Ambassador
Switzerland	Mr. A. Pathmarajah	Consul-General
Thailand	Mrs. I. M. Abeysekera	Charge d' Affaires, ad interim
United Nations, New York	His Excellency Mr. H. S. Amerasinghe	Permanent Representative
United States of America	His Excellency Mr. N. T. D. Kanakaratna	Ambassador
Union of Soviet Socialist Republics	His Excellency Mr. C. D. S. Siriwardena	Ambassador
Yugoslavia	His Excellency Mr. E. W. P. S. Jayawardena	Ambassador

Sri Lanka is concurrently accredited to the following countries :—

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

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

Country	Name of Representative	Designation
Afghanistan	His Excellency Mr. J. Siriwardena	Ambassador (designate)
Austria	(Vacant)	Ambassador (Resident in Bad Godesborg)
Brazil	His Excellency Mr. H. S. Amarasinghe	Ambassador (Resident in New York)
Cambodia	(Vacant)	Ambassador
Cuba	(Vacant)	Ambassador
Czechoslovakia	His Excellency Mr. C. D. S. Siriwardena Mr. A. J. Obeysekera	Ambassador (Resident in Moscow) Trade Representative
Ethiopia	His Excellency Mr. I. B. Fonseka	Ambassador (designate) (Resident in Nairobi)
Denmark	His Excellency Mr. R. C. S. Koelmeyer	Ambassador (Resident in Stockholm)
Finland	His Excellency Mr. R. C. S. Koelmeyer	Ambassador (Resident in Stockholm)
German Democratic Republic	His Excellency Mr. C. D. S. Siriwardena	Ambassador (Resident in Moscow)
Hungary	do.	do.
Iran	His Excellency Mr. Feisal Junaid	Ambassador (Resident in Islamabad)
Iraq	do.	do.
Jordan	(Vacant)	Ambassador
Korea, Democratic People's Republic of	His Excellency Mr. R. L. A. I. Karannagoda	Ambassador (Resident in Peking)
Laos	His Excellency Mr. H. O. Wijegoonawardena	Ambassador (Resident in Jakarta)
Lebanon	(Vacant)	Ambassador
Libya	His Excellency Mr. B. A. A. R. Perera	Ambassador (Resident in Cairo)
Luxembourg	(Vacant)	Ambassador (Resident in Brussels)
Mexico, United States of	His Excellency Mr. N. T. D. Kanakarathne	Ambassador (Resident in Washington)
Mongolia	His Excellency Mr. R. L. A. I. Karannagoda	Ambassador (Resident in Peking)
Nepal	His Excellency Mr. Justin Siriwardena	High Commissioner (designate) (Resident in New Delhi)
Netherlands	(Vacant)	Ambassador (Resident in Brussels)
New Zealand	(Vacant)	High Commissioner (Resident in Canberra)
Norway	His Excellency Mr. R. C. S. Koelmeyer	Ambassador (Resident in Stockholm)

<i>Country</i>	<i>Name of Head of Mission</i>	<i>Designation</i>
Philippines	His Excellency Mr. A. Basnayake	Ambassador (Resident in Tokyo)
Poland	His Excellency Mr. C. D. S. Siriwardena	Ambassador (Resident in Moscow)
Romania	do.	do.
Singapore	His Excellency Mr. H. O. Wijegoonawardena	High Commissioner (Resident in Jakarta)
Sudan	His Excellency Mr. R. A. A. R. Perera	Ambassador (Resident in Cairo)
Switzerland	Vacant	Ambassador (Resident in Paris)
Tanzania	His Excellency Mr. I. B. Fonseka	High Commissioner (designate) (Resident in Nairobi)
Thailand	His Excellency Mr. H. O. Wijegoonawardena	Ambassador (Resident in Rangoon)
Uganda	His Excellency Mr. I. B. Fonseka	High Commissioner (Resident in Nairobi)
Vietnam, Democratic Republic of	His Excellency Mr. R. L. A. I. Karannagoda	Ambassador (Resident in Peking)
Zambia	His Excellency Mr. I. B. Fonseka	High Commissioner (designate) (Resident in Nairobi)

Other representation abroad includes :—

Austria	Mr. Kurt Hawlicok	Honorary Consul General
Denmark	Mr. U. M. Jorgenson	do.
Federal Republic of Germany	V. cant	—
Hamburg and Schleswig-Holstein	Dr. Gorhard Grupe	Honorary Consul General
West Berlin	Mr. Theoder Meyer	Honorary Consul
Munich	Mr. Franz Joseph Delonge	Honorary Consul
Malaysia, Federation of	Mr. P. G. D. Hendry	Honorary Trade Commissioner
New Zealand	Mr. D. M. P. Hay	do.
Singapore	Mr. U. S. de Silva	do.
United States of America	Vacant	—
Chicago	Mr. George F. Sisler	Honorary Consul
Los Angeles	Mr. Mac Donald Bocket	do.
New Orleans	Mr. C. C. Walther	Honorary Consul General
Seattle	(Vacant)	—

VII—DEFENCE

Sri Lanka Army

In addition to training commitments, the Army continued to perform the tasks listed below during the year :—

- (a) Troops were deployed continuously to prevent illicit immigration and anti-smuggling ;
- (b) Provision of security guards to Government Departments and other Public Institutions ;
- (c) Agricultural activities organised at army camps particularly at Panagoda, Walawe and Padaviya approximately 1388 acres have been cultivated ;
- (d) Employment of Pioneer Corps at the Sugar Corporation for cultivation and harvesting of sugar cane ;
- (e) Transportation of cargo from harbour to warehouses ;
- (f) Development works carried out were—

Construction of Buttala/Kataragama Road ;

Construction of Thimbirigasyaya drainage system at the Colombo Municipality ;

Provision of engineering assistance to Bowatenna and Maskeliya Projects ;

Levelling site for a playing field at Katubedda Campus ;

Levelling site for the construction of new Parliament buildings ;

Preparation of land at Werahera CTB Depot for cultivation purposes.

In addition to these assignments, the Army assisted Government Departments, Corporations, National Organisations as 'Saukyadana' and Sports Institutions by way of providing man power equipment, communication facilities and transport.

Sri Lanka Navy

The Navy Act (Chapter 358) of the Revised Edition of the Legislative Enactments of Ceylon provides 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 now 169 officers and 2,215 sailors, and that of the Volunteer Naval Force is 36 officers and 404 sailors. The Naval Headquarters are located in Colombo with bases at Trincomalee, Karainagar, Welisara, Tangalle and Kalpitiya. The main naval base is at Trincomalee with its Base Stores, Workshops and the Naval and Maritime Academy. The 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 foreign news bulletins.

The Navy continues its main role in carrying out anti-illicit immigration and anti-smuggling patrols in the Northern and North-Eastern waters of Sri Lanka. S.L.N.S. Gajabahu, Hansaya, Lihiniya, Sooraya, Weeraya, Balawatha, Ranakamee and Dakshaya together with the Thornycroft Patrol craft are engaged in continuous sea patrols off the coasts of Sri Lanka.

The Navy extends its specialist services to other Government Departments and Corporations. Four officers and 110 sailors were loaned to the Ceylon Shipping Corporation's ships.

Sri Lanka Air Force

The Sri Lanka Air Force officially came into being by an Act of Parliament in 1949. Initially it was composed of seconded R.A.F. personnel and directly enlisted personnel including ex-R.A.F., Sri Lanka Nationals. The SLAF was 'Ceylonised' in 1965 with the departure of last seconded R.A.F. officer who held the post of Station Commander at S.L.A.F. Station Katunayake. The first Ceylonese to command the Air Force was appointed in October, 1962.

The Commander of the Air Force is responsible to the Minister of Defence and Foreign Affairs who, under the present constitution, is also Prime Minister of Sri Lanka. The President as Commander-in-Chief of the Armed Services exercises overall control.

The Force, which is organised mainly on R. A. F. lines has its Headquarters in Colombo with Flying Stations at Katunayake and China Bay (in proximity to Trincomalee), Electronic and Maintenance Unit at Ekala, and a Recruit and Ground Combat Training Depot at Diyatalawa.

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

- (a) Provision of air support to the Army and Navy deployed in the Northern coastal strip to combat anti-illicit immigration into Sri Lanka.
- (b) V. I. P. Transport in Sri Lanka.
- (c) Internal Security Patrols.
- (d) Air Transportation of Troops.
- (e) Reconnaissance and location of vessels in distress at sea up to 50 nautical miles off the coast.
- (f) Tourist flights and charters for purpose of earning foreign exchange.

Under the training programme the Air Force provides flying training "ab-initio" to "Wings" standard for u/t Pilots and continuation training for qualified pilots. Some flights are done overseas, mainly, to capital cities in Asian countries to assist air crew to gain valuable experience and the transportation of Ceylonese personnel on duty.

The fleet of Sri Lanka Air Force transport craft, viz., the 44 seater Convair 440 (purchased in May, 1973), four 6-seater Cessna Skymasters (gifted in February, 1973), Riley Herons, De Havilland Herons and Bell Jet Ranger Helicopters were chartered to tourists, foreign missions and the Maldivian Government. Flights were also provided on a pre-payment basis to various Government Departments and Organisations. Amounts earned by the Sri Lanka Air Force and credited to revenue were :—

- (a) Ceylon Rupees—70,286
- (b) U. S. Dollars—154,033
- (c) Pounds Sterling—15,412

The approved cadre of the Air Force is 189 officers and 2,099 airmen. Aircraft strength is :

Chipmunks 9	Herons 2
Cessna (337) 4	Rileys 2
Cessna (150) 6	Convair (440) 1
Doves 5	} Bell Jet
Jet Provosts 9		} Ranger
M.I.Gs 6	} Helicopters 7
	Bell 47G 6

Officers and airmen are recruited to maintain the approved cadre, when vacancies occur with the approval of the Ministry of Defence. Airmen are recruited in batches, taking into consideration the training facilities available.

Officers are given permanent Commissions, and airmen enlist on an initial engagement of five years service with the Regular Force and seven years in the Reserve. Those undergoing specialised courses are required to extend their services to twelve years and thereafter re-engage themselves to complete twenty-two years service to be eligible for pension purposes.

Those enlisted are given basic training initially, and thereafter refresher training in their respective branches or trades. Flying training is carried out at No. 1 F. T. S. China Bay and continuation training at Katunayake and China Bay. Advanced training is undertaken at the school of Aeronautical and Administrative Training, Katunayake and in the United Kingdom.

The Supply and Maintenance Depot, Katunayake, is responsible for equipment provision for the Air Force ; the Technical Maintenance Depot, Katunayake, is responsible for all aircraft and general engineering services. The Mechanical Transport Depot, Katunayake, provides all Mechanical Transport for the Air Force in carrying out its functions.

VIII—OFFICIAL LANGUAGE AFFAIRS

The Department of Official Language Affairs assists all Government Departments and Government-sponsored Organisations in maintaining status quo of Sinhala as the Official Language of the Island within the framework of the Official Language Act and the Tamil Language (Special Provisions) Act.

Progress made by Government Departments and other Government Institutions in the implementation of language laws was surveyed through Annual Reports. Problems and difficulties as were disclosed in this survey were solved.

Satisfactory progress was made in the schemes intended for teaching of the Official Language and training of Sinhala Stenographers and Typists.

Provision of Sinhala versions of basic documents required by public officers is almost complete. Government Departments and other Government-sponsored institutions are equipped with the necessary translation staff for the purpose of internal administration. A section of the Translation Staff of the Official Language Department was posted to the Ministry of Justice and the Legal Draftsman's Department to facilitate translation of all written laws including subordinate legislation.

The main item of work which focussed attention of the Research Section of the Department was the preparation of a supplement to the Composite Glossary. The Glossary with its supplement would contain nearly 163,000 head words in English with necessary Sinhala equivalents. Other items of work on continuing basis were the preparation of Standard Legal Glossary, Sarala Sinhala Rachanaya, Glossary of Insurance Terms, Management Terms Glossary and a Glossary of Cluster Words in English and Tamil Languages.

IX—BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL

The Bandaranaike Memorial International Conference Hall was donated to the Republic of Sri Lanka by the People's Republic of China as a fitting tribute in memory of Mr. S. W. R. D. Bandaranaike, who ushered a common man's era during his Premiership of Sri Lanka.

Mr. Bandaranaike who firmly advocated the five principles of co-existence, popularly known as "panchasila" subscribed to the view that, despite divergent interests and varying social systems, the nations of the world could live in peace and harmony. International disputes should be settled by mutual understanding and peaceful negotiations.

It befits therefore, that the Memorial Hall provided by the People's Republic of China should take shape of an International Conference Hall serving those ideals cherished by Mr. Bandaranaike himself and also a means of perpetuating these ideals through fraternal "get-together" at international level.

The Bandaranaike Memorial International Conference Hall (BMICH) ideally serves this purpose.

The Hall was formally handed over to Mrs. Sirimavo Bandaranaike, Prime Minister of Sri Lanka, on 17 May, 1973. The Prime Minister of the People's Republic of China, Mr. Chou-en-Lai was represented at this ceremony by his special envoy, Mr. Hsui Hsiang-Chien, who incidentally is the Vice-Chairman of the State Committee of the National People's Congress of the Chinese Republic.

Facilities available at the BMICH have been sought for a variety of purposes. The Conference Hall is provided not only with modern, sophisticated equipment for simultaneous interpretation into seven languages, broadcasting, etc., but is also equipped with a large stage with seven drop curtains, spotlights and an orchestra pit. In addition to the Mair Hall, there are several Committee Halls, a Banquet Hall, a Cinema Hall, a Library, Delegates Offices and residential accommodation. Details of these facilities are recorded in an official brochure.

The first conference ever to be held in the Hall was the International Rubber Conference organized by the Sri Lanka Institute of Scientific and Industrial Research. Delegates from world over were present at this conference.

A foundation has been established in order to perpetuate the memory of the late Prime Minister Mr. S. W. R. D. Bandaranaike, "The S. W. R. D. Bandaranaike National Memorial Foundation" enacted by Law No. 2 of 1975. This Foundation formally established on 4 February, 1975 is administered by a Board of Management with Sri Lanka's Prime Minister as Chairman.

National and International Functions continue to be held at the BMICH. Foremost among future reservations for National and International functions is the FIFTH NON-ALIGNED SUMMIT CONFERENCE to be held in August, 1976.

Apart from revenue from hire facilities available in the Hall, an additional source of income is also provided by the general public who are allowed visit the Hall on conducted week-end tours.

The Museum of the **BMICH** contains mementos of the late Mr. Bandaranaike.

REFERENCES

1. The Ceylon (Parliamentary Elections) Order in Council, 1946. (Chapter—381)—(Reprinted on April 12, 1970).
2. The Local Authorities Elections Ordinance (Chapter 262)—(Reprinted on April 28, 1967), and the Local Authorities Elections (Amendment) Acts No. 30 of 1970 and No. 9 of 1972.
3. Report on the Seventh Parliamentary General Election in Ceylon, 27th May, 1970 (Sessional Paper VII of 1971).
4. Results of Parliamentary General Elections in Ceylon (1947-1970).

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 12,711,143 at the Census of 1971. In one hundred years therefore, the population of Sri Lanka (Ceylon) has increased by 10,310,763 or 439.5 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 :—

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	15.0
1891	3,007,789	248,051	9.0
1901	3,565,954	558,165	18.6
1911	4,106,350	540,396	15.2
1921	4,498,605	392,255	9.6
1931	5,306,871	808,266	18.0
1946	6,657,339	1,350,468	25.4
1953	8,097,895	1,440,556	21.6
1963	10,582,064	2,484,169	30.7
*1971	12,711,143	2,129,079	20.1

* Provisional.

The growth of the Island's population has been occasioned by two factors ; namely 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	112,202	1,440,556
1953-1963	2,506,953	-22,784	2,484,169
1963-1971	2,495,324	- 103,927	2,129,079

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 in birth rate, death rate and rate of natural increase for the period 1945-1972.

TABLE 5.3—BIRTHS, DEATHS AND NATURAL INCREASE 1945-1974

<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	273,785	21.9
*1971	382,480	30.1	97,374	7.7	285,106	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	365,765	27.3	119,125	8.9	246,630	18.4

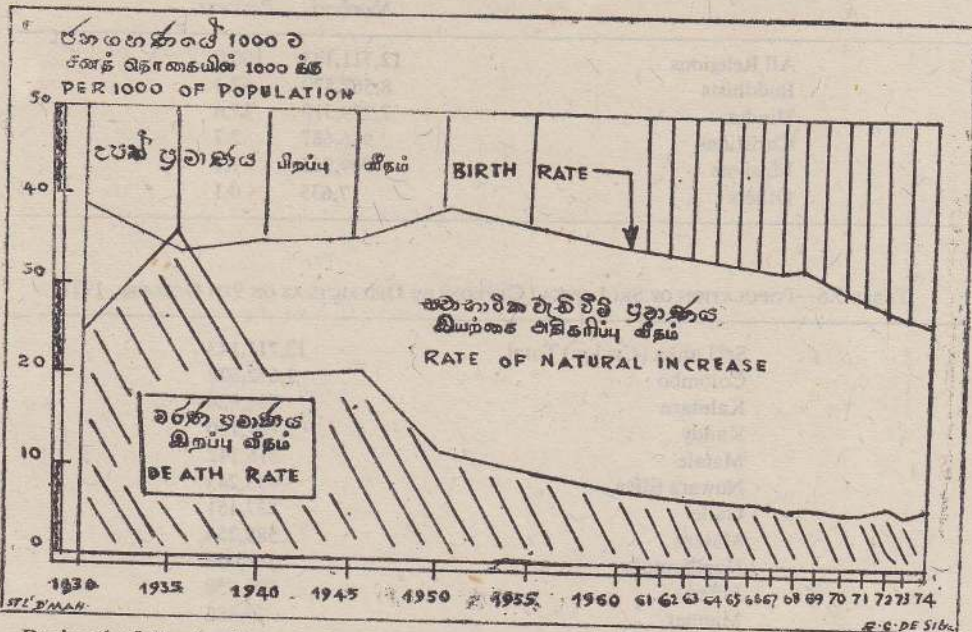
*Provisional.

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.

Chart No. 2—BIRTH RATE, DEATH RATE AND RATE OF NATURAL INCREASE OF POPULATION, (1930-1960) (1961-1974)



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 1970 the death rate was 8.0.

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 12,711,143 as compared with 10,582,064 persons enumerated at the Census of 1963. The population increase since the 1963 Census was 2,129,079 or 20.1 per cent. The number of males enumerated at the 1971 Census was 6,525,948 and the number of females 6,185,195. The percentage composition in the total population was 51.3 and 48.7 respectively.

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

	Number	Per cent
All Ethnic Groups	12,711,143	100.0
Low-Country Sinhalese	5,445,706	42.8
Kandyan Sinhalese	3,700,973	29.1
Ceylon Tamils	1,415,567	11.1
Indian Tamils	1,195,368	9.4
Ceylon Moors	824,291	6.5
Indian Moors	29,416	0.2
Burghers and Eurasians	44,250	0.3
Malays	41,615	0.3
Others	13,957	0.1

*All figures relating to the 1971 Census given in this section are provisional.

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

	Number	Per cent
All Religions	12,711,143	100.0
Buddhists	8,567,570	67.4
Hindus	2,239,310	17.6
Christians	986,687	7.7
Muslims	909,941	7.1
Others	7,635	0.1

TABLE 5.6—POPULATION OF SRI LANKA (CEYLON) BY DISTRICTS AS ON 9TH OCTOBER, 1971

Sri Lanka (Ceylon) Total	12,711,143
Colombo	2,672,620
Kalutara	731,824
Kandy	1,187,170
Matale	316,342
Nuwara Eliya	453,243
Galle	737,451
Matara	588,254
Hambantota	341,005
Jaffna	704,350
Mannar	77,882
Vavuniya	95,536
Batticaloa	258,104
Amparai	272,790
Trincomalee	191,989
Kurunegala	1,028,107
Puttalam	379,787
Anuradhapura	389,207
Polonnaruwa	163,858
Badulla	616,315
Monaragala	191,505
Ratnapura	661,710
Kegalle	652,094

III—VITAL STATISTICS

Important aspects of vital statistics available for the year 1973 appear below —

Population

The estimated population of Sri Lanka at the beginning of the year was 13,065,000, at mid-year 13,180,000 and at end of the year 13,231,000. The increase in the Island's population during the year was 1.5 per cent. Excess of births over deaths totalled 265,336 while the excess of emigrants over immigrants was 50,113.

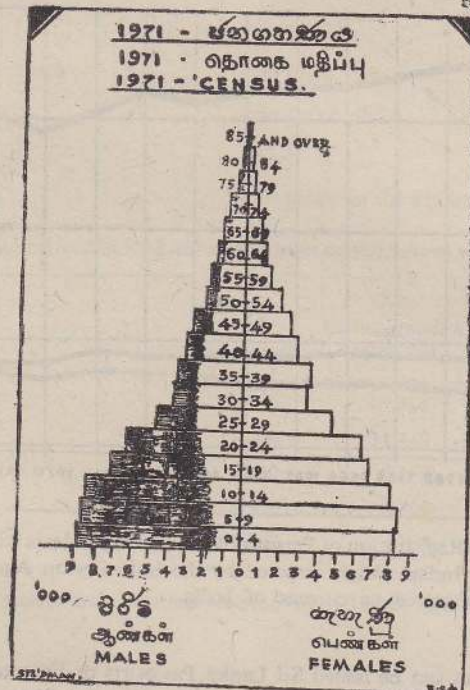
Marriages

There were 92,458 marriages registered during the year 73,559 being under the General Marriages Act and 11,443 under the Kandyan Marriages Act. Muslim Marriages registered during the year totalled 7,456 as against 7,014 the preceding year.

Births

The number of births registered in 1973 was 366,186, (187,185 males and 179,001 females) as against 384,066 (196,115 males and 187,951 females) the preceding year. The sex ratio at birth was 104.3 males per 100 females. The rate per 1,000 of the population was 27.8 as compared with 29.7 in 1972. There were 31,686 births registered in the City of Colombo.

CHART NO. 3—POPULATION PYRAMID—1971 CENSUS OF POPULATION



Deaths

Deaths registered in 1973 numbered 100,850 (57,164 males and 43,686 females) compared with 104,080 in 1972. The death rate for the year was 7.7 as against 8.0 the preceding year. The number of deaths registered in the City of Colombo was 9,514 against 9,148 in 1972.

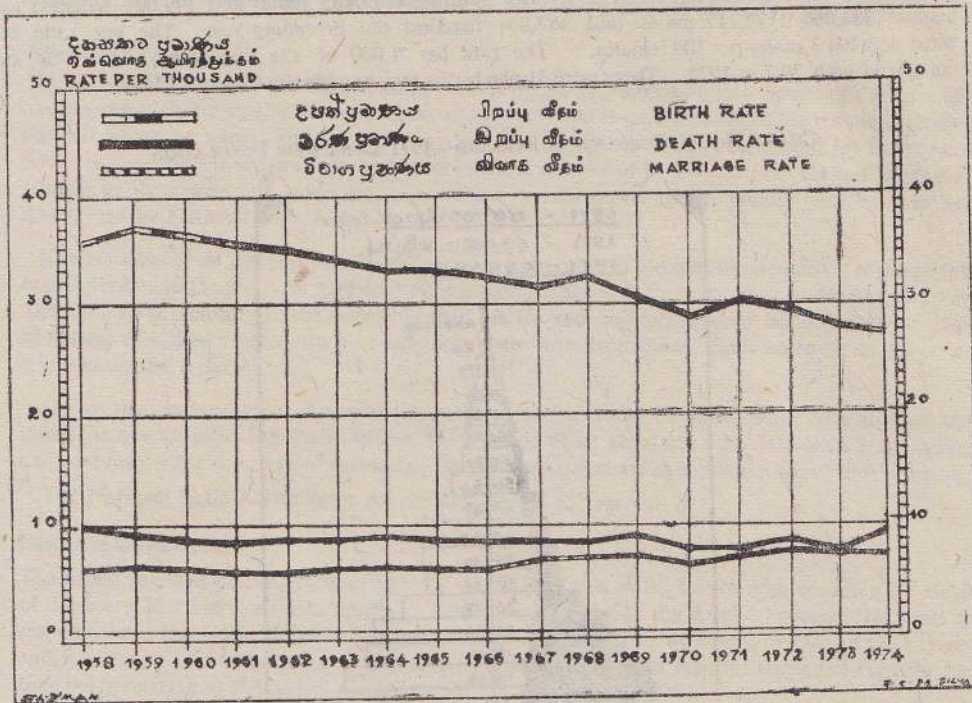
IV—MIGRATION

- The Department of Immigration and Emigration and the Department for the Registration of Persons of Indian Origin both function under the Ministry of Defence and Foreign Affairs. The Department of Immigration was set up in 1949, after the Immigrants and Emigrants Act was passed in Parliament to check 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.

CHART NO. 4—REPORTED BIRTH, DEATH AND MARRIAGE RATE, 1958-1974



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.

Passports

Only citizens of Sri Lanka can be issued Sri Lanka Passports or Emergency Certificates. Under provisions of the Passport (Regulation) and Exit Permit Act which came into operation on 17 December 1971, a Passport costs Rs. 20 and an Emergency Certificate Rs. 5. Both these are generally issued or renewed for a period of one year. A person leaving Sri Lanka for employment abroad or a person employed abroad, may be required to enter into an agreement to remit some of his earnings to his account in Sri Lanka, before he is issued a passport.

A travel document or an Identity Certificate is sometimes issued to non-citizens unable to obtain a national passport for some reason or other and entails urgent travel.

Particulars of Sri Lanka travel documents issued in the last five years appear below :—

	1969	1970	1971	1972	1973
Sri Lanka Passports	10,937	12,081	12,060	14,133	22,781
Sri Lanka Emergency Certificates	6,928	4,730	3,288	5,771	9,796
Identity Certificates	182	155	155	193	472

Visit Visas

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

Countries, whose nationals are granted exemption are:—

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

Statistics of foreigners, who arrived in Sri Lanka as tourists or short-term visitors appear below :—

<i>Year</i>	<i>Indians and Pakistanis</i>	<i>Other Commonwealth Citizens</i>	<i>Aliens</i>
1969	10,200	10,814	22,052
1970	11,600	11,149	26,430
1971	6,722	8,368	23,386
*1972	8,959	10,705	21,106
*1973	9,507	13,589	33,759

*These statistics do not include those tourists arriving in Sri Lanka on Charter Flights.

Residence Visa

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 be employed in Sri Lanka. These visas are issued in terms of the Ceylonisation policy which has been recently revised. Visas for employment, which were issued earlier on a quota system are now issued, only if Ceylonese personnel are not available for a particular type of employment. Foreign businessmen too, do not qualify for issue of visas even on the basis of the capital they have invested in the country.

Statistics of residence visas issued or extended from 1968 to 1973 were—

<i>Year</i>	<i>Indians and Pakistanis</i>	<i>Other Commonwealth citizens</i>	<i>Aliens</i>	<i>Total</i>
1968	10,202	1,133	1,575	12,910
1969	10,004	1,149	1,347	12,500
1970	6,396	1,022	1,367	8,785
1971	7,211	831	1,195	9,237
1972	5,798	704	1,173	7,675
1973	2,629	626	1,150	4,405

Illicit Immigration

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

The TAFII now covers the entire coastbelt 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 spot suspicious crafts. Patrols on the coastbelt are 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 Tafi in this arduous task.

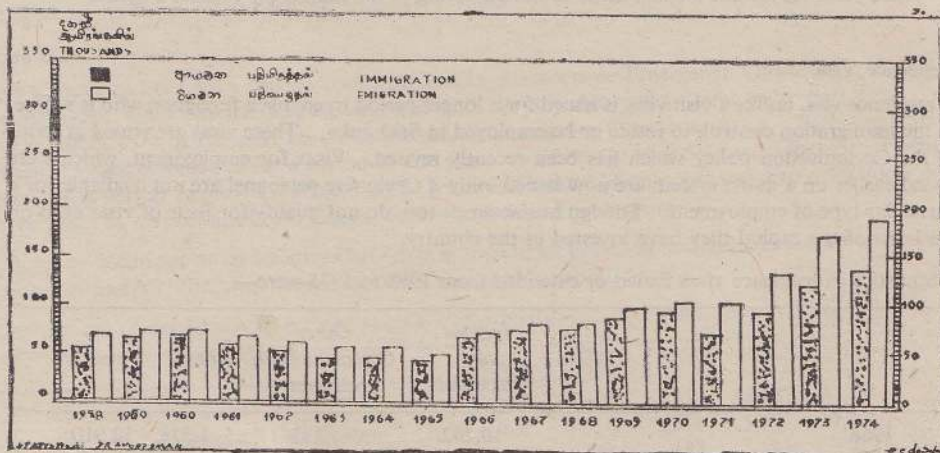
It could confidently be stated that TAFII has been able to bring under effective control further illicit immigration into Sri Lanka.

While Service personnel are deployed along the coast to prevent entry of new illicit immigrants, the Police and the Department of Immigration carry out 'combing out operations' to arrest illicit immigrants, who had come to Sri Lanka earlier. A total of 1,302 suspected illicit immigrants were arrested in 1973. There were 101 cases of deportation during the year.

Indo-Ceylon Agreement

Under provisions of the 1964 Indo-Ceylon Agreement, 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 the 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 of 1971 provides for granting Sri Lanka citizenship in terms of the provision of the Agreement, issuing Residence Permits to persons who have been recognised as Indian citizens, repatriation of such persons and other matters connected with implementation of the Agreement.

Chart No. 5—IMMIGRATION AND EMIGRATION, 1958-1974



Sri Lanka Citizenship is granted to Indian Nationals on the ratio of 4 to every 7 persons leaving the country. Up to the end of 1973, the Indian High Commission had issued Indian passports to 185,906 *persons countable under the Agreement, i.e. those born prior to 31 October 1964 and 103,841 of this number have left the island. Sri Lanka citizenship has also been granted to 59,338 persons countable under the Agreement.

Table 5.7 outlines the position in the implementation of the Indo-Ceylon Agreement of 1964.

TABLE 5.7—IMPLEMENTATION OF THE INDO-CEYLON AGREEMENT 1964-1973

<i>Year</i>	<i>Recognised as Indian citizens</i>	<i>Repatriated Number</i>	<i>Granted Sri-Lanka Citizenship</i>
1964	554	14	—
1965	3,131	51	—
1966	5,047	1,910	—
1967	7,935	2,648	—
1968	11,825	2,123	170
1969	29,020	5,284	2,929
1970	18,549	8,733	7,469
1971	33,088	21,867	13,696
1972	40,859	27,575	16,107
1973	32,739	33,175	15,805
Total	182,747*	103,380	56,176

*Provisional ; subject to revision

V—REGISTRATION OF PERSONS DEPARTMENT

The Department for the Registration of Persons and issue of Identity Cards was set up under statutory provisions of the Registration of Persons Act, No. 32 of 1968 as amended by Acts Nos. 28 of 1971 and 37 of 1971. The Department started functioning with effect from 1 October, 1971.

The functions of the Department are to register all persons over 18 years of age lawfully resident in Sri Lanka and issue to persons so registered identity cards. Persons residing in Sri Lanka on residence visas or foreign passport holders exempted from obtaining visas are not liable for purpose of registration.

Every person who is liable to be registered has to apply within the notified period. An application has to be addressed to the Commissioner for the Registration of Persons and delivered to an appropriate Certifying Officer. It has to be in writing and should accompany 3 copies of the photograph of prescribed dimensions, specifications, standards and quality. The application should also bear stamps to the prescribed value.

Upon receipt of an application the Commissioner has to register each such person, if the application conforms to all requirements and after registration, issues the applicant an identity card. The application could be rejected if the person is not liable for registration and such rejection has to be conveyed to the applicant in writing.

Any person liable to be registered who enters Sri Lanka after the notified date has to apply for registration within 6 months of his arrival. Similarly any person who reaches the age of 18 years should apply for registration before he reaches his 19th year.

CHAPTER VI

LAND DEVELOPMENT

I—LAND DEVELOPMENT DEPARTMENT

The Land Development Department plays a fundamental role in executing the policy of Major Colonisation of the Government.

While the responsibility for providing irrigation facilities and some of the access roads to Paddy Schemes rests with the Irrigation Department provision of basic amenities, and necessary infra structure for creating new communities in colonization schemes lies solely with the Land Development Department. Provision of access roads, clearing of jungle, construction of B.O.P. roads and structures, asweddumization of paddy land, construction of cottages and latrines for colonists cover an important portion of duties of the Department. In addition, the Land Development Department provides basic amenities as schools with necessary quarters for staff, quarters for colony administration staff, post offices, co-operatives, hospitals and dispensaries and medical buildings. In the case of large group of colonists the department builds rural and district hospitals, central schools, police stations, markets, etc.

Work on Internal roads in Major Colonization Schemes, approach and internal roads in Highland Colonization Schemes and Roads in Youth Settlement Schemes are being done by the T.C.E.O. from funds released by the department.

As a function of construction activity the Land Development Department had also undertaken on its 'Work Done on Advance Account' construction of several buildings as D.R.O.'s offices, V.C. offices, D.R.O.'s quarters, medical officers quarters etc. for other departments and the entire complex of bus stand and workshops for the Ceylon Transport Board.

Expenditure incurred on various subheads under Vote 7 for Capital Expenditure. Economic Development, during 1973 was Rs. 13,901,260. Expenditure for constructions on 'Work Done on Advance Account' totalled to Rs. 1,587,112.

Some important assignments of the Land Development Department during 1973 are listed below :—

<i>Assignment</i>	<i>Completed</i>	<i>Under Construction</i>
Jungle clearing (By G.AA)	434 acres	—
Stumping (By G. AA)	421.9 acres	—
Ridging (By G.AA)	472.5 acres	—
Jungle clearing (Department)	78.2 acres	31.7 acres
B.O.P. Class I Road	2,276.5 chains	624 chains
B.O.P. Class II Road	2,511 chains	1,286 chains
Metalling and Tarring	115.67 chains	209.5 chains
Bridges	01	01
Cause-way	02	01
Cottages (O.P.)	13	03
Cottages (N.P.)	259	207
Latrines (Colonists)	08	03
Wells	160	96
C.O.'s Quarters	08	03
C.O.'s Office	06	02

<i>Assignment</i>	<i>Completed</i>	<i>Under Construction</i>
O/L. D.O's Quarters	19	02
School for 200 pupils	32	17
School for 100 pupils	—	01
Teachers Quarters	38	23
School library	01	—
School Lecture Hall	01	—
Science Laboratory	—	01
Maternity Home	—	02
Branch Dispensary	01	01
Wards	02	02
Adm. Block for Hospital	—	01
Police Station	03	02
Police Quarters	22	26
P.C.'s Quarters		
Co-operatives	10	06
S.P. Offices	02	04
D.R.O.'s Quarters	01	02
D.R.O.'s Office	02	02
V.C. Office	02	—
Circuit Bungalow	01	—
Water tank	04	08
Fencing	1,509	616
Access Road	813	98
Farmers Training centre	01	—
V.C. Library	—	01

II—LAND COMMISSIONER'S DEPARTMENT

The principal functions of the Land Commissioner's Department are :—

- (a) the protection and administration of the State Lands ;
- (b) disposition and agricultural development of State Lands to peasants and others in Settlement Projects.

The main Ordinances relating to Land Administration and development could be grouped into :—

- (I) Land Development (Ord.) No. 19 of 1935, Land Development (Amendment) Act 16 of 1969, and Sale of State Lands (Special Provisions) Law No. 43 of 1973 ;
- (II) Crown Lands Ordinance No. 8 of 1947.

The first set of Acts provides for alienation of State Lands to peasants and middle class allottees in Settlement Projects and for agricultural development of these projects. Different types of settlement projects currently functioning are :—

- (a) Village Expansion Schemes ;
- (b) Major Colonization Schemes ;
- (c) Youth Settlement Schemes ;
- (d) Highland Colonization Schemes ;
- (e) Middle Class Schemes.

Long term leases of State Lands are given for purpose of agricultural development to individuals, Co-operatives and Companies under the Crown Lands Ordinance viz. Special Leases Scheme of 1966.

Village Expansion Schemes

Village Expansion Projects are mainly intended to satisfy needs of the population in villages abutting these projects. The main objective is to ease population pressure and partially, the unemployment problem in the villages.

There are however some village expansion schemes formulated primarily for agricultural development. These projects are located in Matara, Ratnapura and Puttalam Districts and cultivated in plantation crops. Those expansion schemes in the dry zone are mostly monocultural Manawari paddy lands. The unit of alienation in these agricultural projects ranges from 1 to 5 acres while in bulk of V.E. Schemes which have residential outlook, the allotments vary from 1/8 to 1/2 acre.

In areas where State Lands are not available for disposal to peasants, private land is acquired for residential purposes. The criteria for acquisition are :

- (1) population pressure on land area
- (2) need for (partial) employment.

A total of 5,848 acres had been acquired for the purpose.

The peasant allottee in the residential V. E. Schemes is entitled to financial grants for respective items as listed below :—

- (1) Rs. 1,000 for a permanent dwelling
- (2) Rs. 300 to Rs. 600 to replace temporary roof with permanent material
- (3) Rs. 300 to Rs. 600 for a well
- (4) Rs. 75 per acre for soil conservation at rate of Rs. 3.50 and Rs. 2.50 respectively for stone terracing and contour drains
- (5) planting material up to a maximum of Rs. 50 per allottee.

Total expenditure has no analogy to number of items completed.

Highlight of the development programme in V. E. Schemes is the formulation of agricultural development policy to intensify production in Village Expansion Projects which hitherto had been principally used for residential purposes. The programme envisages selection of contiguous blocks of land in extents varying from 50 to 100 acres in each D. R. O's Division in the Puttalam and Kurunegala districts for development.

At district level, the programme of development would be implemented by a Divisional Committee headed by the D. R. O. of the area. It is proposed to dovetail ultimately this programme with Divisional Development Council projects of the Ministry of Planning.

Peasants in agricultural projects are given additional financial assistance for seed material, jungle clearing (maximum Rs. 100 per acre) temporary huts (Rs. 80,) perimeter fencing and for agro-chemical inputs as fertilizer, insecticide etc.

A total of 31,426 acres of land both State and acquired land have been alienated to peasants in V. E. Schemes during 1973.

	<i>No. of Allottees</i>	<i>Extent (Acres)</i>
V. E. (State Lands)	25,234	29,097
Acquired Estates	3,552	2,329

Financial grants given to peasants during the year were :

	<i>No. completed</i>	<i>Total Amount (Rs.)</i>
Houses	3,000	4,827,132
Wells	1,290	764,167
Latrines	1,795	143,051
Planting Materials (a)		159,259
Soil Conservation (a)		9,000

(a) Amount expended.

Major Colonisation Schemes

Major Colonization Schemes (Settlement Projects) have a unique history in land alienation and development of State Land. Originally these schemes were formulated with the prime objective to cater needs of a shifting population from the Wet Zone to the malaria infected (presently eradicated) Dry Zone. With the Second World War the tempo for food production gained momentum thus changing the outlook of the Government at that time, to focus attention to production of rice in these projects. The original objects of population migration however was not altogether discarded.

Since settling over 75,000 families, it was felt in the Sixties, that sufficient emphasis was not given to the agricultural development of these projects. Land policy was directed towards consolidation of development of the existing areas.

The Unit of alienation in Major Scheme varied from 1 to 3 acres of highland and 2 to 5 acres of paddy land. The unit of allotment at present is 1 acre highland and 2 acres paddy land, the unit of allocation at Uda Walawe being 5 acres, both highland and paddy land.

The peasant unlike in the recent past, is now settled on the land with provision of irrigation facilities. Lowlands are machine cleared stumped, ridged and rippled by the Land Development Department. Where this is not possible in exceptional cases, however financial assistance is given at Rs. 100 per acre of clearing, Rs. 100 per allotment for stumping and Rs. 40 per acre for ridging. Settlers are also given grants as :—

- (1) Rs. 80 for a temporary structure
- (2) Two bushels of Seed Paddy per acre of irrigable land
- (3) Rs. 75 for implements
- (4) Assistance under World Food Aid (18 months or till the first irrigated crop is available)

A total of 1,503 acres of paddy land and 1,202 acres of highland were alienated among 650 peasants during the year. Position as regards total extent under alienation as at end of 1973 is outlined below :—

	<i>Extent (Acres)</i>	<i>No. of allottees</i>
Paddy land	219,006	75,938
Highland	120,725	

With a total extent of over 250,000 acres of paddy land alienated to about 75,000 families in these schemes, this broad land base for intensive agricultural development could not be overlooked. Currently about 25 percent local rice production is met from these lands which now yield an average in the region of 48 bushels per acre. The potential for increased production in these projects ranges from 50 to 100 per cent on present production levels. Lowest yields in the major colonisation schemes have been recorded in Mannar and Jaffna districts.

Youth Settlement Schemes

The Youth Scheme Project continues to be successful as in previous years. There were 3,343 youths employed under this Project. While earlier Schemes continued to improve on income level, new extension Schemes have made headway in subsidising themselves. A noteworthy feature in the new extension Schemes is that development activities are completed in a much shorter period than if had been in the past. Planning new Schemes ensures minimum physical effect and other facilities to achieve success of new schemes. Youths are now assured of substantial income from farming. These are contributory factors towards achieving rapid development in most of the new Schemes.

The Yattapatha-Thiniyawala Youth Settlement, one of the Major Schemes under this Project continues its successful trend, apart from being financially stabilised a large majority of youths in this scheme receive high incomes ranging from Rs. 500 to Rs. 1,500 per month.

A new scheme of subsidy viz : Rs. 1,600 per acre to a maximum of Rs. 4,000 per allotment was implemented during the course of the year, specially in the new extension Schemes.

There were 43 Schemes with 3,343 youths as at end of 1973.

<i>Schemes</i> <i>Subsidiary Food Crops</i>	<i>District located</i>
Galoya Stage I (Mahakandiya)	Amparai
Rajangane	Anuradhapura
Thiruvai Aru Stage I	Jaffna
Thiruvai Aru Stage II	Jaffna
Kalugalla	Kurunegala
Wilgamdematawa	Kurunegala
Wellangiriya	Kurunegala
Bellanneoya	Matale
Konduruwewa	Polonnaruwa
Bakamuna	Polonnaruwa
Mannampitiya	Polonnaruwa
Veppankulam	Trincomalee
Ekgaloya	Amparai
Thanamalvila	Moneragala
Galoya Stage III	Batticaloa
Viswamadukulam Stage I	Jaffna
Viswamadukulam Stage II	Jaffna
Viswamadukulam Stage III	Jaffna
Muthuyankaddukulam R. B. I	Vavuniya
Muthuyankaddukulam R. B. II	Vavuniya
Muthuyankaddukulam R. B. III	Vavuniya
Muthuyankaddukulam L. B. I	Vavuniya
Muthuyankaddukulam L. B. II	Vavuniya
<i>Paddy Crop</i>	
Galporuyaya	Badulla
<i>Tea and Fruit Cultivation</i>	
Mandalapura Stage I	Galle
Mandalapura Stage II	Galle
<i>Tea and Cinnamon</i>	
Delmella	Kalutara
Kelinkanda	Kalutara
Peniyawala	Kalutara
Ayagama	Ratnapura

<i>Schemes Subsidiary Food Crops</i>	<i>District located</i>
<i>Cinnamon</i>	
Pituwala	Galle
Pedikanda	Ratnapura
<i>Coconut</i>	
Kiulkelle	Puttalam
<i>Cardamom</i>	
Cambell's land	Kandy
<i>Fruit Cultivation</i>	
Ihalahewessa Stage I	Kalutara
Ihalahewessa Stage II	Kalutara
Yattapatha-Thiniyawala	Kalutara
<i>Vegetables and Mixed Farming</i>	
Kaludalamahapatana	Kandy
Ragala	Nuwara Eliya
Galpalama	Nuwara Eliya
Kuda Oya	Nuwara Eliya
Ambewela	Nuwara Eliya
Mirisuvil	Jaffna

Special Projects

As returns on investment in Colonisation Schemes, which initially were commenced to shift the population from Wet to the Dry Zone, were low, an IBRD/FAO mission recommended a package programme of development in these projects. Its objectives were :—

- (a) irrigation rehabilitation to increase production ;
- (b) maximise production on existing areas through improved cultural practices ;
- (c) re-organise institutional aspects of credit, marketing facilities, input and output.

The programme was first implemented at Elahera as an experimental study and subsequently extended to 22 other Major Colonisation Schemes. These Colonisation Schemes are now categorised as special projects.

A re-survey of Socio-economic conditions of the farmers at Elahera made in 1971 revealed that production had increased from 33 bushels in 1968 to 52 bushels of paddy per acre in 1971. In 1972 the average yield per acre in this Project was 78.83 bushels.

Major Colonisation Schemes at Tabbowa and Muruthawela were converted into Special Projects and acreage in earlier schemes expanded for implementation of the package programme.

In the Dewahuwa Special Project, additional forty youths have been trained at the machinery centre. Intensive agriculture development and consolidation of holdings in this Special project have helped produce a yield of 110 bushels of paddy per acre.

Sale of State Lands.—Sale of State Lands Act was passed in 1973. The Act provides for outright sale of State lands already alienated under L.D.O. and new lands for agricultural purposes.

Highland Colonisation Schemes

In 1956, when tea prices were favourable to the producer, Government encouraged the peasantry to tea cultivation by initiating highland colonization schemes. With the introduction of tea and rubber cultivation Highland Colonisation Schemes it was possible to tap large areas of untapped lands in the hinterland of South-West quadrant of the Island and in Ratnapura District. The areas, specially considered suitable for such schemes were in Morawak Korale in Matara District, Hinidum Pattu in Galle and Atakalan and Kukul Korale of Ratnapura District. There are 52 such schemes at present with 18 of them covering an area of 7,809 Acres in tea ; four Rubber Schemes with an extent of 1,920 acres; 25 coconut schemes covering 19,583 Acres. One Scheme each in Cocoa and Coffee covering 122 Acres and 55 Acres respectively and four mixed Schemes involving an extent of 2,292 acres. The Coffee scheme has since been converted to a village expansion scheme. Highland Colonization Schemes cover a total of 27,840 acres.

Tea Schemes.—There are 3,351 allottees in the 18 Tea Schemes. These Schemes are in different stages of production. Each allottee in a Tea Scheme has been given two acres of land for cultivation of tea and a 1/4 acre for residential purposes. Assistance given to allottees works out to about Rs. 11,300 each with communal facilities as roads, water schemes, etc. and subsidies for development of land being taken into consideration. Direct subsidies to each allottee are in the region of Rs. 4,000.

Rubber Schemes.—With uncertain market conditions for natural rubber consequent to introduction of synthetics, new areas have not been opened up since 1960. Approximate cost per allottee and unit of alienation are basically same as for tea schemes.

Coconut schemes.—There are 25 Schemes consisting of 3,495 allottees. No new Schemes were started during the year. Subsidies payable per allottee in Coconut Schemes work to Rs. 4,500. Limitation towards a rapid expansion appears is restriction on available land categorised suitable for coconut on survey reports. Based on the Land Use Committee Report, not more than 50,000 acres are available for expansion of the coconut acreage.

Land alienated for Cadju cultivation.—Under minor export crop aid scheme a sum of Rs. 575,000 has been allocated to provide facilities as roads and wells to lands alienated for Cadju cultivation in Puttalam, Batticaloa, Vavuniya, Mannar, Jaffna and Hambantota districts.

In Vavuniya district nearly 4 miles of roads for construction purposes, have been cleared. In Batticaloa district, of the 5 roads taken up for construction about 2 miles have been completed. Work on 12 supply wells has to an appreciable extent been completed by the end of the year.

Availability of roads and wells have helped improve Cadju cultivation.

Alienation under Marginal Land Schemes

As alienation of land under this Scheme has been suspended no new land has been alienated during recent years. Portions of marginal lands have been used for crops like Coconut, Paddy and plantains. In some districts these lands are completely set apart for Cadju cultivation. According to Progress reports of each district, the Government Agents have been instructed to make arrangements to resume possession of lands with expiry of 5 year lease hitherto not being developed. Arrangements have also been made to issue long term lease to lessees who have improved the land during the specified 5 year period. A long-term lease has been granted to lessees of 40 acres in Matale district.

In view of the fact that development work of these lands has not been done satisfactorily according to half-yearly progress reports, arrangements have been made to have strict progress control in requesting for quarterly reports.

Encroachments

Necessary arrangements are being made by the Land Commissioner to settle matters regarding encroached lands. Apart from assistance afforded the Department by Government Agents quarterly reports are obtained to assess progress of these encroachment activities in the island.

Further, the Government Agents are instructed to make necessary arrangements to regularise the encroached Crown lands and to eject the encroachers from reservations.

From January to December 1973, 7,796 persons have encroached 10,405 acres of State land and of these 4,601 acres have been regularised among 2,578 persons. 334 persons have been ejected and 616 acres have been resumed possession by the State. During this period 41 Land Kachcheries were held and 1,868 permits have been issued.

Attention of all Government Agents in every district has been drawn to encroachments of non-citizens and necessary instructions have been issued to all G.AA. to eject them from the lands forthwith.

III—LAND SETTLEMENTS

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 Crown is also finally and conclusively established in the areas where 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 island 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 ejection 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 Lands Ordinance) acquired under the Land Acquisition Act or resumed under the provisions of the Lands Resumption Ordinance.

The areas to be taken up for settlement operations are decided annually 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.

Settlement Operations were conducted during the year 1973 in the Administrative Districts of Puttalam, Kurunegala, Anuradhapura, Moneragala, Kandy, Matale, Badulla and Trincomalee.

The performance as regards Settlement Operations for the year 1973 has been quite significant as compared with the last 33 years.

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 large extents of Crown Land in commercial crops in deep Western, Southern and Sabaragamuwa Provinces. Cost of raising new Plantations had perforce to be high by reason of heavy labour commitments, substantial ground work in jungle clearing and providing infra-structure, in addition to administrative and institutional arrangements. Work on such a scale had logically to be the responsibility of a State agency.

In pursuit of these objects the Corporation raised four new Plantations viz : Pelawatte, Habarakada, Samanalawatte and Nuwara Eliya in high yielding tea which together accounted for 2,435 planted acreage as at end of 1973. Inclusive of these new Plantations, the Corporation administered 37 Units during the year comprising a total of 39,586 acres of which 21,345 acres were planted. Twelve units were added to the Corporation during the year. These include a cardamom Project opened by the Corporation, two Estates purchased viz : Maturata and Oodewella, an estate managed for the Bank of Ceylon and another managed for the Sri Lanka Air Force. The Cashew Projects raised by the Corporation in Mannar and Batticaloa Districts were transferred to the newly formed Cashew Corporation.

A total of 357 acres tea and 224 acres rubber were replanted and rehabilitated during the year.

Major Crops.—A crop of 14,285,032 lb. of Made Tea was secured from a mature tea acreage of 15,886 and 3,051,335 lb. of green leaf harvested from 1,708 acres of New Clearings in Habarakada, Samanalawatte and Nuwara Eliya Plantations. From a mature rubber plantation of 4,616 acres a crop of 1,996,406 lb. of rubber was obtained. A total of 3,400,919 nuts were plucked from 1,895 acres of coconut plantation. The four State tea factories manufactured 2,164,518 lbs. of Made Tea bringing total tea production of the Corporation to 16,449,550 lb.

Minor Crops.—7,481,440 Cashew were gathered from 1,217 acres and 69,128 lb. of cocoa were obtained from 1,305 acres. The Corporation continued its experiments on mechanical decortication of Cashew. Cashew fruits were experimentally processed into the production of spirits. Both these experiments augur success in the future.

Diversification.—In its diversification programmes of agricultural development the Corporation commenced a mulberry project on an experimental scale. A total of 1,260 acres has also been planted in timber.

The corporation commenced a large-scale Cardamom cultivation project of 305 acres at Yakkessa, Yatiyantota.

Fish Culture.—In consultation with the Department of Fisheries a programme of fresh water fish breeding ponds at Pelawatte and Nuwara Eliya State Plantations were commenced during the year. It is proposed to expand this scheme into other Plantations depending on the availability of water supply.

Food Production.—The food production campaign emphasised on import substitution crops. Action has been initiated to release on annual permits approximately 335 acres of idle land in Plantations to the workforce for cultivation of yams. Planting material is to be provided by the Corporation, the estate management affording necessary assistance in production and marketing. The Corporation has also intensified agricultural activities in an extent of 850 acres already leased out to Workers.

Other crops to be cultivated under this programme include short-term varieties as green gram and soya bean and also tapping of kitul trees available in abundance on these plantations.

Employment.—The workforce of the Corporation totalled 23,565 employees as at end of 1973. There were 2,418 new placements.

Capital investment of the Corporation was Rs. 51,665,000. Net profit realised during 1973 year was Rs. 1,737,100.

V—IRRIGATION

Considerable progress was made during the year in providing irrigation facilities to lands for cultivation as envisaged in the Five Year Plan of the Government. With much stress being placed by the Government in accelerating import substitution of essential food items, activities of the Irrigation Department in planning, designs as well as construction of Irrigation Schemes acquired greater significance. The Department geared itself to discharge this vital role. A total of 12,000 acres were provided with irrigation and drainage facilities.

Wahalkade Reservoir, an ancient abandoned tank, was taken up for reconstruction during the year. This reservoir, originally built by King Mahasena in 274 A.D., is to be restored to irrigate 2,000 acres, of new lands. The existing earthen dam needs very little additional earth work in restoration. The original Bisokotuwa is still in good condition but is being replaced by a new reinforced concrete sluice due to uncertainty of its performance. Work on this scheme was inaugurated on 7th September, 1974 by the Minister of Irrigation, Power and Highways. Total estimated cost of the scheme is Rs. 15,500,000.

A number of major projects have been taken up for investigation, planning and designs. Consequent to a decision of the Government to give priority for development of the Lower Uva region, the Department undertook feasibility studies of some major reservoir schemes in the area. Studies of Muthukandiya Scheme to benefit 2,000 acres, and Rambukkan Oya Reservoir Scheme to benefit 6,000 acres have been completed. The Water Conservancy Technical Team from the People's Republic of China conducted investigations of the Nilwala Ganga, Gin Ganga and Kalu Ganga basins in collaboration with the Department to formulate schemes for flood control and irrigation. On the basis of these investigations Gin Ganga project has been taken up for detailed study.

With a widened scope of activities as a Consultancy Organisation in Water Resources Development, the Irrigation Department has taken up feasibility studies and detailed design of hydro-power projects. Kotmale Oya project feasibility studies under Mahaweli Development are already underway. Work on preparation of project report on the Canyon Power Project (Maskeliya Oya Project, Stage III) to develop 30 MW of power has been entrusted to the department by the Central Engineering Consultancy Bureau. This project is required for early implementation to counter the anticipated shortfall in power supply.

The programme of investigations for rehabilitation of existing schemes, to repair and improve irrigation, drainage and access facilities proceeds according to plan. In addition to schemes benefited by the Mahaweli Project, Major Schemes in the dry zone outside the Project area have also been taken up under the programme for investigation to improve yields and step up production.

The engineering cadre of the Department has been strengthened to cope with additional work that is being entrusted to it.

Colombo District (Low-lying areas)

RECLAMATION BOARD

Activities of the Board during the year were confined to Reclamation Projects as listed below :—

- (a) Crow Island Project.
- (b) Baudhaloka Mawatha Project
- (c) Kirillapone Project
- (d) Urugodawatte Project
- (e) Heen Ela Project (Kadurugastuduwa).

Crow Island Project.—Total extent of marshy land under this project is 54 acres. Of this an extent about 16.71 acres had been reclaimed up to end of 1972. In 1973 total of 15.7 acres were taken up for reclamation. Of this extent 8.5 acres were offered to State Development and Construction Corporation and the balance extent to a private contractor with approval of the Ministry of Irrigation. Of the new area taken up for reclamation, no area was completed to final levels. About 30 per cent. of total work involved was completed. Periphery canals of the area were deepened and maintained for free flow of drainage water.

Baudhaloka Mawatha Project.—Total extent of marshy land under this project according to the latest surveys is about 17.9 acres. Of this an extent about 0.13 acres has been reclaimed during the year. The total extent fully reclaimed up to end of December, 1973 is about 15.8 acres. Presence of shanty dwellers in the balance area prevented the Board in bringing more land under reclamation. The Board however has transported 1,200 gravelly earth and stock piled in close proximity to the area to be filled pending action against these dwellers. Reclaimed lands will be disposed of as early as possible.

Kirillapone Project.—Total extent of marshy land under this project is 6.5 acres and an extent of 6.2 acres was reclaimed at the end of 1972. Balance extent was not reclaimed due to shanty menace. A total of 3.30 acres of the reclaimed land were disposed in 1972 to re-house shanty dwellers who were moved out from Bandaranaike Memorial International Conference Hall site, and also re-house shanty dwellers who were within area reclaimed. The balance extent is reserved for the Commissioner for Development of Marketing to establish a Mahajana Pola.

Urugodawatte Project.—Detailed surveys revealed that an extent of about 30.5 acres of marsh-land bounded by Avissawella Road, Baseline Road, Dematagoda Canal and Railway Embankment would be required for the establishment of the Wholesale Market for the Marketing Department.

As no funds were available to the Board by the Marketing Commissioner, the construction of the project was not taken up during the year. An additional extent of 83.0 acres situated to the north of the area earmarked for proposed Wholesale Market at Urugodawatte was taken up for investigation and completed in 1973.

Heen Ela Project (Kadurugastuduwa). Total extent under this project is 14.5 acres. Of this extent 4.0 acres had to be left out temporarily for food cultivation on requests made by cultivators of the area. The Balance 10.5 acres were taken up for reclamation and the work entrusted to State Development and Construction Corporation. Though no area was reclaimed to final levels required about 25 percent of total work involved was completed during the year.

VI.—MAHAWELI PROJECT

The Mahaweli Development Project is the largest combination of water and land resources development ever undertaken in Sri Lanka. Investigations for the development of the water resources of the Mahaweli commenced in 1958. With assistance afforded by the UNDP/SF, a comprehensive survey of land, water and power resources of the Mahaweli and adjacent basins was undertaken in 1963 and a Master Plan of development was prepared.

The area covers the Mahaweli Ganga basin, the basins of Maduruoya 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 2611 million KWH units with a total installed capacity of 507 MW. The proposed development is divided into 3 Phases to be under taken over a period of 30 years at an overall cost of about Rs. 6,700 million.

The Mahaweli Development Board was established on 3rd May, 1970, by Act of Parliament (Act No. 14 of 1970). The Board is entrusted with responsibility of implementing Project I of Phase I of the 'Master Plan'. The Board consists of 4 members (one of whom is the Chairman) appointed by the Minister of Irrigation, Power and Highways; 4 Secretaries (or their representatives) of Ministries of Irrigation, Power and Highways; Agriculture and Lands; Planning and Economic Affairs; Finance; Director of Irrigation; Director of Agriculture; Land Commissioner; Chairman, Ceylon Electricity Board and the Government Agents of the Six districts abutting work sites of the Board.

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 purpose of implementation.

Stage I.— (a) The construction of Stage I is in progress. 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 Ambanganga at Bowatenna, a 4 mile length diversion tunnel to divert a part of the Mahaweli waters into Kala Oya Basin.

(c) Taming Suduganga to cope with the Polgolla diversion and

(d) Improvements to existing Elahera Weir and Yoda Ela to divert the balance water to lands under the Elahera, Minneriya, Giritale, Kaudulla and Kantalai Schemes.

The existing canals and distributary 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 would 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.

Stage II and Stage III.—In Stage II, 71,000 acres of new land in the Kala Oya basin, in Stage III, 44,000 acres of new land in Polonnaruwa and Trincomalee Districts would be taken up mainly for agricultural development and suitable agro-industrial development. A large number of colonists would be settled with provision of appropriate social and community services.

Work on Stage I of Project commenced on 10th May, 1970 and items of work completed as at end of 1973 were—

Progress on Engineering Works

(i) *Polgolla Complex.*—A total of 11,820 cubic yards of concrete were placed in the dam foundation, crest structure and piers in R.B. Section and the bridge deck, hoist structures in the L.B. Section. This gives total quantity of concrete placed in the Diversion Dam to 21,700 cubic yards which is about 99 percent of estimated total quantity of concrete required for the Diversion Dam. Installation of fixed parts for gates and stop logs in the L.B. Section of the dam was done during the year.

Tunnel Intake Structure.—Construction of the inlet portal and crest structure has been completed.

Rawan Oya Bridge.—Construction of the L.B. and R.B. abutments and pier has also been completed by end of the year.

Excavation of the entire tunnel was completed in March, 1973. Tunnel lining operations were commenced in February, 1973, from the U.S. end of the tunnel. Concrete tunnel lining of tunnel in sections that require lining has progressed up to sections 112+31 as at end of 1973.

Trimming of side wall was completed in March. Concreting side walls of the surge chamber was commenced in July and 773 cubic yards of concrete have been placed up to EL. 1434.5 by end of December, 1973.

Excavation for power house foundations was completed in September, 1973. A total of about 220,000 cubic yards were excavated. Planning of backfill concrete in power house was commenced in April and completed in December 1973. The total quantity of concrete placed was about 5,447 cubic yards. Construction of the power house superstructure was done in continuation with placing of backfill concrete. A total of 3,466 cubic yards of structural concrete were placed below EL 1,149 by end of the year.

Drop Structure.—Concrete work on the drop structure was commenced in January and 1,826 cubic yards of concrete (78 percent of estimated quantity) were laid in the crest structure, piers and abutment of the drop structure by end of December, 1973. The crest structure has been completed to the designed level.

Dhun Oya Improvements.—This work was continued and 229,600 cubic yards of excavation (54 percent of estimated quantity) had been completed by the end of the year.

Sudu Ganga Works.—Contract for improvements to Elahera Headworks has been awarded to Stage Development and Construction Corporation. Construction work on improvements to Kuda Ganga Anicut, piers and foot bridge commenced in September and a total of 150 cubic yards of concrete were laid by the end of December, 1973.

Bowatenna Complex.—Excavation work of about 25,000 cubic yards (55 percent of estimated quantity) has been completed by end of December, 1973. Laying of concrete was commenced in October, 1973. A total of 714 cubic yards of concrete (1.1 percent of estimated quantity) has been laid as at end of year.

Approach Channel.—Excavation of about 80,000 cubic yards (79 percent of the estimated amount) has been completed.

Tunnel Excavation.—Tunnel excavation is being done from the 'D.S.' and 'U.S.' ends and from adit. A total length of 3,568 feet of tunnel excavation (12 percent estimated length) has been completed by end of December, 1973.

Tunnel Outlet Canal.—Excavation of outlet canal was continued from section 220+00 to section 242+00 during year and excavation of 106,400 cubic yards (about 82 percent of estimated amount) has been completed.

Agricultural Activities

The Agriculture Research Station at Maha Illuppallama continued to do research necessary for the area under the Mahaweli Development Project. Studies on water, management, water use, seepage, etc., were carried out in a small catchment reckoned as a unit and collecting useful data.

The Pilot Projects at Maha Illuppallama and Pelvehera continued to function successfully. The Second Pilot Project in the Sugar Plantation at Kantalai was established. It has been found from harvest of the first Project that a good yield could be had with proper drainage. Siphon irrigation through furrows would help reduce waste of water and also decrease water required for the crop.

Settlement, Planning and Development

Items of work were done during the year were—

- (1) Completion of Feasibility Reports on Settlement, Planning and Development, Marketing and Credit for Stage II of Project I ;
- (2) Completion of the Schemes for resettlement and payment of compensation (Polgolla and Bowatenna) ;
- (3) Execution of several Agro-Socio-Economic and other studies required for implementation of Stage II Settlements ;
- (4) Preliminary investigations of industrial potential of the Mahaweli Ganga Development area with assistance of a Team of Japanese Experts.

Expenditure incurred by the Mahaweli Development Board on various activities as regards Development Project in 1973 was Rs. 66.9 Million, of which Rs. 31.1 Million was obtained from Credit/Loan Agreement with the I.D.A./I.B.R.D.

Evaluation

Investigation and studies for preparation of a Feasibility Report for Stage II have been completed and the draft report was prepared and re-evaluated, viz., Feasibility Report (main volume) and sectional reports on Agriculture, land classification, engineering, settlement planning, marketing and credit.

River Valleys Development Board

The River Valleys Development Board continued its development programme of Uda Walawe Multi-purpose Project during the year. Main activities under the Scheme of development were land preparation, provision of irrigation facilities, settlement and agriculture. Apart from these activities the Board also undertook, work for other Departments and Corporations on basis of 'Contract'.

A total of 8 miles main and distributary channels and 143 miles of field channels were constructed and 3,274 acres were cleared and land prepared for cultivation and settlement. Consequent to development of this extent, 8,586 acres became irrigable.

The Board settled 700 allottees on the Right Bank of the Project during 1973. These allottees had been selected from various districts in the Island and also villages in proximity to the Project.

The first settlement scheme for youths initiated by the National Youth Council was started on the Right Bank of the Walawe Project covering an extent of 500 acres set apart for 200 youths. Land preparation was completed and buildings were ready as at end of the year.

The programme of paddy cultivation increased significantly. During Yala 1973, 11,000 acres were brought under paddy and in Maha 1973/74, 16,000 acres were brought under cultivation of this crop.

A project for cultivation of 1,000 acres of cotton under irrigated conditions was undertaken for the first time during Yala 1973. Of this extent, 750 acres were planted. Though difficulties were encountered general performance of the crop had been satisfactory. Cultivation was done by the allottees in the project with necessary inputs and services being provided by the Board. The cost of these services would be recovered by the Board from the harvest gathered.

VII—LAND REGISTRATION AND VALUATION

Land Registration

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

The present law relating to registration of documents is the Registration of Documents Ordinance (Cap. 117).

Under this law, registration is not essential to the validity of a deed but merely confers priority i.e. an unregistered deed is void against any later registered deed adverse to it, if executed for valuable consideration.

Before a deed is tendered for registration it should be stamped in accordance with the provisions of the Stamp Ordinance. Registration of a deed which is improperly stamped or registered in a wrong folio will entail 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, etc.	194,230
Mortgages	44,747
Discharges	33,422
Leases	12,421
Other Deeds	16,280

Land Valuation

Land valuation for official purposes in Sri Lanka is a statutory function of the Valuation Department. The Department's role in the evolution of a social and economic structure is therefore of particular significance. Main functions of the Valuation Department could broadly be classified under :—

- (a) Assessment of Capital Value of Properties ;
- (b) Assessment of Rental Values.

Assessment of Capital Value.—Assessment of Capital Value is undertaken for such 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, other local 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 local authorities, State-sponsored institutions as 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 Acquisition.—Acquisition for public purposes is on the increase primarily attributable to the large number of acquisitions for Village Expansion Schemes, Housing Schemes, Road-Widening Projects, Hospital Construction and Extensions. Preliminary Reports of approximately 2,000 blocks of land under the Colombo Bandaranaike International Airport Road Widening Scheme were prepared and action initiated as regards payment of Compensation. Acquisitions were also finalised under the Mahaweli Project.

Estimates for Government Departments and Local Authorities on proposed Acquisition.—The Valuation Department furnishes institutions concerned estimates of value before such acquisitions are finally decided on.

Estate Duty Valuations.—Valuation for purpose of Estate Duty is undertaken by the Department on behalf of the Commissioner of Estate Duty.

Stamp Duty Valuation.—Under-valuation for purpose of Stamp Duty is not uncommon. In such cases the Registrar General, Commissioner of Stamps and Registrar of Lands seek necessary advice from the Department. With steady increase in market value of land, valuations in cases of under stamped deeds have also increased considerably in recent years.

Miscellaneous Valuations.—Capital value assessments continue to be made for Local Authorities, Public Trustee, Savings Bank, Loan Board and other State-sponsored institutions.

Estates acquired by the State Plantations Corporation under private agreements were assessed and necessary advice given. Departmental Services were also afforded the Commissioner of National Housing to assess Housing properties acquired under Housing Property Ceiling Act, 1973.

Valuation for Commissioner of Inland Revenue for purpose of Wealth Tax. Tax payers' declarations of land values for assessment of personal tax are assessed by the Department on the basis of market value. Assessments were also made under Capital Levy Tax.

Valuation for the Land Reform Commission.—Preliminary Reports covering an extent of 500,000 acres of land vested in the Land Reform Commission were prepared and action initiated as regards payment of Compensation.

Valuation by the Chief Valuer under Statutory provisions.—The Chief Valuer determines payment of compensation under provisions of Sri Lanka Trading Corporations Act, Estates Acquisition and Management Act and Co-operative (Special Provisions) Act.

Assessment of Rental Values.—Purposes for assessment of rental values are :—

- (i) Rating within Local Authority Areas for levying rates ;
- (ii) Payment of rent by Government where premises are leased out from private owners ;
- (iii) Collection of rentals on government property from private parties.

Assessment for Rating.—Assessment of towns other than Colombo Municipality, for rating purposes involves revision of assessments, generally every 5 years and fresh assessments in case of towns which have hitherto not been assessed by the department. Rating Assessments were revised in respect of Moratuwa, Kotte and Galle.

Assessment of rentals in respect of (a) private property rented by Government and (b) Crown properties leased to Private Parties.—The department assesses rents of private buildings, used for government purposes and also advises the Land Commissioner and Revenue Officers as regards rents of Crown Land.

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 network of triangulation.

During the year 66.6 miles of Tellurometric Traverses were run for Bowatenna, South-Ceylon Development and Oil Exploration Projects.

The heighting of a new Fundamental Bench Mark at Male (Republic of Maldives) was also completed.

Levelling

The earliest recorded levels were taken in 1865, the average determination of mean sea levels 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 all parts of Sri Lanka.

During the year, 18 miles of Tertiary levelling and 78 miles of minor levelling were done in connection with Engineering Survey Projects.

Topographical Surveys

The Topographical Survey of Sri Lanka 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 one-inch sheets is carried out and new additions issued from time to time. English editions of Avissawella, Ratnapura, Puliyankulam, Rangala, Padawiya, Mantai, Alutgama, Kandy, Hatton, Colombo, Poonery, Medawachchiya, Hanguranketa and Vavuniya and Sinhala editions of Anuradhapura, Gampaha, Kala Oya, Puliyankulam, Nilgala, Haputale, Kalpitiya, Nuwara-Eliya, Ambalangoda, Marichchikaddi, Kaudulla, Polonnaruwa and Hatton have been printed.

Engineering Surveys

Engineering Surveys of 27 major Irrigation schemes and 31 village Tank Surveys totalling in extent 90,715 and 27,374 acres respectively were carried out during the year. In addition, 546.5 miles of channel traces and road traces were furnished.

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.

During the year, 8,500 acres of Block Surveys under the Land Settlement Ordinance in Wann Hatpattu were done and 12 Block Survey Plans involving 4,060 acres were issued to the Settlement Officer.

In addition, 40 Demarcation Survey Plans, 192 Crown Requisition Plans, 20 Acquisition Survey Plans and 69 Settlement Plans were issued to the Settlement Officer.

Eight Crown land Plans and 34 Final Village Plans were issued to Revenue Officers.

Air Surveys

Photogrammetric plotting of 952,069 acres for the crop Diversification project, 38,149 acres for the South-Ceylon Development project 1,396 acres for the Bandaranaike International Air Port project were completed.

Aerial Photography of 4,365 sq. miles have been completed for the Crop Diversification Project, Uda Walawe Development and as part of routine Rephotography of the Island.

3,912 Contact Prints, 508 enlargements, 548 dia-positives, 193 mosaics and 59 rectified prints were made in the Photographic Laboratories for issue to the Public, Government Departments, Corporations, Boards and the University of Sri Lanka.

Town Surveys

The Assessment Survey done for the Local Government Department for assessment planning and Town Development work totalled 12,961 acres and included towns, as Talawa, Kachchai, Horana, Kandy, Pundaluoya and Alawwa.

Town Contour Surveys carried out for the Department of Town Planning and the Department of Water Supply and Drainage totalled 11,541 acres.

Land Development Surveys

A total of 9,100 Requisitions were received during the year of which 5,925 Requisitions covering an extent of 229,032 acres were completed.

Resources Surveys

The Resources Survey Centre completed 'Land Capability' Mapping of a total of 420,000 acres for the Agricultural Diversification Project during the year.

Miscellaneous Maps and Diagrams

Printing of various types of Maps and Diagrams were undertaken, Topographical maps on the scale of an Inch to a mile, Plans of Town Assessment Surveys, Town Contour Surveys, Maps in Sinhala and English, Land Utilization Map and printing of various types of Maps and Diagrams for Government Departments, Corporations and Boards were also undertaken during the year.

Land Reform Surveys

628 requisitions covering an extent of 27,307 acres were completed for the Land Reform Commission during 1973.

CHAPTER VII

AGRICULTURE AND FOOD

I—GENERAL

THOUGH a declining trend in export earnings from the three traditional export crops was recorded during the year, nevertheless, agriculture continues maintain its unrivalled position as the mainstay of the national economy. The three main export crops viz., tea, rubber and coconut, as customs records reveal accounted for approximately 71 per cent. of Sri Lanka's export earnings in 1974, a significant though not substantial drop as compared with preceding years. These three export crops and paddy accounted for approximately 3.3 million acres in 1974. The asweddumized paddy land, viz., potential cultivable area which in 1973 was 1,439,874 acres increased to a fantastic figure of 1,498,457 acres, the largest acreage under any single crop in the island.

A breakdown in the acreage of these crops for the four-year period ending 1974 appears below :

	1971	1972 (acres)	1973	1974
Tea	597,171	597,645	598,740	598,466
Rubber	567,994	567,002	564,824	563,406
Coconut	1,152,428(a)	1,152,428(a)	1,152,428(a)	1,152,428(a)
Paddy	1,419,195(b)	1,448,403(b)	1,439,874(b)	1,498,487(b)
Total	3,736,788	3,765,478	3,755,866	3,812,887

(a) Estimated acreage as recorded at the Census of Agriculture, 1962.

(.) Asweddumized paddy land : drop in the asweddumized acreage in 1973 is due to rectification of earlier data. This figure however is subject to scrutiny.

(Rubber acreage denotes the actual cultivated area).

The establishment of the Department of Minor Export Crops saw a departure from the traditional trend which entailed heavy dependability on the main export crops for purpose of earning foreign exchange.

Apart from promotion and development in the cultivation of minor crops as cocoa, cashew, cinnamon, cardamon, cloves, nutmeg, papaw and pepper, Government has afforded considerable assistance both in cash and kind to foster cultivation of fruit crops, particularly passion fruit, pineapple and mango which have a considerable export potential in foreign markets.

Agricultural diversification initiated by the Ministry of Plantation Industry in 1971 envisaged *inter alia* project studies on economic and other factors affecting alternative cropping patterns, development of pasture and timber production.

Two catchment areas, one on a tea plantation in Kandy district, viz., Nilabme/Atabage covering 43,000 acres and the other a rubber plantation, Gurugoda Oya/Ritigaha Oya in Kegalle district approximately 30,000 acres in extent were selected during 1974 as pilot projects for purpose of demonstration.

These studies would help formulate integrated development plans of these regions on a catchment basis.

II—TEA CULTIVATION

The Tea industry provides over 48 per. cent of Sri Lanka's foreign earnings and maintains its position as the largest industry of the island. Sri Lanka also ranks as the second largest producer of Black Tea in the world.

The Tea Control Department which functions under the Ministry of Plantation Industries is responsible for administration of the Tea Control Act, No. 51 of 1957 and Tea Subsidy Act, No. 12 of 1958. Implementation of following subsidy schemes sponsored by the Government for promotion of the Tea Industry is also the responsibility of the Department :—

- (a) The Tea Replanting Subsidy Scheme.
- (b) The Tea Factory Development Subsidy Scheme.
- (c) The Tea Fertilizer Subsidy Scheme.
- (d) Crop Diversification Subsidy Scheme.
- (e) Rubber x Tea Subsidy Scheme.
- (f) Tea Chest Subsidy Scheme.

The Tea Control Department in addition administers the Tea Export Duty Rebate Scheme.

The Tea plant grows at elevations upto 6,000 feet above sea level and requires an evenly distributed rainfall of not less than 80 inches per year. Tea lands are commonly classified under three elevational categories viz., High, Medium and Low. A tea land is said to produce High-grown tea if its mean elevation is 4,000 ft. or more above sea level, Medium-grown tea if its mean elevation is below 4,000 ft. and above 2,000 ft. and Low-grown tea if its elevation is 2,000 ft. and below.

Acreage

Total area under tea in Sri Lanka, as at the end of December, 1974 was 598,466 acres. The corresponding area for the preceding year was 598,740 acres. A broad classification of total area into acreage groups is given below :—

Acreage Group	No. of Holdings		Total Extent in acres		Percentage of total extent	
	1973	1974	1973	1974	1973	1974
Smallholdings (i.e., extents below 10 acres)	115,602	117,174	109,045	110,364	18.21	18.48
Estates 10 acres and above but below 100 acres	2,491	2,553	66,771	69,439	11.15	11.60
Estates 100 acres and above but below 500 acres	520	541	145,541	145,645	24.31	24.35
Estates 500 acres and above	312	308	277,383	272,818	46.33	45.57
Total	118,925	120,576	598,740	598,466	100.00	100.00

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

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

Ownership	Acreage		Percentage of total acreage	
	1973	1974	1973	1974
(a) Estates owned by Sterling Companies (<i>i.e.</i> , companies registered in U. K.) ..	157,467	149,473	26.30	25.27
(b) Estates owned by Rupee Companies (<i>i.e.</i> , companies registered in Sri Lanka) ..	145,017	127,263	24.22	21.18
(c) Estates owned by Ceylonese Individuals ..	149,348	122,672	24.94	20.38
(d) Estates owned by Non-Ceylonese Individuals ..	10,250	6,298	1.71	1.04
(e) Estates owned by Ceylonese Individuals and Non-Ceylonese Individuals (jointly) ..	4,137	3,312	0.69	0.56
(f) Estates—State-owned ..	23,476	78,884	3.92	13.15
(g) Small-holdings owned by Ceylonese Individuals ..	109,045	110,564	18.22	18.42
Total	598,740	598,466	100.00	100.00

Production

The total quantity of tea produced in Sri Lanka during 1973 was 465.8 million pounds as against 470.6 million in 1972. Production of High and Medium grown teas declined during the year. Low-grown teas increased by 6.5 million pounds to 132.9 million pounds in 1973, the highest on record for this 6.5 category. The overall decrease in production during the year was due to lower levels of fertilizer consumption coupled with poor trade margins and also adverse weather conditions.

Exports.—Production in 1974 was 449.8 million pounds, High and Medium-grown tea remained static, while Low-grown tea production declined by 15.5 million pounds. Adverse weather conditions and reduced fertilizer application contributed towards this decline.

The total quantity of Made Tea exported from Sri Lanka in 1973 according to Customs entries was 453.6 million pounds valued at Rs. 1,260.8 million with an average f.o.b. price of Rs. 2.78 per pound.

The following countries shared the major portion of Sri Lanka's tea exports during 1973 :—

	Quantity (in million pounds)
United Kingdom ..	72.3
Pakistan ..	66.8
Iraq ..	44.4
U. S. A. ..	39.0
Australia ..	24.4
South-Africa ..	23.6
Arab Republic of Egypt ..	20.6
Libya ..	19.5
Saudi Arabia ..	16.6
Syria ..	13.2

Tea Exports in 1974 as based on Customs entries were 386.7 million pounds valued at Rs. 1,360 million with an average f. o. b. price of Rs 3.52 per pound.

New Planting

The planting of new areas in tea is prohibited except on authority of permits issued by the Tea Controller under the Tea Control Act. Although no new permits were issued during the year, registration of unregistered tea lands, new areas planted under permits issued earlier and replanted areas under the Rubber into Tea Replanting Scheme, continued, giving a figure of 926 acres. A total of 1,137 acres were registered in 1974.

Nurseries

In terms of the Tea Control Act, a permit is necessary for the establishment of a tea nursery.

A total of 560 permits were issued in 1973 covering an extent of 77 acres. In 1974, 508 permits were issued covering 66 acres. The total number of permits in force as at the end of 1974 was 4,057 covering an extent of 2,403 acres.

Analytical control

To ensure that the Copper and Lead content of Sri Lanka tea is well below the maximum limits prescribed by consumer countries, the Tea Control Department regularly obtains samples from estates in different planting districts to be analysed by the Government Analyst.

Samples so far analysed by the Government Analysts were 65 and 28 respectively for Copper and Lead Contents.

Licensing of Tea Dealers

Under the Tea Control Act, all dealers in Made Tea and Green tea leaf are required to obtain annual licences from the Tea Controller. There were 3,218 such licensed dealers in tea as at end of 1973. This figure increased to 3,356 in 1974.

Business premises of these licensed tea dealers are regularly inspected by Field Officers of the department to ensure that dealers have conformed to various requirements of the Act and also check whether dealers have paid a reasonable price to suppliers of green tea leaf.

Tea Export Duty Rebate Scheme

Tea Export Duty Rebate Scheme was introduced in 1966 as a measure of assistance to tea producers, particularly the Smallholders, as there was a slump in tea prices. The scheme when originally introduced provided for payment of a maximum of 35 cts. a pound of first grade teas sold at the Colombo Auctions, fetching a price within a fixed range.

The Scheme was modified subject to price fluctuation at the Colombo Auctions. With the announcement of the 'Package Deal' the Scheme was further modified in November, 1973 by raising minimum price at which rebate is paid to Rs. 1.40 a pound and upper limit to Rs. 1.99 a pound. The rebate payable was also increased to 20 cts. a pound for low and medium-grown teas and to 15 cts. a pound for high grown teas. A sum of Rs. 21,586,285 was paid as rebate. The corresponding figure for 1974 was Rs. 3,373,865.

Replanting Subsidy Scheme

The Tea Replanting Subsidy Scheme was introduced in 1959 to induce estates to embark on regular and systematic replanting programmes with high yielding strains of vegetatively propagated tea, viz., tea propagated from cuttings obtained from clonal mother bushes and not from tea seed.

Under the "Package Deal", the rate of subsidy was increased to Rs. 4,750 per acre to be paid in seven instalments. Arrangements have been made with the Sri Lanka State Mortgage Bank to operate a loan Scheme under which loans upto Rs. 2,000 per acre are granted to participants in the Tea Replanting Subsidy Scheme, at low rates of interest and on liberal repayment terms.

Total area now participating in the Scheme is 83,579 acres or approximately 13.9 per cent. of total registered tea area in the Island. A total of 59,297 acres have so far been planted under the Scheme of which 5,953 acres were replanted in 1973.

A sum of Rs. 22.0 million has been paid as subsidies during the year.

Rubber into Tea Replanting Subsidy Scheme

The Rubber into Tea Replanting Subsidy Scheme introduced in 1962, provides for the payment of a subsidy for the replanting of old rubber lands with high yielding varieties of vegetatively propagated tea.

The Scheme envisages replanting of about 8,000 acres of old rubber lands with V. P. tea at a cost of Rs. 12 million. The subsidy payable under the Scheme is Rs. 1,500 per acre replanted and is spread over six instalments.

The total area replanted under the Scheme up to the end of 1973 was 4,076 acres, 228 acres of which were replanted during the year.

Payment of subsidy under this Scheme totalled Rs. 534,087.

Issue of Vegetatively Propagated Plants to Small-holders

With a view to encouraging more smallholders to replant, and also assist them to obtain better planting material, the Department formulated a Scheme, to provide smallholders with approved planting material at a subsidised cost.

Assistance of the Tea Research Institute was obtained for this project. Vegetatively propagated plants are issued to small-holders from the Tea Research Institute's sub-stations at Ratnapura Hantane and Kottawa and also from commercial nurseries approved by the Tea Research Institute.

As a further incentive to the Smallholder, payments for plants collected are deducted from the subsidy payable.

Factory Development

With a view to improving quality of made tea and effect economies in cost of manufacture, the Tea Factory Development Subsidy Scheme was introduced in the latter part of 1966.

The Scheme provides for the payment of—

- (a) A subsidy on interest on loans obtained to carry out improvements to existing tea factories and for the construction of new tea factories ;
- (b) A subsidy equivalent to one-third cost of approved items of tea machinery equipment, installed in tea factories.

Participants in the Scheme are afforded FEEC's free imports of raw materials and finished goods required for factory development. Apart from this, certain tax concessions are also afforded those undertaking tea factory development programmes.

Since inception of the Scheme, loans amounting to Rs. 70.4 million for improvement of existing factories and Rs. 5.7 for the construction of new factories have been approved. Under the Scheme, Rs. 4.1 million has been paid as subsidies during 1973. Payment of subsidy since inception of the subsidise scheme totalled Rs. 15.0 million, of which Rs. 3.9 million was paid in 1974.

Crop Diversification

With a view to replacing uneconomic tea land with more remunerative crops, the Government introduced a Crop Diversification Subsidy Scheme in 1970 on an experimental basis. The Scheme has been in operation throughout 1973.

The Scheme provides for payment of subsidies for cultivation of Coconut, Cocoa, Cardamom, Mulberry, Lemon Grass, Cloves, Nutmeg, Pepper, Pineapple, Passion Fruit, Pasture, Timber, Rubber and Sugar Cane as alternative crops on uneconomic tea lands. Since subsidies under this schemes will cover roughly half total investments required to establish alternative crops recommended, arrangements have been made with the Sri Lanka State Mortgage Bank to provide a loan equal to the amount of subsidy granted.

The assistance of the U.N.D.P. (Special Fund) has been obtained to draw up a comprehensive scheme for replacement of uneconomic tea lands for implementation at a subsequent stage. Progress of the Scheme since its inception is outlined in Table 7.2 :—

TABLE 7.2—PROGRESS OF CROPS DIVERSIFICATION SUBSIDY SCHEME

<i>Approved Crop</i>	<i>Acreage Authorised for replanting</i>	<i>Acreage Replanted</i>	<i>Subsidies Paid Rs.</i>
Coconut	1,648	966	460,300
Cocoa	218	51	60,050
Cardamom	884	281	320,300
Cloves	681	184	142,950
Nutmeg	49	2	2,600
Pepper	1,525	316	393,450
Pineapple	160	30	15,000
Passion Fruit	323	31	18,650
Pasture	650	137	62,100
Timber	1,334	251	80,500
Mulberry	5	—	—
Rubber	1,896	619	492,400
Lemon Grass	326	183	78,300
Sugar Cane	587	125	110,650
Total	10,286	3,176	2,237,250

Tea Fertilizer Subsidy Scheme

The Tea Fertilizer Subsidy Scheme which was confined to owners of tea lands below 100 acres in extent, was extended to cover estates over 100 acres in extent in November, 1973, consequent to the introduction of the "Package Deal" already referred to. Under this scheme fertilizer is supplied at half cost subject to a maximum subsidy of Rs. 350 per acre per annum. Applications, are called for annually for issue of permits. A total of 19,901 permits in respect of extent under 100 acres were issued covering an area of 58,656 acres. The total quantity of fertilizer authorised for purchase under these permits was 17,574 tons. Actual quantity of fertilizer purchased on permits in 1973 was 9,269 tons. Permit holders owning small-holdings and estates below 100 acres in extent are given option to draw their quota of fertilizer from one of the following sources of supply :—

- (a) Sri Lanka Fertilizer Corporation ;
- (b) Fertilizer Depots of the Tea Control Departments in Galle, Kandy, Gampola, Bandarawela and Ratnapura ;
- (c) Co-operative Societies in tea growing areas which have made arrangements with the Tea Control Department to distribute subsidised manure.

As regards permit holders who are unable to make their own transport arrangements, fertilizer is delivered by departmental lorries to distribution centres in proximity, to their holdings.

Permit holders owning estates over 100 acres in extent could obtain fertilizer quota from one of following sources :—

- (a) Sri Lanka Fertilizer Corporation ;
- (b) M/s. Colombo Commercial Co. Ltd. ;
- (c) M/s. Shaw Wallace & Hedges Ltd. ;
- (d) M/s. Baur & Co. Ltd. ;
- (e) M/s. Moosajees Ltd. ;
- (f) M/s. Robert's Forage Works.

Payment of subsidies under the scheme was Rs. 3.7 million in 1973.

Tea Chest Subsidy Scheme

The Tea Chest Subsidy Scheme also forms part of the "Package Deal" programme. Under this Scheme Government subsidises cost of new plywood tea chests panels used by registered tea factories for packing of tea, for purpose of sale through authorised channels.

The quantum of subsidy payable for each set of plywood chest panels would be the difference between selling price of a set of panels fixed by the Ceylon Plywood Corporation and a fixed sum of Rs. 3. A fee of 45 cts. is paid to Brokers in respect of each lot qualified for the subsidy.

There were 3 tea auction sales in 1973 since the scheme was introduced and a sum of Rs. 1,482,609 including Rs. 4,871 as Brokers fees, was on 227,344 chests.

Package Deal for the Tea Industry

The Package Deal for the Tea Industry which was introduced in November, 1973, continued to operate during 1974.

Measures envisaged in the Package Deal Programme were :—

- (i) The plough-back of Rs. 625 million in the form of subsidies for rehabilitation of the tea industry within the five year period 1974-78 ;
- (ii) Obligation on the part of all tea estate owners to maintain and develop their holdings in good condition ;
- (iii) Incorporation of Sterling Companies in Sri Lanka.

The Tea Control (Amendment) Law No. 39 of 1974 was enacted to provide statutory powers for the enforcement of norms for maintenance and development of tea estates. An Advisory Committee was also set up by the Minister of Plantation Industries in terms of provisions of the Tea Control (Amendment) Law to advise in this regard with Tea Controller (Chairman) and four other members.

All tea estates over 500 acres in extent were required during 1974 to formulate and submit to the Tea Controller their programmes of maintenance and development covering five year period 1974-78. These programmes covered following aspects of development and maintenance :—

- (a) Fertilizer application ;
- (b) Replanting ;
- (c) Crop Diversification ;
- (d) Factory Development ;
- (e) Housing for Labour.

The programmes were examined at the Tea Control Department and in case where programmes fell short of requirements, these were referred to the Advisory Committee. Several meetings were held by the Advisory Committee with the Directors of Tea Companies and representatives of Agency Houses.

To ensure that financial assistance given under the Package Deal is channelled for development of estates and not appropriated as dividends or spent on non-productive purposes, all Tea Companies were directed to credit to a Reserve Account the amount they could not invest during the year on approved development programmes.

The Companies Special (Provisions) Law No. 19 of 1974 was enacted during the year to provide for the local incorporation of all Sterling Companies.

III—RUBBER CULTIVATION

Sri Lanka ranks 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, 1974 registered under the Rubber Control Act, was 653,401 acres compared with 655,920 acres at the end of preceding year and 653,847 acres in 1972.

Although the acreage under rubber registered with the Rubber Control Department is 653,401 acres, the actual acreage cultivated in rubber is estimated to be 563,406 acres. The balance of 90,000 acres although "registered" is now virtually abandoned in view of high elevation and unsuitability 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", an area less than 10 acres in extent planted in rubber. The Island's total registered rubber area grouped into small-holdings and estates of varying sizes was :—

TABLE 7.3—RUBBER ACREAGE, BY SIZE OF HOLDINGS 1973 AND 1974

Category	No. of Holdings Registered		Total Extent (Acres)	
	1973	1974	1973	1974
Small-holdings (below 10 acres)	152,338	153,149	212,263	213,372
Estates 10 acres and above but below 100 acres	6,288	6,604	156,916	154,869
Estates 100 acres and above	787	803	286,741	285,160
Total	159,413	160,556	655,920	653,401

Departmental records show that 457,670 acres of Sri Lanka's total registered rubber area of 653,401 acres in 1974 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 with the introduction of Government's Rubber Replanting Subsidy Scheme in 1953.

Production

The total production of rubber in Sri Lanka in 1974 is estimated at 129,923 tons as compared with 152,232 tons the preceding year.

The break-up of 1974 rubber production (in tons) under various categories (with corresponding 1973 figures) appears below :—

Year	Sheet	Sole Crepe	Scrap Crepe	Latex Crepe	Technically Specified rubber	Latex (dry rubber content)	Total (Tons)
1974	71,010	4,041	14,970	38,733	567	602	129,923
1973	90,335	4,430	11,783	44,208	971	505	152,232

On the basis of the "cultivated" acreage as estimated by the Department of Census and Statistics the actual area in tapping during 1974 (excluding areas not of tappable age) was 475,165 acres. The average yield figure available for the year 1973 was 694 pounds per acre taking to cognizance the actual tappable acreage.

Local consumption

Returns furnished by local consumers and the Ceylon Tyre Corporation show a total of 6,141 tons of rubber had been consumed locally in 1974 as compared with 6,019 tons in 1973.

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

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

Exports

The actual quantity of rubber exported during 1974 was 132,938 tons as compared with 129,000 tons the preceding year.

Total quantity in respect of which entries had been passed during 1974 based on Customs Returns, is 125,535 tons valued at Rs. 736,294,424 compared with 158,213 tons valued at Rs. 590,057,421 in 1973. These figures are subject to adjustment in view certain quantities shipped in ensuing period or preceding periods specified.

Customs entries also reveal that the People's Republic of China was once again Sri Lanka's best customer for local rubber followed by the Federal Republic of Germany and the U. S. S. R., Italy, Pakistan and Poland contributed substantially towards local rubber exports.

Rubber Dealers

All rubber dealers are required to obtain licences under Section 13 of the Rubber Control Act. There were 2,925 licensed rubber dealers in 1974. Licensed dealers are also 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

The average Colombo price of Sheet Rubber (RSS No. 1) during the whole of 1974 was Rs. 1.28 1/4 cts. per lb. as compared with the average price of Rs. 1.17 1/2 cts. a lb. in the preceding year and 0.80 1/2 cts. in 1972. Average price of crape rubber during 1974 was Rs. 1.99 1/2 cts. a lb. compared with Rs. 1.80 1/2 cts. a lb. during 1973.

Rubber Replanting Subsidy Scheme

Rubber land owners who intend replanting their lands with high-yielding varieties are paid subsidies on a graded scale. Increased rates of subsidy now payable are :—

- (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) In the case of holdings under 100 acres in extent, the subsidy payable is Rs. 2,000 per acre.

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

Acreage replanted under the Rubber Replanting Subsidy Scheme upto end of 1973 was 310,866 acres the extent replanted in 1974 being 7,076 acres. Total replanted area under the Scheme as at end of 1974 is 317,942 acres.

Issue of Fertilizer and Planting Material

Arrangements have been made for small-holders, particularly those residents in remote areas void of transport facilities to arrange delivery of comparatively small quantities of fertilizer requirements, 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 Rubber Control Department to small-holders participating in the Replanting Subsidy Scheme.

IV—COCONUT CULTIVATION

Value of coconut products fetched an all time record during 1974. The export value of Rs. 397 million was higher than Rs. 334 million recorded in 1968 by 19 per cent.

Estimated production of coconut for 1974 viz. 2,353 million nuts, an increase of only 3.4 per cent over 1973 a bleak year for the coconut industry. In terms of average production for the 5-year period (2,673 million nuts) the decrease is 12.0 per cent. Sri Lanka's peak production estimated at 3,148 million nuts was recorded in 1964. The 1974 figure falls short of the all-time record by 25.3 per cent.

The increase in production reflected during 1974 (over the preceding year) on the volume of exports amounts to 11.0 per cent. In terms of the average for the 5-year period ending 1974, volume of exports is lower by 47.6 per cent. In relation to the 1964 figure the decline has been 71.2 per cent.

Though a decline in export volume, phenomenal prices were recorded during 1974. Average price of coconut products which in 1973 amounted to Rs. 342.79 showed a phenomenal increase by 146.8 per cent in 1974, viz. Rs. 848.30 the highest so far recorded. Average price of coconut products for the past 5-year period has been Rs. 259.44. The 1974 figure exceeds the average price by 227 per cent.

Highest export earnings during 1974 were obtained from desiccated coconut amounting to Rs. 252 million (46 per cent of total) followed by coconut oil exports viz. Rs. 141 million or 26 per cent of total earnings.

Rainfall statistics of selected stations in the main coconut growing areas appear in Table 7.4 :—

TABLE 7.4—RAINFALL STATISTICS (SELECTED STATIONS IN COCONUT GROWING AREAS) 1974

	<i>Chilaw</i>	<i>Madampe</i>	<i>Puttalam</i>	<i>Kurunegala</i>	<i>Lunuwila</i>
	(ins)				
January	0.00	0.00	0.03	0.00	0.00
February	2.67	3.90	2.88	8.82	0.78
March	2.20	0.54	0.67	3.01	3.04
April	18.78	20.16	9.93	9.02	12.99
May	10.79	15.65	2.02	7.92	10.66
June	0.09	2.65	0.48	5.58	4.06
July	2.10	5.58	0.32	7.94	7.22
August	2.30	4.17	0.78	4.02	3.27
September	5.62	5.30	1.84	9.23	8.20
October	1.06	2.25	0.21	6.97	4.11
November	9.14	5.81	1.79	7.00	5.84
December	2.66	2.10	3.26	4.45	5.67
Total	57.41	68.11	24.21	73.96	65.84

Coconut Fertilizer Subsidy Scheme

The Coconut Cultivation Board established in May, 1972 under the provisions of the Coconut Development Authority (Act No. 46 of 1971) continues operate the Coconut Fertilizer Subsidy Scheme. A total of 21,014 permits were issued to applicants for fertilizer under this Scheme in 1974. Quantity of fertilizer authorised on these permits was 63,243 tons. The actual quantity drawn by permit holders up to 31 December, 1974 was 25,339 tons.

The unprecedented spell of drought during the latter part of the year and non-availability of fertilizer as well as price increases (twice during the year) by the Ceylon Fertilizer Corporation could be adduced as factors responsible for the decline in use of fertilizer during 1974.

The Cultivation Board Fertilizer Stores at Bangadeniya, Veyangoda, Kurunegala, Kuliypitiya, Negombo and Ambalangoda helped small holders in those regions to obtain their requirements of fertilizer conveniently and at less expense. Coconut Development Officers assigned regions served by these Fertilizer Stores continued to issue fertilizer permits to small-holders owning coconut lands of 10 acres and less in extent.

There were 31 authorised dealers appointed in coconut growing areas of the Island, for distribution of fertilizer to permit holders under this Scheme. Of these authorised dealers 20 were Multi-purpose Co-operative Societies. In addition to authorised dealers, 160 Multi-purpose Co-operatives helped in the distribution of the coconut fertilizer among their members, who were mostly small-holders.

Desiccated Coconut

Of the 1972 Desiccated Coconut mills that applied for registration under the Coconut Processing Board, only 67 had complied with conditions necessary for registration. There were only 65 mills functioning during 1974.

A total of 93.3 million pounds of desiccated coconut were manufactured in 1974, an increase of 9.6 million pounds over the preceding year.

Desiccated coconut so manufactured is subject to routine sampling on a 10 per cent basis for both bacteriological and quality examination. Where Salmonella contamination was evident on routine examination, such quantities were subject to 100 per cent re-sampling and examination.

A total of 12,462 samples of desiccated coconut were examined in the bacteriological laboratory of the Board during the year, and Salmonella contamination was detected only in 38 samples from 24 mills giving approximately 0.30 per cent of routine samples. Twelve (12) Serotypes of Salmonella were identified from the samples examined.

A total of 14,535 samples were analysed in the quality laboratory of the Board. These were examined for moisture content, presence of parings and specks, colour, odour, grading and oil separation. Special sampling was carried out in case of Canadian shipments on a 50 per cent basis and in all 711 Canadian shipment samples were handled in the Board's laboratory. Of routine samples tested, 695 were found to be sub-standard in respect of one or more of quality requirements. Approximately 5.7 per cent of routine samples examined for physical quality were subsequently re-sampled on higher percentages on account of their being found defective on first examination.

Exports

Exports of Coconut products, viz. fresh nuts, desiccated coconut, coconut oil and copra by quantity and value and corresponding nut equivalent for years 1973 and 1974 were :—

TABLE 7.5—EXPORTS OF COCONUT PRODUCTS 1973 AND 1974

Item	Quantity		Value (Rs.) 1973
	1973	1974	
Fresh Nuts	5,117,764 (No.)	2,389,374 (No.)	3,459,845
Desiccated Coconut	742,934 (cwt.)	837,806 (cwt.)	111,128,857
Coconut Oil	361,210 (cwt.)	429,993 (cwt.)	26,889,058
Copra	54,780 (cwt.)	8,000 (cwt.)	3,553,713
Total ..	1,158,924 (cwt.)	1,261,179 (cwt.)	145,031,471

TABLE 7.5—EXPORTS OF COCONUT PRODUCTS 1973 AND 1974 (contd.)

Item	Value (Rs.) 1974	Nut Equivalent	
		1973	1974
Fresh Nuts	3,145,933	5,117,764	2,389,374
Desiccated Coconut	251,782,682	256,312,230	289,043,070
Coconut Oil	141,320,708	146,741,562	174,684,656
Copra	907,062	13,695,000	2,000,000
Total ..	397,156,385	421,866,556	468,177,100

Conversion Rate :

1 ton copra = 5,000 nuts

1 ton coconut oil = 8,125 nuts

1 ton desiccated coconut = 6,900 nuts

Fibre Exports (mattress fibre, Bristle Fibre and Coir Yarn) totalled 2,116,465 cwts valued at Rs. 112,119,254 during 1974 as compared with 2,064,927 cwts valued at Rs. 75,463,643 the preceding year.

Prices

A comparative study in the average price structure of major coconut products, viz. Copra, Coconut oil and desiccated coconut for the years 1973 and 1974 is made in the table below :—

TABLE 7.6—MONTHLY AVERAGE PRICES OF COCONUT PRODUCTS 1973 AND 1974

Month	Copra per Candy		Coconut oil per Ton		Desiccated coconut per lb.	
	1973	1974	1973	1974	1973	1974
	Rs. c.	Rs. c.	Rs. c.	Rs. c.	Rs. c.	Rs. c.
January	262.23	557.69	1,250.00	3,508.02	0.71	1.46
February	282.80	577.00	1,355.26	3,753.69	0.79	1.43
March	295.40	637.79	1,513.64	3,948.19	0.75	1.63
April	317.33	722.08	1,650.00	4,458.53	0.72	1.63
May	320.67	700.03	1,523.68	4,565.49	0.74	1.43
June	350.96	638.20	1,500.00	4,179.86	0.88	1.43
July	352.25	538.00	1,500.00	3,793.59	1.15	1.38
August	308.25	(No sales)	1,500.00	3,753.63	0.95	1.37
September	325.06	do.	1,500.00	3,681.86	0.85	1.35
October	314.13	do.	1,500.00	3,559.96	0.94	1.40
November	344.95	do.	1,500.00	3,592.76	1.07	1.23
December	396.27	do.	1,500.00	2,826.92	1.24	1.21
Average	322.52	*624.40	1,482.71	3,801.88	0.90	1.42

*Average for 7 months — 1 Candy = 560 lbs.

Coconut Cultivation Board

The Coconut Cultivation Board was established on 30th March, 1972, by the Minister of Plantation Industries in pursuance of the powers vested in him under Section II, Sub-section I of the Coconut Development Act (No. 46).

The functions of the Coconut Cultivation Board are: primarily to assist, promote and regulate cultivation of land under coconut, to foster development of the productivity of coconut lands, to promote, assist interplanting programmes on coconut lands, promote and popularise animal husbandry, intercrops, pasture and cultural practices on coconut lands, in general to guide and advise the coconut industry on all matters of a technical nature with provision of extension and advisory services.

Coconut Fertilizer Subsidy Scheme. Under this Scheme coconut fertilizer is made available to both the Estate sector and small-holdings at subsidised rate of half cost.

Administration of the coconut fertilizer subsidy scheme, which was a function of the now defunct Coconut and Cocoa Rehabilitation Department since 1956 was taken over by the Board in May, 1972. Fertilizer is supplied direct by the Ceylon Fertilizer Corporation and distributed through the Board's Regional Fertilizer Stores, Co-operatives and Authorised Dealers appointed by the Board. Seven varieties of artificial fertilizer mixtures as recommended by the Coconut Research Board were issued under this Scheme.

A total of 22,567 permits were issued for supply of 72,486 tons covering an extent of 291,928 acres as detailed below :-

	No. of Permits	Quantity approved (tons)	Acreage
Estates	2,278	38,000	176,446
Small-holdings	19,272	27,241	90,220
Small-holdings (a)	1,017	7,245	25,062

(a) Issues made through M. P. C. S.S.

New fertilizer prices made effective from 1 October, 1973 by the Fertilizer Corporation resulted in a substantial increase on old prices as shown below:—

Fertilizer	Old Price	New Price
	(Price per ton) Rs.	Rs.
CRI A	493	630
CRI B	498	640
CRI C	502	650
CRI General mixture for young palms	482	600
<i>Substitute U Mixtures</i>		
CRI UI	560	746
CRI UII	567	763
CRI UIII	573	777
<i>Direct Fertilizers</i>		
Muriate of Potash 60 (per cent)	554	620
Sulphate of Ammonia	514	645
Ground Dolomite (limestone)	90	100
Kieserite	625	675

In terms of actual quantities of fertilizer issued during the year, there was a decrease in quantities issued as against those of 1972. This perhaps could have been occasioned by shortage of fertilizer coupled with unpredicted spell of severe drought experienced during the latter part of the year and the unexpected increase in price of all varieties of fertilizer marketed by the Ceylon Fertilizer Corporation.

To facilitate purchase of fertilizer by owners of small-holdings, 22 authorised dealers were appointed for fertilizer distribution in addition to M.P.C.S.S. and the Regional Fertilizer Stores of the Board. Fertilizer intake with corresponding subsidy for the last six years is given below :-

Year	Total Issued (Tons)	Subsidy Rs. (Million)
1968	63,209	14.6
1969	60,901	14.9
1970	62,358	15.1
1971	59,048	13.7
1972	44,722	10.8
1973	30,539	8.2

Advisory and Extension Service

Advisory and Extension Services were continued on an enhanced scale. Intercropping on coconut land, was one of the major schemes, operated under this Service. Coconut growers are supplied under the scheme with necessary seed and planting material and whenever any form of technical advice and guidance is required.

During Yala Season 452 acres were brought under subsidiary food crops as soya beans, gram, cowpea, sorghum, sweet potatoes, manioc, green gram, ground-nut and toor-dhal. In addition 28,110 acres were also cultivated by land owners themselves with crops on advice and direction given by Field Staff of the Board.

A total of 1,379 acres were intercropped during Maha season under direct supervision of Coconut Development Officers, the extent intercropped by small-holders being 69,702 acres. Extents intercropped covering both Yala and Maha seasons during 1973, were 99,643 acres.

Pasture Subsidy Scheme. This Scheme was put into operation in early 1973. Coconut lands receiving sufficient rainfall for development of pasture were eligible for a cash subsidy of Rs. 120 per acre.

A total of 3,322 acres were subsidised during the year.

The Coconut Cultivation Board maintained selected villages as Demonstration Centres for purpose of introducing improved methods of cultivation.

The four Demonstration Centres at Mylambavel, Pallai, Mundel and Alampil which were maintained by the Coconut Research Board were taken over in May, 1972. These Demonstration Centres assist coconut cultivators in the adoption of proper cultural practices on coconut lands.

Training and Publicity work

Field Officers of the Board were given intensive training on intercropping during the year. Local exhibitions gave publicity to extension work carried out by the Board, in addition to propaganda meetings and discussions by Field Officers. A Publicity Unit was set up during the year. The Board commenced a 'Socio-Economic Study of coconut holdings' in some selected villages in Ambalangoda-Balapitiya in December, 1973.

A preliminary survey was conducted in the Toddy Tapping area, south of Colombo to determine conditions of tapped and untapped holdings and recommend steps for rehabilitation of these holdings.

V.—RICE AND OTHER FOOD CROPS

Rice

Rice forms the staple food of the people. It is cultivated in nearly 1.1 million acres in Maha (September-March) season and in 0.6 million acres during Yala (April-August) season. Total production of paddy (grain in husk) during 1973 (Maha 1972/73 and Yala 1973) was estimated at 62.9 million bushels. The extent of cultivable paddy land was in the region of 1.4 million acres.

Increased rice production is one of the main objectives in the Government Agricultural Development Plan. To ensure increased rice production, the Government affords the cultivator such facilities as good quality seed of high yielding varieties, credit and marketing, subsidised fertilizer and an attractive guaranteed price.

High yielding varieties capable of yielding 100 bushels per acre or even more have been developed by agricultural scientists and are being cultivated by farmers. The more popular varieties are Bg 11-11 (4 months age), Bg 34-6, Bg 34-8 and Bg 33-2 (3½ and 3 months age).

* TABLE 7.7—EXTENTS SOWN, HARVESTED AND AVERAGE YIELD MAHA 1972-73

District	Gross Extent Sown (Figures in Acres)			Gross Extent Harvested			Average Yield per acre (In Bushels)
	Major Schemes	Minor Schemes	Rainfed	Total	Major Schemes	Minor Schemes		Total
SRI LANKA	392,511	306,801	479,657	1,178,969	376,958	282,425	1,085,124
Colombo	4,878	4,948	48,628	58,454	4,817	4,888	46,935
Kalutara	—	5,671	37,437	43,108	—	5,231	35,146
Galle	—	1,823	45,232	47,055	—	1,795	43,270
Matara	7,957	8,984	29,094	46,035	6,081	7,428	24,326
Ratnapura	11,629	17,528	11,181	40,338	11,386	17,175	10,889
Kegalle	—	6,627	20,876	27,503	—	6,447	19,956
Kurunegala	21,297	52,828	71,210	145,335	20,510	47,289	60,929
Puttalam	4,347	15,474	5,306	25,127	4,039	13,831	4,661
Kandy	9,050	21,330	18,235	48,615	9,047	21,199	17,936
Matale	4,788	11,799	7,632	24,219	4,788	10,666	6,469
Nuwara Eliya	1,972	15,283	782	18,037	1,968	15,140	771
Badulla	7,990	19,933	3,624	31,547	7,968	19,753	3,291
Moneragala	7,347	6,658	3,851	17,856	6,111	7,232	3,345
Jaffna	25,661	2,139	54,979	82,779	25,051	1,859	41,985
Vavuniya	10,343	21,175	13,865	45,383	10,343	20,036	13,295
Mannar	21,953	9,290	3,764	35,007	21,692	9,041	3,459
Anuradhapura	50,940	59,580	8,330	118,850	49,744	49,125	6,861
Polonnaruwa	50,154	7,590	4,872	82,616	50,046	7,508	4,727
Trincomalee	20,235	5,332	11,989	37,556	18,750	4,969	10,730
Batticaloa	28,050	670	53,935	82,655	26,335	482	43,467
Amparai	70,149	3,391	20,811	94,351	65,289	3,245	19,507
Hambantota	33,771	8,748	4,024	46,543	32,995	8,005	3,786

(1) The nett acreage harvested is estimated to be 85 percent of the gross harvested acreage ; on this basis the nett harvested acreage was 922,355 with an estimated production of 42,004,000 bushels of paddy.

(2) Estimates based on past records have been built in respect of those areas where temporary difficulties have been experienced in the reporting system.

TABLE 7.8—EXTENTS SOWN, HARVESTED AND AVERAGE YIELD—YALA 1973

District	Gross Extent Sown (Figures in Acres)			Gross Extent Harvested			Average Yield per acre (Bushels)
	Major Schemes	Minor Schemes	Total	Major Schemes	Minor Schemes	Total	
SRI LANKA	214,969	140,879	613,153	207,335	129,393	574,656	42.78
Colombo	2,076	4,045	45,512	2,058	3,998	44,349	37.62
Kalutara	—	5,375	42,078	—	5,196	40,115	29.67
Galle	—	1,356	49,132	—	1,351	46,265	26.47
Matara	8,555	8,864	46,355	8,143	8,278	44,231	35.72
Ratnapura	16,922	16,469	36,264	10,887	16,260	35,842	40.72
Kegalle	—	6,189	23,241	—	5,543	20,856	48.40
Kurunegala	11,278	32,530	96,559	10,665	26,620	79,610	41.22
Puttalam	1,623	6,053	8,504	1,513	5,050	7,350	34.42
Kandy	8,789	17,119	40,301	8,782	16,806	39,565	53.12
Matale	1,794	7,946	13,398	1,794	7,217	12,162	42.47
Nuwara Eliya	1,615	9,319	11,058	1,608	9,289	11,019	68.40
Badulla	3,989	6,657	10,683	3,803	6,444	10,281	58.02
Moneragala	2,165	1,694	3,859	2,117	1,680	3,797	52.20
Jaffna	8,893	114	9,007	8,789	110	8,899	41.67
Vavuniya	1,015	458	1,473	965	457	1,422	47.92
Mannar	1,794	215	2,009	1,780	215	1,995	55.67
Anuradhapura	21,688	3,633	25,665	21,068	2,803	24,215	41.27
Polonnaruwa	39,190	4,367	43,557	38,947	4,205	43,152	58.92
Trincomalee	5,429	441	6,131	5,316	344	5,825	54.97
Batticaloa	16,026	2,023	20,977	13,390	1,753	17,747	46.05
Amparai	50,308	1,451	51,759	49,233	1,451	50,684	45.17
Hambantota	17,820	4,561	25,611	16,477	4,325	23,724	50.07

(1) The nett acreage harvested is estimated to be 85 percent of the gross harvested acreage. On this basis the nett harvested acreage was 488,458 with an estimated production of 20,896,000 bushels of paddy.

(2) Estimates based on past records have been built in respect of areas where temporary difficulties have been experienced in the reporting system.

TABLE 7.9—EXTENTS SOWN, HARVESTED AND AVERAGE YIELD MAHA 1973-74

District	Gross Extent Sown (figures in Acres)				Gross Extent Harvested				Average Yield (per Nett Acre) (Bushels)					
	Major Schemes	Minor Schemes	Rainfed	Other	Total	Major Schemes	Minor Schemes	Rainfed	Other	Total	Major Schemes	Minor Schemes	Rainfed	Average
SRI LANKA	414,092	330,816	519,821	53,090	1,317,819	407,490	323,081	506,066	51,725	1,288,362	58.94	48.76	38.20	47.72
Colombo	5,022	5,593	49,989	—	60,604	4,997	5,565	49,739	—	60,301	41.70	44.08	39.55	40.15
Kalutara	—	6,109	41,605	3,218	50,932	—	6,078	41,397	3,202	50,677	—	31.92	33.35	33.17
Kandy	8,780	21,968	17,676	—	48,424	8,653	21,643	17,515	—	47,811	80.32	61.95	53.52	62.19
Matale	7,112	13,003	6,625	1,423	28,163	6,860	12,645	6,436	1,382	27,323	51.60	51.08	41.65	48.88
Nuwara-Eliya	2,013	15,300	794	—	18,107	2,002	15,239	780	—	18,021	113.85	95.18	85.85	96.85
Galle	—	1,298	51,630	4,496	57,424	—	1,295	51,527	4,487	57,309	—	31.10	31.98	32.93
Matara	8,300	8,926	30,880	—	48,106	8,283	8,908	30,818	—	48,009	48.38	40.18	39.10	40.90
Hambantota	31,660	9,868	4,551	—	46,079	31,051	9,270	4,288	—	44,609	68.78	53.10	38.85	62.64
Jaffna	26,938	1,889	56,868	1,040	86,735	26,682	1,839	52,401	1,019	81,941	50.75	38.78	31.08	37.74
Mannar	23,524	10,096	4,279	9,323	47,222	23,054	9,894	4,193	9,137	46,278	64.15	39.20	50.40	55.95
Vavuniya	11,421	21,712	18,961	3,766	55,860	11,278	20,390	17,343	3,691	52,702	46.55	43.05	33.70	40.55
Batticaloa	29,373	4,835	55,176	5,995	91,141	28,785	585	54,072	5,875	89,317	42.55	43.38	37.58	39.91
Amparai	69,073	24,477	22,732	4,341	101,021	67,962	4,738	22,316	4,254	99,000	46.62	41.02	37.55	44.20
Trincomalee	17,945	54,273	21,896	4,761	57,126	23,987	5,873	21,458	4,666	55,984	52.38	38.60	33.90	43.08
Kurunegala	—	—	71,364	—	143,382	17,676	53,459	70,294	—	141,429	56.25	33.02	38.92	38.86
Puttalam	4,635	18,637	6,819	3,916	34,007	4,582	16,693	5,149	3,838	30,262	51.10	28.70	26.80	32.21
Anuradhapura	54,599	66,575	9,640	4,091	134,805	53,682	65,576	9,495	4,030	132,783	49.55	51.95	43.88	50.35
Polonnaruwa	51,988	8,309	7,231	2,736	70,264	51,208	8,184	7,122	2,239	68,753	87.10	66.78	65.40	82.28
Badulla	10,242	20,507	4,023	1,118	35,890	10,206	20,387	3,322	1,096	35,011	64.32	71.08	47.08	66.69
Moneragala	6,597	7,734	4,459	2,866	21,656	6,337	7,493	4,182	2,809	20,821	78.28	54.22	39.02	59.15
Ratnapura	4,330	20,885	11,846	—	37,061	4,312	20,312	11,753	—	36,777	70.45	37.52	33.25	40.02
Kegalle	—	6,709	20,757	—	27,466	—	6,615	20,466	—	27,081	—	56.20	53.70	54.31
Uda Walawe	16,163	—	—	—	16,163	16,163	—	—	—	16,163	74.42	—	—	74.42

Note—

1. Other cultivations include highland paddy, tank-bed cultivation and unauthorised cultivation on State lands.
2. Driage factors have been revised based on crop cutting experiments conducted in the preceding two Maha seasons.
3. The correction factor (85 per cent) has been applied only on the harvested extent of the sown acreage under regular as well as under paddified land.
4. Estimated paddy production is 52,629,000 bushels.
5. In view of its importance in agricultural development Uda Walawe has been treated as a separate stratum for purpose of estimating area and yield of paddy.
6. Estimates based on past records have been built in respect of areas where temporary difficulties have been experienced in the reporting system.

TABLE 7.10—EXTENTS SOWN, HARVESTED AND AVERAGE YIELD, YALA 1974

District	Gross Extent Sown (Figures in Acres)				Gross Extent Harvested				Average yield per nett acre (Bushels)			
	Major Schemes	Minor Schemes	Rainfed	Total	Major Schemes	Minor Schemes	Rainfed	Total	Major Schemes	Minor Schemes	Rainfed	Average
SRI LANKA	261,994	171,828	286,417	720,239	248,261	162,590	270,268	681,119	48.75	42.34	35.13	41.74
Colombo	4,178	5,006	45,246	54,430	4,404	4,568	42,482	51,090	44.57	29.55	35.24	35.17
Kalutara	—	6,433	40,793	47,226	—	5,914	37,798	43,712	—	30.21	29.13	29.28
Kandy	8,644	18,835	16,873	44,253	8,635	18,730	16,854	44,219	70.13	60.80	54.73	60.65
Matale	4,573	7,757	3,786	16,116	4,552	7,601	3,679	15,832	47.94	42.88	36.44	42.69
Nuwara-Eliya	1,692	10,542	278	12,512	1,668	10,405	273	12,346	62.23	62.13	42.82	42.60
Galle	—	1,433	53,177	54,610	—	1,428	50,357	51,765	—	32.80	28.60	64.24
Matara	8,483	8,668	30,136	47,287	8,223	8,036	28,241	44,500	46.80	35.30	31.10	28.70
Hambantota	23,876	4,011	3,103	30,990	23,710	3,750	2,789	30,249	66.60	50.11	22.26	34.68
Jaffna	11,350	75	—	11,425	11,318	75	—	11,393	44.12	44.42	—	59.98
Mannar	3,804	430	—	4,334	1,052	371	—	1,423	32.84	32.47	—	44.12
Vavuniya	2,209	1,976	—	4,187	2,209	1,964	—	4,173	48.84	54.86	—	32.79
Batticaloa	20,363	2,856	2,429	25,648	17,104	2,392	11,506	21,002	42.07	36.43	30.20	51.89
Amparai	57,570	3,028	—	60,598	51,911	2,505	—	54,416	37.18	51.83	—	40.55
Trincomalee	9,432	1,420	81	10,933	9,250	1,372	78	10,700	55.15	45.82	43.92	37.27
Kurunegala	14,060	41,430	57,483	112,973	14,019	37,989	54,504	106,512	51.77	34.98	40.84	54.25
Puttalam	2,849	6,960	1,206	11,015	2,711	6,173	916	9,800	37.43	30.06	27.95	40.16
Anuradhapura	22,869	7,728	214	30,811	22,121	6,566	214	28,901	42.89	36.91	32.93	31.77
Polonnaruwa	37,496	6,076	—	43,572	37,345	5,825	—	43,170	49.59	46.74	—	41.38
Badulla	5,698	8,631	161	14,490	5,698	8,619	74	14,391	41.82	42.26	—	49.19
Moneragala	2,393	2,156	19	4,568	2,352	2,100	16	4,468	33.34	49.34	—	42.08
Ratnapura	4,245	20,063	10,919	35,227	4,233	19,904	10,714	34,851	49.76	40.35	32.88	42.02
Kegalle	—	6,312	20,513	26,825	—	6,303	19,793	26,096	—	37.89	39.63	39.25
Uda-Walawe	16,110	—	—	16,110	16,110	—	—	16,110	64.83	—	—	64.83

1. The nett acreage harvested is estimated to be 85 percent of the gross harvested acreage. On this basis the nett harvested acreage was 578,951 acres with an estimated production of 24,165,000 bushels, having 95 per cent confidence limits of 23,702,000 bushels and 24,628,000 bushels.

2. Estimates based on past records have been built in respect of areas where temporary difficulties have been experienced in the reporting system.

3. In view of its importance in agr-cultural development Uda Walawe has been treated as a separate stratum for purpose of estimating area and yield of paddy.

As a result of extension activities with emphasis on field demonstrations, farmer-training classes, and field programmes nearly 85 per cent. of total extent cropped in Maha is under improved varieties. Fertilizer consumption has also been increasing over the years. Approximately 96,000 tons of fertilizers were used during the year by cultivators.

The average yield per acre amounted to 45.54 bushels in Maha and 42.78 bushels in Yala seasons.

Paddy production in Maha 1973-74 was 52.6 million bushels inclusive of paddy obtained from unsweddumized cultivations. During Yala 1974 season, estimated paddy production was 24.2 million bushels giving a total of 76.8 million bushels for the 1973-74 cultivation year.

Other Food Crops

Other food crops, that received considerable attention and assistance were chillie, onion, maize, groundnut, potato, green-gram, other pulses and vegetables.

Due to stoppage of imports and increased local prices chilli production reached a record peak of nearly 385,000 cwt. Similar increases in production were recorded for red onion (1.35 million cwt.) and green-gram (58,000 cwt.)

Maize production mainly as a chena crop totalled approximately 268,000 cwt while ground-nut production during the year was 71,200 cwt.

Fruits

Pineapple, passionfruit and mango have been identified as crops with an export potential. To step up local production, good quality planting material, credit and marketing facilities are being offered to cultivators of these orchard corps.

VI—DEPARTMENT OF MINOR EXPORT CROPS

The Department of Minor Export Crops was established in 1972 with the following objectives :—

- (a) Promotion and development of cultivation and processing of minor export crops of a perennial nature ; crops dealt with at present are, cocoa, cashew, mulberry (silk manufacture), cinnamon, cardamon, cloves, nutmeg, pepper, coffee, citronella, oil palm and papain (papain production).
- (b) Organisation of cultivation of these crops.
- (c) Promotion of new cultural practices and crops with export potential.
- (d) Implementation of policy resulting from Project Study on Agricultural Diversification on, uneconomic tea and rubber lands.

Under the New Planting, Replanting, Rehabilitation and maintenance programme assistance is afforded both in cash viz. (1) subsidies or grants ; (2) long-term loans from the People's Bank and Rural Banks and in kind, issue of planting material free, (b) fertilizer at half cost. (c) free availability of agro-chemicals (Pesticides).

Cultivation activities of the Department during the year 1973 are outlined in Table 7.11.

TABLE 7.11—CULTIVATION ACTIVITIES OF THE DEPARTMENT OF MINOR EXPORT CROPS, 1973

<i>Crop</i>	<i>No. of applications</i>	<i>No. of permits</i>	<i>Acreage covered</i>	<i>Extent cultivated (acres)</i>
Papain	145	111	540	154
Cloves	271	174	327	137
Nutmeg	20	7	42	13
Mulberry	275	107	618	331
Pepper	1,237	944	1,726	160
Cocoa	227	118	422	26
Cardamon	134	159	959	400
Coffee	439	320	633	155
Cinnamon*	228	117	250	37
Cashew	717	396	3,205	1,192

* Replanting.

VII—ANIMAL HUSBANDRY

Dairying

Milk production continues to receive considerable attention in Sri Lanka. International agencies afforded necessary assistance in developing the dairy industry. Subsidies are also paid by Government to establish pasture under coconut for increased milk production.

Government Farms and Government sponsored Projects recorded milk production during the year as given below :—

	<i>Pints</i>
Thamankaduwa Project	3,247,857
Ambawela-Bopatalawa Project	5,387,000
Undugoda Farm	280,678
Ridiyagama Farm	847,276
Wirawila Farm	255,177
Karagoda-Uyangoda Farm	131,856
Nikaweratiya Farm	77,806

Poultry

Government farms and privately owned hatcheries continue to meet demand for chicks for breeding purposes.

Day-old-chicks, Broilers and Ducklings supplied were—

Day-old-chicks	507,571
Broiler chicks	54,193
Ducklings	2,051

Other Livestock

Livestock breeders were sold 2,665 piglings and 446 goats at the various State Farms.

Animal Health

The Government Veterinary Staff provided vaccination services listed below :

	<i>Vaccination (No.)</i>
Raniket disease	3,221,889
Fowl pox	2,102,531
Haemorrhagic sept.	647,160
Foot and Mouth	65,602
Anthrax	14,357
Blackquarter	39,553
Rabies	19,447
Salmellois	689
Brucellois	198

VIII—AGRARIAN SERVICES DEPARTMENT

With a tempo for increased production, particularly food crops gathering momentum, the activities of the Department of Agrarian Services were geared to accommodate changing patterns in the agro-economic structure of Sri Lanka. Functions which devolve on the department could broadly be classified as :—

- (1) Implementation of the Agricultural Productivity Act, No. 2 of 1972.
- (2) Implementation of the Agricultural Lands Act, No. 42 of 1973.
- (3) Paddy Lands Act, 1958.
- (4) Crop Insurance Scheme.
- (5) The Guaranteed Price Scheme for Subsidiary Crops.
- (6) Issue of fertilizer under the Subsidy Scheme.
- (7) Grant of mid-term and long-term credit facilities.

Implementation of Agricultural Productivity Act and Agricultural Lands Act are functions of recent origin. Administrative procedure as regards Rural Institutions and Productivity Law of the Ministry of Agriculture and Lands has been vested in the department.

Agricultural Productivity Act

Implementation of this act is one of the most important functions of the Department. Main objectives of the Act include utilization of agricultural lands for purpose of obtaining optimum benefit development of livestock resources and establishing Boards of review to solving various problems, arising from the operation of the Act. Of a total of 485 Agricultural Productivity Committees 329 have been established in the various parts of the island. With a view to affording cultivators maximum benefits from a single institution and, also serve as headquarters of these Committees 84 Agricultural Service Centres, each with a branch organisation of the Bank of Ceylon were opened during the year. A membership of 996 have been trained in the various organisational and other aspects of these institutions.

Agricultural Lands Act

The Act provides for security of tenure to tenant cultivators, regularisation of rents payable by tenants to paddy land owners, establishment of Cultivation Committees and operation of the law relating to agricultural holdings. Preliminary steps as regards formation of new Cultivation Committees have been finalised.

Paddy Lands Act

There were 4,179 Cultivation Committees established under the Paddy lands Act of 1958. These were reorganised to include such functions as supply of agricultural implements, equipment and machinery for purpose of paddy cultivation. Agricultural equipment and implements so supplied were 3,615 water sprayers, 655 powder sprayers, and 920 harrows. Contracts from Government Departments for construction of minor irrigation tanks totalled Rs. 10,527,274. Value of self-aided schemes and 'shramadana' undertaken by these Cultivation Committees were respectively in the region of Rs. 96,183 and Rs. 2,532,199.

The Agricultural Lands Act of 17 October 1973 replaced the Paddy Lands Act of 1958. There was a decline in the number of enquiries under the latter Act, though preliminary investigations were continued.

Crop Insurance

The Crop Insurance Scheme of the department covers a total of 208,012 acres, roughly 15 per cent. of the asweddumized paddy land in Sri Lanka, in 16 administrative districts.

Payment of indemnity is based on adverse factors as lack of water, drought, flooding, excess water, plant diseases, insect infestation, damage from wild boar and wild elephants and loss sustained under cultural practices approved by the Commissioner of Agrarian Services. A 10 per cent. increase in insurance coverage to cultivators adopting improved techniques and methods was initiated during the year. Though a total collection of Rs. 16,937,008 as insurance premia was envisaged only a sum of Rs. 6,446,678 was collected during the year. Payment in respect of crop loss was Rs. 15,903,379.

With a view to obviating deficiencies in the scheme of collecting insurance premia, legislation, in the form of Agricultural Insurance Act, No. 27 of 1973 was introduced during the year.

Purchase of Subsidiary Crops under G.P. Scheme

The ban imposed by the Government in respect of chillies, onions, green-gram, etc. helped boost local prices of these commodities in the open market. Purchases under the Guaranteed Price Scheme were consequently restricted. Sorghum, Cotton and Cow Pea were some of the commodities purchased during the year.

Fertilizer distribution under the scheme of subsidy

Relief to paddy farmers was afforded in the distribution of fertilizer under the scheme of subsidy. A total of 120,735 tons of paddy fertilizer were supplied to paddy cultivators, involving a subsidy of Rs. 31,998,917.

Mid-term and Long-term credit facilities

M.P.C.S.S. with satisfactory financial stability were granted loans for purchase of seed paddy (Rs. 12,127) and water pumps (Rs. 93,400). Cultivation Committees too were granted loans, for business transactions (Rs. 18,000), cultivation purposes (Rs. 13,000) and purchase of sprayers (Rs. 1,532).

In terms of a ministerial directive, loans to co-operatives were stopped in toto, while loans to Cultivation Committees curtailed in view of new Committees being formed as envisaged in the Agricultural Lands Act.

Of loans granted to Co-operatives and Cultivation Committees Rs. 605,000 and Rs. 31,000 respectively were recovered during the year.

IX—FOOD DEPARTMENT

With Japan's entry into the world war scene supplies of rice from Burma to Ceylon were in jeopardy. A rationing scheme of foodstuffs was thus introduced with effect from February, 1942. Initially the ration consisted of a quantum of rice, paddy or whole wheat or kurakkan or wheat flour. Quantities issued varied depending on availability of stocks.

From June 1948 flour was taken off the ration but the rationing of rice and paddy (in lieu of rice whenever rice was not available) continued. Issues of flour under ration commenced on 1st October, 1973, but issues for bakeries and industries were made out side the ration.

A rationing scheme for subsidiary foodstuffs on a card system commenced in February 1967.

Subsidiary foodstuffs distributed on ration were—

- (1) Mysore dhall
- (2) Chillies
- (3) Madlive Fish
- (4) Sugar.

Chillies were taken off the ration from May, 1972 while the other subsidiary foodstuffs continued to be issued under the rationing scheme.

The Food Commissioner is the sole importer of Rice, Flour, Sugar and Dhall.

Details of food imports were—

<i>Commodity</i>	<i>Source of supply</i>	<i>Quantity Imported (Long tons)</i>	<i>C. and F. value (Rs.)</i>
Rice	China	208,343.8	222,548,917
	Burma	61,325.0	34,300,551
	Pakistan	68,042.4	65,051,636
Flour	Canada	14,665.1	18,771,444
	France	64,867.8	99,411,300
	E.E.C. Gift	7,169.9	10,763,354
	Canadian Gift (under C. Plan)	10,681.8	9,748,119
	West Germany (Food Aid)	14,991.0	17,428,474
	America (Pl. 4807)	57,849.3	58,771,070
	Singapore	47,536.8	67,564,281
	Australia (Gift)	12,543.3	15,327,760
	America (G.S.M.)	105,731.2	132,275,522
	Italy	24,103.1	23,564,583
France (Gift)	5,214.3	5,484,715	
Sugar	Brazil	12,864.7	217,417,080
	Thailand	23,199.0	43,956,177
	Argentina	25,983.0	48,877,781
	Japan	984.2	2,020,779
	Poland	11,716.9	21,564,621
Mysoor Dhall :			
	Whole		
	Ethiopia	9,279.1	12,252,872
	Split		
	Syria	1,491.0	2,153,343

(Food Commissioner's Figures)

X—DEPARTMENT OF PRICE CONTROL

The Department of Price Control, enforces the Price Control Act, the Weights and Measures Ordinance and the Licencing of Traders Act.

Price controlled items during 1974 were —

Wheat Flour	Imported Textiles
Bread	Drugs (More than 6,000 varieties)
Sugar	Exercise Books
Corriander	Monitor's Exercise Books
Infant Milk Foods	Pencils
Condensed Milk	Slate Pencils
Full Cream Powdered Milk	Slates
Beef	Mathematical Instrument Boxes
Mutton	Mantles
Cement	Asbestos Sheets
Glass Sheet	Bicycles (*)
Formic Acid	Infant Feeding Bottles (*)
Umbrellas	Tyres and Tubes for Motor Vehicles

(*) New Items

De-controlled items during 1973 and 1974 were —

Sanatogen	Sustagen
Soap	Mammoties (All Brands).

Increases in World Market prices necessitated revision of prices of some of these items.

Enforcement of Price Control was continued through the Price Control Station, Colombo and Price Control Stations in all Kachcheries. The Assistance of the C.W.E. flying squad was also obtained for the purpose. Of the 8,417 trading establishments raided in 1974, a total of 1,988 cases were filed. A sum of Rs. 221,585 was collected as fines from cases finalised during the year. A total of 9,436 raids were carried out and 2,703 cases filed in respect of offences under the Price Control Act in 1973. In addition to these raids, the price control staff was engaged in supervision of sales as well as 'flushing out' hoarded goods. Enforcement of the Price Control Act during the year covered 44 requisitioning orders. Items so requisitioned, were Atta Flour, Yeast, Dilseed, Chick Peas, Maldive fish, Dried Chillies, Polythene Film, Asbestos Sheets, Synthetic Shirting and Empty Gunny Bags. A sum of Rs. 3,841,701 was paid as compensation for these requisitioned goods.

Weights and Measures

The Weights and Measures Ordinance, includes annual testing and stamping of Weights and Weighing and Measuring instruments. The Ordinance covers detection and prosecution of traders who use un-stamped or false weights or who deliver short weight or short measure. Inspectors of the department stamped 837,122 weights and weighing and measuring instruments and collected a sum of Rs. 438,404 as stamping fees. A total of 1,871 trading establishments were inspected during the year. Fines collected in 1974 totalled Rs. 49,549.

Activities relating to conversion of metric standard were continued during the year. The Standard Kilogram Standard Weights from 1 to 100 grammes and the Standard metric for Sri Lanka were obtained from the International Organisation of Legal Metrology, France. Standard Weights and Measures of the Metric system for administrative districts were also obtained.

The National State Assembly approved amendments to Weights and Measures Ordinance to give legality to metric standards in Sri Lanka. These amendments establish metric standard as the system of weighing and measuring with legal provision to use the present system of Weights and Measures during period of transition.

Necessary action was initiated in 1974 to convert rubber export trade to the Metric system. Conversion of the entire export trade to metric standards is envisaged.

XI—NATIONAL MILK BOARD

In order to achieve production targets as envisaged in the Five-Year Plan, the Milk Board took steps to expand milk collection facilities with the establishment of additional collecting centres. Eight new collecting and chilling centres were established during the year at Norwood, Yatinuwara, Kantalai, Tissamaharama, Pundaluoya, Vellaweli, Nawalapitiya and Holbrook. Construction of a centre at Hasalaka had been completed while the construction work of centres at Horana, Palm Garden (Ratnapura), Ruwanwella and Uswewa were in progress.

Action was initiated in consultation with the Commissioner of Co-operative Development to stream-line milk collection through Co-operatives. By the end of 1973 approximately 70 per cent of total quantity of milk collected by the Board came through co-operatives.

Steady progress was made in replacement of sterilizing plant at the Milk Processing Factory, Colombo. Installation of the sterilizer was in progress. Installation of the new pasteuriser is expected to commence when the sterilizing plant has been commissioned.

Construction of the Spray Dried Milk Factory, Ambewela was completed during the year. This factory had cost approximately Rs. 20 million. Trial runs were started in early December 1973. At initial stages the factory was operated using 60,000 pints of milk a day. The daily output is in the region of 10,000 lb. of full cream milk powder. Saving in foreign exchange on account of local production is approximately Rs. 2.75 per lb.

Due to shortage of cans consequent to shipping delays and other problems, issues of Lakspray Full Cream Milk Powder had to be restricted to an average of 1.2 million pounds a month. Supply of Vitamilk too was affected due to a shortage of cans and issues being maintained approximately at 88,000 lb. per month.

Since November 1972, the Milk Board was called on to pay FEEC's at 65 per cent. on all imports excluding Vitamilk Infant Milk Powder. Heavy operating losses were consequently incurred practically on all items of manufacture. Selling price of milk and milk products were increased with effect from May, 1973 in view of heavy operating losses. In order to provide greater incentives to milk suppliers, purchase price of milk by the Board was also increased by 20 cents per pint. Steps were also taken to pack Lakspray in paper cartons (1 lb.) and issued to the market to effect savings in foreign exchange. Use of paper cartons results in a foreign exchange saving of approximately 22 cents a pack.

XII—DEPARTMENT FOR THE DEVELOPMENT OF MARKETING

The main activities of the Marketing Department are :—

- (i) Vegetable and fruit marketing ;
- (ii) Fruit processing and canning ;
- (iii) Sri Lanka Products Shops ;
- (iv) Hospital supplies ;
- (v) Cold storage of vegetables, fruits 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 at reasonable prices 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.

A Wholesale Market was established by the Department in January, 1973 at Colombo Kachcheri premises. A Mahajana 'Pola' too was opened at Borella during the year.

Steps were taken to establish Fruit Canning Factory at Attanagalla. Value of buildings constructed so far amounts to Rs. 1,428,274. Construction of machinery, supplied by Ingra Company for the project, had been completed during the year. About 70 per cent of additional machinery required for the Canning Factory at Narahenpita had also been received by the end of the year.

During the 12 months period January-December 1973 Passion Fruit Juice to the value of Rs. 1,652,588 and Rs. 435, 663 respectively had been exported by the Department, the private sector and Consolidated Exports Ltd. Among fruits purchased were 4,890,345 lb. passion fruits, 1,626,999 lbs. Pine apples, 150,072 lb. Oranges, 176,732 lb. Mango fruits and 229,332 lb. Tomatoes.

A total of 23,418,094 lb. vegetables and 10,251,255 lb. of fruits inclusive of bulk purchases were bought through Vegetable Purchasing Centres established all over the Island.

Dry provisions have been supplied to 81 Hospitals in the Island during the year covering Hospitals in Colombo, Provincial Hospitals and Sub-urban Hospitals. Supply of meals and other food items to Port workers and several other Government Institutions continued.

Some bakery items supplied during the year were :—

Bread	3,525,934	} Loaves
Bread (brown)	23,071	
Bread (sandwich)	165,335	
Buns	2,362,809	} Number
Fish rolls	400,204	
Rolls (jams)	180,039	

Consequent to an objection raised by the Town Planner as regards proposed land for re-habilitation of dwellers at Orugodawatta before commencement of the Wholesale Market, no progress on this project could be made during the year.

Action was initiated to take over administration of the Mahajana Pola at Bauddhaloka Mawata by the Department.

The Marketing Intelligence Service continues to function as in previous years. A price list was issued indicating the wholesale and retail prices of vegetables on the second day of the week in a number of towns. The forecast relating to the availability of vegetables and fruits continued to be made as in previous years. The wholesale price of vegetables in the Colombo Market was broadcast daily over the Sri Lanka Broadcasting Corporation. This was done with a view to benefitting the producers of vegetables in the Island.

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 Corporations Act, No. 49 of 1957, to encourage, promote and develop local industries.

In the discharge of these functions the I.D.B. provides inter alia, services and facilities including capital and credit, training schemes for technical and other personnel and marketing incentives for locally manufactured industrial products. The I.D.B. in addition, promotes improved techniques of manufacture and undertakes research and survey to develop local industries.

With due emphasis being stressed in the development of the small-scale industrial sector the functional services of the I.D.B. have been geared to achieving targets as set out in the Five-Year Plan.

The modus operandi in the implementation of the programme to develop the small-scale sector is outlined below :—

- (a) Co-ordinate as far as possible the work of all agencies entrusted with the responsibility for development of small-scale industries in the island ;
- (b) Identify feasible projects utilising local raw materials ;
- (c) Provide technical, consultancy and extension services ;
- (d) Promote regional dispersal of industries through a regional organisation and industrial estate projects ;
- (e) Credit facilities for small industrialists, marketing assistance and extension services.

The I.D.B. in addition plays a significant role in the Industrial Programme under D. D. CC sponsored by the Ministry of Planning and Economic Affairs.

Pilot Projects

Consequent to a decision to sponsor and if possible invest in selected fields the I.D.B. planned out a scheme of pilot projects. In those sectors with existing potential, projects have been planned for producing starch from manioc ; straw board and other paper products from paddy straw ; jaggery from palmyrah ; jaggery and sakkara from sugar-cane ; furniture from rubber wood ; hardboard from coir dust and selected light engineering industries.

These projects involve industry identification in the first instance and other factors as development of suitable technology, utilization of suitable machinery and equipment, building design and layout, training personnel, product development and marketing facilities. Some of these projects are being set up in collaboration with DDCC and the public sector while others are solely with private sector.

The IDB took steps during the year to venture into the establishment of other small-scale industries on a demonstration basis in areas with potential for such units but lacking entrepreneurship. The Board has initially advanced its own funds until these projects could reach a stage of commercial viability.

Strawboard.—The Industrial Development Board is at present engaged in establishing several small-scale projects for the manufacture of strawboard and other specified paper products (file covers, box board, blotting paper etc.) based on paddy straw. Such a programme would help develop small-scale industries in rural areas based on a raw material which would normally run waste. A

small-scale factory of this type would provide employment for about twenty-five people and also generate a series of secondary avenues as collection and transport of paddy in rural areas. Some of these projects would be implemented in collaboration with the DDC Programme.

Civil Engineering, fabrication and installation of machinery were undertaken by the T.S.A. on a pilot project at Kotmale. The IDB is also undertaking a special project at Piliyandala/Kesbewa for the Ceylon Ceramics Corporation.

Four IDB/Sri Lanka Industrial Development Company projects are being set up at Divulapitiya, Gampaha, Mahara and Mahiyangana.

Under the DDC sponsored programme six strawboard projects were selected for implementation. These units are being set up at Kekirawa, Polonnaruwa, Beliatte, Kamburupitiya, Tissamaharama and Devinuwara.

Manioc Starch.—The IDB's manioc starch project at Hanwella is now in operation. At Nikaweratiya and Soranatota projects were being set up both by the IDB and the SLIDC. Each project is expected to produce $\frac{1}{2}$ a ton of starch a day. The annual foreign exchange savings on these projects could be Rs. 800,000. Six new projects are being planned.

Banana Fibre.—The Banana fibre project at Rambukkana is the first to be undertaken under IDB's programme of direct investment. Apart from import substitution potential the project could obtain its quota of material entirely within the area. The banana fibre project produces nearly 500 lb. of fibre twine a month.

Straw.—A set of machines for making straw bags was donated from Japan to the Government of Sri Lanka. These were installed at the Multi-purpose Co-operative Society at Sandalankawa. Bags produced under a pilot scheme are being tried out for storing and transporting paddy, copra, coconut shell grit etc.

Other projects.—The Board during 1973 approved setting up of several other projects with direct investments being made by the IDB itself. Among these projects were:—

- (a) Dehydration of mushrooms project at the Industrial Estate, Pallekelle ;
- (b) Cotton ginning at Matara ;
- (c) Model washing soap unit at the Industrial Estate, Ekala ;
- (d) Passion fruit project at the Industrial Estate, Pallekelle ;
- (e) Project for purification of bees honey and manufacture of bees-wax, Anuradhapura ;
- (f) Bamboo products development project, Pallekelle ;
- (g) Calcium oxide and carbide project at the industrial estate, Atchuvvely ;
- (h) Project for producing sodium alginate from seaweeds (in collaboration with the CISIR, State Engineering Corporation and National Textile Corporation).

Industrial Estates

Pallekelle.—All factory buildings have been completed in the estate and 21 of the 34 units have been rented out with temporary facilities provided for electricity and water supply.

Atchuvvely.—The State Engineering Corporation continues construction work on factory units. There would be 34 units in this estate.

Boossa.—Action was taken to revise the designs of factory units given by architects entailing significant saving to the IDB.

Ekala.—A total of 43 units have been set up under stages I and II.

Regional Development Services

To implement effectively its role in development of industries on a dispersed basis, the IDB's regional organisation was strengthened with the setting up of 7 Regional Offices at Colombo, Kandy Galle, Anuradhapura, Kurunegala, Jaffna and Amparai. The office at Amparai was closed down during the year and a new Regional Office was opened at Kalutara from December 1, 1973. Apart from servicing small industrialists in these regions, an important function of these offices is to assist the district administration in activities connected with industrial development.

The special Credit Scheme operated by the IDB in collaboration with the People's Bank is assisting small industrialists with easy and quick credit. This scheme was initiated in December, 1972. A total of 117 applications have been recommended to the People's Bank for a sum of Rs. 2,493,229. Of these 67 industrialists have been issued loans involving a sum of Rs. 1,276,459 up to end of 1973. Types of industries recommended include food processing, garment manufacture, light engineering, wood and rubber products and sugar cane processing (initial stages).

Technical Services

The Technical Services Agency of the IDB has been expanded and provided with more technical personnel and better facilities. It offers advice to small industrialists, manufacturing firms and public-sector organisations.

The TSA has developed and fabricated prototypes of machinery for strawboard manufacture, banana fibre decorticating, two-wheeled tractors, coir fibre twisting, manioc starch and sugar-cane processing. Five sugar-cane crushers were fabricated and one sold to an industrialist in Haputale district.

In Civil Engineering constructions, it has helped construct buildings and the installation of machinery in several IDB assisted pilot projects and DDC projects. The workshop and foundry sections continue to serve industrialists needing attention of casting and fabrication requirements.

Technical advice is offered to industrialists engaged in manufacture of rubber products as well as prospective investors in this field through Rubber Technology of the IDB Unit. As a consultant to the Ministry of Industries the Unit evaluates projects, makes recommendations for foreign exchange allocations and assists in assessing proposals for approval of new units. Nearly 20 units recommended by the IDB were approved by the Ministry in 1972-1973. The Technology Unit is also engaged in export promotion research and study in selected overseas markets.

The efforts of the RTU have assisted the Ministry of Industries in the recognition of specific lines of rubber products to be developed and promoted in Sri Lanka. It had also been felt that foreign technical collaboration is essential if these products are to compete in world markets.

Economic Research, Planning and Statistics

An industrial Planning and Statistics Division was set up at the IDB to support economic development and promotional objectives. This Division, apart from conducting an economic appraisal of local strawboard, manioc starch and banana fibre projects has helped in a closer evaluation of loans under the IDB/People's Bank Credit Scheme. The Planning and Statistics Division has undertaken various studies for the Industrial Development Board and the Ministry of Industries.

Marketing

The Marketing Research Unit assisted small industrialists in both local and overseas marketing requirements. It also assists the Ministry of Industries in certain aspects of export marketing intelligence. Extensive marketing research studies were based on essential oils, sago and manioc starch, agar-agar, dehydrated vegetables, coconut shell grit powder, readymade garments, "Wirecon" and fibre glass boats, cane furniture, Boron-treated rubber wood furniture, banana fibre twine, strawboard and other paper products. Several small industrialists were provided advisory services on marketing and sale of their products when so required.

Publicity and Promotion

Publicity activities of the IDB have been geared mainly towards successful implementation of pilot projects. With facilities available the IDB has publicised the advantages of small-scale industries and benefits that would accrue the country at large from such productive ventures. The library and documentation services continue to cater to specific requirements of not only the Board, but also industrialists, institutions, and other organisations and firms both in public and private sectors.

Sri Lanka Development Co. Ltd.

It was found necessary to set up a joint-stock venture to accelerate the development of small industry in the regions. With 51 percent of shares held by the IDB, this venture known as the Sri Lanka Industrial Development Co. Ltd. is intended to set up industries in fields lacking in entrepreneurships. This may be attributed to such reasons as lack of know-how, investment risk involved, etc. Though with limited staff and facilities the company could forge ahead several projects in various parts of the island.

Important projects.—Trailer project for two-wheeled tractors, manioc starch and straw-board projects and a light engineering industry. Several other projects were programmed for immediate implementation as dipped rubber goods, graphite crucibles and laboratory glassware.

Boron Rubber Wood Project

The Boron-treated Rubber Wood Section of the National Small Industries Corporation was taken over by the IDB towards end of 1972. A pilot plant had been started at Horana by operating a saw mill rented out in the area. With increasing demand from the furniture industry for boron-treated rubber wood it was decided to expand the project. IDB units operating at Uduwa and Kandana were estimated to bring in a total of Rs. 720,000 from sale of boron-treated rubber wood. An estimated 25,000 cubic feet of treated rubber wood could be produced at each of these factories. Prospects for export of treated rubber wood appear bright.

Agricultural Programme

The IDB's contribution to the National Food Drive was significant. Initially 23 acres of land on industrial estates were made available under the Board's food production programme.

Expenditure approved under the Agricultural Programme totalled Rs. 57,995.

II.—PRIVATE SECTOR

Private Sector performance in 1973 is based on data obtained by the 'Questionnaire' method which covered industrial units approved by or registered with the Ministry of Industries and Scientific Affairs. The questionnaire was drawn up by a Sub-Committee representing the Ministry of Industries and Scientific Affairs, the Ministry of Planning and Economic Affairs and the Central Bank and designed to obtain information required by all these agencies in composite form. Though fraught with shortcomings and limitations with resultant conclusions drawn being viewed with a measure of caution and reservation, nevertheless the questionnaire method has proved the only source of information.

Unfavourable trends in world economy, particularly the inflationary pressure and international currency disturbances resulted in adverse economic effects unparalleled in the recent years. Heavy dependence on imported industrial inputs affected Industrial Sector rather adversely under these external circumstances. Stringent foreign exchange situation necessitated exercising severe controls in allocation of scarce foreign exchange resources. Though Exchange Allocations for most industries were maintained at the 1972 level excesses in certain cases offset the real value of exchange allocations drastically by unprecedented increase of prices of imported industrial inputs. In real terms the quantum of raw material that could be imported was small resulting a slow down in the tempo of industrial activity.

Gross value of industrial production at current prices in the private sector was Rs. 1,675.6 million as against Rs. 1,567.3 million in 1972, an increase of approximately 6 per cent. High costs of industrial inputs resulted in increased production costs subsequently passed on to the consumer. The domestic price level thus recorded a sharp upward trend in 1973. If the value of industrial production is measured in real terms making allowance for price increases, the increase in industrial output in 1973 would be appreciably less or even negligible.

The largest group in manufacture comprises food, beverages and tobacco. This manufacture group accounted for Rs. 626.6 million or 37.5 percent. of the total industrial output and recorded an increase of Rs. 55.3 million or 9.5 percent. over the preceding year. This increase in value of output could be attributed mainly to a rise in the sub group tobacco manufactures accounting for Rs. 480.4 million or approximately 76.5 percent. of total output in the group. Breweries, Canning and Preserving of Fruits and Vegetables, Manufacture of Miscellaneous Food preparations, Soft Drinks and Carbonated Water Industries recorded marginal increases in production. All other groups except Sugar and Allied Products and Wine Industries which remained at the 1972 level showed a decline in production.

Industrial units producing Textiles, Wearing Apparel ready-made garments comprise the second largest group in the manufacturing sector. Gross value of output in this group was, Rs. 301.4 million as against Rs. 273.0 million in 1972, representing an increase of approximately 10.2 percent. Notable increases recorded were in sub groups. Spinning, Weaving and Finishing of textiles and woven textiles and other textile manufactures.

The total industrial output in the group comprising units manufacturing Chemicals and Chemical Products was Rs. 153.8 million, a decrease of Rs. 9.6 million over the preceding year. The contraction in value was mainly in sub-groups manufacture of Miscellaneous Chemical Products and Manufacture of Paint, Varnish and Lacquer. The decline could be attributed to cuts imposed on foreign exchange allocations.

Manufacture of Leather, Rubber, Wood and Paper and manufacture of non-metallic products of Petroleum and Coal recorded increases in value of production. Value of industrial output in the former group was Rs. 148.4 million as against Rs. 133.5 million in 1972, while in the latter group the value of output was Rs. 75 million as against Rs. 57.4 million the preceding year. Manufactures of Rubber Products and 'other' manufactures of Non-metallic Mineral Products reflected notable increases in the respective sub-groups.

A contraction in output value was recorded in the groups Base Metal Industries, Manufacture of Metal Products and Miscellaneous Manufacturing Industries while manufacture of Machinery, Transport Machines, Electrical Machinery, Apparatus and Appliances recorded only marginal increases. In real terms however, the value of output in all these groups would appreciably be lower. Sharp increase in prices of Ferrous and Non-ferrous Metals in the world market accounts for slow pace in industrial activity in these groups. The contraction particularly in the groups Base Metal Industries, Manufacture of Metal Products, Manufacture of Machinery (Electrical and other) Transport Machinery and Manufacture of Electrical Apparatus, Appliances and Supplies should cause concern in view of their importance in the process of overall industrial growth. Demand for these products display a dynamic pattern and sustained growth is one of striking significance. These industries act as a 'catalyst' in both material and social aspects of industrial development. Apart from contributing to gross capital formation in the form of machinery and equipment these industries help acquire technological skills essential for development of indigenous technology.

Basically industrial structure has remained static over the last few years. Industrial products could usually be classified into three main economic categories, viz : Consumer Goods, Intermediate, and Investment Goods. The relative share of these categories in total output is an indicator of the progress of industrialisation a country has achieved. Consumer goods occupy a dominant place in Sri Lanka, a reflection on the country's development, the size and composition of the domestic market. Limited size of market, scarcity of foreign exchange and high technological and investment criteria are major constraints on industrial growth in investment goods sector.

A total of 619 New Industries were approved or registered in 1973. There were 8 projects with foreign capital participation. Approximately 67 per cent. of new approvals were in the group manufacture of Textiles and Weaving Apparel and other Ready-made Garments. The approval policy was geared to the strategy envisaged in the five-year plan. Processing indigenous raw materials, with low foreign exchange commitments for investment and export-oriented industries gained priority in the scheme of approval. A notable feature is increase in the proportion of industries seeking approval from various parts of the island. This shows a desirable trend in the context of marked geographical concentration of industries in and around the metropolis. The 'approval' policy encouraged establishment of industries in outstations and also contributing promotional measures of Divisional Development Councils and regional offices of the IDB. Gradual emergence of industrial entrepreneurs in wake of the national food drive, income redistribution measures and establishment of infrastructure facilities have helped contribute towards this trend.

There was a significant increase in the export flow of industrial products in 1973. FOB value of industrial exports amounted to Rs. 73.6 million as against Rs. 46.6 million in 1972, an increase of Rs. 27 million or 58.7 per cent. Incentives afforded by the Government in the form of FEECs, Custom Duty rebate, special foreign exchange allocations and convertible rupee accounts seem a stimulant in an increased export flow. In the Food group, Beverages and Tobacco, Sea Foods and Leaf Tobacco contributed towards highest export earnings recorded. Sea Foods, Cocoa products and Cashew accounted for bulk of the export increase. Textiles, Weaving Apparel and Ready-made Garments ranked next in export earning during 1973. Major items in this group were Shirts, Ladies and Children's Garments, Blouses and Jackets. The Middle East, U. S. S. R., U. S. A. and Sweden constitute the biggest markets for these exports. Ferrous and Non-ferrous Metal Products group recorded a decline in value consequent to a drop in the export of metal drums. A distinct feature in Sri Lanka's export structure is the small share contributed by the Metal transforming industries in total exports earnings. Predominance of consumer oriented goods in the early stage of industrialisation makes such a situation inevitable.

III—STATE-SPONSORED CORPORATIONS

The Ceylon Cement Corporation

The Ceylon Cement Corporation was established in 1959 under the State Industrial Corporations Act, No. 49 of 1957 with the primary objective to develop and expand the Cement Industry in the island. The first stage of production at the Puttalam Cement Factory was launched in March, 1970. The Puttalam Cement Factory, is incidentally the largest cement factory in Sri Lanka. With the commencement of stage II at the Puttalam Factory, annual cement production of the Corporation increased from 480,000 to 710,000 tons.

There were no imports of cement during the year, production at the three factories being geared by the Corporation to meet local demand.

A total of 5,000 tons of cement were exported to Middle East Countries, while a further 100 tons were exported to the Maldives. Foreign exchange earned during the year totalled Rs. 569,000.

Production and Sales during 1973 were:

	<i>Tons</i>
Production : Kankasanturai	182,097
Puttalam	180,833
Galle	54,885
Total ..	417,815

		<i>Tons</i>
Sales :	Kankasanturai	185,625
	Puttalam	181,237
	Galle	56,262
Total ...		423,124

(Sales include stock in-hand)

Concrete manufactures at Kankasanturai and Galle totalled Rs. 1,025,925 with corresponding sales totalling Rs. 1,017,740 as at end of 1973.

Paranthan Chemicals Corporation

The Paranthan Chemicals Corporation was established under the State Industrial Corporations Act, No. 49 of 1957. The main activities of the Corporation are :

- (a) Manufacture and Sale of Caustic Soda, Chlorine, Hydrochloric Acid, Table Salt ; and
- (b) Manufacture and sale of by-products as Ferric Chloride, Zinc Chloride, etc.

Diversification in output resulting in the manufacture of other salt-based products has helped reduce imports with consequent foreign exchange saving.

The Corporation is also engaged in import and sale of caustic soda.

Production.—Production figures of the Corporation during 1973 were :

	<i>Tons</i>
Caustic Soda	1,480
Liquid Chlorine	781
Hydrochloric Acid	486 (a)
Table Salt	386
Calcium Chloride	11
Ferric Chloride	56
Zinc Chloride	64

- (a) Decrease in anticipated production due to storage and distribution difficulties.

Production levels of Caustic Soda and Liquid Chlorine were the highest so far recorded.

Expansion.—An event of particular significance during the year was the granting of an interest free loan of Rs. 5.6 million by the United Kingdom Government to the Government of Sri Lanka under "U. K.-Sri Lanka (Paranthan Expansion) Loan 1972 : Local Component of the Expansion Scheme is Rs. 6.7 million. The scheme of expansion envisages an increasing annual output of 3,200 tons of Caustic Soda and 2,800 tons of Chlorine. Caustic Soda would be consumed by the soap textile and paper industries, while Chlorine consumption would mainly be by the Paper Mill at Valaichchenai and the Embilipitiya Paper Project.

Staff-strength.—Staff-strength of the Corporation as at end of 1973 totalled 335 including labour and allied grades.

Eastern Paper Mills Corporation

The Eastern Paper Mills Co-operativn was incorporated in 1956 under the Government Corporations Act, No. 19 of 1955, to take over the Paper factory from the Department of Industries and reconstituted under the State Industrial Corporations Act, No. 49 of 1957.

The present production capacity of both machines is 10,500 tons and 12,000 tons, respectively, giving a total of 22,500 tons per annum.

Total finished Production for the year 1973 was 19,338 tons as compared with 14,275 tons in the preceding year, comprising of different grades of paper. Grades of paper produced include Printing, writing, duplicating, bank and ledger, typewriting, Kraft Paper, Boards and Wrappers, Bristol Board, White Board, and Manilla Board.

Production has been budgeted at maximum capacities for both machines with capacities of 88 and 84 percent respectively. Average cost of production for the year 1973 has increased considerably when compared with the preceding year. High cost of Raw Materials and Chemicals account for this increase.

Profits of the Corporation before tax were Rs. 14.5 million an increase of Rs. 4.1 million over the preceding year. Straw Collection : Over 15,000 tons of straw, the main raw material requirement for the manufacture of paper were collected through various centres run by the Corporation within a radius of 60 miles from the Mills. Over Rs. 7.7 lakhs were paid out to the farmers for supply of straw.

Waste Paper.—Over 5,900 tons of waste paper were purchased at the rate of Rs. 560 per ton. Waste Paper is a basic raw material in the manufacture of various types of Board Paper. To obtain adequate supplies of waste paper agents of the Corporation have been appointed in various constituencies on recommendation of the M. P. representing the constituency. This would it is envisaged help to collect over 10,000 tons of waste paper a year.

Foreign Exchange Savings.—The net foreign Exchange Savings on manufactured paper for the year 1973 was Rs. 37.7 million. This reflects an increase of over Rs. 21.9 million over the preceding year. Increase in World Market Price of paper and paper board and a rise in output at Valaichchenai Mills as compared with previous years were factors responsible for increased exchange savings.

Embilipitiya Project.—The Embilipitiya Pulp and Paper Mill Project would manufacture Printing, Writing, Bank and Bond paper at an annual rated capacity of 15,000 tons. The mill would use 80 percent local raw materials as paddy straw and kenaf. Estimated Cost of this project is Rs. 300 million with Foreign Exchange Cost amounting to Rs. 135.8 million. Machinery, Equipment, Engineering and Erection Costs are being met by Project-Tied-Aid Loan from the Federal Republic of Germany.

An annual Foreign Exchange Saving from production at this mill is estimated to be Rs. 32 million. It would also provide permanent employment to over 1,000 persons and about 500 persons on casual employment in the collection of Straw and Kenaf.

Rajangane.—The Corporation would commence work on the Rajangane Mills on completion of the Embilipitiya Project. It is expected to manufacture industrial type of paper including a substitute for newsprint. Production of Newsprint substitute would replace to a large extent imports of Newsprint.

Expansion Programme at Valaichchenai.—The Corporation has drawn up a proposal to increase production capacity at Valaichchenai No. 2 Machine from 12,000 to 18,000 tons.

Development of Fibrous Raw Material.—Successful experiments have been carried out in the use of Sun Hemp, Sesbania Grandiflora and Kenaf, with a view to replacing, to a large extent imported long fibre pulp.

These crops would be cultivated on a commercial basis with the assistance of the Department of Agriculture and the State Plantations Corporation.

Plywood Corporation

The Ceylon Plywoods Corporation was established in 1956 under the State Industrial Corporations Act, No. 19 of 1955, subsequently replaced by the New Act, No. 49 of 1957. The last of the factories to be commissioned in the Wood Work Complex, Kosgama—the Furniture Factory started commercial production in the latter part of 1973. A variety of household, office and school furniture would be turned out at the Furniture

Factory. At Kosgama a production of 17.9 million sq. feet of 3 ply equivalent was achieved whilst total production at the Corporation consisted of a further 24,203,877 sq. feet of 3 ply equivalent produced at Gintota. Besides, 74,752 cu. feet of chipboard was produced at the Chipboard Factory of the Wood Work Complex, Kosgama. The Corporation aims at import substitution policy of producing the entire island's requirements of Tea Chests—1/3rd of which is presently imported. Due to insufficient timber supplies partly tied up with the Singharaja exploitation policy the objective of self-sufficiency has not been achieved as yet.

Approximately, 3/5th of requirements of the Gintota Factory have been supplied by the Corporation's Timber Extraction Project at Kanneliya/Dediya gala/Nakiyadeniya whilst bulk of the Wood Work Complex supplies are met by the State Timber Corporation and supplies from private sources.

Constant raw material shortage has stressed necessity of Import Substitution as regards raw material utilisation from local substitutes for imports. Research and Development during the year has been oriented to suit such a policy with local substitutes as Wood Filler, Plastic Wood, Kaolin, Coconut Shell Powder and Tapioca as 'Extender' for Plywood Glue Mixture been quite successful.

The year 1973 saw the operation of Seven Carpentry Units taken over under Corporation's management from the N.S.I.C. in terms of a Government Directive. Rationalisation programmes have been planned with a view to aiming at converting losses at these units to profits.

In the field of Exports, the Corporation made great headway. Export Sales valued at Rs. 406,775 inclusive of FEECs were made by the Corporation comprising Logs, Sawn Timber, Doors, Unveneered Chipboard and School Furniture to Australia, Japan, West Pakistan and the Maldives.

Ceylon Petroleum Corporation

The Ceylon Petroleum Corporation was set up in 1961 under the Ceylon Petroleum Corporation Act, No 28 of 1961 and commenced business activities in April, 1962.

The Corporation recorded a net profit of Rs. 79.6 million (before income tax) in 1973 as compared with Rs. 35.2 million in 1972. The break down below reflects the profits earned by its various activities :—

	(Rs. million)	
	1973	1972
Refinery	30.5*	16.9
Blending Plant	4.7	3.3
Marketing (including Bunkering and Aviation)	44.0	14.7
Candle factory	0.4	0.3
	<hr/>	<hr/>
	79.6	35.2
	<hr/>	<hr/>

(*Includes deferred expenditure Rs. 7.7 million in respect of Foreign Technical Assistance.)

Foreign exchange earnings amounted to Rs. 137.8 million (excluding FEECs) in 1973 reflecting an increase of Rs. 50.8 million over the preceding year.

A breakdown of this figure is—

			(Rs. Million)	
Bunkering and Aviation				
Bunker—Fuel Oil .. .. .	..	..	60.1	
Marine Diesel .. .. .	..	..	23.6	
Aviation Gasoline Fuel .. .. .	..	..	1.2	
Aviation turbine Fuel .. .. .	..	..	21.3	
Marine Lubricants .. .. .	..	..	3.0	
			109.2	
<i>Export :</i>				
Fuel Oil .. .. .	..	..	4.2	
Naphtha .. .. .	..	..	21.4	
			25.6	
Lighterage, Overtime, etc. .. .. .	..	..	3.0	
			137.8	

An additional Rs. 86,000 was earned in foreign exchange by the export of petrol, auto diesel and kerosene to the Maldives.

Marketing.—The Corporation was compelled to increase prices to recoup increased cost of crude oil. The effects of two price increases in bulk products resulted in an increase in turn-over.

The Corporation's turnover in respect of inland sales for the year amounted to Rs. 687.6 million as against Rs. 508.9 million the preceding year an increase of 35.1 per cent.

Sales of Bunker Fuels, Marine Lubricants, Greases and Aviation Fuel reached a record figure of Rs. 114 million in 1973 as against Rs. 56.2 an increase of 103 per cent. The gross Profit on marketing amounted to Rs. 107.2 million and total operating and establishment expenses were Rs. 70.5 million compared with Rs. 66.5 million and Rs. 61.2 million respectively in 1972. There was thus, marketing net profit of Rs. 44 million from Rs. 14.7 million the preceding year.

Refinery.—All process units were operated satisfactorily following major inspection and clean out early in the year. The crude Oil Distiller was maintained at maximum capacity to meet market demand and the highest crude oil tonnage per steam day was processed with an average over the year at 5,285 tons per day, exceeding a daily rated capacity of 5,200 tons. Improved programming of Crude Oil tankers and export tankers for fuel oil and Naphtha, helped maintaining this high intake.

The Refinery processed nearly 1,770,000 tons of crude oil to produce, 1,672,000 tons of refined products. Cost of crude oil processed was Rs. 268.2 million excluding FEECs. Value of products transferred to meet local demand, Bunkering and Aviation Refuelling requirements based on the average import parity price for 1973 amounted to Rs. 317.7 million. Foreign exchange earned through export of Naphtha and Fuel oil was Rs. 25.6 million.

The Refinery surplus, after charging deferred expenditure in respect of foreign technical services, amounted to Rs. 30.5 million and compared favourably with Rs. 17 million in 1972.

Blending Plant.—Blending Plant recorded the highest production since its inception which was approximately 15 per cent. more than that of the previous year. Nearly 4,041,462 gallons of Base Oils and Additives were processed to produce 4,014,817 gallons of all varieties of lubricants. A series of Printing Ink Oil, Cutting Oil (soluble) and Radiator Oil, were developed and these products would replace imported items. In addition, Lanka Mineral Turpentine was produced as initial step in the introduction of household 'specialities'.

The total value of Rs. 8,500,000 was expended on import of 13,800 tons of Base Oil.

The value of products transferred based on revised import parity prices amounted to Rs. 18.6 million. The total operating cost of the Blending Plant was Rs. 19 million.

There was a net profit of Rs. 4.7 million an increase of Rs. 1.4 million over the preceding year.

Solvents.—Value of solvents imported was Rs. 400,000. These solvents were intended to be used in formulation of agro-chemicals and in various industrial processes.

Agro-chemicals imported during the year amounted to Rs. 3,762,000. Sales increased to Rs. 7.8 million from Rs. 2.0 million in 1972.

Candle Factory.—The candle factory continued to supply the Co-operative Wholesale Establishment all its requirements of candles.

Bunkering and Aviation.—Bunkering facilities at Galle Harbour were completed in May, 1973. Bunkers were effected mainly to foreign-owned fishing trawlers.

Volume of bunkers lifted at Colombo increased by 10.4 per cent. to record a sale of 521,739 long tons of bunkers delivered at Colombo and Galle during the year.

Sales of Aviation Fuels showed a sharp increase of 17.7 per cent. over that of 1972.

Vesting Orders.—Seventy outlets have been vested in the Corporation to maintain an efficient distribution network.

Steps were taken to acquire land under provisions of the Land Acquisition Act :

- (1) In Mannar for drilling purposes.
- (2) At Wanathamulla for housing the L. P. G. Project ; and
- (3) Expansion of the Kolonnawa Installation.

Engineering.—Activities of the Engineering Unit were concentrated mainly on Civil Engineering works connected with Oil Exploration. Extensions, additions, and alterations to main Petroleum Installation at Kolonnawa and China Bay have been completed during the year.

Oil Exploration.—The report of the Refraction Seismic Survey carried out in Mannar and Jaffna Districts by M/s. V. O. Technoexport of U. S. S. R. was received in May, 1973.

As the report indicated favourable conditions for the presence of Oil/gas in these areas, two sites at Pesalai were selected for the purpose of drilling stratigraphic test wells.

The preparation for drilling of the first test well in Pesalai commenced in July, 1973 and for this purpose, 27 Soviet Experts arrived in Sri Lanka during the year.

Staff.—Staff strength of the Corporation as at end of 1973 totalled 3,854 employees inclusive of technical, clerical and labour grades.

Recruitment during the year 501.

Separations during the year 79.

Ceylon Oils and Fats Corporation

The Ceylon Oils and Fats Corporation was established under the State Industrial Corporations Act, No. 49 of 1957.

Its objectives as outlined in the Incorporation Order published in *Gazette Extraordinary* (No.11,466) of 1 August, 1958 envisaged inter alia :

The manufacture and sale of all kinds of oils oleaginous and saponaceous substances, food products, detergents, emulsifiers, fats, resinous, substances, toilet preparations, paints, enamels and other by-products.

Production and Sales during 1973 were :

Item	Production Tons	Sales	
		Quantity (Tons)	Value Rs.
Provender	52,706	51,580	33,008,067
Industrial and other oils	1,003	377	700,922
Fatty acids	1,486	1,929	4,836,703
Glycerine	182	174	421,283
Other Manufactures	—	347	661,108

A sum of Rs. 5,257,986 was earned as Foreign Exchange, while income from FEECs during the year totalled Rs. 3,112,831.

Ceylon Leather Products Corporation

The Ceylon Leather Products Corporation was established in 1956 as a State owned Industrial undertaking. It replaced Government Tannery and leather goods factory established in 1942.

Tannery.—Chrome Leather Production was the highest recorded in recent years with an output of 1,312,525 sq. ft. Due to low demand for Bottom Leather, the Bark Leather Tannery curtailed its output of Bottom Leather and utilised spare capacity for the production of Kattaki leather.

In view of export potential for bags manufactured from Naked Leather, the technique of processing Naked Leather was developed. Likewise, trials on the production of Wattle Extracts were undertaken and small scale production of Glue from Lime Pelt waste commenced.

Shoe Factory.—Pattern of production in the Shoe Factory was radically changed during the year. Production of Shoes was curtailed so as to avoid over-stocking and the existing machinery was adopted to produce Sandals and slippers for which a demand exists. New designs were simultaneously introduced with a view to boosting up sales. There was thus an increase of 15.9 per cent. in sales during 1973.

Miscellaneous Leather Goods.—The demand for Miscellaneous Leather Goods as Briefcases, James Bond Bags, Ladies Hand Bags, Suitcases, Footballs, Volley Balls, etc., resulted in a significant production increase. Value of production during the year was Rs. 1,739,977 as against Rs. 970,007 the preceding year.

Exports.—Exports too showed a significant increase. Hitherto, exports were confined to Finished Leather; the Corporation however was successful in obtaining substantial orders for Shoe Components and Miscellaneous Leather Goods. A section of the Shoe Factory was specially geared to the production of Leather Goods for export market.

Production and Sales for 1973 as compared with the preceding year were:—

Production		1973	1972
Footwear	pairs	208,901	232,501
Leather Chrome	sq. ft.	1,312,525	1,208,731
Leather Bark	Lbs.	266,402	320,148
Leather Bark	Sq. ft.	130,344	—
Miscellaneous Leather Goods	(Value Rs.)	1,739,977	970,007
Sales		1973	1972
Footwear	pairs	209,124	267,068
Leather Chrome	Sq.ft.	1,255,778	809,925
Leather Bark	Lbs.	23,175	20,821
Miscellaneous Leather Goods	(Value Rs.)	2,628,370	1,167,503

Indo-Ceylon Leather.—Under guidance of the Corporation the Tannery processed 564,786 sq. feet of Chrome Leather and 95,523 sq. feet of Chrome Crust. The latter variety of leather was turned out from raw hides supplied by the Corporation.

Employment.—The total number of employees on roll at end of year was 966:—

Executives	28
Clerical	238
Manual and Operative	700

Profits.—the Corporation showed a net profit of Rs. 430,043 during 1973.

Ceylon Fertilizer Corporation

The Ceylon Fertilizer Corporation was established as a State owned venture in January, 1964 under the State Industrial Corporations Act, No. 49 of 1957 for the importation, processing, sale and distribution of fertilizer.

Activities.—From its inception, the Ceylon Fertilizer Corporation followed the policy of maintaining fertilizer prices to the farmer at the lowest possible level in view of the declared Government policy to sell fertilizer at a most reasonable price.

During the year the Corporation experienced a rise in product costs due to an increase in cost and freight charges increased rupee costs resulting from changes in currency parities and also other local costs.

Fertilizer imports in 1973 were:—

	Tons
Sulphate of Amonia	94,230
Urea	63,875
Rock Phosphate	29,500
Muriate of Potash (60 per cent.)	52,073
Triple Super Phosphate	18,135
N.P.K.	13,100
Others	3,870
Total ..	274,783

The Corporation earned US \$51,506 (Rs. 343,030) as 'Despatch' money.

There was a decrease in sales to private firms and all sectors other than paddy due to difficulties experienced by the Corporation in obtaining supplies expeditiously. This was a sequel to non-availability of various ingredients in the world market and delay in obtaining necessary import allocation.

Sales during 1973 by sectors:—

	Rs.
Paddy	125,532
Coconut	38,605
Tea	11,530
Rubber	979
Cinnamon	1,144
Other Crops	22,633
To Private Firms	91,030
Total ..	291,453

The Corporation sustained heavy losses during the first 9 months of 1973 as sales were effected below cost. The authority to increase the fertilizer prices was sanctioned only on 1st October, 1973. There was a loss of approximately Rs. 1 million for the year as compared with a profit of Rs. 16 million (before taxation) in 1972. The reasons attributed to this loss were:—

- (i) Non-availability of nitrogenous fertilizers especially during the last Quarter of the year.
- (ii) Selling fertilizer at old prices for the first 9 months.

The total quantity of fertilizer mixed and issued was 75,335 tons. During the last two months of the year mixing operations dropped heavily due to shortage of nitrogenous fertilizer. Only paddy mixtures were available on instructions of the Ministry of Agriculture and Lands.

Construction of Laboratory and Auditorium and the Carpentry Shop was completed during the year. Most of civil construction work had been suspended due to non-availability of cement.

Total employee strength at the end of the year stood at 491.

Fertilizer Manufacture.—In the year 1972, an evaluation study of a Urea Project was carried out by the Japan Consulting Institute at the instance of the Asian Development Bank (ADB). The study revealed that the Project was economically viable.

Discussions were held in 1973 with the ADB to obtain its assistance for foreign exchange resources necessary to finance the Project. These discussions resulted in the ADB indicating its willingness to provide finance to the extent of about US \$20-25 million. Simultaneously copies of the evaluation study were made available to countries of the Sri Lanka Aid Consortium. As a result the Authorities of the Federal Republic of Germany showed interest in participating in the project. The Indian Government had earlier indicated that it would finance the Project to the extent of about US \$ 15 million.

With concurrence of the Government of Sri Lanka and the ADB, the Corporation invited Consultancy Services for preparing bidding documents to about ten pre-selected Companies. The connected offers were being evaluated at the end of 1973.

The Cabinet decided in June, 1973, that the Corporation should be entrusted with the responsibility of planning and implementing a scheme to produce 25 thousand tons of ground apatite from the natural deposits at Eppawela. In accordance with the same decision, the Corporation carried out a survey of surplus equipment and resources available in the country for this purpose. This revealed availability of surplus facilities at Galle Cement Works which would perhaps be suitably adopted for such a scheme.

With the assistance of the District Development Council of Eppawela, arrangements were made for the mining of 500 tons of apatite and transportation of apatite to K.K.S. Cement Works to be suitably ground as a pilot project. Certain arrangements were also made to carry out plant scale experiments with apatite by the State Fertilizer Manufacturing Corporation in a commercially operating super phosphate plant in India. These experiments would evaluate technical feasibility in making a single superphosphate component using local apatite.

State Graphite Corporation

The State Graphite Corporation was incorporated on 1st July, 1971, under the State Industrial Corporations Act, No. 49 of 1957.

The year 1973 saw completion of nationalisation of the three major Graphite mining undertakings in Sri Lanka with the take-over of plant machinery and the labour force.

Of major significance to mining and in particular to the graphite industry was the decision of the Government to vest absolute ownership of mineral rights in the State. This became law in February with the passage of the Mines and Minerals Law, No. 4 of 1973 in the National State Assembly.

Kolongaha-Kahatagaha Mines.—In 1973, Kolongaha-Kahatagaha Mines successfully responded to technological innovations and improvements introduced by the Corporation in mining methods and underground development. A marked increase in production (approximately 90 per cent.) was evident at Kolongaha Mines.

The underground link up of the two mines has now been extended to link further with other levels so that the two mines could be operated as one productive unit. These connections as designed improved ventilation.

Electrification of Kolongaha Mines hitherto operated by steam commenced during the year.

Bogala Mines.—The Corporation initiated vertical expansion of exposed graphite at 170 fathoms down to 182 fathoms and utilising provisions of the Mines and Minerals Law No. 4 of 1973 a lateral expansion programme north-east (to Kotawala) and South (to Pankokuhena) of existing boundaries.

Marketing.—The year 1973 records an increase of 23 per cent. of quantity exported while export earnings rose by 21 per cent. Performance for the year could have been improved had not the Corporation been beset with problems of shipping space towards the end of the year. Export earnings from graphite were the highest recorded since 1943.

Renewal of the long-term contract entered into by the State Graphite Corporation with the State Trading Corporation of India was of particular importance.

Rangala Prospecting Mines.—Consequent to findings of the Department of Geological Surveys utilising diamond drilling and electro-magnetic methods the Corporation in July, 1973, commenced at Rangala Siyambalawela, the first scientific prospecting mine in Sri Lanka.

Mica Project.—The Corporation in collaboration with the Geological Survey Department commenced a programme of Mica prospecting and training in Mica curing and dressing. Two mica processing trainees have been recruited and are undergoing training with the Geological Surveys Department.

Competent Authority.—The management and technical services of the Corporation were made available to the Competent Authority (Bogala Graphite Mines) in the mining and marketing activities of the mines. The Corporation exported graphite to the value of Rs. 10.5 million (including FEECs) on behalf of the Competent Authority. Management fees amounting Rs. 859 000 were paid the Corporation by Competent Authority. A sum of Rs. 3.7 million was earned as profits exclusive of taxes.

Total profit of the three mines operated by the state for the year before taxation is Rs. 7.6 million.

Ceylon Mineral Sands Corporation

The Ceylon Mineral Sands Corporation was established in December, 1967.

During the calendar year 1973 the Corporation produced 92,005 long tons of Ilmenite as against 81,200 long tons the preceding year, an increase of 13.3 per cent.

Exports of Ilmenite amounted to 85,738 long tons valued at Rs. 8,066,855 (inclusive of FEECs). The entire quantity was exported to Japan under a long-term contract. A sum of Rs. 174,889 (inclusive of FEECs) was earned as 'despatch' money.

Rutile production for the year 1973 amounted to 2,216 long tons while sales amounted to 2,815 long tons valued at Rs. 3,638,530.

No Zircon was produced during the year, though 124 tons of Zircon produced the previous year were exported and Rs. 47,820 (inclusive of FEECs) earned.

Consequent to the signing of the Loan Agreement with the Asian Development Bank in December 1971, a sum of US Dollars 4.15 million was made available for expansion of the Magnetic Installation at Pulmoddai and establishment of an integrated plant to augment production of Ilmenite, Rutile and Zircon. The Australian Mineral Development Laboratories of South Australia were selected as Engineering Consultants for the planning and design of the project.

Net profits earned by the Corporation during the year totalled Rs. 4,286,755.

There were 485 employees in the Corporation's staff as at end of December, 1973.

Salt Industry

The National Salt Corporation came into existence as legal entity consequent to an order made by the Minister of Industries under Section 2 of the State Industrial Corporations Act, No. 49 of 1957, published in the *Ceylon Government Gazette* No. 11,212 of December 3, 1957. The objectives, of the Corporation are :

- (1) The processing, recovery, purification, manufacture and sale of salt and other chemicals and products derived from inland and marine waters.
- (2) The processing manufacture and sale of any by-products likely to be produced in the course of manufacturing any of the aforesaid items, and
- (3) The sale of electrical energy, water and other amenities not essential for the purposes of the Corporation.

Salt chemically known as sodium chloride has been a common place item of consumption from the very beginning of civilisation. The importance of solar sea-salt manufacture for the industrial progress of the country received official recognition when in 1956 the Minister of Industries listed salt and the by-products industry among the seven basic industries undertaken by the State.

The intake of salt and water to combat heat exhaustion and cramps has become virtually a standard norm. Use of salt tablets by armed forces, those engaged in mines, or working in furnace rooms, is quite essential until acclimatisation conditions are achieved specially in tropical conditions.

Salt perhaps is the oldest industry in Sri Lanka. Present salterns, both government and private are now 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 percent, by weight of salts, 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 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 increase in production in succeeding years. Import of salt which commenced in 1961 ceased in 1967.

TABLE 8.1—SALT PRODUCTION AND CONSUMPTION

Year	Production (Tons)	Consumption (Tons)
1959	32,979	56,665
1960	55,732	61,143
1961	34,381	65,326
1962	36,442	64,029
1963	21,440	67,470
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	84,783	87,537
1972	155,185	89,603
1973	121,097	96,001

Elephant Pass.—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 this saltern had been completed. Once the new project is in full production the total of 1,100 acres under cultivation should produce about 66,000 tons of salt per annum with an improved yield of 60 tons per acre. Partial production of salt at Kurinchativu saltern gave 10,086 tons in 1971 and 21,975 tons of salt in 1973. A total of 28,842 tons were harvested in 1973, while Elephant Pass produced 30,192 tons (plus some 10,000 tons uncollected under brine storage).

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 16,580 tons were collected in 1972 and 10,196 tons collected in 1973.

Maha and Koholankala in Hambantota.—Improvements to Maha and Koholankala Lewayas at Hambantota have been effected. These two salterns operating together are expected to yield an average annual output of about 25,000 tons. The yield in 1972 viz., 15,162 tons was a record in production. A total of 25,337 tons were collected during 1973.

Puttalam.—Improvements are being made to this private saltern to produce an average of at least 10,000 tons per annum. Salt collection at this saltern totalled 14,927 and 13,050 respectively during the two years 1972 and 1973.

Palatupana.—Improvements are being planned to Palatupana Lewaya. Harvest in 1973 was 7,116 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 people of the area. Plans for the first stage of development to the lewaya for the production of about 6,000 tons per year were approved. Work on the scheme commenced in September, 1973.

Future Development.—The present average capacity of existing salterns is in the region of 120,000 tons a year. Local annual demand is about 95,000 tons. An expected increase in demand arising from the proposed establishment of a second caustic soda chlorine factory and a soda-ash factory is in offing. It is proposed to meet these requirements by improving Bundala and Palatupana lewayas and if necessary by implementing the first stage of Chavakachcheri saltern Scheme. As regards the Chavakachcheri Scheme plans have been prepared by a reputed French firm Societe Industrielle et Commerciale des Salins du Midi for a mechanised saltern with an average output of about 140,000 tons of washed salt per year. The scheme would be implemented in three stages each stage producing an output of 40,000-50,000 tons of salt a year.

By-Products.—A number of by-products could be obtained from the bitters, or residual liquors from the salt pans. So far only gypsum that deposits in the condensers of the salterns has been obtained. Manufacture of by-products like magnesia potash Magnesium sulphate, etc., demands installation of a set of high cost equipment economical only on a large scale. Investigations are at present being conducted on the manufacture of these by-products at minimum cost. Plans have already been formulated for manufacture of 1,000 tons of agricultural grade Epsom salts.

Washed Salt.—Sales of washed salt have improved steadily and amounted to about 275,000 packets (2 lbs. polythene packets) in 1973.

Export.—Export of salt, continues to present, rather a difficult problem. There is no port or shipping point in proximity to a major saltern, and for bulk shipments, the cost of transport of salt from saltern to shipping point of lighterage etc. (i.e. transport of salt by barge to ship etc.) has proved much more than minimum cost of production of salt in the saltern.

Sri Lanka Sugar Corporation

The Sri Lanka Sugar Corporation was established as a State sponsored institution under Industrial Corporation, Act No. 49 of 1957.

With a view to utilizing to a maximum the installed factory capacities at Gal Oya and Kantalai it was found necessary to implement a 3-year programme of capital development and regular sugar cane cultivation. Farm Machinery required for implementation of this programme however was not available at the beginning of the year. All available resources of other State Agencies as River Valleys Development Board and the private sector had been utilised to implement the programme in 1973.

Sugar Production increased from 6,556 tons in 1972 to 11,959 tons in 1973, an increase of 82 per cent. Sugar Recoveries have also improved showing 6.5 per cent. at Kantalai in 1972 to 6.8 per cent. in 1973 and from 5.7 per cent. at Hingurana in 1972 to 6.1 per cent. in 1973.

The Sri Lanka Sugar Corporation had a turnover of Rs. 9,203,607 on the sale of its by-products as against Rs. 6,399,691 in the preceding year.

Products introduced into the market were :—

Ranwan—Uda-Walawe Sugar Cane table purpose syrup.

Jaggery—Uda-Walawe Sugar Cane jaggery in polythene packs.

Blended Liquor—

(a) Arak—40 U.P.

(b) John Pitt Whisky.

Gal-Oya Project—A loan of US\$ 2.8 million has been granted by the Asian Development Bank for rehabilitation of this project. Tenders have been invited from eligible countries for the supply of equipment. Semi-detailed soil survey of the Gal Oya Sugar Industry has disclosed availability of adequate suitable land for sugar cane cultivation. The Irrigation Department has commenced a comprehensive study of the irrigation and drainage system of the project area.

Uda Walawe Projects.—Arrangements have been made for a Team of French Consultants drawn from Messrs. Technisucre to prepare a study of the Uda-Walawe Sugar Project. These Consultants have finished their work in Sri Lanka and submitted final report in December, 1973.

Year	Planted Acreage
1971	Nil
1972	75
1973	324

An acreage of 1,000 acres in 1974 and 2,000 acres in 1975 have been projected.

Small scale cultivation.—A total of 1,859 acres have been planted in sugar cane and 2,271 acre of cane fields are under ratoon crop, thus making a total of 4,130 acres under private cultivation.

Fertilizer Subsidy.—Mixed sugar cane fertilizer as recommended by the Department of Agriculture has been released by the Department of Agrarian Services to Moneragala, Galle and Kandy districts for issue to cultivators through M. P. C. S.S.

District Development Projects.—437 acres have been planted in Sugar Cane. The acreage planted is situated in Badulla District. A sum of Rs. 30,000 has been given for establishment of a processing unit at Nagoda in Galle District.

Loan Scheme.—The People's Bank has given loans involving sum of Rs. 1,742,400 for Private cultivators and a further sum of Rs. 100,000 to the Multi-Purpose Co-operative Societies in Badulla District for cultivation of sugar cane. Rupees 64,000 has been provided for purchase of sugar cane Processing Equipment in Moneragala District.

Sugar Cane Crushers.—Tests were conducted on locally manufactured sugar cane crushers. Nine Bullock driven and roller power driven models were sold during the year. A 5 roller cane crusher manufactured by Brown and Co., was tested resulting in low extraction. With a few modifications recommended by the Testing Committee, crusher performance could be improved to the required standard.

A set of "Kiriloskar Model" (India) Sugar Cane crushers was imported and exhibited among local manufacturers.

The Ceylon Steel Corporation

The Ceylon Steel Corporation was established in September, 1961 under the State Industrial Corporations Act, No. 49 of 1957. It was set up under the Technical and Economic Co-operation Agreement signed between Sri Lanka and the U. S. S. R. in 1958.

Work on the Construction of Stage I of the Project, viz. the Rolling Mill and the Wire and Wire Products Shop commenced in December, 1962. The mill was commissioned in February, 1967. Authorised Capital Investment on Stage I of the Project is Rs. 121.3 million.

Products of the Rolling Mill at present include Mild steel Rounds, M. S. Flats, M. S. Equal Angles, M. S. Unequal Angles, Hoop and Twisted Ribbed Steel Rods. Wire Mill products include Nail Wire, Black Annealed Binding Wire, Galvanized Binding Wire, Black and Galvanized Weld Mesh, Wire Netting, Barbed Wire, Staples and Wire for manufacture of Barbed Wire.

The total output of Rolling Mill products for the year 1973 was 23,908 Metric Tons valued at Rs. 42,642,848 while total output of Wire Mill products for the same period was 6,169 Metric Tons valued at Rs. 16,164,108.

A total of 28,547 Metric Tons of Rolling Mill products, 6704 Metric Tons of Wire Mill products and 502 Metric Tons of Trusses, Purlins and other Steel Fabrications were sold during the year at a value of Rs. 84,101,964.

The Corporation ended the year with a profit of Rs. 12,812,540. There were 1,148 permanent employees as at end of year 1973.

Subsidiary Project.—The Ministry of Industries and Scientific Affairs has approved manufacture of Machine Tools as a development project of the Ceylon Steel Corporation. The Corporation has signed a Technical Collaboration Agreement with M/s. Hindustan Machine Tools Ltd. of India, for the manufacture of machine tools and has already assembled lathes and pedestal grinders from parts imported from this organisation. With the collaboration of Hindustan Machine Tools Ltd., the Corporation plans to manufacture Bench Drilling Machines, Power Hack Saws, Pedestal Grinders and Centre Lathes. A substantial foreign exchange saving is anticipated from this project. Hindustan Machine Tools Ltd. has also agreed to assist Ceylon Steel Corporation in obtaining export markets through its world-wide sales organisations. Apart from Hindustan Machine Tools, the Corporation also sells and services machine tool products made by Stankoimport, U. S. S. R. The income earned by the Corporation for the year 1973 from sale of Machine Tools was Rs. 3,052,759.

A Structural Workshop has been set up for the manufacture of Roof Trusses, Purlins, and other fabricated structural items using processed steel from the Rolling Mill. This accrues considerable additional income to the Corporation. The Corporation undertakes manufacture of these items on prior orders from customers. A separate unit has been set up specially for the purpose. A sum of Rs. 1,067,236 was earned from the structural workshop during the year.

A Steel Foundry will be set up for the manufacture of Plain Carbon Steel and Alloy Steel Castings in the form of spares and replacements for machinery. A half-ton capacity electric Arc Furnace has been installed on an experimental basis and produces approximately 300 tons of steel castings annually. More orders are being placed for steel castings which affirms the fact that work of the foundry, though on an experimental basis has been quite successful.

The setting up of the Steel Foundry is included in the Five-year Plan of the Government. Construction work is handled by the State Engineering Corporation of Ceylon. The machinery has already arrived and total cost of the project is estimated at Rs. 5.2 million. On completion of the project, a 3-ton Electric Arc-Furnace would be installed along with additional supporting equipment and optimum quality control facilities. The project would initially produce 1,000 tons of steel castings annually, and progressively increase its capacity to 3,000 tons. The first Steel Foundry in Sri Lanka would cater both the Private and Public Sectors. Estimated foreign exchange savings would be in the region of Rs. 4 million a year.

A total of 110,782 lbs. of castings were produced and the Corporation earned a sum of Rs. 358,406 during 1973.

The Corporation now produces high strength cold-twisted steel bars instead of plain mild steel bars for concrete reinforcements. Yield strength of steel could be increased by about 40 percent and utilisation of steel rods for reinforcement could be reduced by at least 30 percent with less raw material imports. Saving foreign exchange to the tune of over Rs. 3 million a year is envisaged. The consumer would be using less steel for construction purposes. Estimated profit to the Corporation on this score is about Rs. 3 million a year.

The Corporation maintains a well equipped laboratory and it extends its services to outside institutions as well, by affording them facilities for testing their products and raw materials. The Corporation undertakes Laboratory Services in fields as :—

Material testing, metallographic work, chemical analysis, non-destructive testing, Heat treatment of small components, investigation of service failures of machine components, general advice in metallurgical fields and provision of material specifications for manufacture of steel machine components,

There was a small unauthorised privately owned re-rolling mill at Ratmalana which had closed down production due to various reasons and about 75 employees were without work. After discussions with the Ministry of Industries and the Ministry of Planning and Economic Affairs it was decided to set up a Co-operative Society to purchase this mill. The Co-operative Steel Industries Society Ltd. was established in January, 1973. The Steel Corporation contributed Rs. 100,000 as capital, the largest single contributor. Total capital contributed was Rs. 275,000. The Steel Corporation also provided all raw materials for production and afforded technical assistance as regards needs of the Society. Due to poor condition of equipment and continuous repairs production was curtailed for about four of possible nine months. The society earned an approximate net profit of Rs.46,000.

New Projects.—Action is being taken to launch Stage II of the Iron and Steel works to provide facilities for local manufacture of steel billets. This entails installation of a steel melting furnace for converting locally available scrap iron and imported pig-iron into steel billets required by the Rolling Mill.

The Corporation recently undertook an island-wide survey to ascertain the availability of scrap iron in the island. The survey revealed a potential for large quantities of scrap. Utilisation of scrap iron as a raw-material would result in greater foreign exchange saving and would also enable the Corporation to be self-sufficient in its requirements of billets. Substantial foreign exchange saving and creation of more employment opportunities would accrue as immediate benefits with the setting up of Stage II. Reports on scrap melting and iron manufacture were received from M/S. Atkins and Partners of U.K. Consultants of the Corporation. A Feasibility Report was prepared by the Corporation and submitted to the Ministries of Industries and Scientific Affairs, Finance, Planning and Economic Affairs. A delegation representing the Ministries of Industries and Scientific Affairs, Planning and Economic Affairs and the Steel Corporation left for Moscow and London to negotiate for the steel manufacture project. A protocol of examination and approval of Detailed Project Report on expansion of Steel works was signed in Moscow in June, 1973. Discussions were also held with M/S. Atkins and Partners in U.K. Approval has been granted by the government for protocal implementation of the Second Stage of the Project, and authority to sign contract for supply of equipment and material from the U. S. S. R. The draft contract was received in November, 1973.

Ceylon State Hardware Corporation

The Ceylon State Hardware Corporation was established in August 1963, under the State Industrial Corporations Act, No. 49 of 1957.

PRODUCTION AND SALES DURING 1973

Items	Production Unit	Value Rs.	Sales Unit	Value Rs.
Mammoties	340,417	5,755,742	387,483	6,224,185
Other Agriculture Items	61,499	1,301,497	62,274	1,176,673
Door and Window Fittings	1,285,098	2,729,222	855,975	2,748,711
Water Taps	90,002	1,717,103	91,184	1,758,710
Cutlery	225,706	985,787	167,913	647,679
Engineering and Carpentry Tools	4,615	422,620	6,231	491,870
Other Items	—	—	783,498	951,240
Cast Iron Products	—	3,560,064	—	3,544,282

Staff-strength of the Corporation as at end of 1973 totalled 1,460 inclusive of labour grades and trainees.

National Textile Corporation

The National Textile Corporation was established by an Incorporation Order published in Government Gazette (No. 11,237) of 10th January, 1956.

Raw Cotton Imports.—As in previous years the Corporation continued to import bulk of its requirements of raw cotton from the Arab Republic of Egypt. The total poundage imported was 14,043,336. Negotiations were successfully concluded, incidentally the first time in the history of the Corporation for purchase of 11 million lbs. of cotton from the Soviet Union.

Veyangoda Mill

The output of the Mill during the year was :—

	Target	Actual
Spinning	lbs. 3,031,752	3,152,673
Weaving	yds. 8,217,177	7,297,788
Finishing (N.T.C.) Cloth	yds. 8,159,832	7,422,866
Other Cloth (commission basis)	yds. 15,047,154	13,480,033

These figures show that production in the Spinning Department has exceeded the target while grey cloth production and finishing of (National Textile Corporation) cloth have been in the region of 90 percent of targets.

Sales.—Sales during the year were :—

	Actual
Yarn	lbs. 1,668,293
Cloth	yds. 6,924,279
Finishing cloth on Commission	yds. 13,480,033

Purchase of Local Products—In order to conserve foreign exchange the Corporation arranged to purchase, to a great extent, items produced locally instead of imports.

Water Supply.—One of the major problems at the Veyangoda Mill was shortage of water during the month's February/March. In order to overcome this problem, a Scheme for the supply of water to the Mill was initiated during the year with the assistance of Water Supply and Drainage Department and Public Administration Department.

Profits.—The Veyangoda mill made a net profit of Rs. 12,482,847 during the year, as compared with Rs. 3,921,774 the previous year. Increase in production at Spinning and Finishing Departments and revision of selling prices with the introduction of FEEC's on cotton helped obtain higher profits:

Thulhiriya Mill

Output from the Thulhiriya Mill during 1973 was :—

		Target	Actual
Yarn	lbs.	9,191,272	7,372,778
Grey Cloth	yds.	4,874,656	3,930,030
Finished Cloth	yds.	2,230,000	1,017,821
Finishing cloth on Commission	yds.	—	3,625,905
Sized Beams	yds.	4,379,913	3,989,343

Main reason for the drop in yarn production was lack of V-belts for carding machines and leather aprons for ring frames. Doubled yarn output was adversely affected by the lack of bearings for doubling machines.

Sale of yarn, cloth and sized beams were :—

		Target		Actual	
		Quantity	Value Rs.	Quantity	Value Rs.
Yarn	lbs.	7,952,337	69,225,038	6,835,033	60,158,503
Finished cloth	yds.	4,710,290	17,804,926	3,580,662	17,562,190
Sized Beams	yds.	4,379,913	1,539,188	3,989,343	1,839,655
Finished cloth on commission	yds.	—	—	2,863,996	1,003,029

The 'Thultex' Show Room and Sales Centre was opened in Colombo in April 1973 to popularise Thulhiriya products and induce the handloom sector on the use of single count yarn produced at the mill.

Net profit earned by the Thultex Show Room during the year was Rs. 139,000.

Pugoda Mill

Civil engineering work in the factory buildings and the housing scheme that commenced in 1971 was in progress in parallel with the installation of machines. In auxiliary buildings as refrigeration plant room, boiler room etc. civil engineering work was completed during 1973. Approximate value of civil engineering work done during the year was :—

Housing Scheme	Rs. 10.5 million
Main Factory	Rs. 3.3 million
Auxiliary works	Rs. 0.7 million

Machinery installation started during latter part of 1972, was carried out at an accelerated pace. Commissioning work was commenced towards end of 1973. The machine repair shop installed and commissioned in 1972 was in operation. In spinning and Weaving sections the installation of machinery was completed on schedule.

		30s		
		Carded	Carded	Total
		Warp	Weft	
Spinning	lbs.	53,504	6,068	59,572
Weaving	yds.	3,036	51,000	54,036

Employment.—There were 6,354 employees on roll as at end of the year :—

	<i>Pugoda</i>	<i>Veyangoda</i>	<i>Thulhiriya</i>	<i>Head Office</i>	<i>Total</i>
Executive	9	28	40	20	97
Supervisory Grades (Field and Technical)	83	141	193	—	417
Clerical and Allied Grades	22	97	153	112	384
Manual and Manipulative Grades	399	1,956	3,033	68	5,456
	513	2,222	3,419	200	6,354

Development Projects

Thulhiriya Mill.—The Finishing Department of the Thulhiriya Mill when fully commissioned provides facilities for dyeing and printing.

Pugoda Mill.—It is proposed to commission the mill for commercial output.

Mattegama Mill.—On the basis of the Economic Agreement between the German Democratic Republic and the Republic of Sri Lanka a Contract was entered into with Messrs. Unitechna on 15 December, 1973, for establishment of a Coarse Count Spinning Mill with a capacity of 4.43 million lbs. of yarn per annum. Capital cost of this project has been estimated at Rs. 69.6 million.

Other Projects.—The People's Republic of China, has offered a Spinning Mill of capacity 25,000 spindles and a Finishing Plant capable of producing 16.5 million yards per annum with facilities for dyeing and printing. The Finishing Plant is to be installed in the premises of the existing mill at Pugoda as a Composite Plant.

With a potential for export of textiles in offing it has been decided to gear the Pugoda Mill to production of fabrics with a ready demand in World Markets. This has been necessitated in view of existing capacities for textile production which are in excess of local demand. Fabric productions ensure elimination of imports and would also earn valuable foreign exchange.

The Corporation's contribution to the Consolidated Fund during the year was Rs. 3.5 million.

Weaving Supplies Corporation

The Weaving Supplies Corporation was established under the Sri Lanka State Trading Corporations Act, No. 33 of 1970 for purpose of organizing supplies of Cotton yarn, Synthetic yarn, Dyes and chemicals and weaving accessories for the textile weaving industry.

Restrictions in foreign exchange allocations and non-availability of adequate supplies of local yarn retarded much progress being achieved during the year. The Corporation however, endeavoured successfully to maintain its vital role in the supply of yarn, dyes, chemicals and other accessories to foster development of the weaving industry in Sri Lanka. Yarn production in 1973 was :—

	<i>Production</i>	
	<i>Target</i>	<i>Actual</i>
	<i>(million)</i>	
Veyangoda	3.0	3.1
Thulhiriya	11.8	8.0
Wellawatta	2.7	1.5
Asian Cotton Mills	2.8	2.0

On this basis issue of yarn by the Corporation to sources of production during the year was :

	lbs. (million)
Handloom Industry	4.5
Power Looms (Department of Small Industries)	5.8
Private and Co-operative Power Looms	1.4

Purchases of weaving supplies during the year were :

	Rs. (million)
Cotton Yarn —	
Imports	9.5
Local purchases	89.1
	<hr/>
	98.6

	Rs. (million)
Dyes and chemicals—	
Imports	3.2
Local purchases	0.2
	<hr/>
	3.4

	Rs. (million)
Weaving Accessories—	
Imports	0.2
Raw cotton—	
Imports	7.1
Local purchases	2.5
	<hr/>
	9.6

	Rs. (million)
Synthetic yarns —	
Imports	2.3

Turnover during the year totalled Rs. 157 million. The Corporation had a net profit of Rs. 13 million before taxation.

State Flour Milling Corporation

The State Flour Milling Corporation is one of the Projects financed by the U. S. S. R. Government under the U. S. S. R.—Ceylon Agreement on Economic and Technical Co-operation signed in February, 1958. The Corporation commenced production in December, 1968.

Traditional policy of supplying entire production of wheat flour to the Food Commissioner was continued during year.

In terms of a Government directive issued in October, 1973, the Corporation was called on to increase substantially its production of Atta Flour to the Ministry of Plantations for distribution among the estate population. The Corporation though beset with technological problems of changes in mode of production, adhered to the supply programme as required by the Ministry of Plantations.

Production.—A milling programme of 95,018 M. tons of wheat for the year was budgeted by the Corporation, though was able to achieve an output of 93,944 M. tons. The short-fall in production was occasioned by stoppage of the Mill during September and December, 1973. Milling programme of the Corporation during 1973 was :

	1973 (M. tons)
Flour	65,740
Bran	19,324
Pollard	886
Atta Flour	5,279
Semolina	1,355
Animal Food	408
Flour Sweepings	86

Short-fall in the production of Pollard and Bran was necessitated on account of the substantial increase in the production of Atta Flour.

The Corporation budgeted for purchase of 106,000 metric tons of wheat under the 1973 contract. At the negotiations in Melbourne with the Australian Wheat Board this quantity was whittled down to 70,000 tons.

Sales.—An income of Rs. 85,892,083 was recorded from local sales and exports.

Bran and Pollard were two items exported during the year realising a foreign exchange earning of Rs. 3,194,806.

Staff.—Sanctioned Cadre for the year was a total of 569. The total strength employed as at the end of the year was 517.

Development Projects.—The Corporation started a new building project at a cost of about Rs. 0.8 million to house its Head Office and stores at Mutwal.

A contract was entered into with the U. S. S. R. Government to expand the existing Mill with a milling capacity of 420 Metric tons a day. The project would cost the Corporation about Rs. 4.2 million of which Rs. 1.5 million will be foreign exchange component, to be financed by the U. S. S. R. Government. Incidentally the U. S. S. R. Government provided technical and economic aid for construction of the existing mill. The completion of the Expansion Project would help achieving a daily average milling rate of approximately 420 metric tons.

Sri Lanka Tyre Corporation

The Sri Lanka Tyre Corporation was set up in January, 1962, primarily for the manufacture of tyres and tubes.

Output level maintained in the preceding year was continued in 1973. Production statistics were :—

	Number
Truck Tyres	57,591
Agricultural Tyres	11,447
Car and Jeep Tyres	80,422
Tubes	82,233
Flaps	33,511

There were serious set backs in production due to raw material problems caused largely by the oil crisis. Oil based raw materials constitute an important element of input in the Corporation's manufactures.

Turnover for the year reached approximately Rs. 56.8 million. The Corporation had saved Rs. 8.3 million by way of foreign exchange during the year. Cumulative foreign exchange savings upto 31 December, 1973, was Rs. 36.6 million, which exceeds foreign exchange component of capital investment in the Corporation by more than Rs. 0.4 million.

Profitability level was adversely affected by price increases in raw materials and fuel. Overhead commitments too compelled the Corporation to enhance selling prices. These became effective only in the latter part of December, 1973.

Increase in truck tyre capacity with the installation of new Vulcaniser presses is envisaged. The Corporation exported 1,620 sets of truck tyres and 1,200 sets of car and jeep tyres to Burma and Bangladesh which earned a sum of Rs. 411,000 in foreign exchange during 1973. A potential demand for 'Kelani' tyres in Bangladesh and Burma exists as recent trends indicate provided regular shipments could be ensured.

Conscious of the fact that modernization would help compete in foreign markets the Corporation has formulated plans for installation of a pilot plant for manufacture of radial ply tyres.

Ceylon Ceramics Corporation

The Corporation pursued successfully its policy towards substitution of local raw material for imports thus saving a considerable amount of foreign exchange. An all-time high of 90 percent local raw material consumption was achieved in 1973. Manufacture of glaze, Filter Candles, Stains and Plaster of Paris was commenced during the year. This has resulted a nett foreign exchange saving of Rs. 1.0 million. Motifs and designs for the Corporation's decorated ware and certain items of kiln accessories are being manufactured in Sri Lanka.

Development Project.—The Corporation from funds provided by the Government, invested Rs. 22.8 million 75 percent of shares in Lanka Porcelain Ltd. Noritake Co. Ltd., Japan, owns 25 percent of the equity. The factory is sited at Rattota and commenced production in October, 1973. This is an export oriented Project in collaboration with the Japanese Firm.

Porcelain Insulators.—The Project commenced commercial production in August, 1973, with a capital of Rs. 5.5 million. Total sales for the 5 months amounted to Rs. 1.3 million. Of the capital of Rs. 5.5 million Government contributed Rs. 1.4 million the balance of Rs. 4.1 million being provided by the Corporation.

Felspar Mining.—The Corporation commenced mining its own requirements of Felspar. The mines at Rattota are being managed by Lanka Porcelain Ltd.

Washing Blue.—The capital cost of this Project is Rs. 558,000. No foreign exchange is being expended on machinery. Work on buildings and machinery is complete and commercial production is expected to commence early.

Mosaic tiles.—Total capital of this Project is Rs. 6.3 million foreign component Rs. 4.7 million and local Rs. 1.6 million. The Project has a capacity of 3,600 tons and is 100 per cent Export oriented. Cost of Machinery would be repaid from earnings from exports, a guarantee by the supplier of machinery. Building work has already commenced and part of the machinery has already arrived in the island. Commercial production is expected to commence early. Government provided entire capital for the project.

Refractory Project.—Consequent to a preliminary study, a decision has been made to call for world-wide tenders. The Corporation has also decided to site this factory at the now abandoned Hanwella Brick Factory premises. Funds amounting to Rs. 30 million would be provided by the Government.

Dediyawela Ball Clay.—A feasibility study has revealed that the Project is viable. A Cabinet paper would shortly be submitted for approval, for powdering of 3,000 tons of Ball Clay at Dediyawela. Funds are expected to be provided by Government.

Cleansing Powder.—Experiments were carried out using rejected ceramic ware items as basic raw material for manufacture of Cleansing Powder. Samples of powder have been sent to the C. I. S. I. R. for approval of specifications. The plant is to be sited at Negombo Factory premises. Capital cost of the project is less than Rs. 1 lakh and would be provided by the Corporation.

Sheet Glass.—Preliminary studies are being carried out. A Chinese team is negotiating discussions with Officials of the Ministry of Industries. A decision would be made shortly as regards setting up of factory for the manufacture of 7,500 tons of Sheet Glass.

Second Factory for Manufacture of Porcelain Ware.—M/s. Noritake Co. Ltd., of Japan which collaborated with the Corporation for the first Porcelain Factory are desirous of setting up a second factory, to produce another thousand tons of Porcelain ware for export. A Cabinet Paper has been submitted. Total capital is estimated at Rs. 47.4 million of which Noritake Ltd., would contribute Rs. 19.8 million.

Staff.—Employee-employer relations in 1973 continued to be quite cordial. The staff-strength of the Corporation as at end of 1973 totalled 2,407 as against 2,252 employees the preceding year. The scheme of incentives has contributed towards greater efficiency and enthusiasm of the employees.

Statistics of total sales and gross profits of the factories at Negombo, Piliyançala, Kaolin Refinery and Brick and Tile Section taken over from the National Small Industries Corporation in October, 1972 were :—

	1972	1973
	(Rs. million)	
Total Sales	34.2	42.2
Gross Profits	9.5	12.8

Total Net Profits prior to taxation during the two years respectively were Rs. 6.4 and Rs. 8.6 million.

Sri Lanka Tobacco Industries Corporation

The 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 beedi wrapper leaf, manufacture and sale beedies, promote tobacco cultivation and cultivation of Kadumberiya (beedi wrapper leaf).

The Corporation imports from India requirements of beedi wrapper leaf, average annual requirements being in the region of 6 million lbs. The Imported leaf is distributed to the Corporation's manufacturing agents and to private manufactures on a quota system based on their original imports.

Production capacity of the Corporation is about 150 million beedies per month. Beedi wrapping being one of most labour intensive industries, provides employment to around 22,000 persons solely through the Corporations' agents. Total number employed in the industry including private and Co-operative Sectors, is estimated at 50,000.

The tobacco required for beedi manufacture is grown locally mainly in Matale, Anuradhapura and Moneragala Districts. The Corporation purchases the growers' tobacco on a guaranteed price fixed by the Department of Agriculture. Purchases for the year 1973 totalled Rs. 4.9 million. The Corporation has also commenced cultivation of tobacco in its own farm at Kantalai and the production of Cigars with local tobacco. Special varieties would be cultivated for the purpose.

Cultivation of Kadumberiya, local substitute for beedi wrapper leaf has been undertaken on an experimental basis, planting material being obtained from India.

TABLE 8.2.—TOTAL SALES, GROSS AND NET PROFITS OF THE CEYLON CERAMICS CORPORATION 1972 AND 1973

	Negombo Factory		Pitiyandala Factory		Kacilin Refinery		Brick and Tile Section (a)		Total	
	1973	1972	1973	1972	1973	1972	1973	1972	1973	1972
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Total Sales	8,499,046	8,087,509	23,771,556	23,123,374	806,452	1,566,909	8,174,024	1,457,740	42,251,078	34,235,532
Gross Profit	2,457,094	1,850,650	7,009,377	6,639,037	884,683	576,240	2,431,466	413,875	12,782,620	9,479,802
Net Profit before Taxation	2,003,168	1,039,762	4,720,742	4,758,741	633,232	398,008	1,324,655	220,252	8,681,797	6,416,763

(a) The Brick and Tile Section was taken over from the National Small Industries Corporation on October 1, 1972.

IV—COCONUT INDUSTRIES

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 variations in oil content of local estate copra with the time of plucking, normal fertilizer treatments or situation of estates have been observed. About 68 percent 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 1973 totalled 2,739 tons as against 43,591 tons in 1972.

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 (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 70 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. Export of desiccated coconut in 1973 amounted to 37,147 tons as against 48,564 tons in 1972.

The organisation set up by the Coconut Processing Board for the control of Salmonella and inspection of shipments and factories has worked with acceptance. The laboratory of the Board examines samples of desiccated coconut for Salmonella and renders a great service to the 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 saturated fatty acids.

Coconut oil prepared from copra, or refined coconut oil, keeps well for a fair length of time.

The coconut oil milling industry is extensive and bulk of commercial oil is produced using screw expellers and hydraulic presses. The chekku mill though continues to be employed is gradually giving way. The oil pressed in this manner is used mostly for domestic and culinary purposes as process is much less efficient. Various grades of oil (depending mostly on the quality of copra used) are produced and are classed as 'Edible White', 'Commercial' and 'Mill' oils on the basis of their free fatty acid contents and colour. Besides the oil used for edible purpose, the local soap industry also absorbs a fair quantity of coconut oil. Exports of coconut oil were 18,060 tons in 1973 as compared with 85,430 tons in 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 decortivating plants 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. A total 103,246 tons of coir fibre were exported in 1973.

Coconut Poonac

The ban imposed by the Government on export of coconut poonac continued during the year.

Arrack

Arrack is a product of toddy. This industry is a State monopoly and earns a very large excise Revenue to the State. Arrack is produced by distillation of toddy in seven distilleries in Kalutara District under State supervision. Arrack is also produced by the State Distillery, Seeduwa in Colombo District.

Quantities of arrack produced during the last three years were as follows :—

Year	Private Distilleries (Proof gallons)	State Owned Distillery (Proof gallons)
1970-71	755,338	189,538
1971-72	783,405*	109,406*
1973	582,682	113,555

(*15 months)

Arrack distilled at private distilleries is purchased by Government under contracts with the distillers. The price paid to the private distillers for a proof gallon of arrack during 1973 (including the Co-operative Distillery) was Rs. 15.66. The arrack so purchased is normally stored in wooden vats as long as possible for maturation, but due to heavy consumption during the year, long maturation was no possibility.

The arrack so purchased is issued to renters in bottles and in bulk at fixed wholesale prices for sale at fixed retail prices. The renter is thus assured a profit of Rs. 6/ per gallons of bulk arrack and Rs. 3.80 per gallon of bottled arrack.

The taverns are sold annually by tender and the highest bidder gets the exclusive privilege to sell arrack within the local area of the tavern. Arrack consumption during 1973 was 6,036,674 gallons as against 7,251,939 gallons the preceding year.

Processed Arrack.—With a view to encouraging private enterprise to improve quality of arrack, provision has been made for such enterprises to purchase Government arrack and issue to the general public through arrack taverns after processing. Only one licence has been issued so far for processing arrack and the licensee has issued 4,811 gallons during 1973.

Toddy

Toddy is mainly obtained from the coconut palm which thrives in the maritime provinces of Sri Lanka. When the flowering stalks or spadices, which contain a large quantity of sacharine juice supplied by the tree for the formation of coconuts are tapped before they open out, a juicy liquid known as sweet toddy is obtained. 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 parts of the island. Sale of toddy is controlled by Government licences and a considerable industry depends on the sale of toddy.

The average price is Rs. 3.60 per gallon of coconut toddy and Rs. 3 per gallon of palmyrah or kitul toddy. Toddy consumption during 1973 was 2,960,447 gallons as against 3,852,231 gallons in the preceding year.

Sweet Toddy.—Toddy is kept sweet (unfermented) by lime coating of pots daily with fresh slaked lime. Sweet toddy drawn from coconut, palmyrah and kitul palm is converted into treacle or faggery by boiling. A permit is required 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. There are 10 licences in the vinegar industry. A total of 56,470 gallons of vinegar were marketed in 1973.

Malt Liquor etc.

Liquors of foreign brands are also manufactured in Sri Lanka. The Ceylon Brewery Ltd., Nuwara Eliya and McCallum Breweries, Meegoda manufactured 1,600,161 gallons of malt liquor during 1973, while Rockland and Mestiya Distilleries produced 17,292 gallons of Gin. The Gal Oya Distillery also produced 14,102 gallons of gin and 7,189 gallons of Brandy.

There were fifteen (15) licences issued for the manufacture of Eau-de-Cologne.

Rockland, Mestiya, Gal Oya and Kantalai Distilleries also manufacture Rectified Spirits.

Coconut Development Authority

With the setting up of the Ministry of Plantation Industry in May 1970, all Government Agencies concerned with the Coconut Industry were placed under a single Authority.

The establishment of a Coconut Development Authority on 15th November, 1971, under the Coconut Development Act, No. 46 of 1971, and the establishment of four statutory Boards for operational purposes made possible for an integrated approach to co-ordinated development of the industry. These Boards though subject to control at policy level by the C. D. A., enjoy to a great extent a certain degree of autonomy at operational level.

The four statutory Boards were :

Coconut Research Board

Coconut Processing Board

Coconut Cultivation Board

Coconut Marketing Board

They took over the functions of the existing institutions and their names are largely indicative of the functions performed. These Boards began functioning in May, 1972.

Activities analogous to industrial aspects of the Development Authority are outlined below :—

Development in White Fibre.—The Coconut Processing Board has taken necessary steps to solve Three basic problems faced by the white fibre industry :

- (a) The excessively long period of retting.
- (b) Elimination of tedious manual beating of husks to extract fibre.
- (c) Establishment of better organisational structures to save cottage industries sector from exploitation by the middleman.

With a view to attaining these objectives the Processing Board has established an experimental station at Ratgama and a Service Co-operative at Randombe during 1973. Experiments would be conducted in retting of husks under various conditions, different mixtures of retting fluid, and treatment of husks. A mechanical device would be evolved to extract fibre. Capital cost of the project is about Rs. 110,000 and recurrent expenditure in the region of Rs. 90,000.

The Service Co-operative was started as a pilot project to study feasibility of handling purchase of husks, retting, sale of retted husks or fibre at reasonable prices to actual producer and purchase finished product at attractive prices. The pilot project would help study co-operative forms of production and management to raise income level of the producer.

Brown Fibre.—There are about 700 fibre mills mostly concentrated in the North Western part of the island. European buyers continue to request for a better coloured dust and pithfree fibre at low prices. A detailed study revealed that it would be more economical and feasible to enforce quality standards at the mill itself. Further improvement in quality requires introduction of costly items like crushers, tanks, and paddle sifters, costly investments for the average miller. To conduct research on improvements in production methods, the Board leased a coconut complex at Nattandiya in September, 1973 and its fibre mill is being run on an experimental basis.

The Board has been associated with the Sri Lanka Bureau of Standards to prepare standards for all types of fibre. A survey on locational study of fibre mills is being conducted at present to ascertain availability of retting ponds and husks.

Coconut Cream Project.—The object of this project is to increase the exportable surplus of coconut products by eliminating waste involved in the traditional method of extracting coconut cream for culinary purposes. This project is handled in collaboration with the C. I. S. I. R. and is yet in its preliminary stage.

V—BUREAU OF CEYLON STANDARDS

The Bureau of Ceylon Standards commenced activities in November, 1966. Preparation of standard specifications and codes of practice, administration of compulsory standards and standardisation marks scheme implementation of standardisation and adoption of a metric system of weights and measures were among its major functions.

Preparation of Standards continued with much enthusiasm. A total of 75 standards were issued in 1973. In addition, nearly 340 topics were under active standardisation at the Drafting Committee stage, an index to increased activities.

Implementation of Standards, an important aspect in the field of standardisation suffered a setback due to lack of raw material both of required quality and quantity.

To make industrialists quality conscious a training programme however was successfully held for mid-management personnel with hope for expansion in the ensuing year.

The Bureau maintained satisfactorily its policy in the implementation of the compulsory standards in respect of Razor Blades and Asbestos Sheets.

Laboratories.—Bureau laboratories are sine-qua-non assigned functions on standardisation, implementation and independent testing. Laboratory facilities could not be expanded for lack of foreign exchange to buy basic scientific equipment. The Bureau received some equipment for the biological laboratory under an aid programme of the ITC/SIDA.

Metrication.—The Cabinet in 1973 approved major recommendations relating to Metric switch-over as outlined in the Report of National Metrication Board. Implementation of metrication would commence shortly under aegis of the Ministry of Internal and Foreign Trade through a national metric conversion authority.

Pre-shipment Quality Check.—The Bureau has finalised plans for operation of a Pre-shipment Quality check to improve quality of export products thus ensuring a better market.

VI—DEPARTMENT OF SMALL INDUSTRIES

Production of textiles by means of powerlooms and handlooms is the major function of the Department of Small Industries. In addition, it is also engaged in the development of handicrafts. Textiles are produced both by handlooms as well as powerlooms.

Targets of production for the year 1973 were 54,160,000 yards of textiles by means of handlooms of which the Co-operative Sector would produce 18,960,000 yards and the Private Sector 35,200,000 yards.

The Co-operative Sector however, has produced 7,750,000 yards during the Second half of 1973.

In addition arrangements were made during the year to produce furnishing material required for the Alhambra Hotel Project.

Under the Chinese Economic Aid Agreement 2,400 powerlooms have been received of which 2,208 looms have been installed as at end of 1973. A total of 61 powerloom workshops are engaged in production of textiles. Some of these workshops have introduced three working shifts. These powerlooms have produced 4,195,170 yards of textiles during the second half of 1973 varying from Poplin, Cambric, Matt Shirting, Grey Sheeting and Voile and requirements of the Department of Government Supplies as Drill, Hospital Cloth, Khaki and Sheeting.

The Carpentry Section of the Department is engaged in training various technicians required in the country, and also caters to the Department of Government Supplies in supplying school and office furniture. There are 54 carpentry schools located in the various parts of the Island, of which 34 are mechanised. Trainees who complete a three-year course at these schools, obtain a further advanced training extending two years at the Carpentry Training Centre Velona, Moratuwa. During latter half of 1973, the Carpentry Societies and schools have produced furniture and other items to the value of Rs. 562,037.

The Department also maintains four coir workshops, 26 coir centres and 68 coir co-operative societies. The four coir workshops are mechanised and engage in the production of Carpets and Rugs of high quality while coir centres and societies are engaged in spinning coir yarn and rope. These centres also provide requirements of Government Departments and Corporations as Coir Rope, Coir Yarn, Rugs, Ekel Brooms etc. Value of coir goods produced during the latter half of 1973 totalled Rs. 1,065,214. Value of production at the four coir workshops amounted to Rs. 247,791.

Steps were taken to manufacture white coir yarn from coconut husk. A total of 40 tons of white coir yarn have been exported to Japan, obtaining Rs. 143,000 as foreign exchange. In addition 22 tons of ekel have been exported to Pakistan with foreign exchange earnings of Rs. 34,860.

Export targets of 10 tons white coir yarn and 25 tons of ekel each month are envisaged.

There are 4 Pottery Centres, 5 semi-mechanised centres, 21 non-mechanised centres and 60 co-operatives engaged in the production of pottery-ware. The Department has organised a few defunct co-operatives which are being staffed by demonstrators.

Production of pottery ware that could substitute aluminium utensils used on kerosene cookers has contributed substantially in the reduction of sheet imports thus saving foreign exchange.

A number of handicraft centres totalling 129 and ranging from small-scale industries as Rush and Reedware, Brass, Fibre, Paper Pulp, Toys, Pillow Lace and Needle work are being maintained by the Department. Handicraft industry is being revived with the assistance of traditional master-craftsmen.

Turnover at Laksala shops in Colombo and in the provinces has increased annually. Sales during the latter half of 1973, amounted to Rs. 8,656,438. A Lakasala shop has been opened at Ratnapura.

An exhibition of jewellery was held at Laksala, Colombo, in addition an Art and Sculpture Show Room and a counter "Miss Laksala" were opened during the year. Arrangements have been made to provide necessary raw materials to those who supply goods to Laksala shops.

The Laksala at Colombo is also engaged in the promotion of exports. Orders are being received by means of missionaries abroad, participation at exhibition and fair in foreign countries and 'Gift parcels' scheme to foreigners are other activities. About 400 items suitable for export purposes have been selected.

The Department of Small Industries participated in the following exhibitions :—

Serendib Fair in London—September, 1973.

Levant Trade Fair in Bari, Italy—September, 1973.

Canadian National Exhibition Toronto—August-September, 1973.

Womens' International Religious Fellowship Bazaar, U.S.A.—September, 1973.

Baghdad International Trade Fair—October, 1973.

Y.M.C.A. Fair, Bangkok—November, 1973.

Stockholm "Save the Children Association Fair"—December, 1973.

The Department earned Rs. 2,743,149 in foreign exchange. The Laksala shops in Colombo and Kandy too earned Rs. 145,400 foreign exchange from sale of handicrafts.

VII—MANAGEMENT DEVELOPMENT AND PRODUCTIVITY CENTRE

National Productivity Organisation

The Government of Sri Lanka has designated the Management Development and Productivity Centre as the National Productivity Organisation of the island. The Centre was established in 1968 with general objectives as—

- (1) train and educate managerial and supervisory personnel in industrial, commercial and service organisations of public and private sectors in techniques and processes of modern management relevant to Sri Lanka ;
- (2) make available to the Government and the country-at-large for advice, consultancy, and special assignments, a group of highly qualified and experienced specialists in various functional divisions of management ;
- (3) assist Government organisations and private undertakings in their efforts to improve productivity, establish performance standards, determine rational monetary compensation systems and evolve more satisfying patterns of human relations.

The Centre was established in 1968 as a joint effort with the United Nations Development Programme. The International Labour Organisation is the executing agency for the project. The Centre from its inception has functioned under the Ministry of Industries and Scientific Affairs.

The Government has provided the Centre with financial assistance averaging about Rs. 2 million a year. Under the U. N. D. P. regional Programme a further sum of approximately US \$ 710,000 has been made available in the form of foreign consultancy and export services, fellowships for national staff and provision of equipment.

Government's continuing support for the Centre is evident from the fact that it has already committed an expenditure of approximately Rs. 8.2 million for the period 1973-1976. In recognition of this monetary allocation the United Nations Development Programme has provided assistance for a similar period to an extent of US \$ 832,000.

Land has also been made available to the Centre for erection of its permanent headquarters by the Government.

Due emphasis has been stressed in the Five-Year Development Plan on increasing productivity of existing investments in both public and private sectors and efficient execution of planned enterprises. The Centre has been entrusted with the special responsibility of management development at all levels.

Apart from its activities in relation to public sector, the centre has continued to service the private sector in business and industry with necessary training and advisory services.

A proposal to rename the centre as "National Institute of Management" is designed to facilitate administrative arrangements and provide novelty and creative bias in training and development programmes now undertaken by the Centre.

Though not concerned itself with specific problems of agricultural productivity nevertheless the Centre has assisted agricultural enterprises, particularly land settlement agencies of Government with programmes of training in management. The Government has recently established an Agrarian Research and Training Institute to meet this specific need. The establishment of a Co-operative Management Training Centre is envisaged to cater to special needs in the sphere of wholesale and retail trade.

TABLE 8'3—M. D. P. C. TRAINING COURSES PROVIDED 1968-1972

Field	Courses Provided					Number of Participants						
	1968	1969	1970	1971	1972	Total	1968	1969	1970	1971	1972	Total
General Management	4	3	2	4	4	17	68	38	46	100	89	341
Industrial Engineering	2	5	4	3	5	19	25	83	67	69	105	349
Management Accounting	—	2	3	—	6	11	—	22	30	—	90	142
Marketing and Sales	—	3	1	—	5	9	—	46	19	—	97	162
Personnel Management (Inclusive of Supervisory Training)	—	7	6	5	10	28	—	114	103	121	244	582
Total	6	20	16	12	30	84	93	303	265	290	625	1,576

Business and Industry Relations

Sri Lanka has an expanding public sector, active in industry, commerce, banking, insurance, and transport. There are 18 manufacturing enterprises in the public sector functioning under the Ministry of Industries and Scientific Affairs. The Director-General of the Centre functions concurrently as Director of the Public Sector Division of the Ministry of Industries. This has ensured a very close liaison with the public sector in industry and business.

Training Programmes

Hitherto, the efforts of the Centre have been concentrated on training managerial and supervisory personnel.

These training courses have on an average been 3 weeks duration covering 20 hours a week with lectures, in-plant training exercises and presentation of reports. The participants in the courses have been drawn from public and private sectors in the ratio 2 : 1.

Apart from these training courses, the Centre actively participated in the Graduates Training Programme of the Government. This programme was commenced in 1971 and designed to prepare graduates in humanities and social sciences for junior managerial positions, in Government as well as in industry and business sectors. A total of approximately 480 graduates were given a basic training in all the functional divisions of management and subsequently attached to various public sector enterprises for on-the-job training. This training programme was conducted in Sinhala, Tamil and English. Most of these graduates have since been absorbed into permanent jobs in industry and business sectors.

The Centre has carried out a total of 80 consultancy assignments in public and private sector organisations since it was established in 1968. These assignments have been in various fields as feasibility studies for new projects, establishment of proper accounting systems, formulation of wage incentive schemes, cost control procedures, job analysis and job evaluation, etc. The staff of the Centre in addition have worked on various assignments for the Ministry of Industries, including studies of various industry sectors in Sri Lanka. Personnel of the Centre have also been released for certain specific assignments in public sector institutions. Lack of managerial skills and other causes have necessitated infusion of new blood and skills to assist the institutions in their development activities.

The Centre has also rendered formal and informal technical advice to various organisations and has also assisted the Academy of Administrative studies in study courses. M.D.P.C. staff partook in programmes of Department of Management studies, University of Sri Lanka.

Many consultancy assignments had been undertaken in both public and private sectors. Important among these were :

- Feasibility study for ilmenite—processing industry ;
- Technical Feasibility study—radio manufacturing industry ;
- Study of bitumen manufacturing division—petroleum industry ;
- Survey of paper requirements—educational publications ;
- Design of production planning and control system—Hardware industry ;
- Design of incentive schemes—plywoods industry ;
- Design of incentive scheme for maintenance workshops—fishing industry ;
- Design of incentive schemes—steel industry and cement industry ;
- Diagnostic study and organisational design—cement industry ;
- Design of purchasing procedures—gemming industry ;
- Design of costing system—tyre manufacturing industry ;

- Product coding and purchasing procedures—small industries and sales organisations ;
- Job analysis and organisational design—coconut products marketing organisation ;
- Job Evaluation—fishing industry ;
- Job Evaluation—chemical industry.

Numerous requests for assistance have presented the centre with the problem of job selection and priorities. The U. N. D. P. at the request of Sri Lanka Government agreed to use part of assistance provided to sub-contract work to a firm of management consultants. A team of consultants from Urwick International Ltd. would train local staff, help establishment of a consultancy division at the M. D. P. C. and undertake a series of diagnostic studies as assignment in public sector enterprises.

Professional Consultancy and Training

The M. D. P. C. at present has a total of 26 permanent national staff adequately qualified and experienced specialists in various functional divisions of management. An increase in specialists staff to about 40 by end of 1976, is envisaged.

Continuing services of the 'professional' staff, since inception of the M. D. P. C. is indicative of the commitment and job satisfaction the staff have experienced.

VIII—UNITED MOTORS AUTOMOBILE ASSEMBLY AND MANUFACTURE LTD.

Business Undertakings of United Motors, its subsidiary Automobile Assembly and Manufacture Ltd., were vested in the Government on 8 March, 1972 under the Business Undertakings (Acquisition) Act. Major departments of the Business Undertakings have been categorised into various sections to maximise efficiency and to maintain an effective control over work performance.

The organisation continues to maintain a high degree of satisfaction. Reasonable return on capital obtained during the year is indicative of the significant improvement the organisation has made since taken over by the Government. Adequate planning of cash disbursements coupled with corrective action to collect debts with least possible delay helped avoid problem of liquidity. Informative and Educative costing reports were submitted to the Management to take appropriate action and rectify deficiencies in existing systems. Programme and cost budgets were prepared to exercise effective control over expenditure.

Sales

An allocation was received during the latter part of the year for import of 'Jeep' vehicles to be distributed to Government Departments and Corporations. A number of international tenders were awarded the undertakings for 4-wheel drive land vehicles.

Staff strength as at 31 December, 1973, totalled 305 comprising technical and allied grades.

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 new Council appointed by the Minister of Industries and Scientific Affairs in May, 1972, continued to serve in 1973. Membership in the Council consists of a Chairman and 21 members with a Secretary General.

Research Grants, Studentships and Fellowships

Since activities of the Research Grants Committee and Scholarships Board of the Council overlapped to a considerable extent, the Council appointed a single committee designated "The Research Grants and Scholarships Board" to administer Research Grants, Research Fellowships and Research Studentships. Sixty-eight applications for Research Grants were received during the year. Seventeen applications were recommended by the National Science Council to the Ministry of Industries and Scientific Affairs and these were approved by the Minister. A Research Fellowship and five Research Studentships were awarded in 1973.

On a recommendation made by the Standing Research Committee for Health, the National Science Council approved three Junior Research Awards to Medical Officers who have completed their period of Internship.

National Scientific and Technical Documentation Centre

The request for UNDP assistance for this project, submitted by the Ministry of Industries and Scientific Affairs, to the Ministry of Planning, was not accepted due to lack of funds. As the Council felt strongly that one of the most important supporting services for research is scientific and technical documentation a modified project proposal was drawn up for implementation.

Foreign Exchange Exigencies Fund

A proposal to establish a Foreign Exchange Exigencies Fund was approved in principle. A sum of Rs. 50,000 in Foreign Exchange was allocated for the purpose.

Acute Foreign Exchange difficulties the country faced in 1973 thwarted implementation of this proposal.

Directory of Scientific Research Projects in Sri Lanka

The first directory of Scientific Research Projects in the country was compiled by the Technical Library of the Ceylon Institute of Scientific and Industrial Research in 1970. Since it was felt that a directory of this nature should be compiled once every three years, a questionnaire was sent out to Government Departments, Corporations, Universities and Private Institutions engaged in scientific research. Response from the public sector was of the order of 75 percent from the private sector though the response was rather poor, being about 25 percent.

Draft National Science Council of Sri Lanka Bill

The Draft National Science Council of Sri Lanka Bill was submitted to the Minister of Industries and Scientific Affairs. The Minister made certain modifications to the draft and submitted a Memorandum for consideration by the Cabinet. The proposal has since been approved.

Research Priorities

Sub-committees on—

- (1) Natural Resources
- (2) Health
- (3) Agriculture
- (4) Industry
- (5) Social Overheads

Were appointed by the Council to indicate priorities for research—

- (a) in the context of the 5-year Plan of the Government;
- (b) in terms of long-term projects in excess of the 5-year Plan period.

The sub-committees on Health and Social Overheads have submitted the necessary reports, while work on the sub-committees on Natural Resources and Agriculture are nearing completion.

International Membership

The Science Council is the adhering-member for Sri Lanka on the following International Organizations.

- (a) Commonwealth Scientific Committee (CSC)
- (b) International Council of Scientific Unions (ICSU)
- (c) Union Radio-Scientifique Internationale - International Union of Radio Science (URSI)

A formal application by the National Science Council for Associate Membership of the International Union of Physiological Sciences (IUPS) was submitted in September, 1973.

Environmental Management

The Planning Ministry, in collaboration with the National Science Council prepared a report on Environmental Management in Sri Lanka.

Indo-Sri Lanka Science Co-operation

In accordance with decisions made at the third meeting of the Indo-Sri Lanka Sub-committee for Economic Co-operation, held at New Delhi in August, 1973, it was agreed that Sri Lanka would send a team of selected scientists and technologists to India. This team could negotiate terms of the agreement and identify fields of activity of mutual interest.

At the request of the Secretary, Ministry of Industries and Scientific Affairs, this proposal was examined by the Council and recommendations as regards implementation of the proposal have been submitted to the Ministry for consideration.

The Council also examined the draft Agreement between Governments of the Republic of India and the Republic of Sri Lanka on scientific and technical co-operation.

International Hydrological Decade

The National Science Council awarded two prizes of Rs. 150 each to be given the winners of an essay competition to be conducted in Sinhala, Tamil and English among school children visiting an exhibition organized by the Sri Lanka National Committee for I.H.D.

II—CEYLON INSTITUTE OF SCIENTIFIC AND INDUSTRIAL RESEARCH

The principal organisation since 1955, for general industrial research, technical development and advisory services to industry has been the Ceylon Institute of Scientific and Industrial Research, popularly known as the C:ISIR.

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.

Reorganisation and development of the Institute continued during the year 1973. The major building project could not commence due to non-availability of funds.

Amendments were made in the CISIR Act to allow for expansion of the Governing Board and increase the term of office of the membership. Provision was also made for the establishment of a Research Planning Council as an advisory body.

Under an agreement between the Government of Sri Lanka and the USSR, 2 specialist consultants commenced work in November, 1973, one in the field of Process Engineering and Chemical Technology, the other would advise on Techno-Economic evaluation of Industrial Research.

III—ATOMIC ENERGY AUTHORITY

The Atomic Energy Regulations Committee of the Authority completed its final draft of the Regulations. These regulations cover import, storage, use and handling of Radioactive materia and all forms of ionizing radiation including X-ray and also the use of irradiating apparatus.

Technical Assistance

Under the 1974 Regular Programme of technical Assistance of the International Atomic Energy Agency, the Radioisotop Centre, University of Sri Lanka, Colombo Campus was granted equipment for \$ 10,000 and expert service for 6 months. The Radiobiology Unit, Peradeniya Campus was granted equipment for \$ 20,000 and expert service for 3 months. Further assistance of \$ 10,000 was also granted to the Radioisotope Centre by the UNDP through the IAEA. Two fellowships were granted the Government Cancer Institute for training of a Physicist and a technician for periods of 3 and 6 months. A scientific officer attached to the Radiobiology Unit, Peradeniya Campus was also granted a fellowship for a period of one year.

Under the 1973 Research Contract Programme the Faculty of Medicine, University of Sri Lanka Peradeniya Campus, Agricultural Research Station, Mahailuppallama and the Central Agricultural Research Station at Gannoruwa were awarded contracts for conduct of Research by the Agency, contribution by the Agency in each case being U.S. \$ 2,160, \$ 1,000 and \$ 2,500 respectively.

Hydrology Committee

The Isotope Hydrology Programme formulated by the Hydrology Committee of the Authority, which included studies on ground water estimation, sediment transport, etc., was forwarded to the Planning Ministry to obtain funds under the UNDP or any other aid programme for implementation.

Energy Committee

The authority set up a Committee on Energy with representatives from the Ceylon Electricity Board, Faculties of Engineering, University of Sri Lanka, Peradeniya and Katubedde Campuses ; Ministry of Plan Implementation ; Department of Irrigation and the Radioisotope Centre, Colombo Campus, University of Sri Lanka.

The Committee has been requested to submit a report with special reference to :—

- (i) Present and future demand for power in Sri Lanka ;
- (ii) A comprehensive survey of the hydro-potential ;
- (iii) Suggestions for bridging energy gap if any, that would arise ;
- (iv) Alternative sources of energy to 'back up' the hydro-potential, including feasibility of using Nuclear Power.

Agriculture and Medicine

The Authority has set up Committees on 'Agriculture' and 'Medicine' with representatives from the relevant institutions, to formulate short and long-term programmes on the application of Nuclear Techniques in fields of Agriculture and Medicine. The Programmes would also include the nature of Technical Assistance required in the form of equipment, expert services and fellowships.

IV—AGRICULTURAL RESEARCH

Tea Research Institute

The Tea Research Institute was established in 1925 and is maintained and financed by the tea industry. The Institute operated a restricted programme of research during the year due to certain financial difficulties. The position however improved considerably towards latter part of the year.

Investigations were carried out to determine the precise levels of sulphur required for tea in Sri Lanka. Experiments on the efficiency of the utilisation of N from various fertilizers were continued using an isotope of N¹⁵. Ammonium sulphate proved to be superior to both potassium nitrate and urea, as regards availability of N to tea plants. Basic studies on the applicability of leaf analysis as a tool for diagnostic purposes and also as a basis for the application of fertilizer were continued. It has now been established that 'the first mature leaf' is the most suitable organ for leaf analysis. Long term field experimentation on the use of fertilizers for tea were continued and yielded useful information.

Agronomy.—Field experiments on the relative efficiency of various types of N and on the effect of presence of shade trees on tree crops were continued. A number of experiments were carried out on the effect of plant density in new clearings with various clones. The relative efficiency of various methods of bringing in tea plants into bearing have been investigated and the results published. Extensive studies were conducted on the problems on soil and water conservation on tea estates including the use of synthetic products to minimise soil erosion.

One of the most pernicious weeds on tea estates is *Panicum repens*, a grass particularly difficult to eradicate. A useful chemical was discovered which would bring this weed under control.

Plant Physiology.—Basic studies on the nutritional requirements of tea were continued. The nitrification process in tea soils was investigated. Fundamental studies on the process of transpiration in tea plants and drought tolerance in tea clones were continued. New types of pruning were tested in field experiments.

Research work on new nursery techniques with a view to reducing casualties in the nurseries were continued. Growth and dormancy studies were continued in relation to nutrition, growth regulators and climatic factors.

Several new clones developed by the Tea Research Institute and estates continued to be tested over a wide range of climatic conditions. Basic cytogenetic studies on the process of meiosis in tea was investigated with a view to developing polyploid plants of possibly high vigour.

Work was continued on the cultivation of a large number of other crops on tea lands.

Plant Pathology.—Damage caused to seedling tea by Blister Blight was found to be negligible in the latter half of the pruning cycle. The Institute accordingly recommended to estates to reduce control measures drastically in the latter part of the pruning cycle and help the industry in particular and the country to save valuable foreign exchange.

Studies on the control of *Phomopsis thea* were continued. A large number of fungicides are being tested for this purpose. Various cultural treatments are also being investigated to reduce disease incidence. Fundamental studies with behaviour of micro-organism in tea soils are being continued.

Entomology and Nematology

The most serious insect problems on tea plants were caused by the Live-wood Termites of Tea. Intensive studies were conducted on biology of the three species involved. The Tea Research Institute formulated and patented a chemical for the control of tea termites. The formulation was tested and found effective against the pest.

Fundamental ecological studies on the Shot-hole Borer of tea were continued and yielded useful information. Work on the biological control of the tea tortrix caterpillar was continued. Long-term experiments on crop losses caused by Mite Pests of tea were initiated.

Studies of the effect of nematode infestation on the free amino acids and flavanols in feeder roots of tea were continued. The resistance and tolerance of various new clones to the Meadow Nematode, *Pratylenchus loosi* were continued. Soil fumigation experiments were conducted using new chemicals for tea nurseries. Several nematicides were tested for their efficacy against *P. loosi*.

Biochemistry.—The biochemical basis for teas susceptible to attack by the Shot-hole Borer were investigated. It was found that a sterol was required for development of the egg and that the availability of this compound to the ambrosia fungus was limited in the case of a tolerant clone. Evidence was obtained to confirm that the development of tea flavour was due to inhibition of biochemical reactions inside the chloroplast. On this basis it was possible to rationally correlate the impact of climatic conditions. Chemical changes occurring during fermentation and firing of tea continued to be investigated.

Three patents have been filed for the production of an Instant Tea by the Tea Research Institute and one for the recovery of caffeine from waste tea.

Technology

Various experiments were conducted on the effect of pre-manufactured influences on characteristics of made tea. Several experiments were also carried out to test possible refinements in the withering process. Rolling programmes were based on orthodox rollers, rotorvanes and CRT rollers and combinations thereof. Experiments were also conducted on variation of screen effectiveness with length and inclination of reciprocal roller breakers. This work has helped resolve motion of reciprocal roller breakers, into four simple harmonic vibration, two of which are at right angles to the other two and having a difference in phase and amplitude. A detailed study of the process of fermentation has been initiated. The Tea Research Institute has completed development of the Fluid Bed drier which is now available in the commercial market. The capital cost of this drier chamber is 32 per cent. cheaper than a conventional drier of equivalent output, in terms of rupee cost and 61 per cent. cheaper in terms of foreign exchange. Operating costs of Fluid Bed driers are 44.6

per cent. less per unit of output than conventional driers, representing a saving of 2.26 cts per lb. of made tea or a potential annual saving of Rs. 11.3 million of Sri Lanka's annual output of 500 million lbs.

At the Colombo and London tea auctions the prices of fluid bed dried teas were at least equal to or superior to those dried conventionally. Fuel consumption of Fluid Bed driers is appreciably less than that of conventional driers.

Routine analysis of experimental data continued. About 250 experiments have been analysed. New statistical designs for field experiments were developed.

Low Country Station.—Long-term fertilizer experiments were continued on a large number of estates. Among other subjects investigated at this station were the differential response of clones to N, effects of using cover crops in young tea, effects of soil rehabilitation, addition of mulch and the advantages of soil cultivation. Several herbicides were tested and two outstanding products have emerged as useful chemicals for Low-Country tea lands. Pruning experiments have been conducted in connection with the problem of Live-wood Termites of tea.

Mid-Country Station.—Ecological studies on the Shot-hole Borer were continued and yielded useful information. Sampling techniques for the presence of Shot-hole Borer of tea were re-evaluated. Biochemical basis of Shot-hole Borer infestation in tea, inherent tolerance of clones to the Shot-hole Borer and suitability of various cultural operations in minimising damage caused by the pest were among other subjects investigated.

Investigations were carried out on effects of meteorological conditions on the outbreak of pests.

Uva Station.—Several experiments on fertilizers were continued. Response to N when 120 lb. of potash were applied was slightly reduced. Much progress was made in growing other crops on marginal tea lands. Trials have already been concluded with soya bean, dhal, fennel, mustard and groundnut. Vetiver and Lemon Grass have been tried out as alternatives to guatemala and mana grass.

Advisory Service

The advisory service dealt with a large number of enquiries from estates and small holders on various aspects of tea culture and manufacture.

Rubber Research Institute

The Rubber Research Institute was constituted under the Rubber Research Ordinance (Cap. 302) of the Legislative Enactments.

Botany

Results of Ethrel experiments have so far been very encouraging. On S/2, d/2, 100 per cent. tapping, with six bi-monthly applications of a 10 per cent. solution of Ethrel a year on Clone PB 86, the yields recorded up to the end of the third year have been well above those of unstimulated control plots.

Ethrel stimulation carried out on S/4, d/2 and S/3, d/2 tapping system with six applications a year has yielded better than the unstimulated plots tapped at the standard intensity of 100 per cent. for the past two years.

A trial comparing tapping at 150 per cent. intensity with tapping at 100 per cent. intensity with Ethrel stimulation once every two months has indicated during two years 1972 and 1973 that higher yields could be obtained by tapping at 150 per cent. intensity rather than by Ethrel stimulation.

Application of Ethrel above tapping cut has given equally good results as applications below the tapping cut. No obvious deleterious effects on trees by applications above the cut have so far been observed.

Trials have shown that with use of polythene rainguards when tapping is possible throughout the year, yields were depressed, indicating that enforced rest periods due to rain interference of tapping is beneficial. Investigations were carried out on use of a cheap rubber rainguard which permitted a reasonable increase in the number of tapping days, but where tapping was not possible during heavy rains. At Dartonfield 50 additional tapping days were possible in 1973, with the use of rubber rainguards.

Clone RRIC 36 has proved an outstanding yielder in the fairly dry districts as Matale and Kegalle. In a trial at Polgahawela, first year yields in 1973 of clone RRIC 36 have been equal to that of RRIM 600 planted in the same trial.

Other newer clones which continue to show promise in wet districts are :—

NAB 15, RRIC 13, 48, 50, 89, 100, 101, AVROS 1734, PRM 252, IRCI 2 and IRCI 9.

In two intercropping trials sited at Avissawella, where Passion fruit and Banana were interplanted among young rubber, the growth of rubber in interplanted plots show an improvement over the control plots. This may possibly be due to additional fertilizer used for the subsidiary crop. The results are in agreement with similar trials carried out in other countries.

Genetics and Plant Breeding

More experimental areas of the RRIC 100 series were opened at five year old plantations. Yields above 700 kg/hectare/year were recorded from large scale replicated plots of RRIC 100, 101, 102 and 103 compared with a yield of 600 kg/hectare/year from RRIC 45. Satisfactory growth and yield were also recorded from RRIC 103 at Moneragala and Matale.

Preliminary results from the RRIM Units at Trinidad showed the possibility of South American Leaf Blight resistance in some of the hybrids synthesized in Sri Lanka, some of which are in tapping for three years.

Pathology

A new method of testing clones, at an early age, for resistance to Bark Rot has been developed. A number of clones have been screened. It has been found that clone RRIC 52 and clones bred from it show a certain degree of resistance to Bark Rot, though clone RRIC 45 appears to be susceptible to the disease, under testing conditions.

Preliminary studies on wound healing following Bark Rot, have shown that the method of treatment advocated by the Institute results in even callusing, whereas the callusing is irregular and uneven when lesions are left untreated.

Considerable progress was made in the studies on the survival of *F. lignosus* in the soil and the effect of sulphur on Fomes control. Studies are now being conducted to assess the lowest dosage of sulphur required to control Fomes. The soil fungi present in various rubber growing soils of Sri Lanka have been isolated, and many of these fungi have been identified by the Commonwealth Micrological Institute, U. K. It has been found that certain fungi, naturally present in the soil, causes more rapid decay of rubber wood than others.

Three types of fungi have been isolated from decaying rubber wood. Fomes grow over the first type, the second type stops growth of Fomes and the third not only stops growth of the pathogen, but grows over it, producing thick hyphae.

Soil Chemistry

Thirty estates were selected for a study of the relationship between commercial production and soil, weather, management and other factors. Only seven of these estates were studied in detail during the year, in view of the large acreage involved.

A programme for the recommendation of fertilizers, based on soil and foliar analyses, was initiated over an extent of 2,000 acres of mature rubber in Kalutara District. Work on this project was completed on schedule. It has been decided to increase acreage under the programme to 30,000 acres.

A poly bag experiment to test possibility of using apatite as a source of phosphorus, showed that local apatite may not be as suitable as the imported rock-phosphate for the purpose.

Rubber Chemistry : Pure Research on the biochemical side was directed towards work on non-rubber constituents in latex, mainly phenolic compounds which cause discolourations in the presence of thiols. Pure research on Rubber Seed Oil is another aspect of investigation. Purification of Rubber Seed Oil was successfully carried out with Fuller's earth and Zylol Mercaptan. Papin was tested further as a coagulant for NR latex. Preparation of cellulose from rubber wood was investigated mainly to explore possibilities of grafting cellulose from rubber wood on to rubber (in latex form). Attempts were made to prepare NR derivatives from new techniques.

On Applied Research and Technology aspects, innovation in block rubber production as production of block rubber via the GPC route and production of block rubber from conventional crepe are being carefully studied. Uses of NR/Bitumen mixes for road surfacing, NR latex/cement mixes for damaged industrial flooring and NR latex for both general purpose and special purpose adhesives, based on new formulations, have been tested.

Use of leather waste as a substitute for high styrene resin and also as a filler in rubber compounding was carried out and a patent has been filed on the new technique.

Analyses of data obtained over a year from a number of recommended clones have shown that the most significant response due to ethrel stimulation is on the increase in Nitrogen levels of stimulated latex coagula. Discolouration of crepe rubber produced from ethrel stimulated areas is suspected and an experiment was designed towards the end of the year to obtain more information.

Extension Services

The two Extension Departments continued to give an efficient advisory service to all sections of the rubber planting industry. The Rubber Research Board has decided to amalgamate the Estates Advisory and the Smallholdings Departments to create a unified and integrated extension service to rubber growers. This would result in better utilisation of the time of various grades of officers, closer supervision of work and a speedier service to the industry.

The Economic Research Unit, attached to extension services, has carried out a series of surveys including : (a) economics of rubber production in smallholdings, (b) income levels, availability and utilisation of time saved and employment opportunities for smallholders who sell their latex to the New Process Rubber Unit, Mawanela.

The Smallholdings Department has done much work in setting up Group Processing Centres for Smallholders to produce RSS. A target of hundred such centres is envisaged in spite of various difficulties in transport and obtaining necessary building materials.

Coconut Research Institute

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 (1) 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 coconut palms, the 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.

Severe drought conditions that prevailed during the preceding year, adversely affected production in 1973.

Estimate of the 1973 crop was in the region of 2,272 million nuts representing an unprecedented decline over previous years. In relation to the 1972 crop (3,073 million nuts) the decrease is 26.1 per cent. In terms of average production for the past 5 years (2,771 million nuts) the drop is 18.0 per cent. Sri Lanka's peak production estimated at 3,148 million nuts was recorded in 1964. The 1973 figure represents a drop of 27.8 per cent. over the peak year of production.

Despite the low volume and total value of coconut products exported, an all-time record in prices was recorded during 1973. Average price of coconut products exported for the past five years has been Rs. 263.67 per 1,000 nuts. The 1973 figure is higher than the average price by 30.4 per cent.

Important aspects relating to the work of Research Divisions of the Institute during the year were :—

Soil Chemistry

Ten long-term field experiments were maintained at Bandirippuwa, Ratmalagara, Pothukulama, Bingiriya, Veyangoda, Dankotuwa and Rathgama.

Results of interest were :—

- (a) The B, Zn, S experiment at Monrovia Estate showed that while sulphur has had a negative effect on weight of husked nut and fresh kernel, the total yield of nuts and copra responded positively. These results suggest that sulphur had in effect reduced size of the nut but increased the overall yield.
- (b) An examination of copra samples from Mawatte experiment for 'rubberiness' showed that there was no deficiency of sulphur in the samples from the $(\text{NH}_4)_2\text{SO}_4$, NH_4NO_3 , NaNO_3 and control treatments. One out of two samples from urea treatment however gave some indication of sulphur deficiency.
- (c) An outbreak of red weevil was detected at the PRS young palm experiment in January, 1973, affecting about 140 palms. Preventive measures helped bring the outbreak under effective control.

Fertilizer requirements of (T X D) Coconut hybrids : A new experiment was laid down to determine growth and yield response curves of young hybrid palms to application of an inorganic fertilizer mixture and assess optimum level of fertilizer needed on a sandy loam soil at Bandirippuwa Estate. The seedlings were planted in December, 1973.

Pot experiment to study the relative efficacies of Eppawala phosphate fertilizer and saphos phosphate using *Paspalum commersoniis* a biological indicator. The first harvest was taken on October 22 and the second harvest on November 29. With the second harvest the experiment was terminated. While the data of the first harvest indicate no difference in response between the two sources. The data of the second harvest show that saphos phosphate is superior to Eppawala phosphate. Analyses of plant and soil samples drawn from this experiment are in progress.

Experiments on micronutrient requirements of coconut seedlings : The effect of micronutrients on the rate of sprouting and growth of seedlings was studied by injecting solutions of micronutrients into the husks of seednuts. The data show that while zinc and copper increased the rate of germination, and excess of boron decreased the rate of germination.

A sand culture experiment to study the effects of the deficiencies of micronutrients (boron, zinc, manganese, copper) was concluded. Deficiency symptoms were observed for boron, iron and copper. The chemical analyses of plant parts from this experiment are in progress.

Laboratory Investigations :—

- (a) Chemical analyses of soil samples from model profiles of coconut growing areas were carried out to determine cation exchange capacity, base saturation, total nitrogen, total carbon, available phosphorus and pH.
- (b) Estimation of sulphur in ... samples from Maradanwila, Walahapitiya, Horrekelly and Monrovia Estates.
- (c) Estimations of sulphur in kernel and nutwater samples from Monrovia Estate.
- (d) Estimations of Ca, Mg, Zn, Mn, Cu and Fe in kernel and cotyledon samples of amputated seednuts from the pot culture experiment.
- (e) Studies on analytical methodology for the estimation of available sulphur in soils.

Soil Surveys—Soil surveys of coconut growing areas :

- (a) Detailed reconnaissance survey of Dandegamuwa 1" sheet (50 per cent. of the 1" sheet completed).
- (b) Detailed reconnaissance survey of Wariyapola 1" sheet (completed).
- (c) Detailed reconnaissance survey of Negombo 1" sheet (completed ; 16 soil series were found).
- (d) Detailed reconnaissance survey of the Soil Chemistry Division experimental plots:
Ratmalagara Estate (two plots),
Mawatte Estate (one plot).
- (e) Isolated seed garden, Ambakelle—detailed reconnaissance soil survey of the barrier on the northern and eastern sides.

Botany and Plant Breeding

Pollination programme at Bandirippuwa, Ratmalagara, Walpita, Ambakelle, Kinyama, Andigedera and Achchitotam Estates was run to schedule. Work at Maradanwila Estate was suspended to enable palms to recover, and only pollen collection from prepotent palms was carried out at this station. A new pollination unit on 350 palms was commenced at Horrekelly Estate, Kudawewa. Extensive use has been made for the first time of foreign germ plasm in the form of pollen from Ivory Coast, supplied gratis by the IRHO. Emasculation work in the dwarf palm block (field number 5, ISG, Ambakelle) was suspended to obtain dwarf green (selfed) seednuts to expedite the Seed Garden Expansion Programmes. A summary of pollination work is outlined below :

Total number of female parents — 1,330

Total number of female flowers pollinated :

<i>Typica</i> × <i>typica</i>	—	13,453
<i>Typica</i> × <i>pumila</i>	—	183,062
<i>Typica</i> × Ivory coast dwarfs	—	35,836

Harvesting of 5,806 *typica* × *typica* and 25,000 *typica* × *pumila* seednuts from crosses was done in 1973.

The Private Sector was issued 398 ampoules of *typica* (prepotent) pollen and 271 ampoules of *pumila* pollen.

Quantities of seednuts planted in the Research Nurseries at Bandirippuwa and the Seed Garden, Ambakelle were

<i>Typica</i> × <i>typica</i>	<i>Typica</i> × <i>pumila</i>	<i>Pumila</i> × <i>typica</i>	tall (OP)
6,491	26,751	16,023	2,600

A total of 41,462 hand pollinated seedlings have been issued consisting of 13,005 *typica* × *typica*, 18,308 *typica* × *pumila* and 10,149 *pumila* × *typica*.

Mother Palm Seed Supply : 1,508,650 selected seednuts were supplied to the Planting Division Nurseries. Re-selection work was completed on St. Annes, Mampuri and North Western Fruit Garden and 3,105 mother palms were re-selected.

Isolated Seed Garden, Ambakelle : Besides maintaining the 135 acres planted prior to 1966 and 50 acres of land cleared and planted in 1972, 30 acres were cleared and planted in May/June, 1973, and an additional 30 acres cleared for planting with favourable weather conditions. Two reservoirs have been constructed and prospecting for ground water is now being done by the Division of Land Use. It is hoped to have a co-ordinated irrigation scheme for Ambakelle if the preliminary investigations are successful. A part of Horrekelly Estate, Kudawewa has been identified as suitable for a Second Seed Garden for the mass production of dwarf \times tall hybrids and a recommendation made to this effect.

Laboratory and Field investigations :

- (a) Study of pollen characteristics from the progeny of the Diallel Cross Experiment (Pothukulama) is being continued.
- (b) The observation trial on size (volume) of hybrid seednuts and quality and performance of resulting seedlings is being continued.
- (c) A trial to study the root system of tall \times dwarf, dwarf \times tall and tall \times tall seedlings in relation to observed differences in susceptibility to drought has been initiated.
- (d) Study on the relationship between stomatal density and yield has been temporarily stopped due to difficulties encountered in field work.
- (e) Investigations on the extent of parthenocarpy in the dwarf variety of coconut and genetics of the pasture grass *Br. miliiformis* have been suspended.

Chemistry

Study on Diurnal and Seasonal fluctuations of nutrients in Foliar tissue :

Studies on the diurnal and seasonal fluctuations of nutrient concentrations on the leaves of adult typical palms which commenced in 1972 were concluded during the year, with two more samplings in January and February.

Of the 1,800 samples collected from this experiment, 650 have been analysed for nitrogen and 320 samples for P, K, Na and Mg.

Studies on the estimation of the annual exhaust of the macronutrients (N, P, K, Ca and Mg) from the soil by adult typical palms, which commenced in June 1972 were concluded in April after consolidating data for six harvests. Assessment was also made of nutrient losses associated with the abscission of fronds.

Toddy yields : Records of toddy yields from 12 healthy hybrid palms from the Botanist's hybrid block at Bandirippuwa Estate were maintained for the eight-month period May to December.

Samples of Toddy collected from tall and hybrid palms using lime and *Vateria acuminata* bark (separately as anti-ferments) revealed no significant differences in respect of sugar contents.

A series of laboratory scale experiments were carried out on various aspects of toddy distillation and the manufacture of special arrack employing rectified spirits.

Palmyrah Toddy : On a request from the Ministry of Finance, the Research Assistant, Chemistry Division, visited Chankanai M.P.C.S. Ltd., and advised as regards technicalities involved in the bottling of palmyrah toddy.

Agrostology

Five new experiments on Pasture Studies were set up (all during the Yala season) :—

At Bandirippuwa Estate :

- (a) P₈₈ : To compare productivity of three fodder species at high levels of N fertilization under coconut.

(b) P₈₉ : To investigate the effect of levels of Nitrogen fertilization, intensity and frequency of defoliation on the productivity of Pusa Giant Napier under coconut.

(c) P₉₀ : To compare the productivity of three pasture species at high levels of Nitrogen fertilization under coconut. (Repeated attempts at establishing *Brachiaria ruziziensis* under this experiment have proved unsuccessful.

P₉₁ at Ratmalagara Estate : To investigate the effect of intensity and frequency of defoliation on the productivity of three fodder species under coconut.

P₉₂ at Kirimetiya Estate :

(i) To determine optimum levels of Nitrogen, Phosphorus and Potassium required for growth and productivity of Pusa Giant Napier under coconut.

(ii) To investigate effect of Pusa Giant Napier fertilized with different levels of N,P,K. on the yield of coconut when grown in association.

Experiments P₈₅, P₈₆, and P₈₇ at Kuliyaipitiya, Kobaigane, and Baddegama respectively to study effect of five levels of Nitrogen (applied as Ammonium Sulphate) on the productivity of *Brachia-ria milliformis* under coconut at three different rainfall regions continued up to July, 1973.

Subsidiary Food Crops.—Six new experiments were set up (two during Yala season and four during the Maha season as follows :

Experiment S₁ at Ratmalagara Estate.—Studies on the growth patterns of Soyabean, Green Gram and Black Gram, under coconut as influenced by differences in the availability of light, moisture and nutrients within coconut girdle.

Bandirippuwa Estate.—An investigation on the effect of Nitrogen fertilization and plant density on the yield of Manioc, under coconut experiment being carried out in collaboration with the Faculty of Agriculture, University of Sri Lanka, Peradeniya Campus.

Ratmalagara Estate (Maha Season).—To investigate effect of Nitrogen fertilization and planting density on the growth pattern and yield of Soyabean (Variety—Bragg) under coconut and International Soyabean varietal Trial.

'INTSOY'—Ratmalagara Code No. AAA 73.

At Bandirippuwa Estate.—To determine optimum spacing for Soyabean under coconut.

At Ratmalagara Estate.—A similar Experiment as at Bandirippuwa has been set up at Ratmalagara Research Station.

Food Production

With accent on food production, action was taken to bring as much land as possible under food crops in the 21-acre block at Bandirippuwa Estate, planted with hybrids. With the Maha rains approximately 3 acres were established with chillie, green gram, beans and soya.

Plans were drawn up to carry out inter-cropping trials on 10-acre blocks with 6 locations each in the Wet, Dry and Intermediate Zones. A sum of Rs. 350,000 was released by the Ministry of Planning for these trials.

Animal Husbandry.—Livestock position as at end of 1973 at Bandirippuwa and Ratmalagara Estates is shown below :—

	<i>Bandirippuwa</i>	<i>Ratmalagara</i>
	<i>Estate</i>	<i>Estate</i>
Milk produced (pints) ..	103,745	4,320
Herd Strength ..	278	76
Animals sold : Bulls ..	2	—
Cows ..	64	—
Heifer-calves ..	3	—
Bull-calves ..	72	—

Rotational cross-breeding programme recommended by Professor Mahadevan (Dean of the Faculty of Agriculture, University of West Indies) is being pursued. The F_1 progeny of (Sinhala \times Jersey) has been crossed to the Sindhi variety.

Crop Protection

Promecotheca cumingi.—Biological control laboratory at Colombo continued to function during 1973. Parasites bred and released were :—

Pediobius parvulus,

Dimmokia javanica.

Continuous observations were kept in the *P. cumingi* infested areas, and leaf samples with larval instars were sent to the laboratory for breeding of parasites. Availability of material for parasite breeding became progressively meagre. A survey to assess incidence of the pest was carried out during the year.

Dr. P. R. Dharmadhikari, FAO Expert from the Commonwealth Institute of Biological Control was in charge of the control programme.

Coconut Caterpillar (Nephantis serinopa).—Parasite breeding programme was continued at the two insectaries at Headquarters and at Parasite Breeding Station, Mylambavelly. A new egg parasite, *Trichogramma braziliensis*, was introduced into the field. Breeding of *Perisierola nephantidis*, *Nythobia* sp, *Spoggosia bezziana*, *Brachymaria*, *Trichogramma braziliensis* was carried out at Headquarters. No field recoveries of *Trichospilus* and *Tetrastichus* were observed and their multiplication was reduced to a minimum, though nucleus cultures were maintained in the laboratory. *Perisierola* and *Nythobia* have shown good signs of field recoveries. *Trichogramma braziliensis*, *Nythobia* and *Spoggosia bezziana* were bred at the Parasite Breeding Station. Infestation in the North-Western Province showed signs of declining towards the end of the year. Population studies of the pest intensity were carried out in the Eastern Province under guidance of the FAO Expert.

Red Weevil (Rhynophorus ferrugineus).—Incidence of the pest showed signs of increase towards the end of the year. This could be attributed to the fairly long spell of drought that prevailed. New infestations were reported from the Vanathavillu colonisation scheme. "Azodrin 60" had to be recommended for its control in place of *metasystarc* as the latter was not readily available. The trap to collect weevils was continued to be tested. Estates where *Platymeris levicollis* was released against Red Weevil were kept under constant observation.

Coconut Scale (Aspidiotus destructor).—Pest infestation was reported from Ravita Estate and spraying was carried out for its effective control.

Black Beetle—Oryctes rhinoceros.—No fresh infestations of the pest were reported during 1973.

Bud Rot Disease.—Several reports of the disease were received during the year. Incidence was observed mostly in the Southern Province. Axil placements of fungicidal bags and axil placement of fungicidal soap was continued and found to be effective.

Stem Bleeding.—The disease was observed at Pothukulama Research Station and at Halmellagara Estate, Hunnalembawa. Affected palms were treated with copper fungicide.

Ganoderma.—*Ganoderma* was detected afresh in the Southern Province. It is proposed to carry out some research on this problem.

Leaf Scorch Decline.—No reports of the disorder were received during the year. Experiments to determine association of soil drainage with 'leaf scorch' condition were continued at Kirimetiya and Ratmahara Estates.

Brometry

Routine statistical work of the Research Divisions were attended to. Designs were provided for a number of new experiments :—

(i) *Calibration Trial*

Calibration trial was maintained uninterrupted.

(ii) *High and Low-Yielding Palms*

Study of distinguishing characters of high and low-yielding palms was completed.

Data were subjected to a "Principal Component Analysis" to determine whether numerous quantitative characters expressing "yield" could be expressed in a lesser number of functions of vectors.

Drought Index.—Analytical work towards improving 'drought index' received attention during the year. The 'sweep out' statistical approach adopted through the Computer shows good results.

Planting

Seednuts.—The Planting Division maintained 14 nurseries. Land at Pallekelle, Kandy was obtained to open a new nursery, giving a total of 15 nurseries as at end of 1973.

A total of 1,298,505 seednuts were laid down in nurseries for seedling issues during the May/June and October/November, 1973 seasons :—

May/June, 1973	..	367,710
October/November, 1973	..	930,795
		1,298,505

Seedlings.—Orders were booked and payments received for 854,204 seedlings for seasonal issues.

Publications

Issues of CRI Journals published during the year were :—

(a) *Ceylon Coconut Quarterly*

Volume XXIII, Nos. 1/2

Volume XXIII, Nos. 3/4

(b) *Ceylon Coconut Planters' Review*

Volume VII, No. 1

(c) *Pol Puwath*

Volume V, No. 3.

Wherever necessary CRI Advisory Leaflets were revised and reprinted to up-date subject material and maintain the stock position.

A new leaflet (No. 52) on *Promecotheca cumingi* was printed in languages Sinhala, Tamil and English.

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 institutions in 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 analysis and issue of reports on productions sent by Courts, Police and Local Bodies for administration of the Criminal Procedure Code ; for purpose of Evidence under Ordinances and Acts relating to Excise, Factories, Poisons, Opium and Dangerous Drugs, Petroleum and Customs, Food and Drugs, Offensive Weapons, Fir arms, Explosives, Port of Colombo (Administration) and on specimens sent by the Port Commission, Customs, Excise, Health and other Departments for tariff classification and quality control purposes. The work of the Department covers fields of Toxicology, Ballistics, Serology, Explosives, Questioned Documents, Examination of Food, Drugs, Water, Liquor, Textiles and other miscellaneous items.

The Government Analyst functions as approved Public Analyst for 45 Local Authorities under the Food and Drugs Act.

The Analyst's Department is also represented on various committees dealing with the Food and Drugs Act, Explosives Act and different committees appointed by the Ceylon Bureau of Standards.

30,710	May 1973
93,783	October 1973
1,58,303	

Orders were booked and payments received for 1973-74

- (a) Police
- (b) Customs
- (c) Excise
- (d) Factories
- (e) Health
- (f) Agriculture
- (g) Fisheries
- (h) Industries
- (i) Local Authorities
- (j) Other

GOVERNMENT ANALYST'S DEPARTMENT

The Government Analyst's Department provides analytical, toxicological and laboratory services to other Government Departments and Government Corporations. It maintains close liaison with the various departments of the Government and is also in touch with the various departments of other Government departments in connection with analytical and other services.

CHAPTER X

MINERAL RESOURCES

I—ECONOMIC MINERALS

THE major economic minerals of the Island being mined at present are gemstones, graphite, beach mineral sands, industrial clays, limestone, silica sands, feldspar and quartz.

Graphite

Graphite mining is the largest and the most important mining industry in the Island. The three large mechanised mines as well as a few smaller ones are worked during the year. Almost the entire production of graphite comes from vein deposits in the south-west sector of the Island, the majority of which occurs in well marked zones or belts. The present workings are mainly mechanised deep mines which go down to depths between 500 and 2,000 feet below the surface. Graphite is exported after being dressed and graded. Larger quantities of ground graphite are now being exported from Sri Lanka. A total of 7462 long tons of graphite valued at Rs. 11.8 million were exported in 1973. The chief buyers were Japan and the United States of America.

Gemstones

Precious and semi-precious stones in large variety occur within layers of older alluvium and river gravels of Quaternary Age in the valleys of Ratnapura District in the south-west of the Island. These have been derived mainly from the weathering of pegmaties and crystalline gneisses and schists of Precambrian Age.

The most important gemstones are delicately coloured varieties of the minerals corundum (sapphire and ruby), chrysoberyl (alexandrite and Cat's Eye), beryl (aquamarine), topaz, spinel, garnet, zircon and tourmaline. Moonstone (a variety of feldspar) is mined from a decomposed pegmatite near Meetiya goda in Ambalangoda area. Mining for gemstones is carried out by the traditional method of sinking pits and panning of gem-bearing gravels extracted from these pits. New areas in the valley of Kalu Ganga, in Malate North Division and Polonnaruwa District were worked during the year.

Production figures for the gem industry are not available. Exports of all varieties of gemstones, both precious and semi-precious, in 1973 were valued at approximately Rs. 152.5 million.

Mineral sands

The extensive black sand deposit at Pulmoddai, north of Trincomalee was worked for ilmenite, rutile and zircon by the Ceylon Mineral Sands Corporation. Export of ilmenite in 1973 amounted to 85,638 long tons valued at Rs. 4.9 million. From the plant for treating tailings from Pulmoddai, established at China Bay 2,801 tons of rutile valued at Rs. 2.2 million and 100 tons of zircon valued at Rs. 23,282 were exported.

Monazite

Monazite occurs as an important constituent of the beach sands which form as seasonal concentrates at certain points along the west coast especially at Beruwela and Induruwa, where it is concentrated by wave action during the period of south-west monsoon. Collection of monazite bearing beach sands was discontinued in 1971 due to poor quality of concentrates.

Quartz

Extensive reserves of pure white silica sand suitable for glass manufacture are present as surface deposits in Marawila-Nattandiya-Madampe area, east of the Negombo-Chilaw road. The factory operated by the Ceylon Glass Company obtains its requirements from this source. The Lanka Glass Factory at Uppuveli near Trincomalee uses vein quartz.

Industrial Clays

No figures are available of the quantity of clays used in local kilns for the manufacture of bricks and tiles, but it probably runs into several thousands of tons. These alluvial clays occur in the flood plains of all the major rivers in the Island, most extensive deposits being found in the valleys of the Maha Oya, the Kelani Ganga and Kalu Ganga. It is in these valleys that the greatest concentrations of brick and tile works occur. The industry however, is spread over the whole Island where suitable clays are found.

Extensive deposits of kaolin are found at Boralessgamuwa, near Colombo; a small deposit occurs at Meetiyyagoda in Galle District. The Boralessgamuwa kaolin deposit is a high grade clay formed by the decomposition of feldspar rich rocks as granites and pegmatites. The Refinery established by the Ceramic Corporation at Boralessgamuwa produced 4,791 tons of refined kaolin valued at Rs. 1.8 million in 1973.

A third type of industrial clay is that suitable for the manufacture of cement. Large deposits of industrial clay are found at Murunkan and Ralmadu (north of Puttalam). The clay from Murunkan is used in the Cement Factory at Kankesanturai and 46,668 tons valued at Rs. 1.8 million were utilized in 1973. The Puttalam Cement Works obtain its supply from Ralmadu and 21,800 tons valued at Rs. 311,930 were mined in 1973.

Limestone

Extensive reserves of sedimentary limestone of Miocene Age occur in the Jaffna Peninsula and Arukalu, north of Puttalam. This limestone is the basic raw material for the manufacture of cement by the Ceylon Cement Corporation in its factories at Kankesanturai and Puttalam. A total 314,491 long tons of limestone from the Jaffna Peninsula valued at Rs. 4.2 million were mined in 1973. The Puttalam Cement Works obtain its limestone from Aruwakalu and 371,692 long tons valued at Rs. 2.4 million were mined for the year 1973. Purer crystalline limestones as well as coral deposits are burnt extensively for the manufacture of lime. Crushed dolomitic limestones are used with fertilizers to improve magnesia deficiency in soils. A total of 6,006 long tons of dolomite valued at Rs. 239,392 were used in the fertilizer and ceramic industries during 1973.

Ceramic Raw Materials

Pure feldspar and crystalline quartz are used by the Ceylon Ceramics Corporation and other ceramic and glass factories in the private sector. During 1973, 615 tons of feldspar valued at Rs. 61,698 were utilized by the glass and pottery industries. A total of 427 tons of massive vein quartz valued at Rs. 29,036 were utilized by the Ceylon Ceramics Corporation.

Iron Ore

Iron ore deposits of the Island are of two main types, namely (a) superficial limonitic ores, and (b) banded ironstones. The superficial ores are mainly composed of limonite and goethite. They occur as large boulders and surface cappings and are mainly confined to the South-West sector of the Island. About 2 million tons of easily accessible ore are present, the higher grades averaging 54 per cent metallic iron while lower grades average 30 to 40 per cent Fe. The banded iron ore deposits are found in Wilagedera-Panirendawa-Bingiriya area of the North-Western Province and consists of bands of magnetite, 5 to 20 feet thick, interbanded with calc-granulites, quartzites and basic rocks. About 5 million tons of ore with 65 per cent iron have been proved by drilling at depths ranging from 70 to 500 feet below the surface in Panirendawa-Bingiriya area. A new iron ore prospect found at Seruwila is under investigation.

Peat

Nearly forty million 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, the normal water level being at the surface during the dry season and 6 inches to 1 foot above it during rainy season.

Apatite deposits

Apatite had been known to occur in a variety of rock types found in the Island particularly in the Precambrian crystalline limestones but was of no economic significance. A promising apatite bearing deposit was discovered in 1971 near Eppawela in North-Central Province and detailed investigations were in progress during 1972. The possible tonnage of apatite bearing rock has been estimated at over 20 million tons and would provide valuable mineral raw material for the manufacture of phosphate fertilizer and chemicals. Further drilling investigations are being carried out to assess reserves and the nature of the deposit.

Statistics of mineral production and export of mineral commodities appear in Tables 10.1 and 10.2 :

TABLE 10.1—PRODUCTION OF MINERAL COMMODITIES—1973

<i>Minerals</i>	<i>Quantity (Long Tons)</i>	<i>Value (Rs.)</i>	<i>Production Source</i>
Ilmenite	92,005	5,251,645	Ceylon Mineral Sands Corporation
Rutile	2,216	1,732,712	Ceylon Mineral Sands Corporation
Zircon	28	11 340	Geological Survey Department
Monazite	10	7,425	Geological Survey Department
Spinol	3	1,740	Geological Survey Department
Limestone	686,183 (a)	6,579,542	
Do'omite	6,006	231,392	Private mining
Fe'dspar	615	61,298	Private mining
Graphite	7,688	7,032,300	State Graphite Corporation
Mica	268	152,688	Private mining
Quartz	427	29,036	Ceylon Ceramics Corporation
Precious and Semi-precious stones (Carats)	478,458 (b)	152,574,982 (b)	State Gem Corporation

(a) Quantity represents limestone used in Cement manufacture.

(b) Based on exports of all varieties of gemstones.

TABLE 10.2—EXPORT OF MINERAL COMMODITIES—1973

<i>Commodity</i>	<i>Quantity (Long Tons)</i>	<i>Value (Rupees)</i>	<i>Principal destination</i>
Fe'dspar	27	269,966	Japan
Graphite	7,462	11,836,749	Japan, U.S.A.
Ilmenite	85,638	4,888,966	Federal Republic of Germany, Kenya
Mica Scrap	268	152,685	Japan, Libya
Precious and Semi-precious stones (Carats)	478,458	152,574,982	Not available
Rutile	2,801 (a)	2,190,138	Federal Republic of Germany, Belgium
Zircon	100 (a)	23,287	Iran

(a) Figures include carried over stocks.

II—GEOLOGICAL SURVEY

The objectives of the Geological Survey Department are :—

- (i) Systematic geological mapping of the country and the preparation of geological maps.
- (ii) Prospecting, exploration and appraisal of the Island's mineral resources.
- (iii) Engineering geology and ground water investigations.
- (iv) Administration of Mining Enactments, supervision of mining and collection of mineral statistics.
- (v) Fundamental research in earth sciences and applied research on mineral raw materials for industrial purposes.

Geological Mapping

The programme of basic geological mapping of the Island on the scales of $2'' = 1$ mile and $1'' = 1$ mile and the preparation of geological maps on the scale $1'' = 1$ mile is the primary function of the Geological Survey Department. The other functions depend entirely on basic information gathered during the course of geological survey work. Systematic geological mapping on the scale $1'' = 1$ mile of over 830 sq. miles covering areas of the Nalanda, Panadura-Horana and Medawachchiya Sheets was completed during 1973.

Field Investigations

The activities of the Geological Survey Department have increased considerably and became diversified in recent years. Besides systematic geological mapping special emphasis is being paid to mineral exploration. Several investigations have been undertaken in the search for new mineral raw materials and other existing raw materials for expansion of mineral-based industries. Some of the important investigations undertaken during 1973 were : geophysical investigations in the seruwila (iron ore) area and in the Mahagama and Katuwana (graphite) areas ; cement clay investigations in Mannar and kaolin investigations in the Boralessgamuwa and Mulleriyawa areas ; beach mineral sand surveys in the Kaluwella-Devinuwara area ; drilling investigations at Eppawela, Apatite deposit ; water supply investigations in Attanagalle (fruit canning factory), Hendala (Pegasus Reef Hotel) and Nilaweli (Hotel) and mica investigations at Dutuwewa, Madumana, Rickarton Estate, Kandy, Matale and Badulla areas.

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CHAPTER XI

FORESTS, BOTANIC GARDENS AND WILD LIFE CONSERVATION

I—FORESTRY

THE total extent of Forest Reserves and Proposed Forest Reserves under management of Sri Lanka's Forest Department is 2.37 million acres. A large area of other State forests, however, under management of the Forest Department and Government Agencies continue to be administered by these authorities.

The reforestation programme of the Forest Department was based on the long-term Forestry Development Plan of 1970. Extents planted during 1973 were—

Species	Extent (Acres)
Teak	10,902
Eucalyptus camaldulensis	1,107
Dendrocalamus strictus (Bamboo)	480
Pinus species	2,234
Albizia moluccana	504
	<hr/>
	15,227

Mahogany "enrichment" planting was also carried in 2,235 acres of natural forest.

Teak, Eucalyptus and Bamboo were planted under the Co-operative reforestation system with inter-cultivation of food crops.

Special interest was evinced by the Crop Diversification Project of the Ministry of Plantation Industries and private sector planters in diversification of unproductive tea and rubber lands in Forestry. Albizia plants were supplied to the Crop Diversification Project from the Department's nurseries. Plants were also supplied to the State Cashew Corporation and Up-Country Co-operative Estates Development Board.

Silvicultural Research

Species, variety and provenance trials with *Pinus*, *Eucalyptus*, Teak and *Sesbania* were initiated. Nursery investigations on size of planting shoots, control of soil pathogens, cutworms, fertilizer regimes and eradication of noxious weeds were carried out. Teak seed stands and experimental seed garden were opened and studies on germination and viability of important species made.

Timber Utilization Research.—Work on control of splitting of *Eucalyptus grandis* was continued. As in previous years several samples of timber were identified and advice given to the State and private sectors on timber utilization.

Easy chairs from laminated wood were made according to a new design.

Dry wood termite colonies were raised in the laboratory and resistance of different timbers to attack by these termites tested. A total of 1,500 cu. ft. of sawn rubber wood were tested with Boron salts for the Industrial Development Board by a new process.

Besides other routine tests, foot rulers of various grades were tested for warping under different temperatures and humidities. Lunumidella was found to be best.

The wood workshop of the Department turned out two Sri Lanka Republic Crests which incidentally earned commendations from the Prime Minister for skilled workmanship.

Working Plans and Plantations Management

Cadastral surveys and stock mapping of forest plantations were continued during the year, a total of 8,413 acres were surveyed and stock-mapped. A further 3,978 acres were taken up for survey by the Survey Department. Forest plantations so far mapped out were in the region of 51,774 acres.

Composite plans and a scale of 20 chains to 1 inch were prepared covering an extent of 13,945 acres. Plans are now available for 54,548 acres of plantations in the island. Composite plans were photogrammetrically reduced to a third of their normal size in respect of some plantations in Ohiya and Kandapola to ensure greater feasibility in field operations.

Compartment records continued to be maintained with new records being opened for younger plantations. About 6,000 acres of plantations were thinned mainly by the State Timber Corporation giving an intermediate or thinning yield of 923,435 cu. ft. of timber with monetary yield of Rs. 2,893,158. Foreign exchange earnings of Rs. 196,100 were obtained by exporting thinnings of Teak and Mahogany. The Eastern Paper Mills Corporation was supplied with young Cypress thinnings for test trials on the manufacture of long 'fibred' wood pulp.

Metrication

Metric volume tables for the timber industry were completed and handed over to the Metrication Authority for purpose of printing. Training programmes for staff at all levels have commenced to ensure a smooth switchover to the metric system.

State Timber Corporation

Extraction and supply.—Extraction and supply of timber during 1973 were mainly carried out by an agency of private contractors. Projects launched by the Corporation with the view to mechanising extraction and supplies recorded a marked improvement. The two logging projects operated by the Corporation at Morapitiya and Gilimale produced 191,238.9 cubic feet of plywood logs and 204,316.4 cubic feet of other logs during the year, an increase of 141,555.3 cubic feet over the 1972 production figure.

The mechanised Thinning project set up for Thinning Teak plantations produced in addition 54,630.9 cubic feet of Teak logs.

Total Production of the Corporation during 1973 were—

Logs other than softwood	3,033,806 Cubic feet
Softwood logs	658,973 Cubic feet
Ebony logs	4,876 Cubic feet
Sleepers (B. G. and N. G.)	118,746 Number
Telegraph and Transmission poles	12,246 Number
Sawn timber	719,414 Cubic feet
Firewood	136,718 Cubic yards

The three Giant Sawmills, 10 mobile sawmills and the ten private-owned sawmills functioning under the supervision of the Corporation jointly produced a total of 779,414 cubic feet of sawn timber.

Impregnation and Timber Seasoning :—A total of 141,430 sleepers and 11,544 Transmission poles were impregnated at the Impregnation Plants at Boossa and Ratmalan.

Ebony, Teak and Mahogany logs totalling 5,103.5 cubic feet valued at Rs. 98,757 and 28,622.8 cubic feet of satin, flowered satin, palu, vellam, neralu, panakka, halmilla, Godakihiriya, cypress and eta thibiriya logs valued at Rs. 285,210 were supplied to the Sri Lanka Trading Corporation (Consolexpo) for purpose of export.

The total value of all timber exports amounted to Rs. 570,280. Roads constructed during the year to provide access to forest areas hitherto inaccessible were :—

	Miles
Bambarabotuwa	2½
Gilimale	1
Morapitiya	2½
De'lawa	1
Diyadawa	¾
Bon'ical Hill	½

Sinharaja Mechanised Logging Project.—Activities of this project were modified in accordance with the report submitted to the Government by a Committee appointed to report on the setting up of a wood working complex at Kosgama and extraction of timber from Sinharaja forest.

The public road between De'a and Kalawana covering 18 miles was improved and completed by the State Development and Construction Corporation under the technical supervision of the Department of Highways. The road from Kalawana to Weddagala covering a distance of 7 miles was also metalled and tarred by the same authority.

All machinery and equipment including spares required for implementation of the project were obtained during the year.

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 Botanic Gardens, situated in three different climatic zones are supervised by the Superintendent of Gardens with his 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 is 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 a world-wide fame for the wealth of tropical vegetation. Situated 68 miles from Colombo along the Colombo-Kandy Road at an elevation 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. Rainfall in 1973 however has been rather low, 57, 89 inches recorded in 129 days.

New Rose Gardens.—An additional attraction to the gardens is the newly-laid out Rose beds containing 300 rose plants of various hue.

Orchid Show House.—Work on a new Orchid Show house was commenced. The new building on a novel design would replace the present one which cannot accommodate the increasing collection of orchid hybrids.

A Seedling House was also constructed to accommodate a large number of orchid seedlings.

Levy of admission fee.—From 1st January, 1973 an admission fee is being levied on visitors to the Gardens. This was a tremendous success and netted a revenue of Rs. 199,645. Nearly 230,000 adult visitors and 39,000 children visited the Gardens while there were more than 48,000 tourists from abroad.

Exchange of plants and seeds.—31 packets of seeds were received from Botanical Gardens and allied institutions and 101 packets were sent to institutions abroad on exchange basis. At the Delhi flower Show Sri Lanka was once again awarded the Jawaharlal Nehru Cup, the first prize in the International Section of the Annual Flower Show. The Peradeniya Botanic Gardens were awarded three Bronze medals at the I. G. A. Horticultural show held in Hamberg, West Germany in April, 1973.

Orchid and Anthurium Breeding and Cut-flower Development Programme.—419 Anthurium crosses were made and 178 seed pans sown. 11,322 seedlings were potted up, of which 9,247 were sold to the public. 1,225 plants were kept for clonal selection while 310 plants were selected as mother plants.

Of the variety "Guatemala" 147 self crosses were made and 24 seed pans sown.

Data obtained from fertilizer trials on plants growing under medium organic matter show that additional inorganic fertilizer has only a slight effect on flower production. Fertilizers in liquid form encourage the production of more medium sized flowers desirable for export.

More stud plants for breeding purposes were received from Singapore, Bangkok and West Germany. A total of 1,159 plants and 10 flasks with selected orchid seedlings were received.

The nucleus stock of cut-flower orchid varieties was multiplied still further to produce—

Arcahnis Maggie Oei	2,798 plants
Aranthera James Storiei	1,249 "
Aranda Wendy Scott	1,093 "
Dendrobium Buddy Shepler	905 "
D. Irene Cheong	875 "
D. Chong Chee You	364 "

Quantities raised earlier were sold to 73 selected orchid growers :—

Aranthera James Storiei	2,162 plants
Aranda Wendy Scott	1,414 "
Arachnis Maggie Oei	2,684 "

Considerable progress has been made on the Orchid Breeding Programme particularly in hybrids for cut-flower trade. Work done during the year is outlined below :—

Pollinations	214	Number
Sowings	193	"
Transplantings	87	"
Flasks sown	3,216	"
Flasks transplanted	1,081	"
Flasks pricked out	71	"
Community pots planted with seedlings	301	"
Plants potted into individual pots	1,798	"

A very large quantity of seeds of perennial foliage were produced at Peradeniya and Hakgala for local sale. The demand however, has been poor possibly attributable to the National Food Programme now in operation.

Floricultural Extension Programme.—Much work has been done in the form of lectures, lecture-demonstrations and training courses.

In the cut-flower growing areas 11 lecture-demonstrations were given with grower and novice participation.

At the Gardens 21 training classes were held and also a 3-month course apart from advice as regards stocks, cultural techniques, investments and problems given to prospective floriculturists.

Revenue.—Revenue realised from sale of planting material and admission fee levy, was Rs. 317,504 an all-time record for these Gardens.

Botanic Gardens, Hakgala.—These gardens, 55 acres in extent, are situated in a temperate or sub-tropical climate six miles off Nuwara Eliya at 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 land below the plant house was landscaped into a miniature rockery. Permanent direction boards were fixed at important road junctions within the Gardens.

With flower seed production programme functioning, a new drying room was commenced. Storage facilities for storing seeds would also be available in this room.

Revenue for the year was Rs. 13,856 obtained from the sale of plants.

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' above sea level. The original rubber plantation could still be seen.

Revenue from the gardens during the year was Rs. 3,006

III — WILD LIFE CONSERVATION

The year 1973 was remarkable for its achievements in the history of wild life conservation in Sri Lanka. These achievements have been due not only to improvements of water supplies and pasture for wild animals in the National parks but also to increased facilities afforded to attract and promote the tourist industry.

The principal agency for implementation of matters relating to Fauna and Flora of the island is the Department of Wild Life Conservation. Evidence of increased popularity of the two main parks Yala and Wilpattu is manifestly shown in the increasing number of visitors and revenue collections.

Extent of the National Parks had increased from 1,059 sq. miles to 1,172 sq. miles. Inclusion of the Wilpattu West Sanctuary of 83.0 sq. miles to the main Park and an addition of a stretch of 25.7 sq. miles on the Western flank of the Ruhuna National Park helped increase the total area. The number of Sanctuaries declared in the Island has also increased from 37 to 41 consequent to the addition of 4 new Sanctuaries. Wild life reservations and sanctuaries under the Fauna and Flora Protection Ordinance now total 2,366.14 square miles.

Under the 5 year Development Programme of the Department of Wild Life Conservation a sum of Rs. 4 million has been voted in respect of the Yala National Park. A sum of Rs. 485,000 of this amount had been ear-marked to improve the habitat of animals, better amenities for visitors and provision of housing facilities for field staff in the parks.

Improvements to water-holes, restoration of breached tanks, maintenance of existing roads and construction of new roads in inaccessible areas were undertaken in the two National Parks. The construction of an office cum museum had for many years been a long felt need. This was fulfilled with the construction of offices and museums in the two parks. Linking the two Blocks of the Yala National Park was necessary in view of the seasonal influx of visitors and consequence overcrowding it entails. Further, the second Block of the Park offered many scenic attractions void of elsewhere at Yala. With the link up visitors to the Park would be enthralled with a spirit of adventure in a natural setting. A bridge was built by the River Valley's Development Board at Warahana, to enable effective patrolling of the Strict Natural Reserve and the second block of the Reserve hitherto inaccessible for most part of the year consequent to Menik Ganga being in spate.

During the year the animal orphanage, established at Wilpattu, was shifted to the premises of Bentota Beach Hotel. Baby elephants at the 'orphanage' constituted a unique attraction afforded to tourists.

The Wild Life News Bulletin published in Sinhala and English has been extremely popular as evident from the increase in subscribers during the year.

Regulations under the Fauna and Flora Protection Ordinance have been amended and approved by the National State Assembly. These regulations provide for increase in entry and vehicle fees to the Parks and export permit fees.

IV—NATIONAL ZOOLOGICAL GARDENS

The National Zoological Gardens of Sri Lanka recognised the world over among best of their kind continue to attract visitors and foreign tourists in increasing numbers. Gate collections for the year 1973 reached a record high of Rs. 995,667. Modernization programme of the Zoo with gradual substitution of open enclosures for conventional cages and paddocks progressed further during the year with the construction of enclosures for hoofed animals and Gorillas.

A meaningful educational programme for the benefit of a large number of school children who visit the Zoo was initiated during the year by the Zoo authorities. With the co-operation of Principals of schools in proximity, 15 G.C.E. (A.L.) students from those schools were trained to conduct parties of school children around the Zoo and also lecture to them. Schools that give prior intimation of their visits are now afforded this facility free of charge. The scheme has proved to be popular and is functioning satisfactorily.

A long felt need for a National Aquarium in Sri Lanka came to fruition with the opening of "Min Medura" the Zoo's Aquarium complex in 1973. The "Min Medura" was formally declared open in September 1973 by the Minister of Shipping and Tourism.

The Aquarium incorporates modern techniques in the display of large and small varieties of fishes and provide facilities to exhibit most forms of aquatic life in settings that stimulate a natural habitat. The designing and arrangement of tanks was done under the personal direction of the Zoo Director in an endeavour to promote natural habitat of tropical varieties of fishes.

A popular feature in the Aquarium is the Sea lion performance held thrice a day. The Aquarium also houses an arctic exhibit.

CHAPTER XII

FISHERIES

I—GENERAL

SRI LANKA is an island having a coastline of nearly 1,100 miles. Rivers, artificial lakes, irrigation tanks and reservoirs form inland waters of the Island. The coastal waters teem with fish of many kinds. The best known perhaps are the Thora, Paraw, Blood fish, Sharks, Skates, Rock fish, Kumbala, Bolla, Herrings, Sardines and Sprats. In the inland water bodies the best known varieties of fish found are the Tilapia, Carp and the Giant Gourami. Fresh water fisheries of the Island however, are negligible when compared with those in coastal waters.

In June, 1970, a separate Ministry was established to be exclusively in charge of Fisheries, with the prime objective to implement the Government's policy in making fishing industry one of major importance.

The policies of the Ministry of Fisheries are executed through the Department of Fisheries, the Ceylon Fisheries Corporation and the Ceylon Fishery Harbours Corporation.

Administration of the Fisheries Ordinance and related Ordinances (Pearl Fishing, Whaling and Chanks Ordinances), provision of welfare services to fishermen, development of fishery co-operatives, training and extension work, development of inland and brackish-water fisheries, provision of credit facilities to fishermen and fisheries research are functions of the Department of Fisheries.

II—EXTENSION AND DEVELOPMENT

Marine Fishing

Estimate of total quantity of fish landed during the year was 92,131 tons. Of the total catch, coastal marine fishing is estimated to have produced 89,874 tons.

Value of imports and exports of fish and fish products for the year 1973 were—

Imports	Rs. 51,811,653
Exports	Rs. 22,454,350

About 68.3 per cent fish consumed is met from local production.

Mechanization of the fishing industry

Issue of mechanized boats on hire-purchase during the year was confined to co-operative societies. The number of hire-purchase boats issued was 104. Twenty boatyards approved by the Department for construction of hulls under the mechanized loans scheme are in operation. A total of 23 marine diesel engines were issued to fishermen on out-right purchase for installation in boat hulls constructed at their own expense.

During the year 73 locally assembled Bukh engines were issued to yards for installation in 3½ ton type boats in addition 310 outboard motors were also issued to fishermen on outright purchase.

Registration

There were 2,134 registrations of craft in 1973. Owners of 9,407 fishing craft up to end of July 1973 had registration renewed and the registration of 123 crafts were cancelled. Since inception of registrations a total of 37,329 crafts have been registered with the department.

All fishery undertakings of specified categories were required to register with the Director of Fisheries. There were 163 cases registered during the year.

Socio-Economic Activities

The amalgamation of 44 of 45 large primary fishery co-operative societies was completed. All these societies are in operation. Besides production and marketing of fish, several societies have diversified their activities by operating sub-agencies for sale of fishing gear, engine spares and supply of fuel for fishing boats. Some societies are also engaged in the curing of fish. Ten of these societies in the South-western and Southern coasts will fall within aegis of Sri Lanka Fisheries Project. Foreign exchange costs of production and marketing inputs in the form of 3½ ton fibreglass boats, marketing and boat maintenance facilities will under this Project be financed from a loan granted by the Asian Development Bank.

There were no loans issued during the year.

Housing.—A sum of Rs. 1,425,000 was allocated to the 12 coastal districts to provide housing facilities for fishermen. Construction work on 77 houses was completed during the year.

Accident Compensation Scheme.—This scheme provides for payment of compensation to fishermen in case of injuries resulting in death and temporary or permanent disablement while engaged in actual fishing operations.

A sum of Rs. 54,557 was paid in respect of 44 cases during 1973.

Roads.—Of the allocations amounting to Rs. 815,950 made to the 12 coastal districts for construction of fishery roads, a sum of Rs. 298,409 has been spent covering the period January to July, 1973.

Other Measures.—As in the past the Air "Sea Rescue" Scheme continued to be operated with the assistance of the Sri Lanka Air Force, the Navy and Police.

Inland Fisheries

Data on commercial freshwater fishing was obtained during the year from Polonnaruwa District where main fishing centres are located at Parakrama Samudra, Minneriya, Kaudulla and Karapalavillu, from centres in the Udawalawe and the southern province. These centres cover Uda Walawe reservoir, Chandrika wewa, Mahagama Tank, Ridiyagama Tank, Badagiriya Tank and Udu Kiriwila Tank. Estimated total catch from Polonnaruwa District is in the region of 1,691,400 lbs.

Fish Fingerlings.—Three varieties of fish viz. Common Carp, Giant Gourami and Tilapia were produced at fish breeding centres at Polonnaruwa, Uda Walawe and the Head office of the Department. A total of 264,750 fingerlings of common Carp, Tilapia Melanopleura, Tilapia Mossambica and Giant Gourami from these centres were stocked in open waters and in private ponds in the inland areas of the island.

Cement ponds were constructed on the vacant land adjacent to the Department's Head Office for purpose of distributing fish fingerlings. A total of 19,200 fingerlings mainly Tilapia have been stocked in inland waters and distributed among the public.

A site for a new fish breeding and distributing centre in mid-country was selected on Blackwater Estate in Ambegamuwa D.R.O's Division proximity to Ginigathena. Construction work is in progress.

Brackish-water Fisheries.—The station situated at Pitipane carried out research and experimentation on brackish-water fish culture and development.

Beche-de-mer Fishery.—Total exports of beche-de-mer during 1973 were 2,386 cwt. valued at Rs. 1,691,888.

Training

The fisheries training centre at Negombo as well as training centres at Tangalle and Jaffna conducted regular six-months fishermen's and repair mechanics courses and an intensive two-weeks field training programme. The training centre at Batticaloa which is housed in temporary buildings pending completion of permanent structures conducted a regular fishermen's course and a field training course. During the year 144 trainees in regular courses and 1,114 trainees in field courses were trained.

Construction work was commenced in November, 1973 by the Department of Buildings for an advanced level Sri Lanka Fisheries Training Institute at Crow Island, Mattakkuliya. This institute would train personnel for off-shore and deep sea fisheries and is being established with assistance from the Government of Japan. Training equipment including a training vessel and services of Japanese Instructors for an initial period would also be made available by the Japanese Government.

III—RESEARCH AND MARKETING

The preparation of working drawings for a centre to develop and market fish products is being established in consultation with FAO/SIDA. Work on this centre is nearing completion.

Investigations and research carried out in 1973 were :—

- (1) Sri Lanka/UNDP Skipjack survey (also includes a survey of coastal fish resources) ;
- (2) 'Crown of Thorns' starfish survey ;
- (3) Algae sea-weed survey ;
- (4) Tuna investigations ;
- (5) Studies on Indian Mackerel and Seal Mackerel ;
- (6) Beche-de-mer industry ;
- (7) Quality study of dried fish ;
- (8) Quality analysis of frozen fish products ;
- (9) Whole fish and chemical analysis of fish products ;
- (10) Routine chemical analysis.

Inspections were made as regards processing facilities of shrimp and lobster exporters with a view to ensuring conformity of products to required quality standards.

Spiny Lobsters and Prawns (Shrimp) Regulations 1973 under the Fisheries Ordinance, helped conserve and regulate lobster fisheries by preventing indiscriminate exploitation of lobster resources.

Statistics

A fishery census was completed and a sample census conducted for purpose of obtaining comprehensive data on fish production, marketing and socio-economic conditions. A census of inland fisheries was also carried out during the year.

Propaganda and Extension Services

The Department of Fisheries participated in three exhibitions and held film shows in fishing villages. Two information leaflets on "Beche-de-mer" and "Issue of mechanised boats on hire purchase terms to Fishery Co-operative Societies" were published for distribution among fishermen in the island.

IV—CEYLON FISHERIES CORPORATION

A total quantity of 9,052,203 lbs. of fish were produced by the Ceylon Fisheries Corporation during the year 1973. Of this total, contribution from the Corporation owned vessels amounted to 5,258,491 lbs. Five numbers of Trawlers, two numbers of Tuna Boats and 18 numbers of 11-Ton Boats were operated during the year. Individual performance of vessels is given below :—

Trawlers	Lbs.	4,296,803
Tuna Boats		308,441
11-Ton Boats		653,247
Total ...		<u>5,258,491</u>

In addition to fish produced by the Corporation owned vessels, the Corporation also purchased 3,793,712 lbs. of fish through Purchasing Centres situated in various districts of the island.

Dry fish, Jaadi, Dried Shark Fins, Medicinal and Veterinary Shark Liver Oil and Fish Meal comprised by-products of the Corporation. Processing of Dry Fish, Preservation of Jaadi and Dried Shark Fins were carried out at Negombo, Chilaw, Kalpitiya, Pesalai, Tangalle, Galle and Batticaloa. The two varieties of Shark Liver Oil (Medicinal and Veterinary) were manufactured at the Mutwal Factory.

Until July 1973, Fish Meal was manufactured only at the Mutwal Factory. With completion of the installation of machinery at Pesalai Cannery, production of Fish Meal commenced at Pesalai in July 1973. Statistics of by-products appear below :—

Dry Fish	Lbs.	420,251
Jaadi	„	15,280
Dried Shark Fins	„	2,557
Shark Liver Oil :		
Medicinal	Gals.	3,725
Veterinary	„	996
Fish Meal :		
Mutwal	Lbs.	220,124
Pesalai	„	65,112
		<u>285,236</u>

Production at the Canning Factory, Pesalai, totalled 181,141 cans (7 and 15 ozs.) ; main varieties of fish canned being Kumbala, Katu-goi, Piya Messa and Salaya.

Production figures were :—

Cans (07 ozs.)	51,405
Cans (15 ozs.)	129,736

In addition, a total of 8,886.2 tons of Flake and Block Ice were produced at the Ice Plants owned by the Corporation.

Sales

A total of 5,397,937 lbs. of fish in the form of Wet, Frozen and Packetted were marketed by the Corporation. Sales statistics of Wet, Frozen and Packetted fish were :—

Wet and Frozen	Lbs.	4,734,023
Packetted	„	663,911
		<u>5,397,934</u>

Marketing of by-products :—

Dry Fish	Lbs.	373,175
Jaadi	"	7,249
Fish Meal	"	303,603
Shark Liver Oil :		
Medicinal	Gals.	3,546.8
Veterinary	"	922.5

Exports

The Corporation exported Tuna, Skip-jack, Prawns, Lobsters, Dried Shark Fins and earned Foreign Exchange. Nine 3½-ton GRP Boats constructed at the Corporation's Boat Yard at Mattakkuliya were exported to Somalia. Total foreign exchange earnings during 1973, inclusive of FEECs amounted to Rs. 3,490,100. Quantities exported were :—

Tuna	190,802 lbs.
Skip-jack	88,807 lbs.
Lobsters	56,044 lbs.
Prawns	82,516 lbs.
Dried Shark Fins	1,535 lbs.
Conch Shells	101,415 (Nos.)

Fishing Gear

Fishing Gear Depots of the Corporation earned a sum of Rs. 8,000,474 by sale of fishing gear.

Employment

There were 1,869 employees of the Corporation as at end of 1973, of whom 1,503 were in permanent grades.

V—CEYLON FISHERY HARBOURS CORPORATION

The Ceylon Fishery Harbours Corporation was established under section 8 of the State Industrial Corporation Act, No. 49 of 1957. It took over functions relating to construction, maintenance and operations of Fishery Harbours and Anchorages from the Ceylon Fisheries Corporation.

Prime objectives of the Corporation as set out in the Incorporation Order were :—

- (a) Establishment, construction and maintenance of fishery harbours, anchorages and shore facilities ; Operation and management of fishery harbours and anchorages for fishing operations ;
- (b) Provision of repair and maintenance facilities for fishing craft ;
- (c) Establishment, maintenance and hire of cold rooms, ice plants and other refrigeration facilities and sale of ice ;
- (d) Carrying out investigations and studies for the development of fishery harbours and anchorages.

Harbours

The Corporation took over 6 harbours viz. at Galle, Cod Bay, Beruwela, Tangalle, Mirissa and Myliddy. The harbour at Galle is fully operational, while others were in varying stages of construction.

Galle.—The Harbour is located within 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, 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 feet. A flake ice tower of capacity 25 tons a day with storage capacity of 100 tons is located on the jetty. A quay wall of length 630 feet is available for smaller boats of draft up to 8 feet. In addition to these facilities four mid stream berths for large fishing vessels up to 350 gross tons have been provided.

The harbour is equipped to provide repair facilities for fishing vessels. Two slipways of capacities 500 tons and 65 tons are provided with mechanical and timber workshops equipped to handle all types of repairs.

Fresh water and shore power is available at the jetty and the quay apart from provision of bunkering facilities.

Mirissa.—The construction of breakwaters for the harbour and a portion of the quay wall have already been completed. It has a basin area of approximately 17 acres. It is proposed to provide a dredged depth of 8 feet below LWOST in the first stage with an increase to 10 feet below LWOST in final stage. A quay wall of length 512 feet is under construction. This quay wall is designed to provide for a dredged depth alongside of 10 feet below LWOST.

Shore facilities under construction comprise—

Storage room for fish on ice of capacity 5 tons.

Ice storage 10 tons, Water supply, power and bunkering facilities will also be provided.

Tangalle.—Construction of breakwaters for the harbour has been completed and construction of a quay wall is in progress. It provides a basin area of approximately 4 1/2 acres with a dredged depth of 8 feet below LWOST in the first stage and 10 feet below LWOST in the second stage. The quay wall under construction has a length of 335 feet and allows for a dredged depth alongside of 10 feet below LWOST.

Shore installations at the harbour comprise—

Holding room for fish on ice 50 tons

Flake ice 10 tons

Ice Storage 20 tons

Water, power and bunkering facilities would be made available at the quay side.

Trincomalee (Cod Bay).—The fishery harbour is located within the natural harbour at Trincomalee. Area allocated for the harbour is around 50 acres with ample accommodation for expansion. The dredged depth envisaged is 20 feet below LWOST. A quay wall of length 500 feet is under construction. This would provide alongside berthing facilities for vessels up to a draft of 18 feet.

Shore installation facilities comprise—

Storage room for fish on ice 25 tons

Handling 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 crafts comprise a slipway for boats up to 20 DWT and a well equipped workshop. It is also proposed to provide a second slipway of capacity 125 tons.

Bunkering facilities already available are in proximity to the Petroleum Corporation jetty. Water and power would be made available at the quay side.

Myliddy.—Construction of breakwaters for the fishery harbour at Myliddy is in progress. The basin area enclosed within the breakwaters is 7 1/2 acres and would provide a dredged depth of 8 feet below LWOST in the first stage and 10 feet below LWOST in the second stage.

Shore facilities in the first stage of construction comprise only a repair workshop for small fishing craft. Other facilities are to be provided in the second stage of construction.

Beruwela.—The construction of the breakwater and the jetty of length 180 feet and width 30 feet has already been completed. The harbour provides a basin area of 25 acres and would be dredged to 8 feet below LWOST in the first stage and 10 feet below LWOST in the second stage.

Shore installations under construction comprise :—

Storage room for fish on ice	25 tons
Handling room for wet fish	25 tons
Frozen fish storage	200 tons
Freezing capacity	10 tons
Flake ice	10 tons
Ice storage	50 tons

Construction of workshop facilities at the harbour commenced. A slipway of capacity approximately 40 tons is to be constructed.

Water, power and bunkering facilities would be provided at the jetty.

Anchorage

Twenty sites have been identified for anchorages as listed below :—

Wellamankera	Matara (Nilwala River Estuary)
Kelani River Estuary	Kokilai
Kalmunai	Kalameiya
Panadura River Estuary	Ambalangoda/Balapitiya
Chilaw Lagoon	Mullaitivu
Kalutara River Estuary	Pesalai
Negombo Lagoon	Hambantota
Batticaloa	Devinuwara
Arippu	Kinniya/Mutur
Valaichchenai/Kalkudah	Karaitivu

Marine Surveys

Hydrographical surveys were carried out at Galle, Ambalangoda, Tangalle, Beruwela, Mirissa Kelani River and Panadura River estuaries.

Repair Workshops

Repair workshops would be provided at Chilaw, Mullaitivu, Jaffna, Kalpitiya, Valaichchenai and Mannar (Pesalai).

Production

Turn-over at the Galle Harbour during 1973, was :—

- Processing of fish—1,105.43 Metric tons.
- Sale of Flake Ice—820.20 tons.
- Supply of water to fishing craft—68,244 gallons.

Foreign exchange earned by processing of fish totalled to Rs.29,085.

Engineering

Civil and Mechanical engineering works carried out during the year and revenue thus earned appear below :—

	Civil Rs.	Mechanical Rs.
Head Office	146,857	—
Galle	—	62,570
Cod Bay	—	111,178
Tangalle	—	10,941

Dredging Operations.—‘Pokirissa’ the only dredger owned by the Corporation carried out its operations in Tangalle and Mirissa and dredged a total of 13,500 cubic yards and 21,250 cubic yards respectively, during the year.

CHAPTER XIII

FOREIGN TRADE

I—GENERAL REVIEW

Sri Lanka's export earnings, as based on Customs Records show an increase of Rs. 608 million (30.3 per cent.), from Rs. 2,009 million in 1972 to Rs. 2,617 million in 1973. There was also a sharp increase in value of imports by Rs. 651 million (31.5 per cent) from Rs. 2,064 million in the preceding year to Rs. 2,715 million in 1973. The resultant deficit trade balance was Rs. 98 million as compared with Rs. 55 million in 1972, a continuing deficit trend recorded since 1965.

Export earnings and value of imports increased considerably during 1974 showing an adverse trade balance of Rs. 1,082 million.

A comparative study of Sri Lanka's foreign trade for the period 1969-1974 is made in the following table :—

TABLE 13.1—SRI LANKA'S FOREIGN TRADE 1969-1974

Year	Exports	Imports (Rs. - million)	Balance of Trade	Terms of Trade (a)
1969	1916	2,543	- 627	88
1970	2033	2,313	- 280	84
1971	1947	1,986	- 39	78
1972	2009	2,064	- 55	75
1973	2617	2,715	- 98	65
1974	3472	4,554	- 1082	58

Source : Central Bank of Ceylon

Exports .. F. O. B. prices.

Imports .. C. I. F. prices.

$$(a) \frac{\text{Export Price Index}}{\text{Import Price Index.}} \times 100$$

Tea

Despite a drop in production, tea exports increased from 419 million pounds valued at Rs. 1,162 million in 1972 to 454 million pounds at a value of Rs. 1,261 million, in 1973 partly attributable to increased sales through the Colombo Auctions. The United Kingdom was the leading buyer of Sri Lanka tea, (15.9 per cent.) with Pakistan (14.7 per cent.) a close second. European Economic Community including U. K., Denmark and the Irish Republic (as from 1973) accounted for 22.0 per cent. of total tea exports from Sri Lanka. There was a decline in volume of tea exports during 1974, from 454 million pounds to 387 million pounds consequent to a drop in production. International market prices for tea exports contributed substantially to increased export earnings to record Rs. 1,360 million an increase of Rs. 99 million (8 per cent.) over the preceding year.

Rubber

Rubber exports increased from 286 million pounds in 1972 to 354 million pounds in 1973 with corresponding increase in value from Rs. 265 million in the preceding year to Rs. 592 million in 1973. Increased export earnings from rubber were attributable mainly to world-wide commodity boom which spiralled rubber prices during the year.

People's Republic of China continues to be the principal buyer of Sri Lanka rubber with a total of 153 million pounds (43.1 per cent.), U. S. S. R. 23 million pounds (6.4 per cent.), Poland 19 million pounds (5.4 per cent.), and Rumania 17 million pounds (4.7 per cent.). European Economic Community accounted for 60 million pounds (16.8 per cent.) with other countries sharing 17.7 per cent. or 63 million pounds of the total exported quantity.

Rubber exports declined from 354 million pounds in 1973 to 283 million pounds in 1974, a drop of 20 per cent. or 71 million pounds. Export earnings increased from Rs. 592 million to Rs. 738 million, an increase of Rs. 146 million (25 per cent.) consequent to higher f.o.b. prices from Re. 1.67 to Rs. 2.61 per pound.

Coconut Products

Coconut production declined considerably during the year due mainly to adverse weather conditions experienced in 1973. Drastic decline in production resulted in enforcing a "ban" on the export of Copra under Emergency Regulations (No. 1 of 1973) with effect from 15 February, 1973, though a "partial withdrawal" of the "ban" was effected in December the same year. Value of coconut products exported in 1973 totalled Rs. 145 million. Exports of Copra, Coconut oil, Desiccated coconut and Fresh nuts increased in value from Rs. 145 million to Rs. 397 million in 1974 an increase of Rs. 252 million or (174 per cent.) On the basis of nut equivalent exports increased by 46 million nuts. Increase in f.o.b price in terms of nut equivalent from Re. 0.68 cents to Re. 0.85 cents during 1974 accounted for higher export earnings.

Copra.—Copra exports contracted considerably during 1973 attributable to the "ban" on the export of copra, consequent to a drop in local production. Total exports of copra declined from 43,600 tons in 1972 to 2750 tons valued at Rs. 4 million in 1973.

Copra exports contracted further during 1974 to a total of 400 tons at a value of Rs. 1 million.

Coconut Oil.—Exports of coconut oil declined from 85,000 tons to 18,000 tons in 1973 with a total value of Rs. 27 million. Bangladesh accounted for bulk of the exports with 4,500 tons followed by Canada 3,000 tons. Exports to the People's Republic of China showed a considerable decline. A total of 21,500 tons of coconut oil were exported during 1974 valued at Rs. 141 million. Canada accounted for the largest intake with 11,000 tons.

Desiccated Coconut.—Though a decline in volume (37,000 tons) of exports of desiccated coconut was recorded during the year, export earnings however, expanded appreciably as compared with the preceding year. Value of exports increased from Rs. 78 million in 1972 to Rs. 111 million in 1973. The united Kingdom was the largest buyer of Sri Lanka's desiccated coconut with 17,000 tons. Exports of desiccated coconut in 1974 totalled 42,000 tons valued at Rs. 252 million incidentally the highest export value so far recorded for this commodity.

Composition of exports for the years 1969 to 1974 appears in Table 13.2.

TABLE 13.2—COMPOSITION OF EXPORTS BY MAJOR COMMODITIES

Commodity	(Value Rs. Million)					
	1969	1970	1971	1972	1973	1974
Tea	1,062	1,120	1,144	1,162	1,261	1,360
Rubber	431	440	307	265	592	738
Coconut Products (a)	225	240	280	266	145	397
Precious and Semi-Precious stones	1	4	3	12	141	109
Other Exports	156	191	196	218	346	843
Total	1,875	1,995	1,930	(b)1,993	(b)2,596	3,447
Re-exports	41	38	17	16	21	25
Total Exports	1,916	2,033	1,947	2,009	2,617	3,472

Source : Central Bank of Ceylon.

(a) Major coconut products, viz., Copra, Coconut oil, Desiccated coconut and Fresh Nuts.

(b) Including value of Bunkers.

Gem Exports

Gem exports figured significantly during 1973, incidentally recording the highest rate of increase in any major export commodity. Based on data available with the State Gem Corporation, export of gems during 1973 earned Rs. 152.8 million, sales through Private Sector accounting for Rs. 126.7 million or 88 per cent. of total value.

Incentives afforded gem exporters as crediting 25 per cent. of net f.o.b. earnings to convertible rupee accounts and attractive tax amnesty contributed largely towards expansion of foreign gem markets.

There was a drop in export earnings from this source during 1974. Gem exports as based on data furnished by the State Gem Corporation totalled Rs. 132.6 million, private sector sales accounting for Rs. 116.6 million or 88 per cent. as in the preceding year.

Data as available with the State Gem Corporation also reveal that Hong Kong was the leading buyer of Sri Lanka gems with Rs. 42.6 million (32 per cent.) followed by Switzerland and Japan.

Imports

Value of imports as based on Customs data totalled Rs. 2,715 million, highest recorded during the five-year period ending 1973. As compared with the preceding year, value of imports increased by Rs. 651 million or 32.0 per cent. Substantial increases in import prices were attributable to such factors as inflationary pressure, scarcities in world markets and speculative purchases abroad. Increase in import prices was further aggravated in consequence of depreciation of the rupee in wake of currency realignment in the international scene.

Quantum of imports in terms of Volume Index (base 1967 = 100) decreased by 10 per cent. during the year in contrast to increase of 32 per cent. recorded in the Price Index on the same base.

The position in 1974 was quite similar to that of the preceding year with a decrease of 30 per cent. in the Volume Index and a contrasting increase of 77 per cent. in the price index.

Consumer Goods.—Imports of consumer goods totalled Rs. 1,424 million in 1973 with commodities Rice, Flour and Sugar contributing respectively Rs. 270 million, Rs. 453 million and Rs. 321 million. Spiralling prices of these commodities in World Markets resulted in an increase in C.I.F. average price by about 48 per cent. Milk and milk food products increased to Rs. 70 million, Rubber tyres and tubes which declined in production during the year contributed substantially to double imports of these items to a figure of Rs. 10 million.

Value of imports classified by major categories and percentage to total imports for the period 1969 to 1974 appear in table 13.3.

Intermediate Goods.—Based on data furnished by the Petroleum Corporation imports of crude oil rose from Rs. 180 million to Rs. 266 million in 1973. High prices of petroleum based feed stocks contributed largely towards increased fertilizer prices. Yarn and Thread imports declined by 65 per cent. though there was an increase of 15 per cent. on textiles imported to Sri Lanka.

Investment Goods.—Imports of investment goods increased in value from Rs. 438 million in 1972 to Rs. 452 million in 1973. Domestic cement production helped reduce cement imports. Average price of imported cement increased by 14 per cent. Value of Machinery and Equipment rose by 24 per cent. Major categories of investment goods recorded decreases in volume and increases in value.

Pattern of Trade

Sri Lanka's International Trade by Trading Blocs and other groups for the years 1972, 1973 and 1974 is outlined in Table 13.4. Exports to Commonwealth Countries increased during 1973 though imports from this source recorded a decrease. A considerable expansion in trade with ECAFE countries featured significantly in Sri Lanka's pattern of trade during the year.

TABLE 13.3.—IMPORTS CLASSIFIED BY MAJOR CATEGORIES AND PERCENTAGE TO TOTAL IMPORTS (VALUE)

Major categories	Value Rs. Million										Percentage to total imports									
	1969	1970	1971	1972	1973	1974	1969	1970	1971	1972	1973	1974	1969	1970	1971	1972	1973	1974		
Consumer goods	1,218	1,282	1,113	1,069	1,424	2,138	47.9	55.4	56.0	51.8	52.5	47.0	56.0	55.4	56.0	51.8	52.5	47.0		
Intermediate goods	592	463	411	502	815	1,920	23.3	20.0	20.7	24.3	30.0	42.1	20.7	20.0	20.7	24.3	30.0	42.1		
Investment goods	700	546	419	438	452	457	27.5	23.5	21.1	21.2	16.6	10.0	23.5	23.5	21.1	21.2	16.6	10.0		
Imports (other)	33	22	43	55	25	39	1.3	1.0	2.2	2.7	0.9	0.9	1.0	1.0	2.2	2.7	0.9	0.9		
Total Imports	2,543	2,313	1,986	2,064	2,715	4,554	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		

Source: Central Bank of Ceylon.

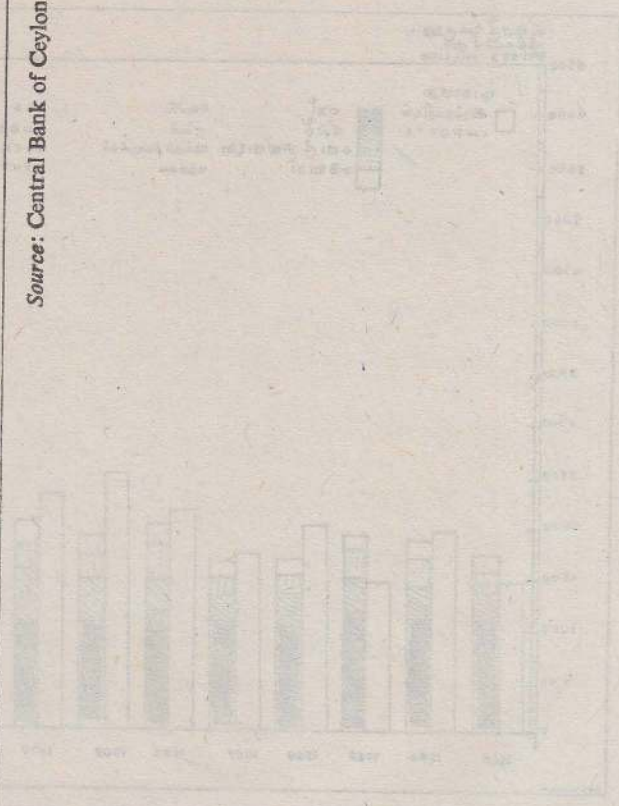
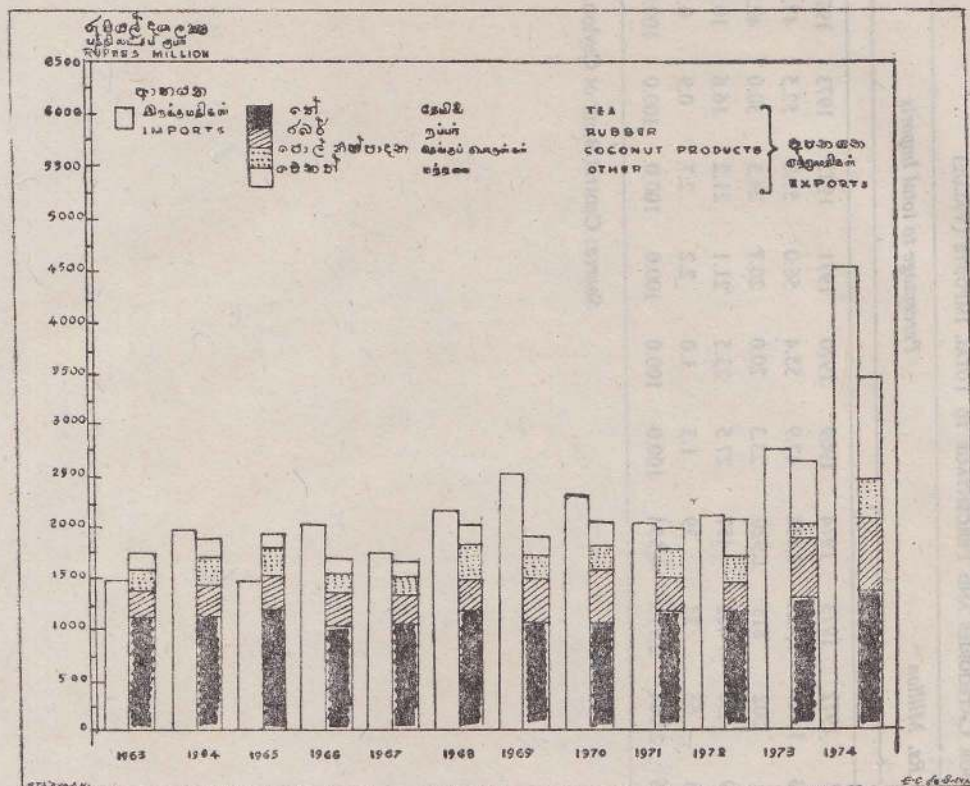


CHART NO. 6—BALANCE OF TRADE, 1963 - 1974



Both exports and imports by Trading blocs and other groups reflected increases in 1974, trade with Non-Commonwealth countries being of particular significance.

II—DEPARTMENT OF COMMERCE

Trade Promotion

The Department's efforts to promote Sri Lanka's export trade were further strengthened with the setting up of the Trade Information Service in February, 1973. The Service is administratively integrated to the Department and is being developed to provide a comprehensive commercial and advisory service to serve both Government and private sectors in the matter of export trade.

Trade enquiries received from abroad were passed on to Government Departments, Corporations and local firms for action. Similarly several local trade enquiries seeking export markets for Sri Lanka products were transmitted to interested foreign importers through Sri Lanka Missions abroad. The services of the Trade Officers abroad were increasingly sought for promotion of non-traditional export items.

The Department continues to assist businessmen, both local and foreign in settling amicably trade disputes.

Trade Fairs and Exhibitions

Sri Lanka participated in eight Trade Fairs and Exhibitions in 1973.

CHART NO. 7—INDICES OF EXPORTS (QUANTUM AND PRICE BASE 1967=100) 1962 - 1974

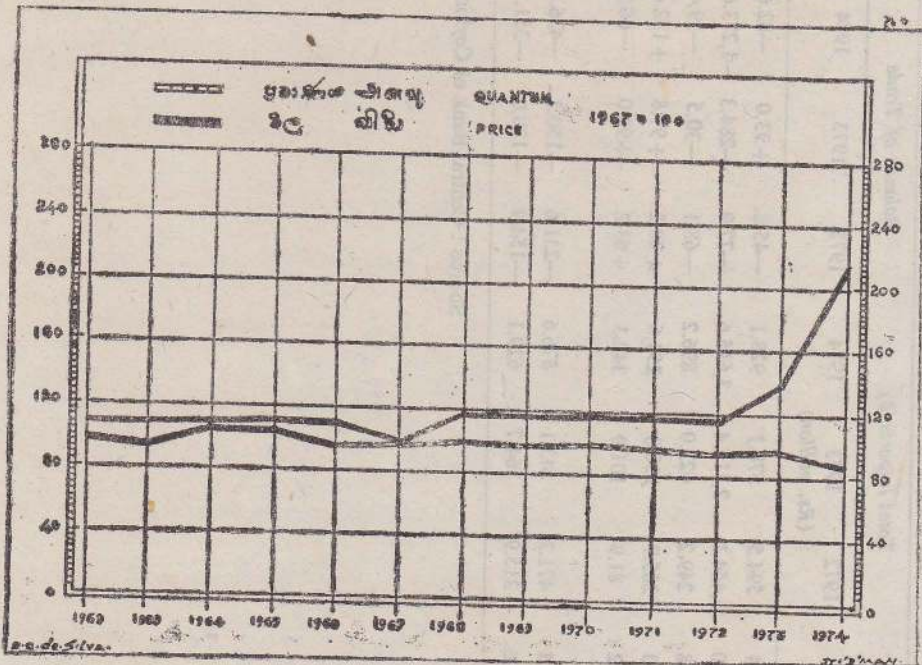


CHART NO. 8—INDICES OF IMPORTS (QUANTUM AND PRICE BASE 1967=100) 1962 - 1974

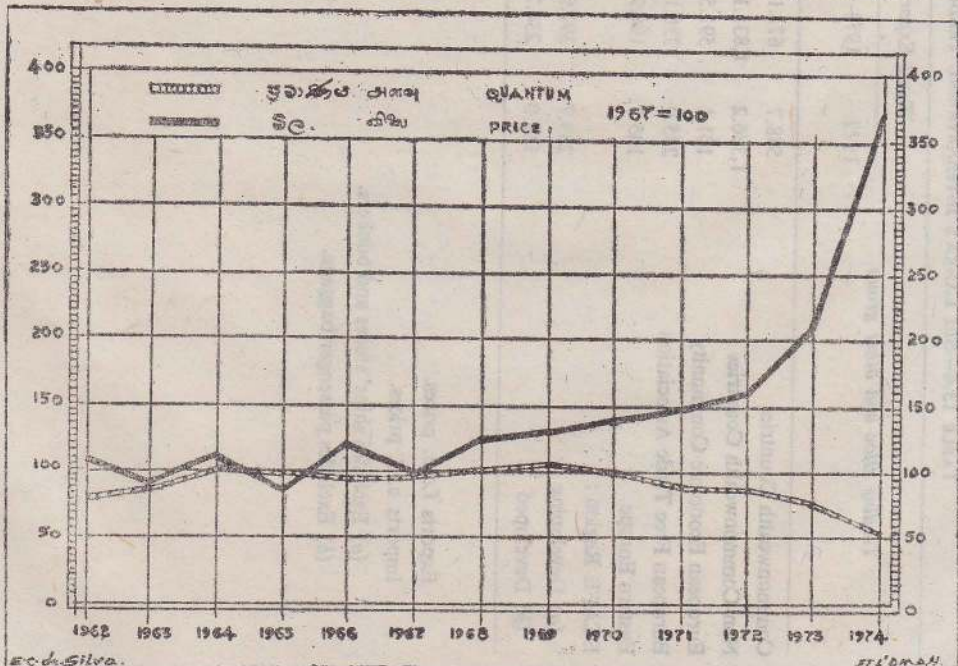


TABLE 13.4—SRI LANKA'S INTERNATIONAL TRADE BY TRADING BLOCS AND OTHER GROUPS 1972, 1973 AND 1974

Trading Bloc and other group	Total Exports (a)			Total Imports (b)			Balance of Trade		
	1972	1973	1974	1972	1973	1974	1972	1973	1974
Commonwealth Countries	548.7	671.1	845.4	594.5	578.1	928.1	-45.8	+93.0	-82.6
Non-Commonwealth Countries	1,386.2	1,831.1	2,342.0	1,464.1	2,115.4	3,615.6	-77.9	-284.3	-1,273.6
European Economic Community	181.1	591.5	856.8	249.2	622.0	896.2	-68.1	-30.5	-39.4
European Free Trade Association	285.9	336.1	406.0	265.7	238.3	253.6	+20.2	+97.8	+152.4
Eastern Europe	195.1	194.9	276.2	81.9	101.9	342.3	+63.2	+93.0	-66.2
ECAFE Region :									
(a) Developing	239.7	392.9	450.1	471.3	543.1	876.6	-231.6	-150.2	-426.5
(b) Developed	161.0	234.7	277.6	315.9	364.7	629.1	-154.9	-130.0	-351.5

Source : Central Bank of Ceylon.

Exports f.o.b. prices.

Imports c.i.f. prices.

(a) Excludes ships' stores and bunkers.

(b) Excludes passenger baggage.

Federal Republic of Germany.—Frankfurt Spring Fair—25 February to 1 March, 1973. Anuga Food Fair—22 to 27 September, 1973.

Italy.—Milan Trade Fair—14 to 25 April, 1973.

The Levent Fair in—Bari 22 September to 1 October, 1973.

Poland.—Poznan International Trade Fair—23 to 30 September, 1973.

Canada.—Canadian National Exhibition—14 August to 4 September, 1973.

Iran.—Baghdad International Trade Fair—1 to 21 October, 1973.

Sweden.—Stockholm 'Save the children's Association' Christmas Fair 7 to 9 December, 1973.

The Frankfurt Fair was confined mainly to handicrafts while the Anuga Food Fair, was essentially a display of food items. Other trade fairs, Sri Lanka participated were of a general nature.

Items displayed at these fairs were the islands' traditional and non-traditional products and 'new' industrial export items. Various Trade Chambers, Government Departments, Corporations and several private sector organisations co-operated with the Commerce Department in organising Sri Lanka's participation at these fairs.

Such participation ensued numerous trade enquiries.

Trade and Payments Agreement

The Fifth Five Year Trade and Payments Agreement between Sri Lanka and China was signed in December, 1972 and came into operation in January, 1973. A Trade Protocol for the year 1973 was also signed in December, 1972.

Soviet Union.—Trade between the Soviet Union and Sri Lanka was conducted in terms of the generalised Trade and Payments Agreement signed in 1958.

Egypt.—Sri Lanka's trade with Egypt was conducted on the basis of a Trade and Payments Agreement signed in November, 1966, which came into operation in January, 1967. A Trade Protocol for the year 1973 was signed in February, 1973.

Czechoslovakia.—A new five-year Trade and Payments Agreement between Sri Lanka and Czechoslovakia was signed on 14th July, 1972. The Agreement replaced the one signed on 14th December, 1957. Within frame work of this Agreement a Trade Protocol for the year 1973 was concluded on 7th November, 1972.

Poland.—The Trade and Payments Agreement of 1959 continued to regulate trade between Sri Lanka and Poland.

Bulgaria.—The Trade and Payments Agreement signed with Bulgaria on 27th November, 1970 was in operation during the year.

Rumania.—Sri Lanka's trade with Rumania continued to be regulated by the Trade and Payments Agreement signed in 1956.

Hungary.—Trade and Payments Agreement between Sri Lanka and Hungary concluded in 1959, continued to regulate the trade between the two countries.

German Democratic Republic.—The Trade Agreement signed with the G. D. R. in March, 1971 continued to regulate Sri Lanka's trade with that country.

Syria and Democratic People's Republic of Korea.—Sri Lanka had also valid Trade and Payments Agreements with Syria and Korea during 1973.

International Organizations

General Agreement on Tariffs and Trade.—Preparatory work for the GATT Multilateral Trade Negotiations continued during 1973 and culminated in Ministerial Conference in Tokyo in September, 1973. The Minister of Foreign and Internal Trade led Sri Lanka's delegation at this Conference. The Ministerial Declaration that emerged from this conference formally launched a new round of comprehensive Multilateral Trade Negotiations among countries. These negotiations were directed towards achieving an expansion and greater liberalisation of world trade and securing additional benefits for International trade in developing countries. A Trade Negotiations Committee was established under the Declaration to work out the detailed trade plans and procedures and to supervise progress of these negotiations.

A continuing Committee of officials was set up in Sri Lanka to advise on all matters pertaining to Sri Lanka's participation at these negotiations. Sri Lanka was represented at the various meetings of the Trade Negotiations Committee and other Committees of GATT by her Permanent Representative in Geneva.

Economic Commission for Asia and the Far East.—The 16th Session of the ECAFE Committee on Trade was held in Bangkok from 22 to 30 January, 1973. Sri Lanka was represented at this Session by the Deputy Director of Commerce. Discussions covered a review of International trade and Development, Regional trade and Monetary Co-operation, Shipping and Ocean Freight Rates and activities of the ECAFE Trade Centre.

International Rubber Study Group.—The 88th Meeting of the International Rubber Study Group was held in London from 5 to 8 June, 1973. Sri Lanka was represented at this meeting by Trade Commissioner and Commercial Attache of the High Commission in Britain.

Commodities.—The Department had close contact with world market developments as regards local export products, traditional and non-traditional. Special studies were undertaken whenever market conditions necessitated adoption of policies to enable these exports, competitive in world markets.

III—TEA EXPORT PROMOTION

Propaganda activities in regard to tea promotion are channelled through the Tea Propaganda Board. Pattern of tea promotion work continued basically unchanged as in the preceding year. The Board conducted unimpaired work for Sri Lanka tea and also supported generic campaigns for tea through the various Tea Councils.

In the United Kingdom, promotional policy was designed to support all identified Ceylon teas, in particular those with label bends of major national retail outlets which offered the best opportunity for high volume of sales. Greater emphasis was stressed on tea bags. In view of dwindling intake of Ceylon tea into this market, and contraction of tea and grocery trades into fewer major units, this aspect of regional trade promotion declined, and regional offices were closed.

In Europe, consumption of tea in Netherlands showed a revival after many years of decline. The Board's campaign was mainly confined to participation, in fairs and exhibitions supplemented by demonstrations and liquid sampling. Similar promotional activities were conducted in Federal Republic of Germany, where the Board commenced a modest Ceylon tea campaign in the year.

An intensive poster campaign was undertaken in France, covering outdoor sites in the 20 arrondissements of Paris, in underground metro-stations in the metropolis and suburbs and at entrance to large department stores and supermarkets. To complement the poster campaign, colour advertisements were inserted in the 'trade' press. Other activities were co-advertising with members of the French Tea Trade—particularly with the four largest tea dealers in the country coupled with a certain amount of public relations work.

The Ceylon Tea Centre in Scandinavia could achieve greater co-operation with the tea trade in Denmark. Tea Kiosk demonstrations continued as mainstay of the campaign covering that country. All but two of the tea importers have agreed to market pure Ceylon packs carrying the "Lion" symbol. Similar activities were carried out in Sweden and Norway on a lesser scale.

In Italy, tea promotion activities were limited. The Bureau continued to maintain poster sites in the capital and Rome underground. The luminous display in proximity to Fiumicino Airport featured prominently in advertising Ceylon Tea.

In South Africa, increasing attention was focussed on the large Bantu population. Press and radio advertising, popular competitions, exhibitions and filmshows wooed the urban, rural and tribal Bantu throughout the year. Radio, and press were utilised to maximum to reach the South-African 'white' population.

In Japan, the four Ceylonese demonstrators worked in departmental stores scattered all over the country. Television shows, press advertising with certain amount of public relations helped conduct promotion campaigns.

Limited radio advertising was undertaken in Pakistan from September while preliminary arrangements were made for a full-scale campaign in the ensuing year.

The programme of work continued unabated in Australia with in-store promotions in main cities to support Quality Ceylon teas carrying the Kandyan Drummer symbol featuring prominently in the campaign.

The Ceylon Tea Centre in Auckland was the focal point on which the tea promotion campaign in New Zealand revolved.

The Middle-East continues to grow in importance for Ceylon tea each year. To portray a good image in the consumer awareness promotional work was conducted by the Board in most countries in varying intensity, depending on the media available for advertising and literacy standard among the population. Such work was carried out in Lebanon, Kuwait, Iran, Syria, Jordan, Libya, Ethiopia, Somalia, Arab Republic of Egypt, Iraq, Saudi Arabia, North and South Yemen, Bahrein, United Arab Emirates, Muscat and Oman, Cyprus and Malta.

In Sri Lanka, the pattern of limited promotion remained basically unchanged and centred on Tea Counters at the Passenger and Transit Lounges of the Bandaranaike International Airport, Katunayaka and Colombo Landing Jetty. Caravan and the Iced Tea Unit, the Tea Bar and Auditorium within office premises of the Board were focal points of promotional activity. A successful campaign in association with the Rotary Club was also carried out in Nuwara-Eliya at peak of the tourist season.

Apart from these promotional activities, the Board also supported generic tea campaigns in the United Kingdom, United States of America, Canada, Australia, New Zealand, Federal Republic of Germany and France through Tea Councils combining efforts of tea producers and the tea trade in each of these countries.

IV—IMPORT AND EXPORT CONTROL DEPARTMENT

Imports

The legal basis for imports is the Import and Export (Control) Act, No. 1 of 1969 and regulations framed there-under. No additional regulations were framed during 1973.

The Convertible Rupee Account Scheme was implemented during the year with a view to encouraging non-traditional exporters. Issue of licences for import of goods commenced in late March 1973. Under this scheme, imports effected included items for personal use of importers as well as raw material and machinery for industries and items of trade. Items of such imports with corresponding values were :—

	(Rs.)
Motor cars	3,655,506
Luxury goods	3,857
Machinery	415,072
Raw materials	6,289,288
Trade items	9,185,127
Direct user items	727,464
Motor bicycles	6,727
	<u>20,283,041</u>

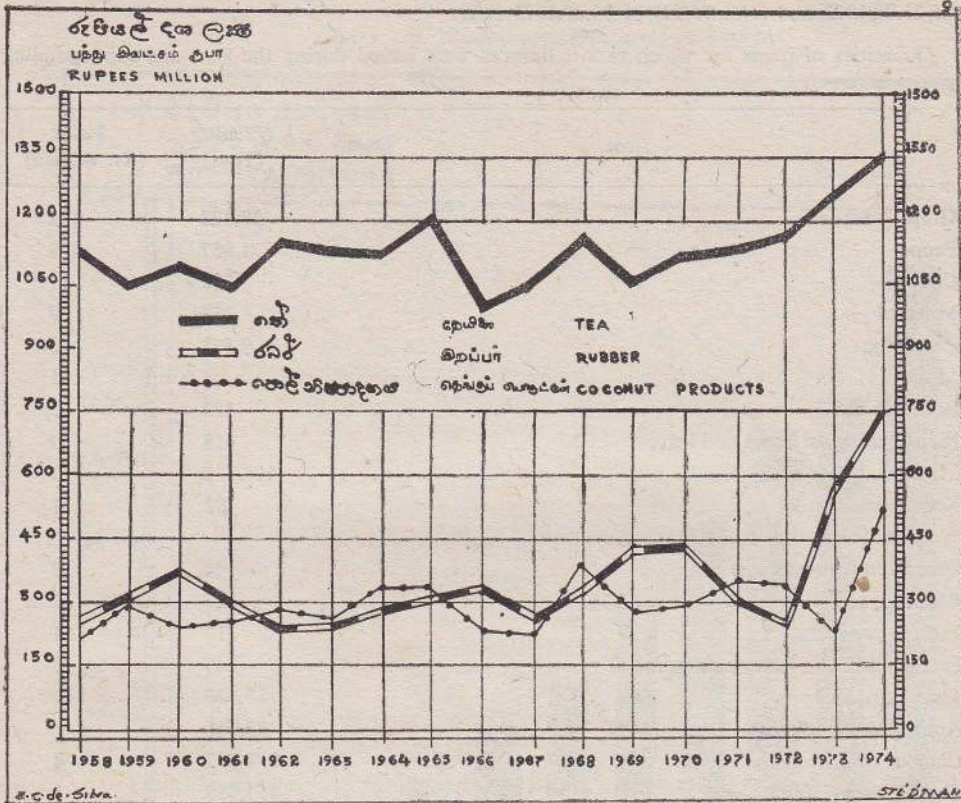
Banned Imports.—Several items of goods considered non-essential and could locally be substituted were banned.

Import Licences.—The value of free exchange licences issued during 1973 and value of all imports thus effected appear in table below :—

TABLE 13.5—IMPORT LICENCES ISSUED AND REVALIDATIONS—1973.

Description of Imports	Value of licences issued in 1973 including revalidated licences (Rs. million)	Debits against licences
Food Items (other than Food Commissioner's Imports)	159.9	105.1
Textiles (Piece goods)	21.7	21.6
Drugs (Trade Imports only)	23.1	15.6
Fertilizer	130.1	43.4
Petroleum Products (other than petroleum and base oil)	30.9	13.3
<i>Direct Users</i>		
(a) Special Leases Board and other Agricultural Projects	0.4	0.2
(b) Existing Hotels and Hotel Projects	2.3	0.9
(c) Machinery and spares	3.4	1.8
(d) Local bodies	3.7	0.7
(e) Other direct-user imports	24.0	13.4
Other trade quota items	109.4	43.9
Government Departments	161.0	67.5
State Industrial Corporations (Other than those under the Ministry of Industries and Scientific Affairs)	154.7	84.3
Manufacturing Industries	246.7	94.2
State Industrial Corporations (under the Ministry of Industrial and Scientific Affairs)	492.8	349.1

CHART No. 9—EXPORTS OF TEA, RUBBER AND COCONUT PRODUCTS 1958 - 1974 (BY VALUE)



General Exports

Betel leaves and betel shoots were brought under licence control in August, 1973, while in September, items under licence control were—

- (a) Fruit Products (viz., any product obtained from fruit by manual mechanical or chemical means or any by-products obtained)
- (b) Fish Products (viz., any processed product-obtained from aquatic organism).

Procedure to be adopted in exporting these items is—

- (a) Export licences will be issued only for fruit products that have been processed by a manufacturer registered with the Director of Commerce ;
- (b) Export licences will be issued only for fishery products that have been processed by a manufacturer registered with the Director of Fisheries ;
- (c) Other exporters of fruit products and fishery products should, when applying for export licence attach a certificate from the registered manufacturer to the effect that the goods to be exported have been processed by him ;
- (d) With effect from 15.09.1973 licences for export of betel will be issued only to the Sri Lanka State Trading (Consolidated Exports) Corporation and the Co-operative Marketing Federation of Sri Lanka.

Export Control Notice No. 4/73 published in *Gazette Extraordinary* (No. 77/3) of 17.09.1973 and also notifications appearing in *Gazettes extraordinary* (No. 70/52) of 02.08.1973, (No. 73/3) of 21.08.1973 and (No. 75/51) of 03.09.1973 refer.

Quantities of items for which export licences were issued during the year and corresponding values were—

<i>Item</i>	<i>Quantity (Tons)</i>	<i>Value (Rs. million)</i>
Gingelly seeds	10,122	172
Pepper	1,957	128
Coffee	339	11
Mustard	357	9
Plumbago	9,578	10
Musk	4.5(lb.)	.01
Beche-de-mer	123	15
Medicinal roots, herbs and leaves	618	9
Minerals	108,312	67
Kapok seeds	192	1
Western drugs	—	—
Other items (re-exports)	44	12
Papain	27	23
Fishery products	217	51
Ferrous and non-ferrous scrap metal	245	3
Timber (sq. ft.)	15,520	2
Antique coins (pieces)	33,641	1
Chunks	238,707	4
Cut Flowers (Units)	151,658	1
Jewellery (Units)	8,214	8
Wild animals and parts thereof (Units)	9,174	1
Fruit products (packets)	15	.01(a)
Betel leaves (Kilos)	718,526	4

(a) Approximate figure.

Tea Exports

Export permits were issued for teas sold at the Colombo Auctions covered 401,058,947 pounds. Quantity shipped for sale at the London Auctions and exports under Private Sales were 46,358,201 lbs. and 3,584,961 lb. respectively. Exports under forward contract totalled 550,420 pounds.

The "Ad valorem" tax recovered during the year was Rs. 39,016,897.

V—DEPARTMENT OF COMMODITY PURCHASE

Departmental activities during the year 1973 were mainly confined to—

- (a) The purchase and shipment of rubber to countries with which Ceylon had entered into Trade Agreements, and
- (b) The issue of licences to shippers to export all grades of rubber.

These activities as far as the purchase and sale of rubber were concerned fell into four main categories, viz. :

- (i) The maintenance of 47 outstation Commodity Purchase Depots established in the major rubber-growing areas of the Island to act as ' Check depots ' with the prime object of ensuring the prevailing daily market price to small-holders for the rubber they produce and the purchase of sheet and Scrap Rubber through these Rubber Purchasing Depots.
- (ii) Sale of acid to small-holders registered at these Depots.
- (iii) The sorting, grading, bailing and packing at the Department's Central Store at Mattakkuliya of the rubber so purchased, and
- (iv) Handling the export of Sheet Rubber to the People's Republic of China, Hungary, The Republic of Egypt and The German Democratic Republic under Trade Agreements with these countries.

Rubber Purchasing Depots

During the year, one depot at Kandy was closed down and two new depots at Rambukkana and Ruwanwella were commenced making the total number of depots to 47. These rubber purchasing depots are maintained in the following major rubber growing areas of the Island :—

Akuressa	Kuruwita
Alutgama	Matale
Ambalangoda	Matara
Aranayaka	Mawanella
Avissawella	Matugama
Ayagama	Padukka
Baddegama	Panadura
Bulathkohupitiya	Pitigala
Dehiowita	Ratnapura
Dompe	Rambukkana
Elpitiya	Ruwanwella
Galagedera	Tuntota
Galle	Warakapola
Gampaha	Yatiantota
Hiniduma	Yatalamatta
Homagama	Kahaduwa
Horana	Ittapana
Kalutara	Uda Karawita
Kamburupitiya	Meegahatenna
Kegalle	Udukumbura
Kiriella	Kosgama
Kirindiwela	Bulathsinghala
Koslanda	

These depots continued to be of assistance to the Rubber Control Department in distributing planting materials and fertilizer under the Rubber Rehabilitation Scheme.

The Department purchased 16,103 tons of Sheet Rubber and 122 tons of Scrap Rubber through its 47 outstation Depots in 1973. This represented an increase of 1,169 tons of Sheet and a deficit of 23 tons of Scrap Rubber as compared with the preceding year.

CHART NO. 10—EXPORTS OF TEA AND RUBBER (BY VOLUME) 1958 - 1974

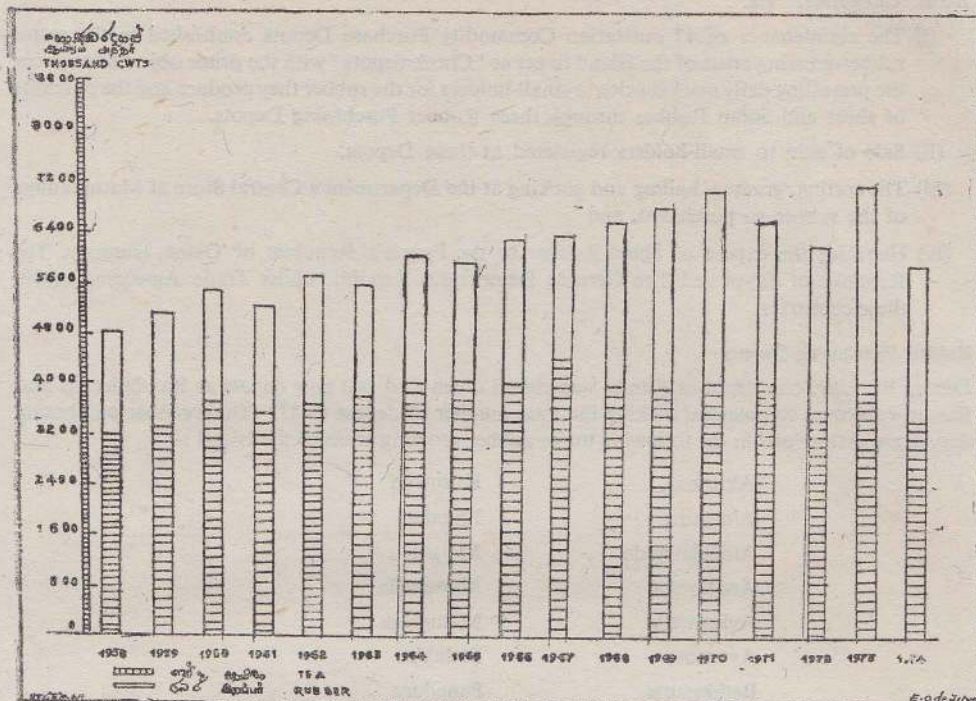


Figure given in the table below indicate the quantities of Sheet Rubber and Scrap Rubber purchased at the 47 Rubber Depots during the 12 months ending December, 1973.

TABLE 13.6—MONTHLY PURCHASE OF RUBBER AT OUTSTATION DEPOTS — 1973

Month	Sheet Rubber (lbs.)	Scrap Rubber (lbs.)
January	4,247,026	29,852
February	3,177,804	22,215
March	2,059,273	15,015
April	1,823,629	15,796
May	2,751,530	24,130
June	2,438,543	22,884
July	2,367,290	23,653
August	3,375,659	36,221
September	3,390,117	30,398
October	3,673,052	25,220
November	3,127,403	14,889
December	3,638,215	13,636
	<u>36,069,541</u>	<u>273,909</u>

Rubber Prices

Prices paid to producers at outstation depots for RSS No. 1 per pound during the period January to December 1973 were—

(Price per pound)

1973	Highest Rs. c.	Lowest Rs. c.	Average Rs. c.
January	1.05½	.92½	.99½
February	1.05½	.94½	1.00½
March	1.04½	.93	.99½
April	1.07	.91½	.96½
May	1.20	1.01	1.12½
June	1.43½	1.08	1.25½
July	1.53½	1.04	1.26½
August	1.39½	.96½	1.17½
September	1.32	1.08½	1.20½
October	1.38½	1.12½	1.24½
November	1.51½	1.17½	1.36½
December	1.64½	1.00½	1.42½

Rubber Production.—Quantity of all grades of rubber produced during the 12 months (i.e., January to December, 1973) totalled 152,232 Tons. Of this quantity 90,335 tons represented the production of Sheet Rubber.

Exports

A total of 57,000 Metric tons of Rubber which consisted of RSS. 1, 2 and 3 were shipped to China under the 1973 Contract. A further 7,207 tons of same grade were shipped to the German Democratic Republic, Hungary and the United Arab Republic during this period.

Negotiations for the 1973 Rubber-Rice Agreement was conducted in Sri Lanka and a contract was signed on 22 December, 1972. In terms of this Agreement, Sri Lanka contracted to supply 57,000 Metric tons of Sheet Rubber. A total of 53,685 Metric tons were shipped during, 1973.

The Republic of Egypt signed several contracts with the department for supply of 807 long tons of rubber. The entire quantity was shipped during the year.

A contract to supply 24,000 Metric tons was entered into with the German Democratic Republic. A total of 1,550 Metric tons were shipped during 1973. Rubber prices on shipments to China were based on monthly average of the Singapore closing market price. As regards shipments to Hungary, Egypt and G.D.R. prices were based on weekly average of the Singapore closing market price.

The buyers also paid an additional 07½ Ceylon cents per pound to cover handling charges and a further 02½ cts. per pound on RSS. 1 grades sheet rubber as incentives.

Sheet Rubber shipments under bi-lateral pacts were surveyed by a Panel of Surveyors to ensure quality and packing as specified in International Standard of quality and Packing for Natural Rubber Grades.

VI—REGISTRATION OF COMPANIES

The Department of the Registrar of Companies Administers the Companies Business Names, Trade Marks, Designs, Societies, Cheetus and Copyright Ordinances. Administration of the Patents Ordinance and Registration of Auditors for Company and Society accounts fall within the scope of its functions. In the administration of these Ordinances, the department renders to the public every form service incidental to grant of legal status, 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 this department to maintain statistics pertaining to the nature, extent and volume of business activities. At the same time the protection of Trade Marks and Patent Rights ensured by registration stimulates the advancement of technology and stabilises the industrial life of the country.

Limited Liability Company

The present law is embodied in the Companies Ordinance No.5 of 1938 to which amendments have been added from time to time. The Minister of Foreign and Internal 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 mainly to examine and report on this Law on the present development needs of this country and the Government programmes enunciated to meet these needs.

The popularity of the Company concept is evidently on the increase. The desire on the part of businessmen to join themselves into limited liability companies is reflected in the statistics maintained by the department. Aggregate authorised capital for the two years 1971/72 and 1973 in respect of 311 and 361 Companies were Rs. 344,885,000 and Rs. 791,130,000 respectively.

Classification

Statistics in respect of investment of capital in various fields of private enterprise as agriculture, industry, commerce, etc., indicate prevailing trends and progress achieved in different spheres of business activity.

TABLE 13.7 — CLASSIFICATION OF CAPITAL INVESTMENT 1971/72 AND 1973

Group	No. of Companies	1971-1972		No. of Companies	1973	
		Nominal Capital Rs.	Issued Capital Rs.		Nominal Capital	Issued Capital
Industry	53	64,285,000	2,218,270	82	234,850,000	1,757,150
Commerce	80	82,815,000	1,616,680	109	134,390,000	2,461,560
Tourism and						
Hotel	60	57,675,000	705,280	92	332,010,000	875,030
Agriculture	48	57,440,000	725,088	21	17,600,000	110,620
Finance	8	21,200,000	224,584	6	8,000,000	640,480
Engineering and						
Construction	16	22,250,000	236,864	13	29,850,000	54,860
Management	7	2,870,000	15,140	1	20,000	30
Associations	6	—	—	1	—	—
Guarantees	—	—	—	5	—	—
Others	33	36,350,000	237,530	31	34,410,000	162,922
	311	344,885,000	5,979,436	361	791,130,000	6,062,652

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 particulars of names and addresses of proprietors of business concerns as well as other useful information to those instituting legal proceedings to Foreign Trade Commissions, Embassies and Government Departments. The registration of Business Names is decentralised. Registration in Colombo is done by the department, while those in outstations are done at the kachcheries. The Registrar of Companies generally exercises supervision over the administration of the Ordinance throughout the Island. Business Names Registered in the Western Province for the two years 1971/72 and 1973 were 4,915 and 3,634, whilst cancellations of registration were 597 and 382 respectively.

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 as regards Trade Marks.

The Committee appointed to examine the revision of Patents, Trade Marks and Designs Ordinance and also examine the drafting of Copyright Act for Sri Lanka has completed its assignment.

Appreciation by businessman of the value of Trade Marks protection in commercial enterprises is indicated by the number of applications which has been steadily increasing in recent years. Registration gives protections of Trade Marks on 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. He is also given the opportunity to sell or transfer his right to others. Ceylonese businessmen could register and protect their Trade Marks, Designs and Patent rights in other countries as well.

International Conventions

The Trade Marks, Patent and Copyright Laws are Worldwide in application and subject to international convention, viz., the Paris and Berne Conventions to which Sri Lanka has acceded. The Berne Convention was reviewed at a Diplomatic Conference of all member states in July, 1971 at Paris, due to non-accession of the developed countries to the Protocol for developing countries embodied in the revision at Stockholm in 1967. The present revision concedes rights of translation for educational works into national languages.

Mutual Societies

In addition to registration of companies mutual Societies are registered with certain privileges under the Societies Ordinance Chaps. 105. The Societies consist of—

- (a) Mutual Provident Societies, established with the object of promoting, granting relief to members in times of sickness or distress or assisting them when in pecuniary difficulties and for making provision for their widows and orphans and,
- (b) Special authorised societies for—
 - (i) The advancement of education, and
 - (ii) Religion,
 - (iii) The promotion of industry,
 - (iv) Social services and other subjects approved by the Minister of Foreign and Internal Trade.

These Societies are obviously meant for ameliorating conditions of the people of the Island and encouraged by the Government in granting 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 the Government Agents reports to the Minister of Foreign and Internal Trade on the advisability of registration. The Department also ensures that a registered society complies with the requirements of the Ordinance as filing accounts, lists of members, office bearers in respect of each year.

VII—COCONUT MARKETING BOARD

The Coconut Marketing Board established under the Coconut Development Act (No. 46) of 1971 commenced operation in May, 1972.

Export Trade in Coconut Products

(a) Regulation and control of the export prices of coconut products (copra, coconut oil, desiccated coconut, fresh nuts, coir fibre and yarn, coconut shell grit and other shell products) to ensure that the country receives a fair and a reasonable value for its exports ;

(b) Registration of Exporters of coconut products to ensure that exporters conform to standards laid down by the Board ;

(c) Issue of export licences for coconut products ;

(d) Assistance to exporters in matters as freight and shipping ;

(e) Participation in International Trade Fairs for purpose of promoting export trade of coconut products. The Board participated in three International Trade Fairs in Canada, Poland and Italy during the year.

(f) Collection of market information on coconut products, study of international market situation and disseminating available information to foreign buyers and local exporters ;

(g) Implementation of the Emergency (Coconut Products) Regulations proclaimed by the Government under which exports of copra were banned with effect from 15 February 1973, and exports of coconut oil with effect from 9 April, 1973. The ban on export of coconut oil was partially relaxed with effect from 1 December, 1973, permitting a maximum export of 4,500 tons.

Internal Trade

(a) In order to ensure a fair price for the produce of smallholders measures as listed below were continued during 1973 :—

(i) Organising Multi-Purpose Co-operatives in coconut-growing areas for the purchase of fresh nuts direct from the members and thereby ensure a fair price to the producer with elimination of the middlemen ;

(ii) Assistance to Co-operatives in marketing of copra. The Board sold such copra at auctions and obtained best available prices for the co-operatives. At the end of the year, about 25 co-operatives were engaged in purchase and distribution of fresh nuts and manufacture of copra.

(b) The operation of the copra auctions in the Board's Sales Room to establish a realistic market price for copra based on factors supply and demand. Owing to very poor coconut crop in 1973 as a result of adverse weather conditions, copra sales in the Board's Sales Room totalled only 120,000 candies as against 707,000 candies the preceding year.

(c) Declaration of local market prices of coconut products daily for information of producers and traders.

(d) Registration of dealers, auctioneer/brokers dealing in coconut products to ensure that they conform to requirements as laid down by the Board.

(e) Operation of the Price Stabilisation Scheme for coconut oil (which commenced in November, 1973) under which the Board became the sole buyer of coconut oil for export purposes. The Board purchased coconut oil from millers at prices ranging from Rs. 1,250 to Rs. 1,650 per ton during 1973.

The price stabilisation scheme for coconut oil was introduced in November, 1972, by the Government to protect the producer at a time of low world market prices. A capital of Rs. 18 million was approved for the scheme. Under this scheme the entire export of coconut oil has to be channelled through the Coconut Marketing Board. To ensure the smallholding nut producer a justifiable price for his nuts, the Board, operated its Internal Marketing Scheme through Co-operatives simultaneously with the price stabilisation scheme. Co-operatives were encouraged to engage in nut collection and copra production. Both schemes are being successfully implemented at present.

The floor scheme for the fibre industry ensures a justifiable return to the miller. Due to high prices of fibre prevailing at present, the millers obtain much higher prices from shippers, over and above minimum prices fixed by the Board.

CHART No. 12—ANNUAL AVERAGE MARKET PRICES OF TEA, RUBBER, COPRA AND DESICCATED COCONUT, 1959-1974

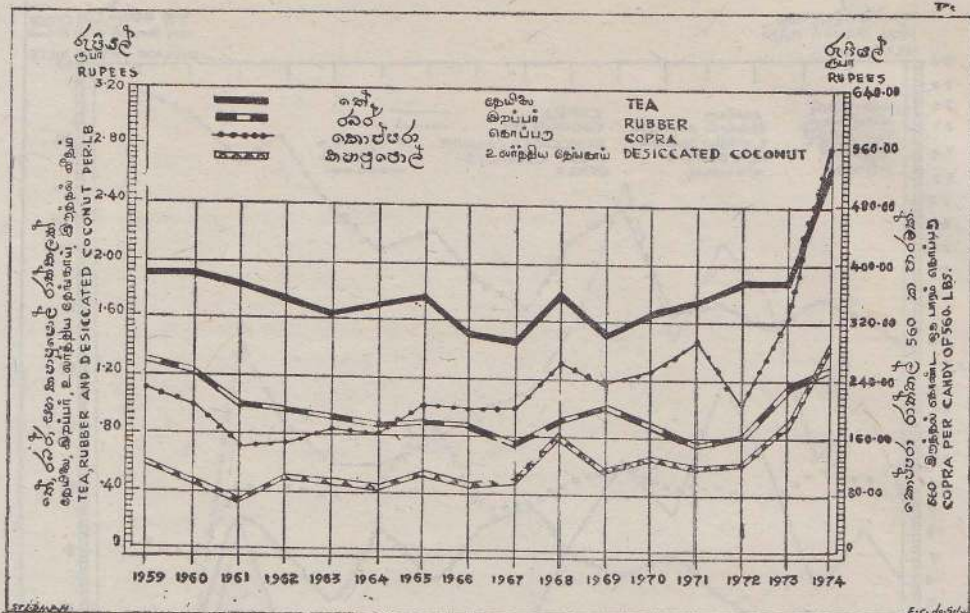
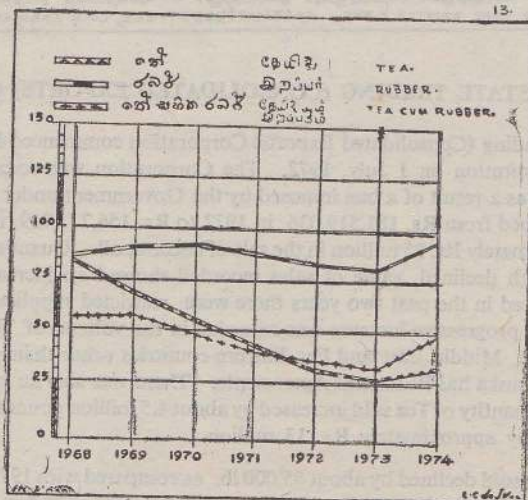


CHART No. 13—INDICES OF SHARE PRICES OF RUPEE COMPANIES (1952 = 100), 1968-1974



New items as Betel Leaves, Raw Ginger and Bamboo Poles were exported during the year. Export of Betel Leaves accounted for over Rs. 2 million. Other items sold were Grey Cloth, Rs. 6.5 million and Sarongs, Rs. 2.2 million. 'Consolexpo' participated in three Overseas Fairs with good results. The Corporation continues to provide advisory service to promote and handle exports of both traditional and non-traditional items. Its institutional functions however do not devolve solely in the export of traditional and non-traditional products for purpose of profit-making.

In export promotion every effort is made to offer suitable local substitutes when specific items are not available. The main objective of the Corporation is to offer indigenous products to the overseas buyer without consideration to low margin of profits. The Corporation trades in these items with expectation that continued and bigger orders would help popularise these products in world markets. Its aim is to encourage Producers wherever possible, have direct contact with this Organisation and thus eliminate middlemen who would deny the Producer full benefits that would accrue as prices paid for his products.

IX—SRI LANKA STATE TRADING (GENERAL) CORPORATION

The Sri Lanka State Trading (General) Corporation was established in 1971.01.01 under the Sri Lanka State Trading Corporation Act, No. 33 of 1970. The Corporation is managed by a Board of Directors appointed by the Minister of Foreign and Internal Trade.

The Incorporation order dated 1971.01.01 and subsequent *Gazette* notifications vest with the Corporation allocation of import quotas as listed below :—

Tea Chest Panels, Explosives, Welding Electrodes, Base Metals—Ferrous and Non-Ferrous, Aluminium Coils, Weighing Machines and spares, Carborandum Powder, Diesel Engines, Chains—Black and galvanised, Baling Hoop, Typewriters, Office Machines and parts thereof, Office Supplies and Requisites, Watch spares, Incandescent Mantles, Lamps and Lanterns—kerosene and pressure types, Chimneys and Globes, Bicycle spares, Infant Feeding Bottles, Toilet Paper, Torch Bulbs, Napthalene Balls, Razors, Scissors, Hair Clippers, Vacuum Flasks and refills, Dry Cell Batteries, Silicated Cotton—Insulating Materials, Artists' Water Colours and other materials, Natural Gums and Resins, Cordage Cable, etc., Abrasive Cloth, Polishing Wheels and Stones, manufactures of Asbestos, Buttons, Hooks and Eyes, Motor spares and Motorcycle Spares, Formic Acid, Tyres and Tubes, X'ray and Litho Films, Sensitized Duplicating Paper and Stencils, Photographic Chemicals, Films and Photo Flash, Cinematographic Bulbs and Electric Lamp Bulbs.

As regards Motor spares 30 per cent. of total allocation is given to the Corporation, whilst Private Sector imports the balance 70 per cent. of import quota. The Corporation shares similarly with the Private Sector, import quota for Base Metals (Ferrous) and Welding Rods. The other quotas are allocated to the Corporation for import on a monopoly basis.

Imports

The Total import allocation granted to the Corporation during 1973 was Rs. 49,874,098 as against Rs. 53,345,224 in 1972 and Rs. 52,072,407 in 1971. Quotas were received on a priority basis for raw materials required for export industries as Tea Chest Panels, Bailing Hoop, Steel Strapping, etc., while no imports were made or allocations received for import of items considered luxury or semi-luxury as kitchen equipment, Lawn Mowers, Electric Irons, Hot Plates, etc., or items that would compete with goods manufactured locally and available in sufficient quantities as Torches, Torch Batteries, Tumblers, etc.

Import Procedure.—Procedure adopted for importation of goods during the year is set out below —

- (a) Inviting world-wide tenders and affording suppliers the opportunity to compete against each other.
- (b) Registering foreign suppliers and forwarding them tender documents free of cost for obtaining tenders. A pamphlet giving details of imports handled by the Corporation and registration procedure, is issued every year by the Corporation.
- (c) Forwarding tender documents free of cost to Foreign Embassies in Sri Lanka and Sri Lanka Embassies in supplying countries to obtain tenders from reliable suppliers.
- (d) Promoting new brands and new makes of approved quality as against established brands that hold monopoly in the local market.
- (e) Bulking of purchases unlike small consignments bought on many quotas by small importers which increase costs of packing, transport, freight and even bank charges. Bulk purchases also help bring considerable discounts.
- (f) Ensuring that correct quantities and accepted quality goods are imported and 'inventorising' full receipts and accounting for (any) shortages.

Pricing.—Broad guidelines adhered to in the formulation of pricing policy were—

- (a) Costs to the Corporation.
- (b) Market price of the item, especially if it is an item imported along with the Private Sector or item recently taken over from Private Sector ;
- (c) Essential or semi-essential requirement of item. e.g., a mass consumer item like incandescent mantles would entail lesser margin than Motor spares ;
- (d) Expected increase in prices due to rise in world markets, freight and parity. Selling prices are fixed as far as possible to cushion sharp price increases in the future.

Distribution

The Distribution policy of goods imported by the Corporation is formulated by a Committee appointed by the Ministry of Foreign and Internal Trade. This Committee consists of the Chairman and two Directors of the Corporation, representatives of Chairman, C.W.E., Commissioner of Co-operative Development, Sri Lanka Co-operative Marketing Federation and Controller of Prices. Distribution procedures of goods that arrive during each month are decided by the Committee within general policy laid down by the Ministry of Foreign and Internal Trade.

Items imported for export trade are generally distributed direct to exporters.

As regards Motor spares, the Corporation receives only 30 per cent. of quota and imports three items, viz., Plugs, Horns and Bulbs on a monopoly basis for distribution to about 240 Motor spares dealers and 175 import quota holders. Other Motor spares imported by the Corporation are issued to the 240 dealers of the Corporation of whom 20 dealers are co-operatives.

Wherever possible schemes of distribution are organised for direct issues to "bona fide" users, e.g., issues of Artists' Colours and Materials, were made to "bona fide" users on the recommendation of the Department of Cultural Affairs. Students' Water Colours were issued to district distributors on recommendation of the Ministry of Education. These distributors in turn made direct sales to students on the advice of Local Education Authorities.

The General Policy however is to issue goods for sale at the prices fixed by the Corporation to the Co-operatives, C.W.E. Shops and Private Sector. Private Sector supplies are oriented to prevent as far as possible retrenchment of staff consequent to the Corporation taking over these imports. Prohibitive exchange situation does not however provide for large scale imports of consumer items so that it has been possible to issue only restricted quantities to the Private Trade.

The Corporation carries out, regularly surprise inspections to check on malpractices of dealers who obtain goods from the Corporation. Quotas of 117 dealers have so far been suspended by the Corporation for various irregularities and malpractices as a result of these raids. Deterrent action is taken with a view to ensuring that Corporation goods are made available to the public within selling prices fixed by the Corporation.

Finance

The Corporation's contribution to State Revenue during the year, 1973 was as follows :—

	1973 Rs.
(a) Purchase of FEECs	18,506,984
Customs Duty	7,186,468
Business Turnover Tax	715,302
Provision for Income Tax	7,843,100
Direct contribution to the Consolidated Fund	2,000,000
	36,251,854

(b) The Sales turnover during 1973 was Rs. 80,775 million as against Rs. 100,064 million in 1972. Drop in turnover was mainly due to reduced foreign exchange made available to the Corporation for imports.

(c) The nett profit in 1973 (after taxation) amounted to Rs. 5.1 million.

(d) The Corporation received Rs. 500,000 at the inception from the Treasury to finance its operations. It has so far paid back to State coffers by way of—

	Rs.
(i) Income Tax	20.6 million
(ii) Direct contributions to the Consolidated Fund	7.0 million
(iii) Duty, FEECs, Business Turnover Tax	92.7 million
	120.3 million

X—SRI LANKA STATE TRADING (TRACTOR) CORPORATION

The Sri Lanka State Trading (Tractor) Corporation was established under the State Trading Corporation Act, No. 33 of 1970 and commenced operations in July, 1971.

In terms of a notification in the *Government Gazette* (No. 14,966/7) of 14 July, 1971, the Board of Directors of the Corporation consists of 7 members appointed by the Minister of Foreign and Internal Trade.

The Prime objective of the Corporation is the Importation of Tractors. Other Agricultural Machinery, spares and accessories thereof for purpose of distribution to the local trade. Import and sale of Tractors, Agricultural Machinery and Equipment were hitherto a monopoly of private organisations. The Corporation has since its inception afforded considerable relief to the agricultural sector in the availability of Tractors and Agricultural Machinery at standard prices.

Tractor sales during 1973 were—

<i>Make</i>	<i>Imports</i>	<i>Local sales</i>
Kubota	200	88*
Yanmar	200	164
Iseki (Diesel)	100	94
Iseki (Kerosene)	200	196

* for Youth Farming Scheme

The Corporation had a total turnover from sale of—

	<i>Rs.</i>
	<i>million</i>
Tractors	5.6
Accessories	1.9
Spares	13.9
Tyres	3.9
Machinery	3.4
Total ..	28.7

Gross profits before taxation were Rs. 1.8 million.

CHAPTER XIV

MONEY, BANKING AND INSURANCE

I—GENERAL

BANKING and financial institutions in Sri Lanka may be classified as follows :—

- (i) The Central Bank of Ceylon ;
- (ii) Commercial Banks ;
- (iii) State sponsored long-term credit institutions, viz. the State Mortgage Bank, the Agricultural and Industrial Credit Corporation and the Development Finance Corporation ;
- (iv) Savings Institutions—viz. The National Savings Bank (formed by the amalgamation of the Post Office Savings Bank, Ceylon Savings Bank and the Savings Certificates 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 and another member appointed by the Government.

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) Stabilisation of domestic monetary values ;
- (b) Preservation of the par value of the Ceylon Rupee and free use of the rupee for current international transactions ;
- (c) Promotion and maintenance of a high level of production, employment and real income in Sri Lanka ; and
- (d) encouragement and promotion of 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 banker's 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 the island. It conducts economic research in money and banking and other economic fields for guidance in formulating, implementing and executing its policies and measures and for information of the general public. Other functions performed by the Central Bank are the management of public debt, the administration of exchange control and the financial management of the Employees' Provident Fund.

For performing the functions enjoined on it by the statute, the Central Bank is equipped with a wide array of monetary weapons such as to fix statutory reserve ratios and minimum capital asset ratios of banks, to vary Bank rate, to conduct open market operations and to impose marginal requirements on letters of credit opened by commercial banks.

Central Banking in 1973.—Total assets/liabilities of the Central Bank increased by Rs. 751.8 million and stood at Rs. 4,676.2 million at the end of December 1973. International reserves rose by Rs. 195.1 million while increase in domestic assets mounted to Rs. 556.7 million during the year. Among domestic assets, however, the increase was seen mainly in "other assets and accounts", which rose by Rs. 323.1 million.

TABLE 14.1—ASSETS AND LIABILITIES OF THE CENTRAL BANK

<i>Assets</i>	1972* (December)	1973 (December)	<i>Rs. million</i> 1974 (December)
<i>International Reserve :</i>			
1. Cash and Balances abroad including Treasury Bills	97.3	287.1	220.7
2. Foreign Bills discounted	—	—	—
3. Foreign Government Securities	112.1	113.5	113.4
4. Special Drawing Rights	76.0	79.9	86.0
Total ..	285.4	480.5	420.1
<i>Domestic Assets :</i>			
1. Loans and Advances to Government	419.6	456.1	497.9
2. Loans and Advances to Others	92.5	208.0	654.5
3. Government and Government guaranteed securities	2,052.4	2,134.0	2,191.6
4. Other assets and accounts	1,074.5	1,397.6	1,322.2
Total Assets or Liabilities ..	3,924.4	4,676.2	5,086.3
<i>Liabilities :</i>			
<i>Capital Accounts—</i>			
1. Capital	15.0	15.0	15.0
2. Surplus	58.0	59.0	60.0
Total ..	73.0	74.0	75.0
<i>Currency Issue—</i>			
1. Notes in circulation	1,359.1	1,562.4	1,730.3
2. Coins in circulation	85.6	90.6	98.7
Total ..	1,444.7	1,653.0	1,829.0
Securities outstanding	—	—	—
Borrowings from abroad	352.2	245.2	261.9
<i>Deposits—Government</i>			
Government Agencies and Institutions	17.5	20.2	54.9
Commercial Banks	17.5	8.2	6.3
International Organisations and Foreign Banking Institutions	311.1	496.6	420.3
Others	483.9	486.6	688.4
Total ..	17.7	23.4	28.7
Total ..	847.7	1,035.0	1,198.6
Other liabilities and assets ..	1,206.6	1,668.8	1,721.8

* Banking data as at end of December 1972 were highly distorted by a prolonged strike of the commercial bank employees which commenced on 1st September, 1972 and ended on 17th December, 1972.

On the liabilities side the currency issue of the Central Bank increased by Rs. 208.2 million. The Bank's deposit liabilities also rose by Rs. 187.3 million. Table 14.1 provides data on assets and liabilities of the Central Bank as at end of 1972 and 1973.

There were no significant changes in credit policy during the year. In April 1972, commercial banks were directed to refrain from increasing credit for non-essential purposes as consumption, speculative stock building, etc. over the level of such credit as on 31st March, 1972. This requirement remained in force during 1973. The Bank rate remained unchanged at 6½ per cent.

Refinance loans granted by the Central Bank from the medium and long-term credit fund established in 1964, amounted to Rs. 12.1 million in 1973 as compared with Rs. 10.2 million the preceding year. Of this amount Rs. 11.3 million was granted under the Tea Factory Modernization Project. During the year Rs. 16.0 million was credited to the Fund from repayment of loans. The balance in the fund as at end of December 1973 was Rs. 21.4 million. The rates of interest charged on refinance loans remained unchanged during 1973.

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 Commercial Bank of Ceylon Ltd.; and eight foreign-owned banks. The total number of branches of commercial banks increased by 99 to 303 during the year. Of these branch offices 293 were owned by local banks. Approximately 82 per cent. of the total deposits in the banking system were owned by local banks.

Bank of Ceylon

The Bank of Ceylon was established in 1939 by the Bank of Ceylon Act, No. 53 of 1938 in consequence of a recommendation of the Banking Commission of 1934. By the Finance Act, No. 65 of 1961 the Bank of Ceylon was nationalised in 1961.

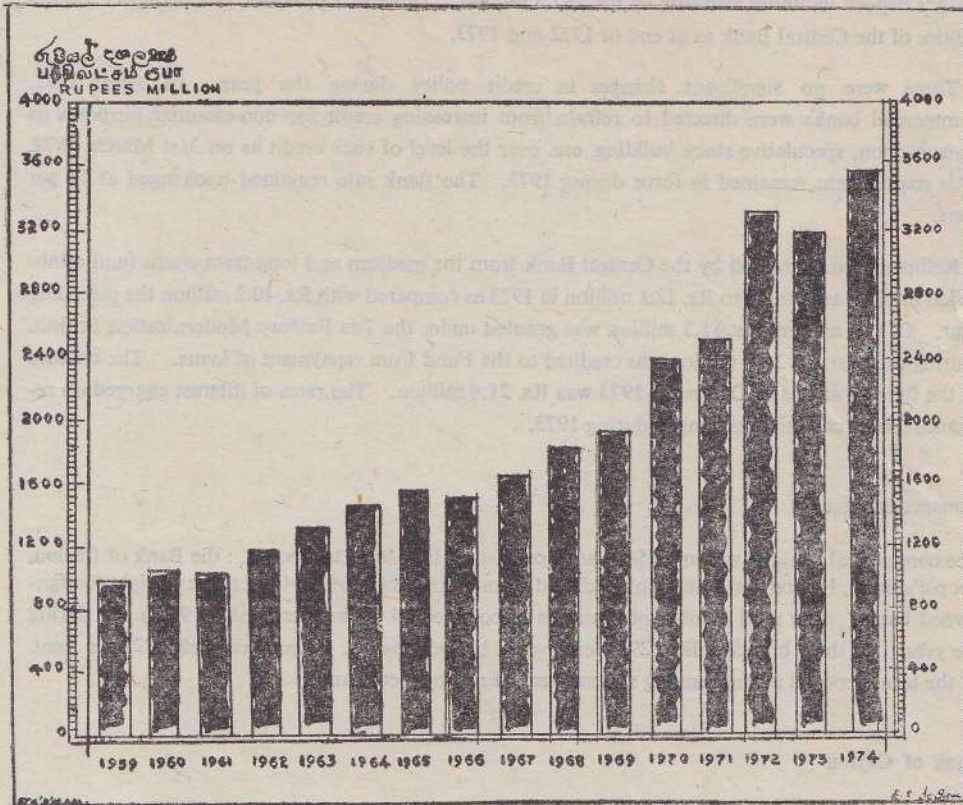
During the year the Bank of Ceylon opened 83 branch offices. Of these, 79 were opened as agricultural service centre branches and 4 as main branches in Galle (Bazaar), Kilinochchi, Oruwala and Bentota.

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 as cultivation committees and other institutions. The 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.

Eleven branches of the Bank were opened in 1973, at Bandaragama, Wilgamuwa, Eravur, Nikaweratiya, Kalpitiya, Grandpass, Nildandahinne, Rattota, Rakwana, Hakmana and Udugama. There were 131 branch offices functioning as at 31st December, 1973.

CHART No. 14—COMMERCIAL BANK DEPOSITS, 1959-1974



Hatton National Bank

The Hatton National Bank was reconstituted in May 1970 by amalgamating two branches of the National and Grindlays Bank Ltd. and the Hatton National Bank Ltd. During 1973 the Bank opened 4 branches at Bandarawela, Wellawatte, Ratnapura and Negombo.

Commercial Bank of Ceylon Ltd.

The Eastern Bank Ltd., which was a British Bank was converted into a Rupee company with majority Ceylonese ownership and started functioning under the new name of the Commercial Bank of Ceylon Ltd. from November, 1969. The Bank opened one office in Matara and took over 3 branches of the Mercantile Bank in Jaffna, Kandy and Galle. Consequently the total number of branches owned by the Mercantile Bank declined to 2 offices as at end of the year.

Foreign banks which transacted business in 1973 were the National and Grindlays Bank Ltd., Chartered Bank Ltd., Mercantile Bank Ltd., Hongkong and Shanghai Banking Corporation, Indian Bank, Indian Overseas Bank, State Bank of India and Habib Bank (Overseas) Ltd.

Statistics of total deposits of the commercial banks during the years 1953-1974 appear in table 14.2.

TABLE 14.2—COMMERCIAL BANK DEPOSITS

<i>Year</i>	<i>Amount (Rs. Million)</i>
1953	650
1954	796
1955	911
1956	1021
1957	942
1958	947
1959	993
1960	1057
1961	1021
1962	1182
1963	1301
1964	1447
1965	1546
1966	1502
1967	1637
1968	1808
1969	1917
1970	2394
1971	2516
1972*	3277
1973	3169
1974	3555

*Banking data as at end of December 1972 were highly distorted by a prolonged strike of commercial bank employees which commenced on 1st September 1972 and ended on 17th December 1972.

Tables 14.3 and 14.4 give figures of assets and liabilities of commercial banks and also statistics relating to bank clearings.

TABLE 14.3.—SELECTED ASSETS AND LIABILITIES OF COMMERCIAL BANKS (AS AT END OF PERIOD)

	<i>Rupres million</i>																		
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972†	1973	1974
<i>Assets</i>																			
Cash in hand and deposits at Central Bank	184	121	126	136	176	141	171	170	214	233	192	229	248	258	371	378	488	703	775
Foreign Balances	98	56	49	51	56	46	41	33	54	45	60	66	77	52	44	70	128	95	90
Loans and Advances	407	453	502	509	544	563	564	709	783	850	858	1153	1323	1660	1548	1765	2159	2252	3297
Investments*	346	339	299	329	335	357	428	423	423	456	441	379	389	308	644	694	741	501	389
<i>Liabilities</i>																			
Demand deposits	793	696	662	674	685	657	756	802	896	939	899	936	982	931	1169	1199	1752	1757	1895
Time and Savings deposits	228	246	285	319	372	364	426	499	551	607	603	701	826	986	1169	1317	1525	1412	1661
Total Assets/Liabilities	1124	1060	1089	1134	1197	1262	1380	1528	1658	1814	1846	2123	2343	2564	3122	3475	4785	4285	5360

* 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.

Table 14.4—BANK CLEARINGS 1945—1974 (MONTHLY AVERAGES)

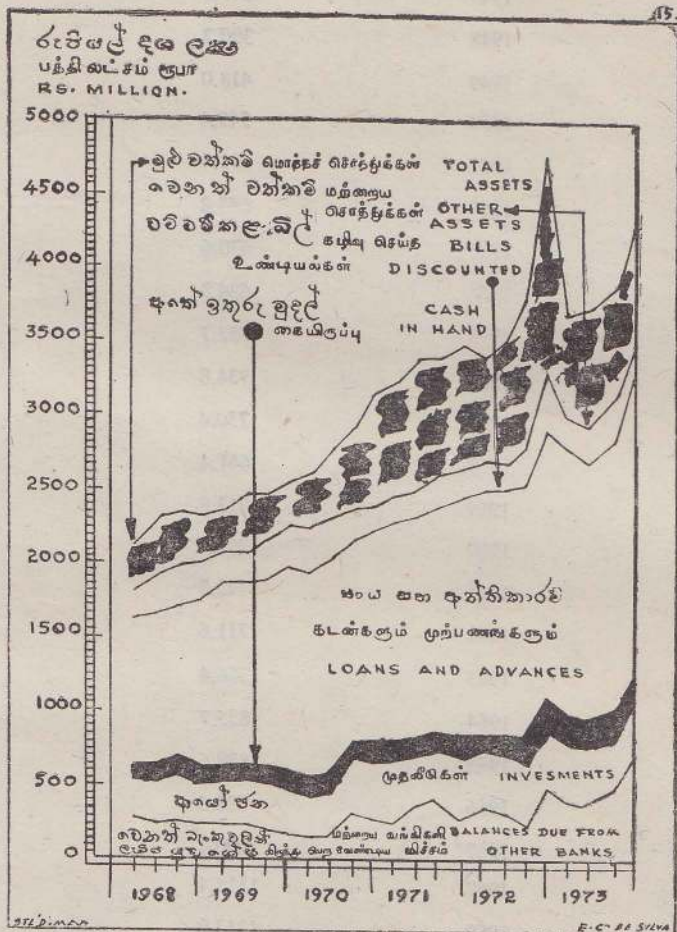
<i>Year</i>	<i>Amount (Rs. Million)</i>
1945	331.4
1946	305.2
1947	349.3
1948	390.7
1949	418.0
1950	549.4
1951	691.4
1952	687.8
1953	670.6
1954	684.8
1955	757.7
1956	734.8
1957	730.4
1958	661.4
1959	713.8
1960	742.9
1961	742.8
1962	711.6
1963	786.4
1964	835.7
1965	889.6
1966	928.5
1967	990.4
1968	1114.4
1969	1212.0
1970	1413.6
1971	1269.5
1972*	1158.6
1973	1601.4
1974	2063.6

*Clearing statistics during the period September to December 1972 were highly distorted by a prolonged strike of commercial bank employees which commenced on 1st September 1972 and ended on 17th December, 1972.

Money Supply

The total money supply stood at Rs. 2,778 million at the end of December, 1973. This represented an increase of Rs. 297 million or 12.0 percent over the level as at end of December 1972. There was an increase of 6.0 percent in money supply during 1974 with a figure at Rs. 2,945 million. Table 14.5 shows the position of money supply for the years 1956—1973.

CHART NO. 15—COMMERCIAL BANK ASSETS, 1968—1973



III—STATE-SPONSORED LONG-TERM CREDIT INSTITUTIONS

Agricultural and Industrial Credit Corporation

The Agricultural and Industrial Credit Corporation was established to provide long-term finance for purposes of agriculture and industry. Loans in terms of the Agricultural and Industrial Credit Corporation Ordinance may be granted only on the security of immovable property (including plant and machinery installed in a building).

There was no major change in the Corporation's loan policy, legal structure or operation procedures during 1973. 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

Rs. Million

TABLE 14.5—MONEY SUPPLY, 1956 - 1973

Period Ending	Currency					Demand Deposits				
	I Total	II Held by Govt.	III Held by Banks	IV Held by Public (I-II-III)	V Total	VI Held by Govt.	VII Held by Banks	VIII Held by Public (V-VI-VII)	IX Money Supply (IV+VIII)	X 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 January	1,348.2	2.0	235.3	1,110.9	2,384.8	376.0	796.7	1,212.1	2,323.0	52.2
1973 February	1,323.2	1.5	181.5	1,140.3	2,132.3	291.9	738.5	1,101.9	2,242.2	49.1
1973 March	1,467.9	3.8	190.3	1,273.9	2,179.6	335.9	707.8	1,135.9	2,409.7	47.1
1973 April	1,528.4	2.0	227.0	1,299.5	2,083.5	274.8	643.9	1,164.8	2,464.3	47.3
1973 May	1,522.9	2.1	216.7	1,304.2	2,080.4	297.4	651.6	1,131.4	2,435.6	46.4
1973 June	1,537.5	2.2	200.2	1,335.1	2,207.5	276.4	767.2	1,163.9	2,499.0	46.6
1973 July	1,544.3	2.9	214.4	1,327.1	2,187.7	326.9	743.8	1,117.0	2,444.1	45.7
1973 August	1,546.5	1.2	224.4	1,321.0	2,220.6	322.1	736.7	1,161.8	2,482.8	46.8
1973 September	1,563.8	2.9	200.7	1,360.1	2,280.2	258.0	782.3	1,240.0	2,600.1	47.7
1973 October	1,621.0	1.1	248.3	1,371.6	2,198.1	225.1	732.5	1,240.5	2,612.1	47.5
1973 November	1,598.7	2.6	212.5	1,383.6	2,321.6	255.5	786.7	1,279.4	2,663.0	48.0
1973 December	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

*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.

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 68 loans totalling Rs. 1,048,813 in 1973. A total of 71 loans amounting to Rs. 1,926,859 were granted in 1974. Particulars of loans granted by the Corporation, repaid and amount outstanding for the years 1952-53 to 1974 appear on Table 14.6.

CHART No. 16—COMMERCIAL BANK LIABILITIES, 1968-1973

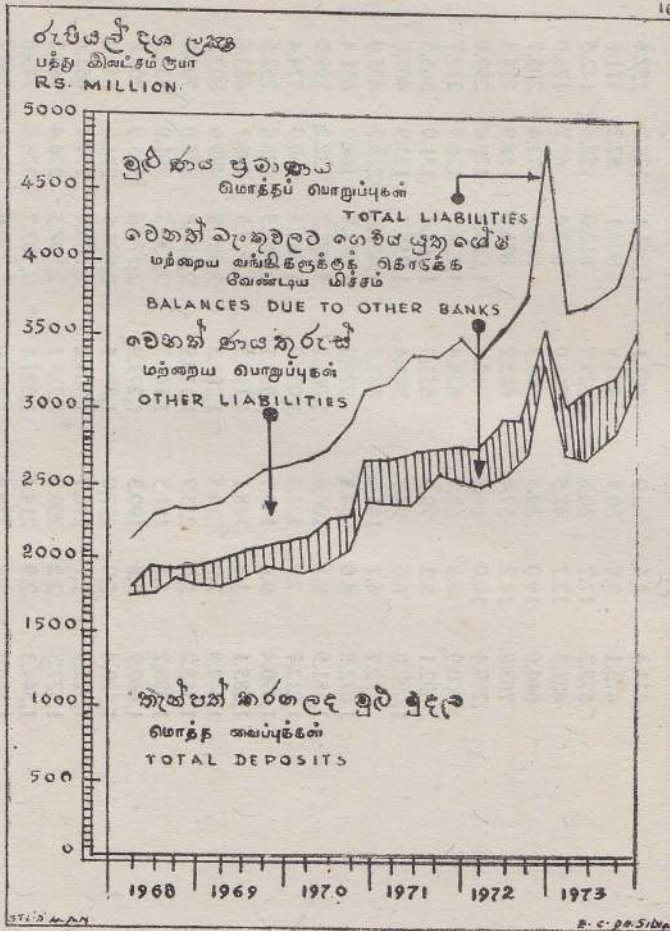


CHART NO. 17—NOTE CIRCULATION ACTIVE, 1960-1974

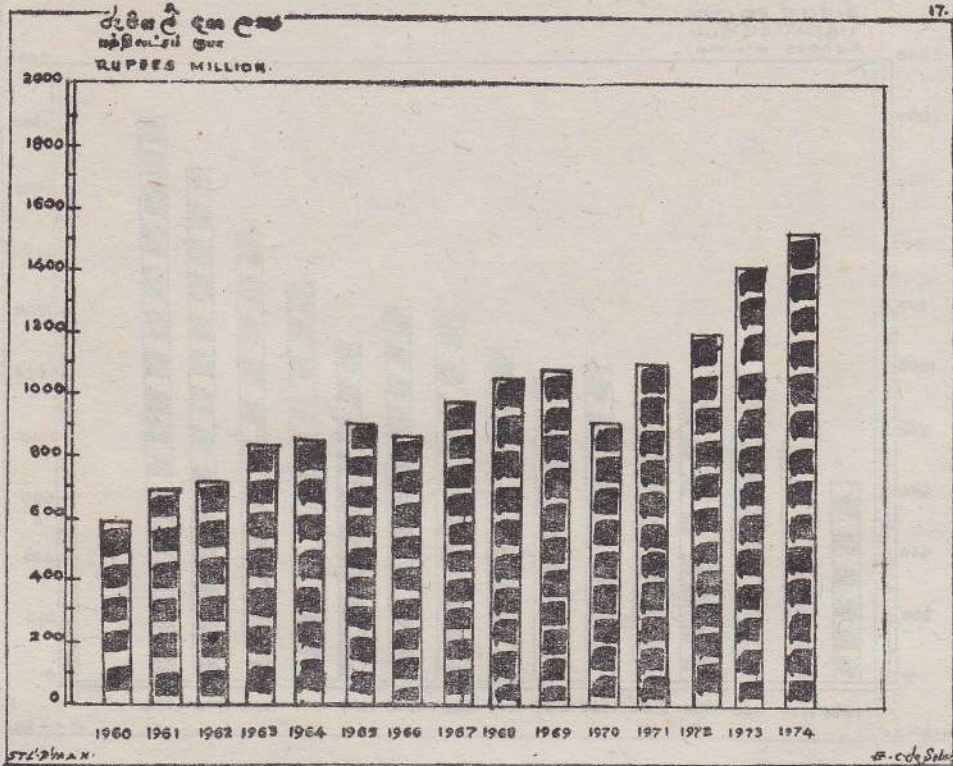


CHART NO. 18—NOTE CIRCULATION GROSS, 1960-1974

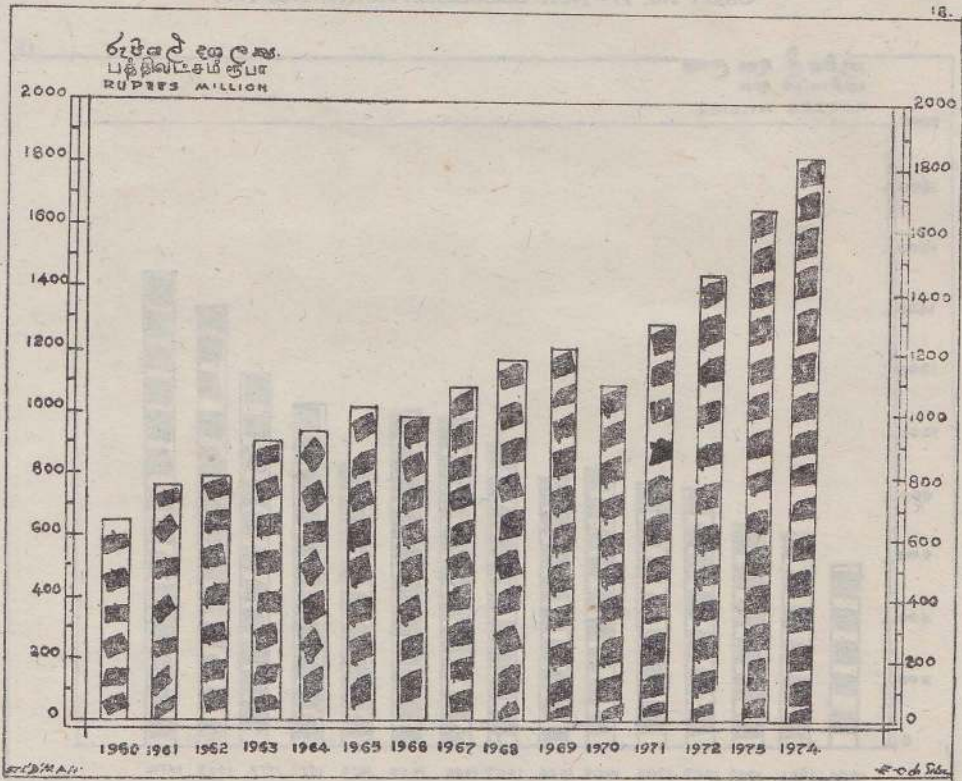


TABLE 14.6 : AGRICULTURAL AND INDUSTRIAL CREDIT CORPORATION
LOANS GRANTED, REPAYED AND OUTSTANDING

Rs. Thousand.			
<i>Period</i>	<i>Loans granted during the period</i>	<i>Capital repayments received during the period</i>	<i>Total loans outstanding at the end of the period</i>
1952-53	8,872	5,946	28,989
1953-54	5,518	5,025	29,485
1954-55	5,926	4,667	30,745
1955-56	6,305	5,069	31,981
1956-57	4,018	5,368	30,631
1957-58	3,590	4,022	30,199
1958-59	4,538	3,831	30,906
1959-60	5,111	4,250	31,766
1960-61	3,202	4,010	30,958
1961-62	2,347	3,377	29,929
1962-63	3,449	3,789	29,589
1963-64	4,777	4,168	30,198
1964-65	5,311	3,427	32,082
1965-66	3,941	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	30,963
1969-70	4,855	3,745	31,889
1970-71	3,476	4,093	31,445
1971-72	2,399	4,146	29,839
1973(a)	1,049	2,650	28,295
1974(a)	1,927	2,500	27,789

(a) Provisional.

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 the Financial year is from January to December.)

The State Mortgage Bank

The Ceylon State Mortgage Bank was established on the 6th of 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 make loans available on easier terms for agricultural development. The Bank now accepts as security land with village titles, personal guarantees of suitable third parties, life insurance policies, share certificates, government stock and promissory notes signed by directors of companies. The total volume of loans granted by the State Mortgage Bank in 1974 amounted to Rs. 7.9 million as shown in Table 14.7. There was no change in the rates of interest charged by the Bank on loans granted.

TABLE 14.7—CEYLON STATE MORTGAGE BANK LOANS GRANTED,
REPAID AND OUTSTANDING.

<i>Period</i>	Rs. Thousand		
	<i>Loans granted during the period</i>	<i>Capital repayments received during the period</i>	<i>Total loans outstanding at the end of the period</i>
1952-53	4,225	1,425	16,187
1953-54	4,935	1,358	19,763
1954-55	5,380	2,541	22,602
1955-56	5,586	2,060	26,128
1956-57	12,605	2,833	35,900
1957-58	9,403	2,536	42,767
1958-59	8,628	3,016	48,380
1959-60	11,797	4,040	56,135
1960-61	4,284	4,147	56,272
1961-62	2,670	3,851	55,359
1962-63	2,900	3,782	54,477
1963-64	3,653	4,095	55,558
1964-65	3,596	3,986	53,645
1965-66	4,501	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	74,898
1971-72(a)	6,137	6,116	66,347
1973(b)	6,393	4,966	70,541
1974(b)	7,966	4,907	70,007

Note.—Until 1971 the Financial Year was from 1st October to 30th September.

(a) Figures relating to 1971-1972 includes a period of 15 months (1st October, 1971-31st December, 1972).

(b) Provisional.

Development Finance Corporation of Sri Lanka

The Development Finance Corporation of Sri Lanka was established in 1955 on the initiatives 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.

The Corporation approved twenty seven loans amounting to Rs.23.5 million during the year ended 31 December, 1973 as against similar approvals totalling Rs. 14.9 million the preceding year. A total of Rs. 4.6 million were approved as loans during 1974.

TABLE 14.8—DEVELOPMENT FINANCE CORPORATION OF CEYLON—FINANCIAL OPERATIONS

	<i>Rs. Thousands</i>			
	<i>Loans granted during the period</i>	<i>Equity investments in development projects</i>	<i>Capital Repayments 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	23,166
April 1963–March 1964	3,175	350	2,375	23,316
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

(a) The Corporation commenced business on 9th May, 1956.

Loan disbursements during 1973 amounted to Rs. 11.1 million while share investments were Rs. 2.5 million. Repayments from clients amounted to Rs. 8.7 million during the year. Investments of the Corporation stood at Rs. 71.1 million at 31 December 1973 as compared with Rs. 66.2 million as at end of the preceding year.

The National Savings Bank

The National Savings Bank was established by 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.

The Bank's savings schemes include ordinary savings accounts, "Save As You Earn Scheme" for salaried employees, fixed deposits, Savings Certificates and Gift Tokens. With attractive rates of interest and tax concessions afforded to holders of these accounts, the National Savings Bank improved its position as an organised institution specialised in savings schemes.

The Bank has in addition to its existing branches at Fort, Kollupitiya and Galle opened 3 more branches during 1973, one each at Matara, Anuradhapura and Jaffna and 2 'mini banks' at Matara 'Irida Pola' and the other at Colombo 'Mahajana Pola'. Two special savings projects viz., the "School Banks" and "Yattapatha Savings Scheme" were also organised during the year.

The Bank's net savings for the year 1973 was Rs. 129 million. A record sum of Rs. 216 million was invested in government securities during the year apart from granting housing loans totalling Rs. 4.4 million.

Employees' Provident Fund

Total contributions to the Fund in 1973 amounted to Rs. 188.3 million as compared with Rs. 176.6 million the preceding year.

IV—INSURANCE

Insurance Corporation of Ceylon

The Insurance Corporation of Ceylon which was established by the Insurance Corporation Act No. 2 of 1961 started functioning in January 1962 as the sole insurer transacting life business 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.

In 1973 the Corporation issued 20,845 new life policies valued Rs. 198.8 million. Total revenue collected during the year as premia amounted to Rs. 70.0 million and the total number of life policies as at end of December, 1973 stood at 169,063 with an assured sum of Rs. 1,249.9 million.

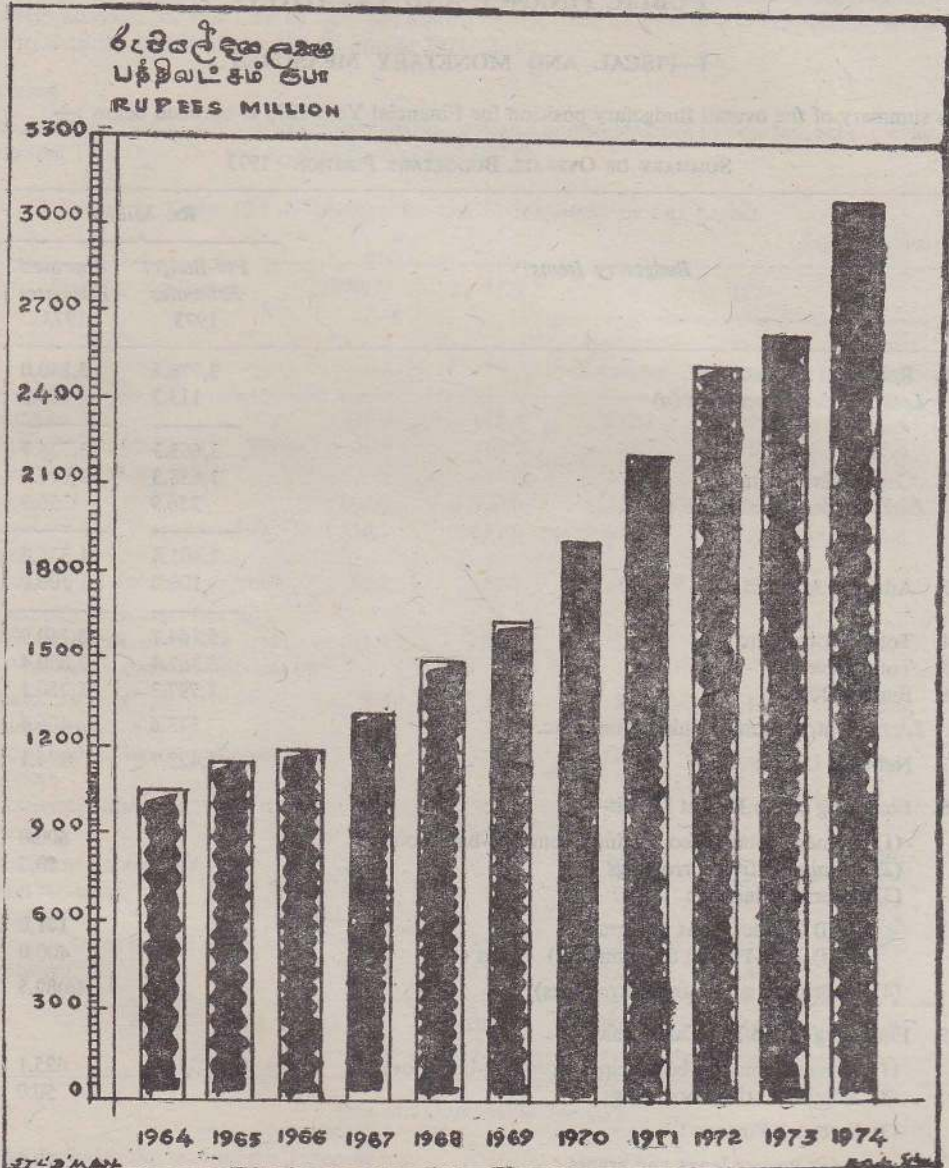
The Corporation provides insurance cover against Fire, Marine, Motor, Workmen's Compensation and various types of accident risks through the respective underwriting departments. Performance in general business indicated a progress as experienced in previous years. Provisional figures of premia collected by each underwriting department during 1973 were—

	(Rs. Million)
Fire	33.0
Marine	15.5
Motor	28.0
Miscellaneous	14.4
Workmen's Compensation	4.2

The Insurance Corporation is one of the largest institutional investors in the country. Almost all excesses of the Corporation's income over expenses as settling claims, administrative costs and income tax etc., are invested in Government Securities. Investments in Government Securities totaled Rs. 554.0 million as at end of 1973.

Housing Loans granted to policy holders during the year amounted to Rs. 555,140.

CHART No. 19—SAVINGS DEPOSITS, 1964-1974



CHAPTER XV

PUBLIC FINANCE AND TAXATION

I—FISCAL AND MONETARY MEASURES

A summary of the overall Budgetary position for Financial Year 1973 is outlined below :—

SUMMARY OF OVERALL BUDGETARY POSITION—1973

Budgetary Items	Rs. Million	
	Pre-Budget Estimates 1973	Approved Estimates 1973
1. Recurrent Expenditure	3,776.6	3,840.0
Less : under expenditure (a)	113.3	113.3
	3,663.3	3,726.7
2. Capital Expenditure	1,658.3	1,691.1
Less : under-expenditure (a)	256.9	356.9
	1,401.4	1,334.2
3. Advance Account	100.0	100.0
4. Total Expenditure	5,164.7	5,160.9
5. Total Revenue	3,367.4	3,880.4
6. Budget Deficit	1,797.3	1,280.5
Less : contribution to sinking funds etc.	373.6	406.4
7. Net cash Deficit	1,423.7	874.1
8. Financing of the Budget Deficit—		
(1) Domestic market borrowings from non-bank sources		600.0
(2) Administrative borrowings		50.0
(3) External Finance :		
(i) Project loans and grants		141.0
(ii) Non-Project (Commodity) loans		400.0
(4) Unbridged gap (bank borrowings)		(b)89.5
9. Financing of the Net Cash Deficit—		
(1) Domestic market borrowings from non-bank sources		425.1
(2) Administrative borrowings		50.0
(3) External Finance :		
(a) Project loans and grants		38.0
(b) Non-Project (commodity) loans		271.5
(4) Unbridged gap (bank borrowings)		(b)89.5

(a) Based on under-expenditure of 3 per cent. and 20 per cent. respectively on Recurrent and Capital Expenditure.

(b) Approved estimates provide borrowing as Rs. 100 million.

II—PUBLIC FINANCE

Approved estimates for 1973 anticipated a total revenue of Rs. 3,880 million. Provisional data available show an increase over the estimates by Rs. 154 million. Compared on a pro-rata basis for 1971/72, there has been a sharp increase in revenue amounting to Rs. 752 million or 23 percent. Total expenditure in 1973 was Rs. 5,448 million. Consequently, there was a surplus in Government's current account, the first time so recorded since 1968/69. The surplus of Rs. 129 million, was a contrast to the deficit of Rs. 159 million in 1971/72.

Revenue

The sharp increase in revenue was mainly due to increases in receipts from income tax, export levies, Business Turn Over Tax and revenue from sale of FEECs.

TABLE 15.1 — REVENUE OF THE GOVERNMENT OF SRI LANKA

(Rupees million)

Heads of Revenue	1970/71	1971/72 *	1973		
			Approved Estimates	Revised Estimates	Actual Provisional
Customs	549.6	618.4	572.3	599.7	612.4
Port, Harbour, Warf, Warehouse and other dues	50.6	68.0	57.7	50.5	47.4
Excise (a)	802.8	1,360.0	1,203.0	1,164.5	1,220.5
Income Tax, estate duty, stamps, etc.	510.6	657.6	457.8	750.2	803.8
Licence and internal revenue not otherwise classified (b)	36.2	55.2	50.1	58.5	44.9
Fees of Court or Office and Payments for specific services (c)	43.8	52.7	37.7	45.1	56.2
Health Services	8.3	16.4	14.5	13.3	13.6
Reimbursements	30.2	34.4	30.9	32.1	35.2
Postal and Telecommunication Services	86.0	132.7	122.9	118.8	114.6
Interest, annuities, dividends, etc.	76.4	103.1	116.4	112.0	114.6
Miscellaneous receipts	109.4	134.8	109.9	133.2	140.6
Land Revenue	13.5	18.0	20.3	16.7	22.1
Land Sales	4.6	2.6	4.1	4.1	2.5
Receipts from sale of FEECs.	376.8	670.1	943.3	774.0	673.7
Railway	116.3	177.9	139.5	147.0	149.8
Total	2,815.3	4,102.0	3,880.4	4,019.7	4,034.0

Source : Government Treasury.

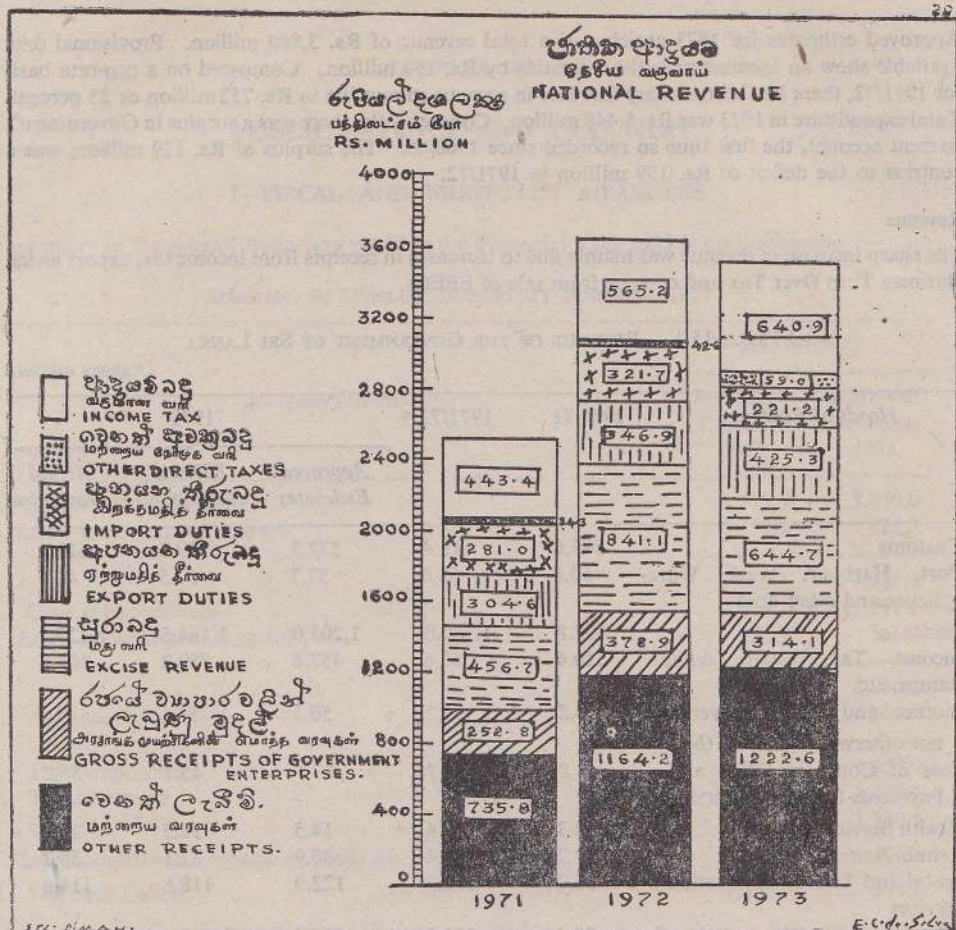
(a) Includes Tea tax and the Turnover tax.

(b) Includes licence fees on imports under licence, Receipts from the National Lottery and Foreign Exchange Tax.

(c) Includes arrears of the registration of professions and business tax and the visa tax introduced in 1960/61 budget.

* For a period of 15 months.

CHART No 20—NATIONAL REVENUE, 1971-1973



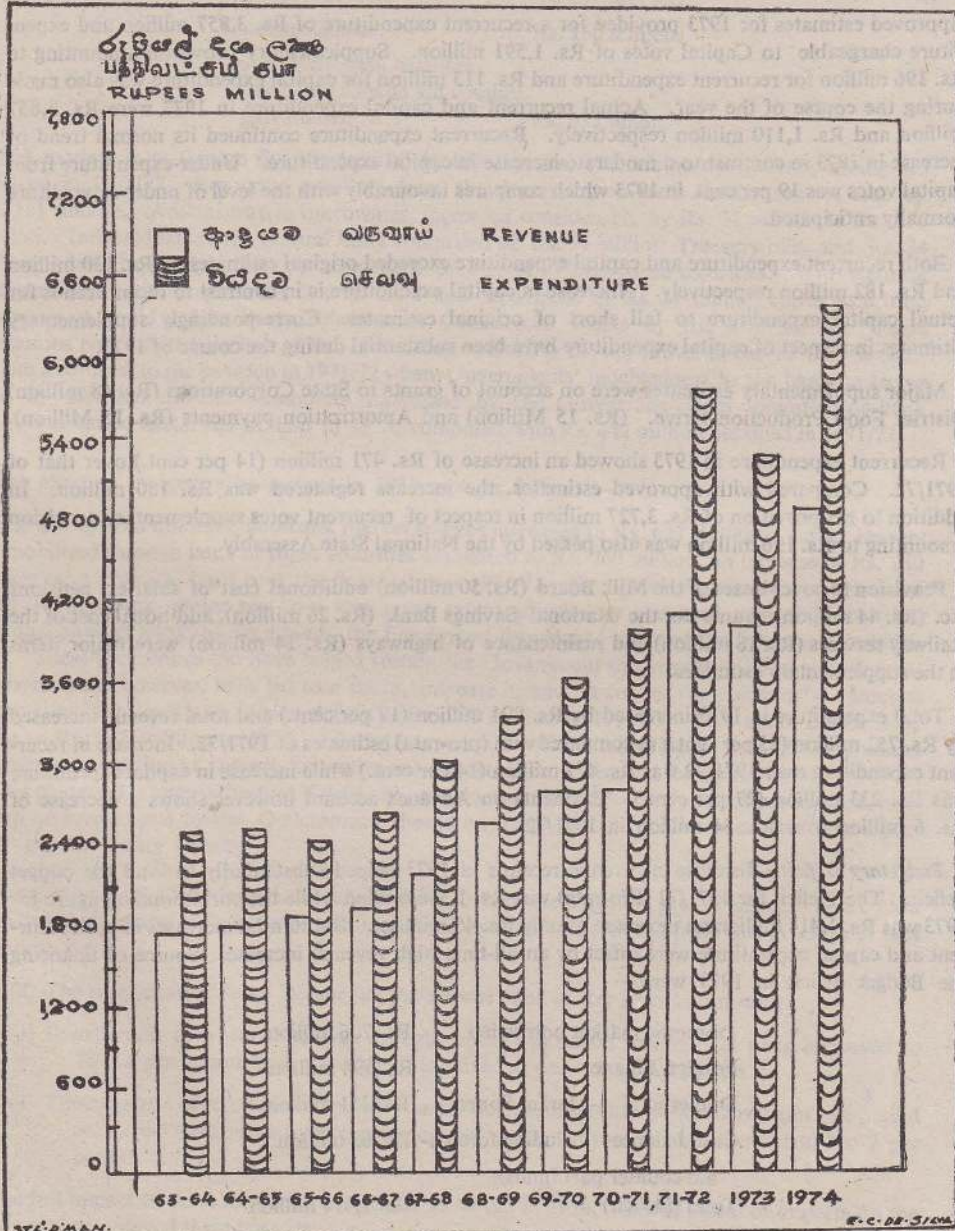
Income Tax collections increased by Rs. 246 million while business turnover tax collections increased by Rs. 142 million. The increase in income tax collections is partly accounted for the carrying over into 1973 of tax collections relating to 1972. Other increases in revenue were mostly the results of budgetary measures directed towards mobilising additional resources as proposed in the budget speech for 1973. Increase in export duty collections was largely due to high prices for exports, particularly rubber. There was on the other hand, a slight drop in revenue from import duties and profits from arrack sales.

Main sources of Revenue increases for 1973 were—

	(Rs. Million)
Income Tax ..	246
Export levies ..	153
Business Turnover Tax ..	142
FEECs ..	138
Tobacco Tax ..	30
Profits and dividends from State Corporations and Public Companies ..	30
Wealth and gift taxes ..	19

These increases coupled with those of lesser magnitude from other sources helped offset decrease in revenue collections from import levies (Rs. 36 million) and profits from arrack sales (Rs. 23 million). Several reasons could be adduced for the increase in income tax collections during 1973. Most important of these were (a) income tax dues for the two quarters of assessment year 1972/73 were actually collected in 1973, and (b) concerted attempts on the part of the Inland Revenue Department to collect arrears of taxes due. General improvement in prices of Sri Lanka's major exports contributed substantially to increase in export duty earnings. Increase in business turnover tax collec-

CHART No. 21—REVENUE AND EXPENDITURE 1963-64 to 1971-72 and 73,74



tions was to a large extent the result of general increases in prices of commodities with enhanced value of turnover in monetary terms and also increases in tax rates on a number of non-essential and luxury items. Increase in FEECs was due to changes in FEECs rate from 55 per cent. to 65 per cent. and also extension of coverage of FEECs Scheme to certain imports hitherto exempted from FEECs. Increase in tobacco tax by Rs. 5 per lb. largely contributed for increased receipts from this source.

Expenditure

Approved estimates for 1973 provided for a recurrent expenditure of Rs. 3,857 million and expenditure chargeable to Capital votes of Rs. 1,591 million. Supplementary provision amounting to Rs. 196 million for recurrent expenditure and Rs. 113 million for capital expenditure was also made during the course of the year. Actual recurrent and capital expenditure in 1973 were Rs. 3,857 million and Rs. 1,110 million respectively. Recurrent expenditure continued its normal trend of increase in 1973 in contrast to a moderate increase in capital expenditure. Under-expenditure from capital votes was 19 per cent. in 1973 which compares favourably with the level of under expenditure normally anticipated.

Both recurrent expenditure and capital expenditure exceeded original estimates by Rs. 130 million and Rs. 182 million respectively. Increase in capital expenditure is in contrast to recent trends for actual capital expenditure to fall short of original estimates. Correspondingly supplementary estimates in respect of capital expenditure have been substantial during the course of 1973.

Major supplementary estimates were on account of grants to State Corporations (Rs. 68 million) District Food Production Drive. (Rs. 15 Million) and Amortization payments (Rs. 15 Million).

Recurrent expenditure in 1973 showed an increase of Rs. 471 million (14 per cent.) over that of 1971/72. Compared with approved estimates, the increase registered was Rs. 130 million. In addition to net provision of Rs. 3,727 million in respect of recurrent votes supplementary provision amounting to Rs. 196 million was also passed by the National State Assembly.

Provision to cover losses of the Milk Board (Rs. 50 million) additional cost of salaries, pensions etc. (Rs. 44 million) grants to the National Savings Bank (Rs. 26 million), additional cost of the Railway services (Rs. 18 million) and maintenance of highways (Rs. 14 million) were major items in the supplementary estimates.

Total expenditure in 1973 increased by Rs. 801 million (17 per cent.) and total revenue increased by Rs. 752 million (23 per cent.) as compared with (pro-rata) estimates of 1971/72. Increase in recurrent expenditure over 1971/72 was Rs. 471 million (14 per cent.) while increase in capital expenditure was Rs. 233 million (27 per cent.). Payments on Advance account however shows a decrease of Rs. 6 million over Rs. 54 million in 1971/72.

Budgetary Deficit.—Increase in revenue receipts in 1973 helped substantially to limit the budget deficit. The Deficit for 1971/72 (Pro-rata) was Rs. 1,366 million while the corresponding figure for 1973 was Rs. 1,414 million an increase of only Rs. 48 million. Substantial increases in both recurrent and capital expenditure were offset by an all-time high revenue increase. Source of financing the Budget deficit in 1973 were—

Domestic market borrowing	Rs. 706 million.
Foreign Finance	Rs. 394 million.
Domestic Non-Market Sources	Rs. 251 million.
Cash balances (including foreign-aid counter part funds).	Rs. 63 million.
Total (Deficit)	Rs. 1,414 million

Repayment of Debts (including contributions to sinking funds and International financial organisations) amounted to Rs. 433 million. The resultant cash deficit therefore amounted to Rs. 981 million, Rs. 55 million lower than the net cash deficit for 1971/72. The anticipated net cash deficit however, was Rs. 884 million. The deficit of Rs. 981 million was financed by :—

(a) Borrowing from domestic non-bank market sources.	Rs. 623 million.
Borrowing from domestic non-market sources.	Rs. 251 million.
Foreign Finance.	Rs. 160 million.
Government cash balances (including foreign aid counter part funds).	Rs. 63 million.

Net receipts from foreign finance declined in 1973 by Rs. 124 million over corresponding aid received in 1971/72. Resources mobilized from the domestic non-bank market sources rose by Rs. 181 million. Administrative borrowings, increased considerably by Rs. 52 million to Rs. 251 million. Indebtedness to the Central Bank comprised of Rs. 94 million Treasury bills and Rs. 34 million Advances, partly offset by repayment of Rs. 14 million rupee securities. With Retiring Treasury bills amounting to Rs. 206 million and repayment of Rs. 24 million rupee securities, Government could reduce its indebtedness to Commercial Banks by Rs. 230 million. These operations resulted in a decline of Rs. 116 million in liability of the Government to the banking system a contrast to the position in 1971/72 when Governments' indebtedness to the banking sector rose by Rs. 226 million. Resources mobilized by the Government from domestic non-bank sector amounted to Rs. 623 million in 1973, compared with Rs. 442 million obtained in 1971/72.

The effect of budgetary operations in 1973 were as follows :—

Borrowing from domestic non-bank market sources increased to Rs. 623 million. Local resources mobilized through issue of rupee securities amounted to Rs. 760 million, an increase of Rs. 240 million on a pro-rata basis over the financial year 1971/72. Successful mobilization of resources from the non-bank sector was to a very great extent afforded by increased contributions from National Savings Bank, Sinking funds, the Employees' Provident Fund and the Insurance Corporation. These borrowings too have helped sustain the Government investment programme. Increased borrowings however, have led to a sharp, increase in interest cost of the public debt. Interest payable on both local and foreign debt was Rs. 206 million in 1968/69. This figure is estimated to be as Rs. 602 million in 1974. Interest payments constitute a significant item of Government recurrent expenditure at present, an equivalent almost of the estimated food subsidy bill for 1974. In this context it is imparative that if debt servicing does not present a major problem in the future, return on investments by the Government should be adequately high to cover substantially a part cost of borrowing funds.

The Government had adopted several measures to limit the alarming rate of increase in the food subsidy bill (1) Issue of free rice to non-income tax payers was reduced from one measure to half measure.

- (2) The price charged from income tax payers was fixed at Re. 1 per half measure.
- (3) Distribution of wheat flour was brought under the ration scheme and price increased to 70 cts. per pound, with a weekly ration fixed at one pound per person.
- (4) The quantum of sugar issued monthly under the ration scheme was reduced from one pound to three-fourth pound per person and off-ration price of sugar increased to Rs. 2 per pound.

The full impact of these measures is expected to be felt in 1974. Rising prices of imports on the contrary have reduced these benefits.

A conspicuous feature in 1973 was a net contraction of Rs. 53 million in Government's fiscal operations. This incidentally is the first time since 1954/55 a contractionary impact was felt. It was a contrast to Government budgets of recent years which consistently had expansionary effects.

Budget Proposals 1973

Budgetary provision as outlined in the Budget Speech 1973, appear below :—

(a) *Foreign Exchange Entitlement Certificates Scheme (FEECs)*. The FEECs rate was increased from 55 per cent to 65 per cent with the expectation that the new rate would be more realistic rate of exchange for imports and exports subject to FEECs Scheme. Merchandise imports which were hitherto exempted from FEECs were transferred to the category of imports liable to FEECs payments. These are :

(a) *Food import items*.— Lentils Dhal, Maldiv fish, dried chillies, yeast and baking powder, pulses, garlic, fenel seed, mathe seed, turmeric, dates and full-cream milk.

(b) *Other items*.—Vegetable seeds, seed potato, Ampoules of frozen serum, Agricultural implements, slate pencils and school chalk, scientific glassware, surgical and safety belts, hearing aids and parts thereof and surgical limbs, dentures and eyes.

(c) Raw materials, packing material, machinery equipment and spares required for manufacture or processing of—

(i) Powdered milk, condensed milk and fresh milk (excluding infants milk food).

(ii) Drugs.

(iii) Animal food stuffs (excluding maize.)

(d) Direct user imports by industrialists with an annual turnover of less than Rs. 100,000 at the time FEECs scheme was introduced (on May 06, 1968).

(e) All imports by institutions listed below :—

(1) Tea Research Institute.

(2) Rubber Research Institute.

(3) Coconut Research Institute.

(4) Ceylon Coconut Board.

(5) Tea Propaganda Board.

(6) Coconut Fibre Board.

(f) *Capital repayments and interest payment on suppliers credit*.—Essential imports as rice, wheat grain, fertilizer, infants milk food, mysore dhal, dried fish, corriander, cummin seed, books, newspapers, periodicals and two-wheel tractors continued to be in the FEEC's 'free' category.

It is anticipated that the change in FEECs rate would increase gross receipts by Rs. 382 million, and out-payments by Rs. 65 million.

(g) *Convertible Rupee Account*.—A certain percentage of gross earnings of exporters of some minor and non-traditional exports was allowed to be retained in the form of convertible rupee accounts for importation of specified items.

(h) *Major Exports*.—(a) *Tea* : Increase in cost of production and unfavourable prices of tea necessitated that some form of relief had to be extended to the tea industry. Teas sold at Rs. 2 per lb. or less at the Colombo Auctions had been exempted from the *ad-valorem* tax. An *ad-valorem* tax on the same basis would be levied on teas sold at the London Auctions. This measure of relief would also result in a drop in revenue from tea tax by Rs. 16 million.

It was also proposed to increase maximum rebate payable under the Tea Export Duty Rebates Scheme from 10 cts. to 15 cts. on low and mid grown teas selling below Rs. 2 per lb. and 05 cts. to 10 cts. be in case of high grown teas within the same range of prices. Additional expenditure in this regard is expected to be Rs. 8 million.

- (b) *Rubber* : It was proposed to increase guaranteed price for rubber by 03 cts. for current prices of 80 cts. per lb. for RSS 1 and 73 cts. a lb. for RSS 2, to afford some form of relief to the producer.
- (c) *Coconut* : With a view to providing a stable and a sufficiently attractive price to coconut producers, it has been decided that the Coconut Marketing Board should be the sole purchaser of all coconut oil for export at Rs. 1,250 per ton. Prospective shippers should obtain export licences from the C. M. B. The price of Rs. 1,250 per ton of coconut oil, would afford a parity of Rs. 200 per candy of copra and Rs. 150 per thousand fresh coconuts. Additional expenditure on this proposal, which is a grant to the C. M. B. would be Rs. 18 million.

(iv) *Rebate Scheme for Exporters*—Amendments are to be made in the law relating to Business Turnover Tax as regards export of goods manufactured in Sri Lanka. The present law exempts persons from liability of turnover tax only in case the manufacturer and the exporter are one and same. It was proposed to amend Finance Act, No. 11 of 1963, to enable the exporter a rebate equivalent to the turnover tax directly paid by him on any purchases he had made from any manufacturer, provided that such purchases were actually exported.

Income and Turnover Taxes

(i) RATIONALISATION OF TAX ADMINISTRATION

Inland Revenue Sources anticipate a sum of Rs. 35 million by concentrating on efforts to bring tax evaders into the tax net. A sum of Rs. 20 million of this amount is expected from Business Turnover Tax. The department of Inland Revenue would continue its policy in opening up branch offices and a close scrutiny of books of manufacturing and trading establishments.

(ii) INCREASE IN RATE OF BUSINESS TURNOVER TAX

Business Turnover Tax rates of a large number of items of non-essential and luxury goods were substantially increased. Some significant increases in rates were those of air conditioners, motor car assembly or manufacture requirements 25 to 40 per cent, synthetic fibre, ready-made garments and apparel (20 to 40 per cent) electric fans (15 to 30 per cent) sewing machines (10 to 25 per cent) and cosmetics (25 to 30 per cent). Additional collections on this account is expected to be Rs. 20 million.

(iii) BROADENING THE SCOPE OF BUSINESS TURNOVER TAX

Coverage of Business Turnover Tax is to be extended to certain commercial enterprises as Messrs. British Ceylon Corporation, and Bogala Graphite Ltd. which were recently taken over by the State. A Sum of Rs. 4 million as additional revenue is expected from this source.

(iv) TAXATION OF INCOME ON CURRENT YEAR BASIS

Under the Pay-As-You-Earn Scheme introduced in October 1971, taxation is based on current income from employment. Tax payers in receipt of income from sources other than employment however, are taxed on a preceding year basis. It is proposed to tax all incomes on the basis of a current year as from 1975/76.

(v) INCOME TAX ON NET ANNUAL VALUE OF RESIDENCE OWNED

To ease burden on house-owners and also encourage house construction, the annual value of one owner-occupied residential house was to be exempted from income tax from assessment year 1973/74.

(vi) TAX HOLIDAY FOR PIONEERING INDUSTRIES

Inland Revenue (Amendment) Act No. 17 of 1972 exempts from Income Tax, profits of income derived from export of certain categories of goods of items as gazetted by the Minister of Finance. As the exemption clause seems superfluous it has been proposed to make a suitable amendment to the law.

Excise Duties**(i) TOBACCO TAX**

Excise duty on manufactured tobacco was increased from Rs. 47.50 to Rs. 52.50 per pound. The prices of cigarettes were consequently increased by one cent each. A sum of Rs. 35 million is expected as additional revenue from this source.

(ii) DUTY ON ALCOHOLIC SPIRITS AND BEVERAGES

Excise duty on malt liquor was increased from Rs. 3 to Rs. 12 per gallon and duty on country made foreign spirits as Gin, Brandy and Whisky was increased from Rs. 81.10 to Rs. 106.50 per gallon. A sum of Rs. 6 million is expected as additional revenue.

Other Proposals**(i) FOOD SUBSIDY**

(a) *Rice* : The free measure of rice was withdrawn from income tax payers and their dependants. Consequent reduction in food subsidy bill is expected to be Rs. 25 million.

(b) *Family Allowance Scheme* : Every person who opts to surrender his rice ration book voluntarily, is entitled to an allowance of Rs. 40 per annum payable in four-quarterly instalments of Rs. 10 each. Income Tax payers are not entitled to this scheme.

(c) *Guaranteed Price Scheme—Paddy* : Price paid for a bushel of paddy under the G. P. S. was increased from Rs. 14 to Rs. 15. The increase of Re. 1 would however, be utilized solely for a superannuation Scheme to help farmers.

(ii) PROFITS FROM SALE OF FOODSTUFFS—SUGAR

Sale of refined sugar was withdrawn from the ration scheme and made freely available at the rate of Rs. 2.50 per lb.

(iii) PROFITS FROM SALE OF ARRACK

Sale prices of 'very' special arrack and double-distilled arrack were increased by 50 per cent and the expected increase in Revenue from this source is Rs. 4 million.

(iv) PRIVATE MOTOR CARS

A levy is to be imposed on private cars bearing a "SRI" registration on a progressive scale depending on 'newness' of registration. Additional revenue anticipated is Rs. 10 million.

(v) ECONOMY IN CAPITAL EXPENDITURE

It is estimated a sum of Rs. 100 million is expected as savings by the decentralisation of Capital expenditure programme.

(vi) WAGE INCREASE

With a view to provide relief to certain category of employees in Public Service, State Corporations, and Statutory Boards where emoluments remained unchanged for the past three years, it has been proposed to pay a special allowance to all such monthly paid employees drawing less than Rs. 180 per month. Payment of this allowance would enhance their monthly salary to Rs. 180 subject to a minimum allowance of Rs. 7.50 per month. Monthly paid employees in the salary group from Rs. 180 to Rs. 250 would receive a special allowance of Rs. 7.50 per month with marginal adjustments of those earning between Rs. 250 and Rs. 257.50 per month. A sum of Rs. 30 million has been provided for the purpose.

Compulsory Labour for Staff Grades in Public Service

All Staff Grades in the Public Sector would be called upon to perform manual labour for a week or two a year.

Finance Companies

It was felt that most of credit facilities provided by Finance Companies are utilized for non-productive purposes, particularly for speculation and non-essential consumption. Legislation was to be introduced to control activities of these institutions.

Pawn Brokers

Priority is to be given to make necessary amendments to pawn-brokers' Ordinance to control activities of Pawn-brokers as already envisaged in the 1971/72 Budget Speech.

Several new revenue and expenditure proposals were announced in the 1973 Budget Speech. These proposals would likely to result in respective net increases of Rs. 513 million in revenue and Rs. 6 million in expenditure. Impact of these proposals is summarised in the Table 15.2.

TABLE 15.2—REVENUE AND EXPENDITURE (NEW PROPOSALS)

<i>Source</i>	<i>Revenue</i>	<i>Expenditure</i>
	<i>(Rs. Million)</i>	
Income Tax	+15	
General sales and Turnover Tax	+44	
Tobacco Tax	+35	
Tea Tax	-16	
Duty on country made liquor	+06	
Receipts from sales of FEECs	+382	
Special levy on motor cars	+10	
Sale of arrack	+04	
Profit from Sale of Sugar	+33	
Increase in wages		+30
Relief to Tea, Rubber and Coconut industries		+36
FEECs out-payments		+65
Withdrawal of Rice Ration Books from Income Tax payers		-25
Economies in Capital Expenditure		-100
Total :	+513	+6

Increase (+)

Decrease (-)

*Source : Central Bank of Ceylon***Public Debt**

Increase in Public Debt in 1973 was less as compared with the preceding year. Public Debt has increased by Rs. 1,536 million in 1972, while increase in the current year is Rs. 1,061 million. Of the total gross Public Debt outstanding 75 per cent or Rs. 8,585 million were on domestic debt, the balance of 25 per cent or Rs. 2,795 million representing foreign borrowings. The increases, of Rs. 1,061 million and Rs. 833 million in the gross debt and net debt respectively were less as compared with the increases of Rs. 1,229 million and Rs. 1,072 million respectively recorded the preceding financial year. The increase in gross Public Debt consisted of 38 percent foreign debt and 62 percent domestic debt. Approximately a similar pattern of distribution was obtained in the preceding financial year.

TABLE 15.3—SOURCES OF FINANCE FOR CAPITAL EXPENDITURE

Items	1970-71		1971-72		1973	
	Amount Rupees million	Per- centage	Amount Rupees million	Per- centage	Amount Rupees million	Per- centage
1. Current Account surplus or deficit (a)	-260.9	-32.6	-52.7	-4.6	149.0	12.8
2. Revenue from taxes on capital and from sale of existing capital goods	40.4	5.1	43.4	3.8	54.9	4.7
3. Repayment of direct loans and advances	14.3	1.8	33.0	2.9	62.2	5.4
4. Capital transfers from abroad	59.9	7.5	74.6	6.5	46.6	4.0
5. Direct borrowings from abroad	174.5	21.8	280.7	24.6	113.5	9.8
6. Net domestic borrowings	725.8	90.8	1,083.4	95.6	757.9	65.3
7. Decline in cash balance and net payments on Advance Account operations	45.6	5.7	-323.3	-28.3	-23.3	-2.0
Total Capital Expenditure	799.6	100.0	1,140.2	100.0	1,160.8	100.0

(a) Current account surplus or deficit is the excess or shortfall of current receipts over current payments.

In 1973 the gross domestic debt had increased by Rs. 658 million and consisted of increases Rs. 709 million in rupee loans and Rs. 37 million in Central Bank advances. These were offset by decreases in the amount of Treasury bills held by Rs. 75 million and unsurrendered tax reserve certificates by Rs. 12 million.

During the year the foreign debt has increased by Rs. 403 million.

Fiscal Operations—1974

Total Revenue in 1974 was Rs. 4,795 million as compared with Rs. 4,034 million in the preceding year. The increase of Rs. 761 million in revenue receipts is the highest so far recorded in the national budget. Total expenditure during the year was Rs. 6,394 million as compared with Rs. 5,448 million in 1973, resulting in an increase of Rs. 946 million over the preceding year.

There was thus a budget deficit of Rs. 1,599 million to be financed by (a) Domestic market borrowing Rs. 964 million, (b) foreign finance Rs. 629 million with declining cash balances of Rs. 39 million inclusive of counterpart funds. Government's fiscal operations for the five-year period ending 1974 are summarised in the table below :—

TABLE 15.4—GOVERNMENT FISCAL OPERATIONS—FINANCIAL YEARS 1969-70 to 1974

Item	1969-70	1970-71	1971-72(a)	1973	1974
	(Rs. Million)				
Revenue	2,736	2,815	3,282	4,034	4,795
Expenditure	3,886	4,143	4,647	5,448	6,394
Budget Deficit	1,150	1,327	1,366	1,414	1,599
Net Cash Deficit	936	1,083	1,036	981	1,035
Expansionary Impact	425	218	112	—53	24
Public Debt (Net) (b)	7,237	8,108	7,558	10,281	11,027

(a) Estimate on a pro rata basis.

(b) Debt outstanding.

Revenue.—Main Sources of revenue in 1974 were :

	(Rs. Million)
(1) Taxes from personal and Corporate Income	606.4
(2) Sales and Turnover Taxes	635.2
(3) Selective Sales Taxes	749.6
(4) Import Duties	277.3
(5) Sale of FEECs	964.1
(6) Export Duties	660.1
(7) Receipts from Interest and Dividends	117.7
(8) Trading Enterprises (Gross Receipts)	434.0

Expenditure.—A classification of current expenditure items in respect of the year is set out below :

	(Rs. Million)
Administration	830.1
Social Services	911.6
Economic services	164.5
Trading Enterprises (Gross Payments)	356.4
Intra-Government Payments	10.7
Transfer Payments	2,208.8
Total	4,482.1

Transfer payments accounted for 49.3 per cent. of total expenditure with items-social services and administration trailing far behind with 20.3 and 18.5 per cent. respectively.

Capital Votes.—Broad heads of classification under capital votes covering fiscal year 1974 appear below :

		<i>(Rs. Million)</i>
(1)	(a) Acquisition, Construction and Maintenance of real assets—Civil Administration, Social Services including Education, Health and Housing	
	(b) Economic Services—Agriculture and Irrigation, Fisheries, Manufacturing and Mining, 'Other'	780.6
(2)	Capital Transfers—	
	(a) Local Authorities	
	(b) Public Sector Corporations	406.8
(3)	Acquisition of Financial Assets	112.5
	total	1,299.9

Acquisition, Construction and Maintenance of Real Assets under Economic Services constituted 59.9 per cent. of expenditure under capital votes.

Public Debt.—Composition of the Gross Public Debt with relative share in foreign and domestic debt and corresponding percentage to total debt outstanding as at end of 1974 are shown below :

	<i>Gross Debt (Rs. Million)</i>	<i>Percent. to Total</i>	<i>Net Debt (Rs. Million)</i>	<i>Percent. to Total</i>
Total	12,380.1	100.0	11,026.9	100.0
Foreign	2,973.7	24.0	2,921.5	26.5
Domestic	9,406.4	76.0	8,105.4	73.5

These figures exclude National Housing and State Mortgage Bank Debentures, Debt on account of imports of Government departments under Suppliers' Credit and promissory notes in favour of international financial organisations.

CHAPTER XVI

LABOUR AND EMPLOYMENT

For administrative purposes the Department of Labour falls broadly into four divisions, viz. the Administration, E. P. F. and Enforcement, Industrial Relations and Employment. Each Division is under the over-all charge of a Deputy Commissioner of Labour. Besides these, there are two other technical divisions, the Factories Division under the Chief Inspector of Factories and the Division of occupational Health and Research under and Labour Medical Officer.

The work of the Department is channelled through its District Organisation.

I—EMPLOYEES' PROVIDENT FUND SCHEME

A major piece of social legislation recommended by the Social Services Commission become 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 percent and 6 percent respectively of the "total earnings" of employees. The State guarantees a minimum interest of not less than 2½ percent 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 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.

Apart from provision of retirement benefits, the Act provides for payment of benefits on attainment of the age of 55 years in the case of males and 50 years in the case of females. Provision also exists for payment of benefits at an earlier date on account of exceptional circumstances.

Employments employing one or more persons have been brought into the E. P. F. Scheme by order made by the Minister of Labour, under Section 10 (3) of the Act. Employments in (a) domestic service, (b) any charitable or social service institution and (c) institutions where industrial training is given to juvenile offenders, orphans and persons who are destitutes, dumb, deaf or blind, are exempted. All employees irrespective of nationality contribute to the E. P. 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 the rules of such funds and schemes conform to the provisions of the Act and regulations made thereunder. 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 233 approved provident Fund and Pension Schemes. The total amount of monies lying in these funds and schemes according to balance sheets furnished by the administrators is approximately Rs. 819 million with a total membership of 132,160.

Up to the end of 1973 about 69,000 employers have been registered as contributors to the E. P. Fund. The number of employees enrolled as members of the E. P. F. is in the region of 2.3 million. Total contributions so far collected amount to Rs. 1,316 million and the total income from investments, Rs. 350 million. Claims for refund of benefits numbering 79,117 were received during the year. A sum of Rs. 70 million has been paid in the form of benefits.

II—THE WAGES BOARDS ORDINANCE

Minimum wage legislation in Sri Lanka originated with Minimum Wages (Indian 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 and as amended by Holidays Regulations (No. 1) of 1966 made under the Holidays Act No. 17 of 1965 and published in *Government Gazette Extraordinary* No. 14,726/12 of 22 December, 1966 and as further amended by Holidays Regulations (No.1) of 1971 made under the Holidays Act No. 29 of 1971 and published in *Government Gazette Extraordinary* No. 14,984/44 of 15 December, 1971 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) No. 27 of 1957, 27 of 1962, 23 of 1966 and as amended by the Holidays Regulations made under the Holidays Act No. 17 of 1965 and the Holiday Act No. 29 of 1971. A set of consolidated regulations made under the Ordinance has been published in *Government Gazette* No. 14,961 of June 4, 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 the trades. Part III deals with the appointment and powers of officers under the Ordinance and with offences and penalties defined by the Ordinance.

Under Part I, which is applicable to all trades, time limits are placed in regard to payment of wages and maximum deductions from wages which can only, be made with the consent of the worker and are limited to 50 percent of the wages due for any wage period and to 75 percent 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 the powers, functions and duties of Wages Boards. These powers include the ability to determine minimum rates of wages and prescribe 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.

The following trades are at present covered by Part II of the Ordinance :—

- Tea Growing and Manufacturing
- Rubber Growing and Manufacturing
- Cocoa, Cardamom and Pepper Growing and Manufacturing
- Coconut Growing
- Coconut Manufacturing
- Engineering
- Printing
- Plumbago
- Baking
- Beedi Manufacturing
- Brick and Tile Manufacturing
- Cinnamon
- Coir Mattress and Bristle Fibre Export
- Tea Export
- Rubber Export
- Liquor and Vinegar
- Cigar Manufacturing
- Motor Transport
- Match Manufacturing
- Cinema
- Dock, Harbour and Port Transport
- Building
- Ice and Aerated Water Manufacturing

Garments Manufacturing
 Hosiery Manufacturing
 Tobacco
 Biscuit and Confectionery Manufacturing
 Paddy Hulling
 Textile Manufacturing
 Tyre and Tube Manufacturing, Tyre re-building, Rubber and Plastic Goods Manufacturing
 Tanning and Leather Goods Manufacturing
 Nursing Homes
 Timber and Carpentry.

A Wages Board for any trade is composed of persons representing employers in that trade, and 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 will serve as advisory and reporting bodies on any subjects referred to them by the Board.

The existence of Wages Boards has proved in Sri Lanka as in other countries that they can 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 can 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 is disclosed year after year in the Administration Reports 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 Wages Boards.— The Wages Board for the Coconut Manufacturing Trade decided to fix consolidated minimum daily rate of wages which includes an increase of Rs. 1.25 to all workers. This decision came into force with effect from 1 January, 1973.

The Wages Boards for the Coir Mattress and Bristle Fibre Export Trade decided to declare the day preceding Sinhala and Tamil New Year's Day and the Bandaranaike Commemoration Day as paid holidays. The Wages Boards also decided to declare as paid public holiday the day immediately following the Full Moon Poya Day of Wesak instead of the Wesak Full Moon Poya Day. These decisions came into force with effect from 1 February, 1973.

The Wages Boards for the Motor Transport Trade, Brick and Tile Manufacturing Trade, Rubber Export Trade, and the Engineering Trade granted workers in those trades paid public holidays on the Republic Day and the Bandaranaike Commemoration Day with effect from 21 May, 1973.

The Wages Board for the Cigar Manufacturing Trade fixed Rs. 20/- as the minimum piece rate for 1,000 cigars. It has also decided to grant paid public holidays for the workers in the Trade on the Sinhala and Tamil New Year Day and the May Day. These decisions came into force with effect from 1 June, 1973.

A new Wages Board for the Timber and Carpentry Trade was established with effect from 9 August, 1973.

The Wages Board for the Liquor and Vinegar Trade granted workers a paid public holiday on the Bandaranaike Commemoration Day and the Republic Day with effect from 20 August, 1973.

The Wages Board for the Hosiery Manufacturing Trade decided to grant workers a paid public holiday on the Tamil Thaipongal Day and the Republic Day as from 25 August, 1973.

The Wages Board for the Match Manufacturing Trade granted workers a paid public holiday on the Republic Day with effect from 1 September, 1973.

The Wages Board for the Engineering Trade extended its coverage to include workers in the Radio manufacturing and Electronic Trade with effect from 15 September, 1973.

The Wages Board for the Tyre and Tube Manufacturing, Tyre re-building, Rubber and Plastic Goods Manufacturing Trade declared a paid public holiday to workers on the day immediately preceding Sinhala and Tamil New Year's Day as from 21 September, 1973.

The Wages Board for the Ice and Aerated Water Manufacturing Trade fixed Rs. 188 for Grade I; Rs. 179 for Grade II; and Rs. 170 for Grade III as consolidated minimum monthly wages to worker in such grades. It also granted a paid public holiday on the Republic Day. These decisions came into force with effect from 1 November, 1973.

New Appointment.— The personnel of the Wages Boards for the following trades went out of office during the year and new appointments were made :—

Coir Mattress and Bristle Fibre Export Trade
 Garment Manufacturing Trade
 Coconut Growing Trade
 Coconut Manufacturing Trade
 Ice and Aerated Water Manufacturing Trade
 Tea Export Trade
 Rubber Export Trade
 Tanning, Footwear and Leather Goods Manufacturing Trade.

Wages Boards Meetings.— 58 meetings of the Wages Boards in respect of 13 trades were held during the year.

Inspections.— Details of inspections done under the Wages Boards Ordinance during the year ended 31 December, 1973 were as follows :—

1. Number of inspections—2,890.
2. Total number of workers, whose wages were checked—84,159.
3. Short payments detected—Rs. 446,874.

Legislation

Emergency (Textile Manufacturing Trade Worker's Minimum Monthly Rate of Wages) Regulations, No. 1 of 1973 were enacted under the Public Security Ordinance with effect from December 01, 1973 to fix a minimum monthly rate of wages amounting to Rs. 180 for unskilled workers in the Textile Manufacturing Trade.

A notification was issued under section 52 of the Wages Boards Ordinance to appoint Employment Assistants and Occupational Analysts for the purpose of carrying out or giving effect to the provisions of the Wages Boards 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 under amendment—Acts by Holidays Regulations (No. 1) of 1966 made under the Holidays Act No. 17 of 1965 and published in *Government Gazette Extraordinary* No. 14,726/12 of 22 December, 1966 and by Holidays Regulations (No. 1) of 1971 made under the holidays Act, No. 29 of 1971 and published in *Government Gazette Extraordinary* No. 14,984/44 of 15 November, 1971. The regulations issued under the Act have been published in *Government Gazette* Nos. 10,724 of October 15, 1954; 10,899 of March 2, 1966; 11,174 of September 27, 1957, 11,564 of October 24, 1958; 12,553 of July 21, 1961 and 14,962 of June 11, 1971. The Act seeks to provide for the regulation of remuneration, the conditions governing payment of remuneration, the grant of public holidays, intervals for rest and meals and facilities affecting the health and comfort of employees, and protects the white collar workers against exploitation.

The main benefits accruing to employees as a result of this Act are an eight hour working day, a weekly holiday of $1\frac{1}{2}$ days, 14 days annual leave and 7 days casual leave and 9 public holidays per 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 the terms and conditions of service applicable to him. Though there is no provision under this Act for the determination of general minimum wages for the various categories of employees in shops and offices, provision has been made for the determination of remuneration by the Commissioner of Labour where the employers and employees consent to such determination. Provision also exists for the appointment of Remuneration Tribunals for the determination of remuneration of employees where the Minister of Labour considers that such determination of remuneration is expedient. At present there are nine such determinations in force.

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 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 this Act for the 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 this 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 will be obviated in the future when the scope of this Act is further extended.

Details of inspections done under the Act during the year ended 31.12.1973 were :—

	<i>Shops</i>	<i>Offices</i>
(a) Number of Inspections	13,478	263
(b) Total number of workers whose remunerations were checked	4,084	31
(c) Short-payments detected	Rs. 480,089	Rs. 14,984

Legislation.—An order under section 7 the Shop and Office Employees Act was issued to declare the day immediately preceding the Sinhala and Tamil New Year day as a public holiday with effect from 18 September, 1973.

A notification was issued under section 64 (3) of the Shop and Office Employees Act to appoint Employment Assistants and Occupational Analysts to be officers for the purpose of carrying out or giving effect to provisions of the Act.

Remuneration Tribunals.—17 meetings in respect of 10 Remuneration Tribunals were held during the year to determine minimum remuneration to workers engaged in the following establishments :

- (1) 47 Textile Shops in the city of Colombo
- (2) 71 Laundries in the city of Colombo
- (3) 90 Hotels in the city of Kandy
- (4) 23 Hotels in Nuwara Eliya
- (5) 43 Book Shops in the city of Colombo
- (6) Cigarette Distributing agencies in Sri Lanka
- (7) Proof Readers of Associated Newspapers of Ceylon Ltd., Times of Ceylon Ltd., Independent Newspapers Ltd. and Virakesari Ltd.
- (8) 17 Shops in the city of Colombo
- (9) 61 Chemists, Druggists and Textile Shops in Kandy
- (10) 59 Petrol Filling Stations in the city of Colombo.

Minimum Remuneration in respect of the remuneration tribunal for 47 Textile Shops in the City of Colombo was determined. This determination came into force with effect from 1 July, 1973.

IV—OTHER ORDINANCES AND ACTS

Interim Devaluation Allowance of Employees Act, No. 40 of 1968

This Act is being intensively enforced and in instances where 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 1950, 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.

This Ordinance prohibits the 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 the date of her confinement. In computing this 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 referred to earlier, provide such alternative benefits to his female labourers and the latter will then not be entitled to the 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 on that account 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 the 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 workers as at end of 1973.

Employment of Women, Young Persons and Children (Act No. 47 of 1956)

The Employment of Children Regulations, Employment of Young Persons Regulations, Employment of Young Persons at night in Industrial Undertakings Regulations, Employment of Young Persons at Sea Regulations and 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 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 likely to deteriorate, in which case permission of an authorised officer is required. Restrictions in the field of employment which prohibits night work are greater 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 is prohibited. Those between 14—16 years may be trained in these performance provided a licence for the purpose is obtained from an authorised officer, who will ascertain whether or not such training would be injurious to the health of the trainee 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 the 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 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 and allowed a holiday of 7 consecutive days every 3 months. The employment of young persons (i.e. those over 14 years of age) is subject to somewhat less rigorous restrictions. The minimum age for employment at sea is 15 years.

Employment of Young Women and Children (Amendment) Act, No. 29 of 1973 was promulgated with effect from 03 August, 1973, to enable appointment of personnel from other departments as authorised officers.

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 bushels 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 dependent 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. The provisions relating to the issue of free rice are being actively enforced by the Department of Labour.

216 estates provided free meals at a total cost of Rs. 389,560 and 795 estates provided free rice at a total cost of Rs. 2,865,244 during the year ended 31 December, 1973.

The Estate Labour (Indian) Ordinance (Chapter 133)

This Ordinance required employers of Indian labour on estates to provide work for six days in the week and pay wages if work cannot be so provided. This provision is not being actively enforced in view of population increase in the estate sector. The Ordinance also makes provision for the issue of identification and discharge certificates to Indian Immigrant Labour on estates by employers and the separation of members of a family on termination of the 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. The fees paid are credited to the Immigrant 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 20,123 disputes were settled by conciliation during the year. 100 cases were referred for settlement by Compulsory Arbitration and 20 cases were referred for Voluntary Arbitration under provisions of the Industrial Disputes Act.

Labour Tribunal

Labour Tribunals which were functioning under the Ministry of Labour had been transferred to the Ministry of Justice with effect from 23 April, 1973.

Collective Agreements

One collective agreement was registered under provisions of the Industrial Disputes Act during the year.

Industrial Courts

A panel of 56 members for constituting Industrial Courts was appointed for a period of one year commencing 3 March, 1973.

There were 9 disputes referred for settlement during the year.

Termination of Employment.—A total of 616 applications supplementary to balance 309 in 1972 made by employers, seeking approval of the Commissioner of Labour to terminate employment of their employees had been received and 675 of these have been disposed of. Besides 1,882 complaints supplementary to balance 968 the preceding year made by workmen and Trade Unions have been received and 1,961 were concluded. Termination of employment of 827 workmen had been withheld, payment of half wages in respect of 495 workers lay-off for periods ranging one month to three months had been restored. A sum of Rs. 1,074,505 was awarded as terminal benefits for workmen so displaced.

VI—TRADE UNIONS

Trade Unions

The number of registered Trade Unions, which at the beginning of 1973 was 1,600 increased to 1,644 at the end of the year. Of these 959 were Unions of Public Servants. During the course of the year 135 Unions including 49 Unions of Public Servants were registered.

Registrations of 75 Unions were cancelled and the dissolutions of 16 Unions were also registered during the year. Particulars of trade union activity during 1973 appear in Table 16.1.

VII — EMPLOYMENT

Employment

With a view to re-organising the work of Employment Exchanges and provide an employment service to select suitable persons for the correct job opportunity, the assistance of the International Labour Organisation was obtained. The Department of Labour has for this purpose, commenced projects for training of requisite personnel, classification of occupations and re-organisation of job opportunities. When complete, this programme would usher a new era in employment activities in this country and also afford an invaluable service both to the employer and the 'job seeker'. Besides, it would contribute directly to economic development in the availability of information in fields as manpower planning and vocational training.

TABLE 16.1—TRADE UNION—NUMBER AND MEMBERSHIP—1964-1973

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
i. (a) Number of unions registered during the year	260	159	150	155	125	117	175	145	141	135
(b) Number of unions cancelled during the year	74	175	103	128	129	112	20	40	76	91
(c) Number of unions functioning at the end of the year	1,213	1,209	1,236	1,263	1,279	1,184	1,439	1,544	1,578	1,644
ii. Figures relating to Unions of Public Servants (Included above).										
(a) Number registered during the year	136	92	73	49	60	60	81	69	73	49
(b) Number functioning at the end of the year	741	740	758	738	735	762	830	894	937	959
iii. * Membership of Workers' Unions	1,419,704	1,215,654	1,256,490	1,433,941	1,346,696	1,286,012	888,492	1,266,035	773,056	1,216,252
iv. * Membership of Worker's Unions in the plantation trade.	754,262	750,630	793,001	968,813	885,522	852,252	529,346	933,653	447,939	861,932

* These figures are in respect of only those Unions which had furnished annual returns before the prescribed date.

Vocational Training

Under the training programme of the Department of Labour, unskilled 'job-seekers' at the Employment Exchanges are trained as skilled craftsmen in a host of engineering and other trades. Available training facilities have been distributed Islandwide 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 man-power needs of District Development Projects of the Government.

Negotiations were concluded with the Swedish International Development Agency and the International Labour Organisation for setting up of a skill Development Centre at Orugodawatte in Colombo Suburbs. This Centre will undertake programmes for re-training and upgrading of workers employed in industry and trade-testing of 'Job-seekers' at the Employment Exchanges.

VIII—INDUSTRIAL SAFETY, HEALTH AND WELFARE

The Factories Ordinance No. 45 of 1942 (as amended by Ordinance No. 22 of 1946) came into force on 1st January, 1950. These two enactments have since been consolidated and included in the Factories Ordinance (Chapter 128) of the Revised Edition of the Legislative Enactments of Ceylon 1956. This should be read with the amendments introduced by the Factories (Amendment) Act No. 54 of 1961 and by Regulation No. 1 of 1971 (appearing in the *Government Gazette* No. 14,984/44 of 15.11.1971) under Holidays Act, No. 29 of 1971.

Under the main Ordinance the authority empowered to administer its provisions is the Commissioner of Labour. The machinery set up for the purpose is the Factories Division of the Department of Labour which is organised under the Deputy Commissioner of Labour (Tech.) and Chief Inspector of Factories. This Division which functioned centrally from Colombo was decentralised in July, 1972, by opening two District Offices—one in Colombo and one at Anuradhapura—each under a District Inspector of Factories.

The definition of "factory" is fairly comprehensively dealt with under Section 126 of this Ordinance. One of the provisions in this section is that premises are not excluded by reason 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 or the occupiers 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., 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 operations and work of engineering construction 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 Act No. 54 of 1961.

All occupiers of premises deemed to be factories, are expected to serve notice on the Chief Inspector of Factories or on the Inspector for the District and furnish them returns as follows :—

- (a) *New Factories.*—Notice has to be served at least one month before occupation or use of premises as a factory.
- (b) *Stoppage and Resumption of Work.*—In the event of suspension of work in a factory for a period of more than six months, the person who at the time of suspension was the occupier of the factory has to serve a written notice specifying the date of such suspension of work. At least 15 days prior to resumption of work in such cases a similar notice has to be furnished.
- (c) *Use of Mechanical Power.*—A notice to be served one month prior to the commencement of the use of mechanical power for the first time in an existing non-power factory.

The provisions relating to safety deal with such matters as fencing (or guarding) or prime movers, transmission machinery, dangerous parts of other machinery, pits or vessels containing scalding, corrosive or poisonous liquids under safety. The other sections cover the construction or 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, precautions against inhalation of dusts and fumes, explosions and fire. It is also necessary to make arrangements for proper maintenance of hoists, lifts, ropes and lifting tackle, cranes and other lifting machines and for their periodical examinations by suitable persons, steam boilers, steam and air receivers must also be well constructed, properly maintained and periodically examined by duly authorised officers. There are provisions to deal with the availability of adequate means of escape in case of fire and adoption of certain other safety measures.

Accidents, which either cause loss of life or disable workers for more than seven days from earning full wages in the work they were employed, have to be reported to the Inspector of the District. Dangerous occurrences, as specified in the Schedule to Factories (Dangerous Occurrences) Regulation 1965 (*Government Gazette* No. 14,577 of 4 December 1965) should also be reported to him or to the Chief Inspector of Factories whether or not injury results.

The health sections deal with such matters as the cleanliness of work rooms, drainage of floors, prevention of over-crowding of the persons employed by providing adequate rooms, provision and maintenance of adequate ventilation, temperature and removal of dust or fumes in certain dangerous trades. Factories (Sanitary Conveniences) Regulation 1965, Factories (General Standard of Lighting) Regulation, 1965 and Factories (Protection of Eyes) Regulation 1965, deal more specifically with such matters as Sanitary Conveniences, Lighting and Protection of Eyes provided for under the Ordinance.

A report has to be sent to the Chief Inspector of Factories whenever industrial poisoning or disease is discovered, by a registered medical practitioner, to have arisen from the patient's employment in a factory. The provisions of Section 63 of Factories Ordinance, in terms of which reports have to be sent to Chief Inspector of Factories, have been expanded to apply to diseases specified in Factories (Notifiable Industrial Diseases) Regulations 1972 as published in *Government Gazette of the Republic of Sri Lanka* No. 32 of November 3, 1972.

Under the welfare Sections, there are requirements regarding supply of wholesome drinking water, clothing, accommodation and seating. The requirements in connection with washing facilities and first-aid have been made more specific by Factories (Washing Facilities) Regulation 1965 (*Government Gazette* No. 14,577 of 4 December 1965, and Factories (First Aid) Regulations 1970 (*Government Gazette* No. 14,899 of 26 March, 1970) respectively. The requirements regarding meal rooms for workers have been made in Factories (Meal Rooms) Regulation 1965 (*Government Gazette* No. 14,577 of 4 December, 1965).

The prescribed form of the General Register to be maintained in every factory and various other statutory forms to be used are found in Factories (No.1) Regulation, 1960.

There were 9,240 factories registered with the Division as at the end of 1,973. A total of 1913 accidents, inclusive of 36 fatal cases had been reported during the year.

The Occupational Health and Welfare Centre is housed in the Labour Secretariat, Kirula Road, Colombo. It is available to the public during working hours and admission is free.

IX—OCCUPATIONAL HEALTH

The primary function of the Division of Occupational Health includes environmental monitoring with a view to preventing occupational diseases among work-people. Its activities continued as before to be directed mainly towards expert advisory services in the field of occupational health to government, semi-government institutions and non-government industrial establishments.

A total of 660 field visits were made by the staff of the Division on a routine basis. In addition 172 laboratory and field tests were also conducted during the year.

The staff of the Division visited 339 Industrial Establishments employing 13,408 males and 6,622 females making suitable recommendations to improve the working conditions, where necessary. Expert advice was given with suitable follow-up action in cases of health hazards.

Special investigations were carried out mostly at the request of managements concerned.

Research projects nearing completion were in regard to defining and evaluating hazardous conditions of work in coconut fibre and coir industries and in industries involving rice and paddy bran and also chillie dust as a health hazard.

The Division actively collaborated in the following activities during the year :—

- (a) Orientation course in occupational health for Medical Officers in the Industrial Sector ;
- (b) Training Programme in Industrial Safety, Health and Welfare for Factory Inspectorate ;
- (c) Parliamentary Advisory Committee ;
- (d) Workers Education Seminar ;
- (e) Environmental Management Sub-committee appointed by the Ministry of Planning ;
- (f) Draft Committees of the Ceylon Bureau of Standards ;
- (g) Seminar on Occupational Health conducted by the Rotary Club of Colombo (West) ;
- (h) Lecture Demonstration to Senior Public Health Inspectors ;
- (i) Seminar on Occupational Health and Safety to Personnel Officers and Middle Management ;
- j) Safety, Health and Welfare Exhibition of the Labour Department.

A sum of Rs. 4,325 was collected as revenue through the Laboratory Services.

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 the 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 Tables 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 1973.

TABLE 16.2—COST OF LIVING INDEX NUMBERS

Year	Colombo	
	Working Class*	Estate Labour—†
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.

TABLE 16.3—COLOMBO CONSUMERS' PRICE INDEX
(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	106.3
1963	108.8
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

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 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 rates of wages, the cost of living index number for these workers, the wage rate index number and index numbers of real wages for the period 1939-1974.

TABLE 16.4—COST OF LIVING INDICES, WAGE RATES, INDEX NUMBERS AND INDEX NUMBERS OF REAL WAGES 1939-1974 OF THE WORKERS IN TEA AND RUBBER ESTATES

Year	Average minimum daily rates of wages Rs. c.	Cost of Living Index Numbers for estate workers (Base: July-Sept. 1939=100)	Wage Rates Index Numbers (Average wage 1939=100)	Index Number of real wages†
1939	0 41	100	100	100
1940	41	107	100	93
1941	45	119	110	92
1942	0 68	150	166	111
1943	0 83	199	202	102
1944	0 87	211	212	101
1945	1 0	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	342*	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*	793	167
1974	4 06	532*	990	186

* 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 below in respect of unskilled male workers 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 UNSKILLED MALE WORKERS 1939-1974.

Year	Average monthly rate of wages Rs. c.	Cost of living Index Number of Colombo working class families with base shifted to 1939=100	Wages Index No. of unskilled male workers in Colombo (Base: 1939—100)	Real wages Index Number of Unskilled male workers in Colombo*
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†	1102	211

* Index Number of Money Wages ÷ Cost of living Index Number = Index Number of Real Wages.

† Equivalent of the Colombo Consumers' Price Index in terms of the cost of living Index Number—Colombo Town, with base shifted to 1939=100.

Index Number of Wage Rates and of Earnings.

Index Number of wage rates (minimum) and of earnings with the year 1952 as base for workers in the following trades are being compiled by the Department of Labour.

(1) *Agricultural Trades.*—Tea Growing and Manufacturing, Rubber Growing and Manufacturing and Coconut Growing.

(2) *Trades other than Agriculture.*—Coconut manufacturing, Engineering, Printing, Match Manufacturing, Motor Transport, Dock, Harbour and Port Transport, Tea Export, Rubber Export, Cinema, Building and Baking.

Table 16.6 Shows The Minimum daily Rates of wages and Minimum wage rate index numbers of Agriculture and other Trades from 1952-1974 :—

TABLE 16.6—MINIMUM AVERAGE RATES OF WAGES, MINIMUM WAGE RATE INDEX NUMBERS
—AGRICULTURAL AND OTHER TRADES—1952-1974

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	102.45
1955	2.09	106.63	2.95	100.37	2.16	105.88
1956	2.10	107.14	3.00	102.74	2.17	106.37
1957	2.13	108.67	3.15	107.88	2.20	107.84
1958	2.16	110.20	3.39	116.10	2.26	110.78
1959	2.16	110.20	3.76	128.77	2.29	112.25
1960	2.16	110.20	3.74	128.08	2.28	111.76
1961	2.17	110.71	3.75	128.42	2.29	112.25
1962	2.19	111.73	3.78	129.45	2.32	113.73
1963	2.22	113.27	3.82	130.82	2.35	115.20
1964	2.27	115.82	3.88	132.88	2.40	117.65
1965	2.28	116.63	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	138.24
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	175.34	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

The average earnings per day and the Index Number of earnings in respect of these trades from 1952 to 1973 appear in Table 16.7 :—

TABLE 16.7—AVERAGE EARNINGS PER DAY AND INDEX NUMBERS OF EARNINGS—AGRICULTURE AND OTHER TRADES—1952-1973

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.
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	2.60	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	208.66	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

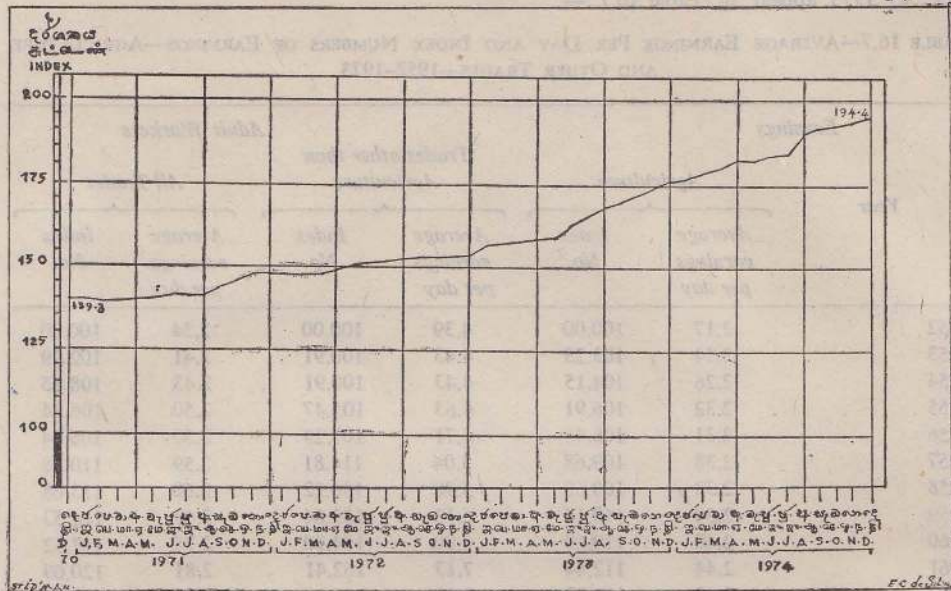
Cost of Living Allowances

Cost of Living Allowances payable to workers in some of the trades for which Wages Boards have been set up were based on the Cost of Living Index Number of estate labour, while in the case of workers in the other trades, such allowances were based on the Colombo Working Class Cost of Living Index Number till June, 1953. With effect from July, 1953, allowances payable to workers in all the trades for which Wages Boards have been set up were based on the Colombo Consumers' Price Index.

An Interim Devaluation Allowance was introduced in December, 1967. From October, 1973, an additional 10 percent 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 Emergency (Private Sector) Special Allowance Regulation No. 1 of 1973.

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 percent of salary or Rs. 20 (whichever is less) similar to that payable to employees in the Private Sector, under Emergency (Private Sector) Special Allowance Regulation No. 1 also of 1973.

CHART NO. 22—CONSUMERS' PRICE INDEX,—DEC. 1971—1974



XI—WORKERS' EDUCATION

The Department of Labour conducts Basic Worker's Education Courses for Trade Union Officials. One such course was held at the Workers' Education Branch for Government sector trade union officials during 1973. Two courses were also held at plant-level. A total of 204 officials have participated in such courses. The course content has been improved considerably to include subjects that directly concern the workers. Much effort of the Branch was directed towards Population and Family Planning Education which has been undertaken as an extension to Workers' Education.

During the year 6 Seminars were held for middle grade trade unions, one Labour Management Seminar and one International Sub-Regional Seminar on Population and Family Planning in the Plantation Sector where 5 Asian countries including Sri Lanka participated.

XII—INTERNATIONAL LABOUR ORGANISATION

58th Session of the International Labour Conference

The 58th session of the International Labour Conference was held in Geneva from 6 June to 27th June, 1973. The agenda of this Conference was as follows:—

- (i) Report of the Director-General.
- (ii) Programme and Budget proposals and other financial questions.
- (iii) Information and reports on the application of Conventions Recommendations.
- (iv) Minimum age for admission to employment (second discussion).
- (v) Social repercussions of new methods of cargo handling (docks) (second discussion).
- (iv) Paid educational leave (first discussion).
- (vii) Control and Prevention of occupational cancer (first discussion).

Sri Lanka was represented at this conference by a tripartite delegation consisting of—

- (1) Minister of Labour (Visiting Minister).
- (2) Permanent Representative, Permanent Mission of Sri Lanka to the U.N. Office at Geneva (Government delegate).
- (3) Commissioner of Labour (Government delegate).
- (4) Assistant Commissioner of Labour (Government Adviser).
- (5) Third Secretary, Permanent Mission of Sri Lanka to the U.N. Office at Geneva (Government Adviser).
- (6) Secretary, Employers Federation of Ceylon (Employers' delegate) ; and the
- (7) President, Sri Lanka Independent Workers Trade Union Federation (Workers delegate).

Asian Advisory Committee Meeting—15th Session

The Secretary, Ministry of Labour attended the above meeting which was held in Bangkok from 15th to 21st August, 1973. The following instruments were ratified :—

- (a) Convention No. 116 concerning Partial Revision of Conventions adopted by the General Conference of the International Labour Conference in June, 1961,
- (b) Instrument for the amendment of the constitution of the International Labour Organisation 1972.

XIII—NATIONAL APPRENTICESHIP BOARD

The National Apprenticeship Scheme was launched in September 1970 by the Apprenticeship Division of the Ministry of Industries and Scientific Affairs. As its first venture to ease demand for skilled workmen in industry, a crash programme was launched with the recruitment of approximately 2,300 apprentices. Subsequently the National Apprenticeship Board established in December, 1971, under Act No. 49 of 1971 took over the administration of this Crash Programme and continued its efforts to provide systematic training to apprentices recruited under the programme. Apprentices in training under the programme at the beginning of 1973 were :—

Apprentices in training at Craft Level	981
Apprentices in training at Technician Level	371
	<hr/>
	1,352
	<hr/>

Regulations under the Act

The first set of Regulations on procedural matters of the Board was published in December, 1971. The second set covering training matters and administrative procedures to be observed by establishments was published in January, 1973 to provide recruitment under the Act the same year.

Recruitment

Applications were called for by notification in the Sri Lanka Government Gazette and the local press. As the apprenticeship programme is being financed by Government it was decided that recruitment should be supervised at all levels by the Apprenticeship Board. A total of 7,203 applications were processed and grouped into 12 industrial training districts. Of these 3,742 candidates were

interviewed by establishments with Board representatives participating on selection panels. On the basis of final selections, 871 candidates were placed in training in 112 establishments throughout the Island. District-wise distribution of apprentices recruited in 1973 was :—

Colombo	510
Kalutara	23
Galle-Matara	48
Hambantota	9
Kurunegala	17
Anuradhapura-Jaffna-Mannar-Vavuniya	77
Polonnaruwa-Amparai	8
Kandy-Matale	54
Ratnapura-Kegalle	12
Badulla-Nuwara Eliya	59
Chilaw-Puttalam	36
Batticaloa-Trincomalee	18
	871

Though resources to accommodate up to 2,000 apprentices were available, a larger intake was not considered desirable due to 'unhealthy outlook' that prevailed at the time.

Basic Training.—The Board envisaged to provide basic training for 1973 recruits to be done in 15 of its own Training Bays set up within Industry. As most of these Training Bays did not become operational mainly due to lack of equipment this aspect of the training programme had to be carried out as best as possible, in the plant.

Related Instructions.—Related theoretical instructions to supplement practical training were arranged by the Board on part-time group basis utilising services where possible of Instructors from the Junior Technical Institute, Ministry of Education and at Vocational Training Centres of the Labour Department.

Correspondence Courses.—The Board provided correspondence courses to those apprentices who could not arrange for regular instructions. A total of 82 apprentices serving in some remote industrial training districts have benefited under this scheme. These courses have become extremely popular with the apprentices and offered in the three languages, Sinhala, Tamil and English.

Instructors and Training Officers

The Board, in consultation with the Technical-Teacher and Instructor-Training Wing of Sri Lanka University's Katubedde Campus, organised Modular Training Courses for the benefit of Industrial Instructors. Twenty-five Instructors from the Ceylon Transport Board and several others from private sector industry attended these training modules. In view of the large number of establishments which need this form of assistance it is proposed to intensify number of courses at the Instructor level.

Expansion of Training Activities

The Board expanded its training activities by re-classifying and categorising new trades to cover 62 apprenticeable trades and occupations. This ensured that training activities covered a wider field with exigencies of demand.

Some of the important trades with corresponding periods of training are listed below :—

<i>Trade</i>	<i>Period of Training</i>
Fitters (All grades)	4 Years
Mechanics (Automobile, Radio and Lift)	4 Years
Mechanics (Refrigerating and Air-conditioning)	4 Years
Machine Minders (Litho and letter press)	3 Years
Operators (Camera Block Making, Composing and Monotype Key Board)	3 Years
Operators (Furnace, Cupola)	3 Years
Operators (Coconut Fibre Processing)	1 Year
Tinkers (Vehicle sheet metal work)	4 Years
Blacksmiths, Carpenters, Masons	4 Years
Plumbers	3 Years
Textile Printers	2 Years

National Apprenticeship Committees

Two Committees were established in 1973 to prepare sample tests for trades of "Machinist" and "Automobile Mechanic". Reports submitted in this regard have been accepted by the Board for implementation.

The National Apprenticeship Fund is financed by a grant from the Capital Project. Though legislation provides for Government Grants, the basic concept is that Industry should bear cost and responsibility for training its requirement of skilled workers. The Government finances the Scheme as an interim measure until such time a Cess on Industry is imposed, as envisaged in the Act.

XIV—EMPLOYMENT DIVISION—MINISTRY OF PLANNING AND ECONOMIC AFFAIRS

A total of 678 graduate-trainees were placed in permanent employment in 1973. Concurrently steps were taken to identify suitable job opportunities for the remaining trainees. Arrangements were made in consultation with the Ministry of Education to deploy some trainees for teaching in schools in difficult areas of the island. These trainees will be given permanent appointments as vacancies occur. There were approximately 721 trainees not absorbed into permanent employment as at end of 1973.

Facilities were provided to recruiting teams from West Germany, Zambia and Kenya to recruit Sri Lanka Nationals for employment in these countries in pursuit of the objective to promote employment opportunities for Sri Lanka nationals abroad.

XV—NATIONAL YOUTH SERVICE COUNCIL

The Training Centre, Eraminiyaya under the National Youth Service Training Scheme has been successfully maintained. The initial farm project with 250 youths in 500 acres was established at Muravesihena on the right bank development area of Uda Walawe. Preliminary steps have been initiated to establish a Training Centre for Youth Leaders at Batangala, an Agricultural Training Centre at Akkarayankulam and four vocational training centres at Colombo, Ratnapura, Galle and Anuradhapura Districts. Action has also been taken to establish a training centre for the tea industry at Gampola.

National Service Development Schemes were opened on an electoral basis in Badulla and Moneragala Districts. These schemes continue to be satisfactorily maintained. Three more farm projects in Uda Walawe with 750 youths and at Ratnapura would be established to foster farming activities among youth.

A Cultural Advisory Panel has been formed under the sponsorship of the National Youth Service Council.

CHAPTER XVII

EDUCATION

I—THE MINISTRY OF EDUCATION

Administrative Changes

THE Department of Education that was responsible for the educational system in Sri Lanka for over a hundred years was decentralised in October, 1966. The Head Office of the Department was amalgamated with the Ministry of Education. A significant change that was effected as a result of the decentralization was the devolution of authority and responsibility on Regional Directors of Education, who are entrusted with the management of education in all its aspects at regional level.

The island was divided into fourteen regions for this purpose, each region being placed under a Regional Director who is directly responsible to the Director-General of Education.

The Ministry of Education was re-organised to gear functions as (a) Administration and Foreign Agencies, (b) Elementary, Secondary and Technical Education, (c) Regional Organisation, (d) Finance, (e) School Works, (f) UNESCO National Commission and (g) Educational Publications. Changes were also made as regards Higher Education in terms of Act No. 1 of 1972.

School Administration

The School Administration branch is responsible for the implementation of Government's educational policy and formulation of schemes in regard to recruitment, promotions, transfers, retirements, disciplinary control and various establishment matters connected with teacher administration. The overall control and supervision of activities of regional education departments and distribution of teachers' cadre to suit educational requirements at district level are other functions of this branch.

Teaching appointments made during the year were :—

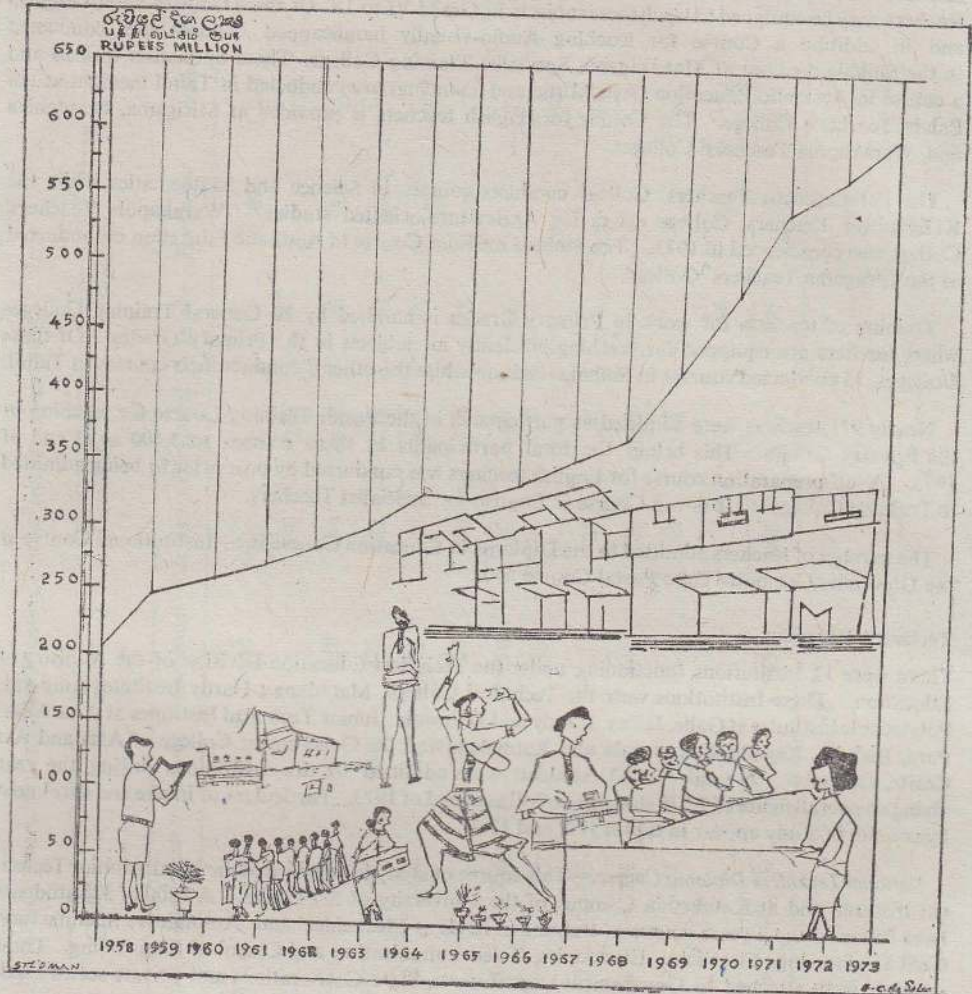
- | | |
|--|---------|
| (a) Uncertificated Science/Mathematics Assistant Teachers | } 3,135 |
| (b) Uncertificated English Assistants | |
| (c) Sinhala Assistants in Tamil medium schools | |
| (d) Uncertificated Sinhala Assistants (Prospective Appointments) | |
| (e) Science undergraduates | |
| (f) Moulavi Assistant Teachers | |

Promotions in posts of Principals (Grade III and IV) made from teachers in service totalled 1,253.

During latter half of the year 120 Vidyals of different grades in the island were supervised involving nearly three thousand teachers. The schools concerned were informed of shortcomings both in education and administration and necessary guidance given when necessary to carry out their functions more efficiently. Work done was also reviewed from time to time to ascertain degree of progress attained. There has thus been a high standard of educational activities.

Two residential seminars of 3 days duration were organised for Special Sinhala and Tamil and other Circuit Education Officers and Education Officers in the island with a view to instructing them on class supervision, school and office administration.

CHART No. 23—EXPENDITURE ON EDUCATION 1958-1973



Action was taken to organise 18 Sinhala-medium and 7 Tamil-medium centres for training of teachers counsellors. About 1,200 teachers received training at these centres. A total of 184 candidates were successful at the teacher Counsellor's Certificate Examination, 1973.

A conference of school principals of different grades in the island was convened with a view to preparing suitable code of instructions to overcome defects in school administration and organization.

A two-day conference of Principals was also held in the Homagama region to provide them necessary instructions as regards organisation and administration of schools in the area.

Teacher Training

The number of teachers in training at the 28 Teacher's Colleges was 9,283, a figure in excess of 1,100 over the preceding year.

Eight of the 28 Teacher's Colleges devote to training specialist teachers in subjects as English, Science, Mathematics, Commerce, Handicrafts, Agriculture and Physical Education so that these teachers may be equipped to teach these subjects in Grade VI to IX. Of these Courses all but English and in addition a Course for teaching Audio-visually handicapped children are conducted in the Sinhala medium at Maharagama Specialist Training College. These Specialists courses and a course in Aesthetic Education (Art, Music and Dancing) are conducted in Tamil medium at the Palaly Teacher's College. The Course for English teachers is provided at Mirigama, Peradeniya and Warakapola Teachers' Colleges.

The Pattalagedera Teachers' College conducts courses in Science and Mathematics while the Kulliyapitiya Teachers' College caters for Agriculture-oriented studies. Warakapola Teachers' College was commenced in 1973. The Sinhala medium Course in Aesthetic Education is conducted at the Giragama Teachers' College.

Training of teachers for work in Primary Grades is handled by 20 General Training Colleges where teachers are equipped for teaching efficiently all subjects in the Primary Grades. Of these Colleges, 15 conducted courses in Sinhala medium while the other 5 conduct their courses in Tamil.

Nearly 971 teachers were admitted as participants in the Postal Training Course for teaching in the Primary Grades. This brings the total participants in these courses to 3,400 as at end of 1973. A self-preparation course for English teachers was conducted by post prior to being admitted to Training Colleges to follow a Course in English for Specialist Teachers.

The number of teachers admitted to the Diploma in Education Course is :—Institutional Course at the University Campuses 260 ; Postal Course 540.

Technical Education

There were 12 Institutions functioning under the Technical Education Division of the Ministry of Education. These Institutions were the Technical College, Maradana ; Hardy Institute, Amparai, Polytechnic Institutes at Galle, Jaffna, Kandy and Dehiwala ; Junior Technical Institutes at Anuradhapura, Badulla, Kegalle, Kurunegala and Ratmalana and the Government College of Arts and Art Crafts, Colombo. A total of 4,633 students were admitted to the institutions during the year giving an overall figure of 7,375 students on roll as at end of 1973. Particulars of intake and enrolment by courses of study appear in tables 17.1 and 17.2.

National Technical Diploma Course.—This course of study is provided at the Hardy Junior Technical Institute and at Katubedda Campus of the University of Sri Lanka. A total of 325 students have followed the 2 years course of training in fields as Mechanical and Automotive manufacture, Civil Engineering, Electricity, Electronics, Telecommunication and Chemical Engineering. These students were attached to Government Departments, State Corporations and private-sector Institutions to undergo one-year's apprenticeship in Factory work in the third year.

Commerce and Business Studies

Courses in these fields are conducted mainly at the Ceylon Technical College, Maradana, Polytechnical and Junior Technical Institutes in the Island. These courses ranging from Higher Diploma level to the Certificate level cover both full time and part time Studies. Two years' full-time Diploma Courses in Business Administration cover subjects as auditing, costing, accounting, marketing and industrial relations and are provided at the Polytechnical Institutes, while certificate courses of two years duration in fields as accounting, marketing, administrative procedures, industrial relations, transport and stenography are conducted full-time at the Junior Technical Institutions.

Vocational Training.—Full time day courses of two years duration were conducted at the Ceylon Technical College, Maradana and at other Polytechnical, Junior Technical Institutes. A minimum of 4 courses are being conducted at each of these institutions while the Junior Technical Institute at Ratmalana provides 8 courses.

TABLE 17.1—INTAKE AND ENROLMENT BY TECHNOLOGICAL INSTITUTIONS—1973

Technological Institutions	Craft		Commerce Certificate		Technician		Diplomas		Total	
	Intake	Enrolment	Intake	Enrolment	Intake	Enrolment	Intake	Enrolment	Intake	Enrolment
Ceylon Technical College, Maradana	375	646	393	612	—	—	305	589	1,073	1,847
Amparai	—	—	—	—	140	230	—	—	140	230
Galle	141	204	80	120	150	150	20	55	391	529
Kandy	146	194	160	275	123	233	90	180	519	882
Jaffna	182	258	203	305	229	419	61	84	675	1,066
Dehiwala	—	—	25	43	95	110	165	258	285	411
Badulla	161	246	140	250	30	60	—	—	331	556
Kegalle	150	221	151	222	—	—	—	—	301	443
Anuradhapura	108	169	—	—	24	24	—	—	132	193
Kurunegala	231	241	162	231	129	200	—	—	522	672
Ratmalana	152	221	—	—	46	143	—	—	198	364
School of Art	—	—	5	—	—	—	66	182	66	182
Total	1,646	2,400	1,314	2,058	966	1,569	707	1,348	4,633	7,375

TABLE 17.2.—TECHNOLOGICAL INSTITUTIONS—ENROLMENT BY COURSES OF STUDY—1973

Course of Study	Senior/Polytechnical Institutes				Junior Technical Institutes				Total				
	Ceylon Technical College Maradana	Hardy Institute Amparai	Galle Kandy Jaffna Dehiwala Badulla	Kegalle Anuradha-Kuru-negala	Ratmalana	Kuru-gala	School of Art						
Technological (Engineering)	—	230	150	233	419	110	60	—	24	200	143	—	1,569
Diploma/Professional (Commerce/Engineering)	589	—	55	180	84	258	—	—	—	—	—	—	1,166
Certificate (Commerce)	612	—	120	275	305	43	250	222	—	231	—	—	2,058
Art Diploma	—	—	—	—	—	—	—	—	—	—	—	182	182
Craft Courses	646	—	204	194	258	—	246	221	169	241	221	—	2,400
Total ..	1,847	230	529	882	1,066	411	556	443	193	672	364	182	7,375

Includes Full-time and Part-time enrolments.

Technical Teacher Training.—The Institute for the training of Instructors and Senior Instructors functions at the Katubedda Campus of the University of Sri Lanka. Apart from vocational training the Institute conducts a course of instructions for advisers in charge of workshop training programmes. UNESCO, I.L.O. Experts, local lecturers and Instructors form nucleus of the staff serving at this Institute.

Factory Training.—Arrangements were made for about 400 trainees who had completed the National Technical Diploma Course to undergo apprenticeship of one year during 1973 in Factory Engineering at Government Departments, State sponsored Institutions and Private sector organisations. These trainees were considered as 3rd year students under the National Apprenticeship Programme and were paid an allowance during training period.

Practical Training.—Students who completed the National Diploma Course in Business Administration were given a practical training for a period of 3-6 months. The Auditor-General had arranged a 6 months' training programme for 40 students who completed the Diploma Course in Auditing.

Trainee Placements.—Although, placements of these trainees in employment is not the responsibility of the Ministry of Education, in compliance with requests from Government Departments and State Corporations necessary particulars of these trainees seeking employment were made available when called for. This procedure has enabled trainees either to find employment or undergo a further period of training.

Science and Mathematics

Construction work of 14 Laboratories was completed during the year and approval obtained to conduct G.C.E. (O.L.) Science classes in these Schools. New Laboratories were constructed and existing facilities improved in 16 school laboratories. The scheme of providing laboratory units under the new educational programme was completed in 187 schools. Laboratory construction by Parent-Teacher Associations continued, 16 schools being provided with Laboratories by these associations. Under the scheme of assistance by P.T.A.A. 9 multi-purpose rooms have been constructed and funds allocated for the construction of 5 such rooms hitherto incomplete.

Depending on availability of Foreign Exchange, indents have been placed with Crown Agents to obtain Science equipment to the value of Rs. 900,000 from foreign countries. Equipment and other apparatus to the value of Rs. 1,000,000 were received through these sources during the year.

Science equipment obtained from manufacturers totalled Rs. 200,000. Purchases were also made from the Local market. Assistance obtained under UNICEF Aid was Rs. 400,000. Under the bilateral trade agreements between Russia and Sri Lanka indents were placed to the value of £84,500 to obtain scientific equipment and glass equipment to the value of Rs. 400,000 from World Markets. On the advice of a UNESCO Expert a Scheme of manufacturing Science equipment locally, to the value of Rs. 175,000 was successfully finalised. Steps were also taken to obtain machinery required for manufacture of plastic as UNICEF Aid scheme. A Glass equipment manufacturing unit was set up during the year. Action has been taken to obtain machinery to the value of Rs. 150,000 required for this unit.

A total of 3,500 sets of science equipment were distributed to all schools where Grade VIII classes are being conducted to facilitate teaching of Science subjects in these schools. Necessary chemicals have also been supplied under a stream-lined programme. Forty two sets of science equipment required for G.C.E. (O.L.) and (A.L.) classes were despatched to schools which had commenced teaching of science subjects. Supplies of additional science equipment and chemicals have been undertaken in respect of 220 science schools. Under a new programme of distribution arrangements have been made to supply sets of science equipments to 510 schools which had earlier been denied these facilities. Necessary apparatus for gas generating machines have been manufactured and installed in 21 schools.

Handicrafts

Handicrafts in schools' curriculum had hitherto been confined to production of childrens' desks and chairs. Steps were taken to expand production of other furniture items as well in school workshops. Production of metal ware has been commenced in Galle Educational Region. Nine teachers were selected for an inservice training programme in metal work.

A sum of Rs. 60,000 had been set apart during 1973 to widen the scope of handicraft education in schools. Apart from purchases made, handicraft items received as UNICEF aid have also been distributed among schools.

12 Sets of electronic apparatus essential for the production of school requisites were distributed one each among 12 selected schools. A sum of Rs. 180,000 has been allocated for supply of timber to the handicraft workshops. In addition a sum of Rs. 240,000 has been allocated to Regional Directors of Education for the purchase of timber/clay, oleagious fluids etc. required for handicraft schools in their respective regions. Wood work, metal work, weaving and pottery form part of schools' curriculum for Grade VIII under the new educational programme. Course guides on these subjects were prepared during the year.

English

Of recruitments made in the grade of English teachers during 1972, 517 appointees were given an inservice training at 5 centres for a week during the 1973 April vacation. The objective of these training classes was to acquaint these new recruits with methods of teaching English (as a second language) in VI, VII and VIII grades. During the 1973 August vacation an inservice training programme of 10 days was conducted at Peradeniya Training College, for 106 English trained teachers and 12 teaching instructors (English) on the preparation of supplementary educational material and language Exercises. About 550 teachers of those recruited in 1973 were given an in-service training of a week's duration at 4 selected centres. Saturday classes are being held for the benefit of English Teachers in Trincomalee District. These classes would help trainees to prepare for the Teachers' Certificate examination. A day's Seminar was held in 11 Districts for Grade VI English Teachers. These Seminars and training programmes would cost the Government a sum of Rs. 60,000. A Practical Session of 6 days' duration was held in October 1973 for the 12 Teaching Instructors in the preparation of a series of supplementary English reading material for Grade VIII students. A total of 12 supplementary readers were prepared during the year in addition to new English Text for Grade VII to be used in the ensuing year.

Health and Physical Education

Under the scheme of training Health and Physical Education teachers 50 trainees have been admitted to Maharagama Training College, and 25 trainees were admitted to the training College at Palaly. Physical Education Officers have conducted in-service training classes in each education circuit to train teachers in the implementation of the new scheme of Syllabus for Grades VII and VIII. The Young Men's Christian Association with the co-operation of the Ministry of Education has conducted a series of classes to train rural teachers. There were 506 participants in this training programme.

A sum of Rs. 80,000 was allocated for supply of sports material. In addition, a few sports items received from government departments have also been supplied to the various schools. An allocation of Rs. 250,000 has been made for construction of play grounds. This sum has been distributed among the Regional Directors of Education for construction of new play grounds and to restore existing ones.

With a view to obtaining greater participation of students, arrangements were made to organise sports competitions among several age groups. Competitions were accordingly conducted for students under age groups 11, 13, 15, 17 and 19 years.

An in-service training course of 2 days' duration was conducted for the benefit of Physical Education Inspectors. Attention was focussed at this training course on the role of Physical Education in new school curriculum. A system of evaluating Physical Education work in schools was initiated.

Agriculture

Agricultural Course Guides for Grade VI to IX have been revised to suit modern trends of pre-vocational education. In pursuance of the present policy an agricultural programme in Pre-vocational training was carried out in all schools in the island. Apart from the cultivation programme which commenced during Yala and Maha seasons in 1973 action was also initiated to cultivate available land in teachers' training colleges and technical colleges.

A total of 354 uncertificated agricultural teachers were recruited in December, 1972 and January, 1973 and posted to schools under a scheme of district appointments. Appointments were also made in respect of 31 Agriculture-trained teachers who completed training at the Maharagama Training College. One hundred-and-one Agriculture teachers who were trained at the Kuliypitiya Teachers' Training College were also given appointments during the year.

In response to declaration of 1973 as Production Year, the agriculture programme of the Ministry of Education was widened to cover schools, regional offices and other institutions within the Ministry. Emphasis was stressed on the cultivation of every inch of land available. Circuit Education Officers (Agriculture) and Training Masters were briefed on implementation of the programme to ensure success.

In-service Training Programmes were conducted in collaboration with the Department of Agriculture at several centres for Secondary-Trained Teachers, newly recruited Agriculture Teachers, Officers of Education Service, Training Masters (Agriculture) and Circuit Education (Agriculture) Officers.

An All-Island School Garden Agriculture Competition, School Children's Home Garden Competition and Teachers' Colleges Agriculture Production Competition also at an all-island level were initiated.

With the assistance of Secondary-Trained Teachers, a series of lectures were arranged for farmers and untrained teachers on modern agricultural practices.

In-service centres were established in regions where the Circuit Education Officers (Agriculture) function. These centres also serve as distributive outlets for agricultural requirements and conduct practical demonstrations to serve the rural residents and schools.

Preliminary work has commenced in establishment of school level, circuit level and district level farms organised by heads of schools, regional administrative officers in collaboration with school children and those who had left school recently on a co-operative basis.

Commerce

Commerce education has evinced much popularity in recent years. This has been reflected in the increasing number of students who study commerce subjects in schools. There were about 59,500 students studying commerce subjects in the school curriculum. Steps have been taken to include Business Administration as a pre-vocational subject in schools where commerce subjects are being taught.

Action is being taken to appoint as teachers a few who have passed 2 commerce subjects at the G. C. E. (A.L.), having obtained credit passes in commerce subjects at the G. C. E. (O.L.) examination.

A large number of Commerce Teachers have sat the examination conducted by the Ceylon Technical College externally as facilities had been afforded them to appear for these examinations.

During the year a sum of Rs. 30,000,000 and Rs. 2,500,000 had been allocated respectively for purchase of typewriters and ribbons for distribution among Education Regions. An allocation of Rs. 40,000,000 has been spent in constructing 15 Commerce Rooms to facilitate teaching commerce subjects. Supply of furniture to Commerce Rooms, would be in the region of Rs. 10,000,000. Commerce teachers have also been given a special training in typewriter repairs.

Aesthetic Education

Teaching one of the subjects in the aesthetic fields as music, dance and art in the Junior Secondary school has been made compulsory under the new education programme. Up to July, 1973, about 700 teachers were newly recruited to teach music. There are at present 1,550 teachers engaged in this field of education. It was possible for the first time to conduct a common course of in-service training for these teachers at Anuradhapura, Nuwara Eliya, Kurunegala and Galle.

A sum of Rs. 78,500 has been allocated for the purchase of necessary equipment. In view of spiralling of prices, it was decided to purchase only essential items. Training of students in modelling as a Pre-vocational subject has been commenced.

Vacancies in the grade of Education Officer and several other vacancies in Advisory levels in music and dancing were filled during the year. "Singithi Ragum" (little ones' plays), "Yauwana Ulela" (youths' festival) and drama competitions were conducted.

It has been proposed to amalgamate drama with dramatising as a requirement in the formulation of a scheme of teachers' training. A drama panel and an open-air theatre are included under this scheme. Arrangements have been made in this regard to utilize experience of foreign and local drama producers.

Apart from 11 Art Inspectors, 643 Specialist Art Teachers were serving in schools. A sum of Rs. 2,000 allocated for in-service teachers' training was distributed for purchase of mass media project equipment required for demonstration purposes. An in-service training programme of a duration of 16 weekends was conducted in 6 Education Regions. A mass media pilot study programme was conducted on 12 weekends at the Lumbini Maha Vidyalaya, Colombo. Art inspectors carried out a day's training programme in each education circuit with the participation of 7,825 teachers. Depicting graphic Arts by means of histograms was a significant feature in this training programme. All-Ceylon Inter-Regional Childrens' Art exhibition was held for the first time at the Colombo Arts Gallery. In addition, 3 Regional exhibitions in Jaffna and Batticaloa, 16 circuit-level exhibitions in Batticaloa, Kalutara, Bandarawela and Anuradhapura regions and 78 school exhibition in various other divisions were also held during the year. Difficulty was experienced in obtaining paint varieties for art work in schools due to foreign exchange restrictions. In view of this difficulty, the entire consignment of water-colours indented by State Trading Corporation was reserved for the Ministry of Education to be distributed among schools at a reasonable price on permits issued by Regional Directors of Education. A stock of 7,085 dozen water-colour boxes were thus distributed.

New course guides were drawn up for Grades VIII and IX in schools curriculum. Special Art clubs were organized in schools where Art teachers are serving. These Art Clubs initiated construction of 25 sculpture models in school gardens. Particular interest was evinced in inculcating modern concepts of Art among trainees at the Giragama Training College as a fillip towards developing Art education.

Adult Education

An Adult Education Officer was appointed during the year for the successful implementation of the Adult Education Programmes. Supply of necessary equipment was decentralized. Regional Directors were given an allocation of Rs. 16,000 as allowance to be paid to adult education instructors and a further sum of Rs. 8,000 to cover rent of these centres. There were 13 new adult education centres functioning during the year. A total of 1,306 females and 194 males received education at these centres. A few vocational subjects were included in the curriculum during the year. Staff strength of these centres consisted of 25 male and 42 female instructors. An in-service training course was organised for 88 trainees including Instructors and prospective Instructors in adult education.

Special Education

Assistance was afforded to the deaf and visually handicapped children under a unified scheme of education. Teachers were trained at the specialized unit of the Maharagama Training College in methods of educating these children. Steps were also taken to advise and improve standard of education of deaf children in schools maintained by private voluntary organizations. Braille Texts were also supplied to these institutions during the year.

A total of 203 deaf children received education in 152 schools scattered over 11 Educational Regions. There were 34 teachers in these schools. These teachers have rendered important service. Apart from necessary advice being given to parents, their standard of efficiency is improved to enable visually handicapped children in 152 schools to compete with normal counterparts.

The scheme of providing medical advice and supply of spectacles to a large number of visually handicapped children in schools was widened during the year.

Assistance of foreign experts was obtained in bringing 14 teachers under a scheme of educating the physically retarded children. Four sets of equipment required for this purpose were obtained. With the co-operation of lecturers and second-year trainees of the specialized education unit at Maharagama Training College a research study of the physically handicapped children was conducted in Education Regions Kurunegala, Kalutara, Kandy and Tangalla. Children selected on the results of this study were subject to a scheme of evaluation.

A seminar was held to introduce unified educational programme of the visually handicapped children to principals and teachers of schools in Education Region, Kegalle.

A seminar based on teaching of the new educational curriculum was also conducted at the Maharagama Training College for the benefit of teachers implementing the unified educational programme and also teachers in deaf and blind schools where hostel facilities are available.

Pirivena Education

There were significant changes in Pirivena Education during the year. A new code of regulations on Pirivena Education was formulated during 1973. Under regulations in vogue, permanent registration of 24 Pirivenas was approved.

Pirivenas which attained required standard for purpose of registration were upgraded. Approval has also been granted to these Pirivenas to conduct G. C. E. (A.L.), preliminary, intermediate and final levels in oriental studies. Steps have been taken to appoint salaried graduates (Pandits and University Graduates) to these Pirivenas in terms of section 10 of the Regulations. Registration and upgrading Pirivenas temporarily suspended during the past few years has been commenced.

Tamil Unit and Estate Schools

The main activity of the Tamil Unit of the school reorganization branch is the implementation of the programme of taking over of about 830 Primary Estate schools. During the years 1972 and 1973, 11 Estate schools were taken over. Amalgamation of Alstan Estate school with Puwakpitiya Government school is under consideration. Regulations as regards taking over of estate schools are being prepared. Draft Regulations which compel estate owners to provide preliminary facilities for establishment of Government schools in estates have been finalised.

With a view to achieving mutual accord in the matter of estate schools, several conferences were held with plantation industry unions in collaboration with the Ministry of Plantation Industries.

Library Services

The five-year plan envisaged extension of library services on the basis of one circuit library for 10 Vidyalyayas, a school library in each school with a large number of students. These institutional libraries would serve colleges and girls' schools with an average attendance in the region of 2,000 students. Circuit libraries would benefit a number of schools in rural areas with limited facilities at present. A sum of Rs. 525,000 has been allocated for the supply of library books and periodicals. A portion of this amount has been withheld by the Ministry and the balance distributed among Regional Directors for the supply of books to libraries and other colleges. An allocation of Rs. 434,000 was made to Regional Directors of Education for supply of sets of wood structures to 217 libraries at the rate of Rs. 2,000 each set. Action was initiated during the year to organize libraries in about 200 schools. Books worth over Rs. 500 were supplied to each such library. With a view to maintaining an efficient administration in organizing libraries and also encourage maximum utilization of library facilities departmental teachers are being given a training in Library Science. A total of 190 teachers in Sinhala medium and 21 teachers in Tamil medium schools underwent a Certificate Course in Library Science during the year. These teachers were appointed to organize libraries in the various regions. Action is also being taken to appoint 24 librarians to school libraries. Several school libraries in Galle, Anuradhapura and Amparai districts have been included in the library extension programme launched by the National Library Service Council.

Planetarium

Colombo Planetarium is administered by the Ministry of Education and helps school children in particular, to broaden their outlook in the Science of Planets.

In organizing shows at the planetarium due consideration is given to age of school children, grade, educational background, aptitude and understanding capabilities of scientific subjects. Separate shows have been arranged for students in the following Grades :-

- (1) Grades VI, VII and VIII
- (2) Grades IX to XII
- (3) Grades IX to XII science students.

A special feature during the year was the arrangement of shows to suit the new educational programme. Students from various schools all over the island participate in these shows which are arranged to give a clear concept of what Astronomy connotes and have become extremely popular. Participation of Art and Commerce students in Grades IX to XII at these shows was very encouraging.

Shows for school children were conducted at 9.00, 10.30 in the morning and at 1.30 in the afternoon during the first five days of the week and at 10.30 in the morning on Saturdays. Seating accommodation is provided for 570 participants at each show. Public shows have also been arranged. Proceeds from sale of tickets during the year were Rs. 34,584.

Scholarships

About 3,000 students were awarded scholarships on the results of Grade VII Scholarship Examination conducted in 1971. These scholarships were effective from January, 1973. All these students were admitted to colleges with facilities for science education. Steps were taken to select students for the award of scholarships on the results of Grades V and VII Scholarship Examinations held in 1973.

Religious Education

Religious education essential for spiritual welfare of the younger generation is provided in schools under the guidance of Religious Advisory Committees. There are five such Advisory Committees, one for each of the religions, Buddhism, Hinduism, Christianity (Roman Catholic and Non-Roman Catholic) and Islam appointed to advise on religious education.

Curricula for Grades VI, VII, VIII and IX have already been prepared. Religious texts for Grade VI on Buddhism, Christianity (Roman Catholic and Non-Roman Catholic), Hinduism and Islam have been written. These Texts are being used to conduct Pilot studies.

Instructors have been trained to conduct Seminars for the benefit of teachers taking religious classes in Grade VI. An inservice training programme of 2 days duration was held in Colombo, Kandy and Kurunegala for teachers who conduct Grade VI religious classes. As regards other districts 100 teaching instructors, 60 for Buddhism and 10 each for the other 4 main religions have been given 9 week's training at the Maharagama Training College. These teaching instructors could thus be able to conduct similar inservice training classes for the benefit of those teaching religion for Grade VI students at other district centres. The Ministry envisages joint participation of teachers of the five religious bodies on a common forum in a short-term programme would not only help study of various religious rites and observances, but would also help foster a sense of mutual understanding among these religious bodies in a cordial atmosphere.

Extension of Educational Facilities

24 G. C. E. (A. L.) Arts classes and 26 Ordinary level Arts classes were commenced in Sinhala medium schools apart from 11 new schools which were opened during the year. Four Tamil schools and 6 Muslim schools were up graded while 6 Muslim schools and 5 Tamil schools were approved as Junior schools. G. C. E. (O. L.) Science classes in one Muslim Maha Vidyalaya and similar classes in 4 Tamil Maha Vidyals have been authorized during 1973.

Home Science Education

Arrangements have been made under the new education programme for teaching of Home Science as a pre-vocational subject in Grades VI and VII. Teaching appointments were given to 127 females who obtained two years' training in handicraft at the training colleges Maharagama and Palaly. Home science and sewing equipment received under UNICEF aid were prepared in sets and distributed among a few schools in the island. Arrangements have been made to supply ARISBR suites of furniture to schools where Home Science libraries have been constructed. Curriculum for Grades VI and VII have been revised under the new education programme. Dr. (Mrs.) Gonsales, Home Science Specialist of the UNESCO who visited Sri Lanka has rendered useful service to the country. Several Home Science teachers with Senior School Certificate qualifications were appointed to schools to overcome the dearth of Home Science Teachers. These new appointees were required to undergo a course of training in Home Science.

Parent-Teacher Associations

Parent-Teacher Associations in Senior Schools were re-organized to enlist their co-operation in school activities and also shoulder extra curricular responsibilities devolving on them. Arrangements were made to hold a Seminar of All-Island Parent-Teacher Associations. These associations have constructed school buildings, class rooms and also supplied furniture requirements all to the value of about Rs. 1.2 millions.

Asian Regional Institute for School Building Research

The UNESCO sponsored Asian Regional Institute for School Building Research ceased to function at the end of December 1972 on the expiry of its Agreement with Sri Lanka. The Cabinet approved in its place the establishment of a National Educational Building Research Institute. From the beginning of 1973 the Institute known as Adyapana Godanagili Paryeshana Aayathanaya' (AGOPA) was functioning. Approval of staff requirement for the new Institute was sanctioned by the Treasury

A programme consisting of 17 projects has been approved by the Secretary, Ministry of Education to be conducted by the Institute. Some of the major fields covered in the programme are outlined below :—

Remodelling of Arisbr type desk and chair :— The space occupied by ARISBR type desk and chair in the class room is more than that occupied by the traditional type of desk and chair used in local schools. Hence it has been found necessary to remodel these furniture items. The Institute therefore designed a remodelled desk, adult type and also another desk for Grades 6-9 students. Sufficient number of desks and chairs had been made on this design and sent to two schools, one in Western Province and the other in Kandy District. From the reports so far received the remodelled type is quite satisfactory, and it is proposed to introduce the remodelled desk in place of the ARISBR type desk and chair.

Inservice Training for circuit Education officers, science and school works Engineers and Inspectors :— Arrangements made to conduct this seminar in Colombo had to be postponed due to non-availability of UNESCO Experts.

Dissemination of Arisbr Publications.—School Works Technical Officers of the Ministry attached to 25 Regional Offices and Districts have been given each a set of ARISBR publications. These have proved useful in their day to day assignments.

Workshop Attached to the Institute.—Action has been taken to expand activities of the Workshop attached to the Institute. This would help provide furniture and special type of units used in classrooms to be turned out economically for experimental purposes.

Library.—Library facilities available, were extensively used not only by the School Works staff of the Ministry of Education but also by the students in Architecture at Katubedde Campus of the University of Sri Lanka.

School Buildings.—A sum of Rs. 17.8 million has been incurred in the construction and extension of school buildings as class rooms, science laboratories, handicraft centres, teacher-training colleges and teachers' quarters.

Construction works undertaken by other agencies for the Ministry of Education were :—

Hena Road Maha Vidyalaya	}	Department of Buildings
Stockwatte Vidyalaya		
Componnaweediya Maha Vidyalaya	}	State Engineering Corporation
Ananda Maha Vidyalaya		
Technical College, Maradana		

Assistance afforded by the public in the construction of several buildings totalled Rs. 2.0 million. A sum of Rs. 3.0 million was allocated for purpose of maintenance and repair, of existing buildings.

Sri Lanka National Commission for UNESCO

Continued Co-ordination was maintained between UNESCO Headquarters and relevant national institutions during the year. Under the auspices of the UNESCO a special report was compiled on the findings of a survey conducted on Educational and Employment Opportunities for Women in Sri Lanka. Assistance was extended in obtaining training opportunities abroad in fields as education, science and culture, and for activities in the expansion of UNESCO units and Associated Schools Projects to broaden international understanding. In fields of education, science and culture action was initiated to improve co-ordination with relevant departments and institutions.

II—UNIVERSITY AND LEGAL EDUCATION

University of Sri Lanka—Peradeniya Campus

Known earlier as the University of Ceylon, Peradeniya the University now functions as a Campus of the University of Sri Lanka. The Peradeniya Campus of the University of Sri Lanka continues to provide courses of study in Arts, Medicine inclusive of Dental Surgery and Veterinary Science, Engineering Science and Agriculture. Registration for these courses under various faculties during 1973 were :—

Arts	2,367
Medicine, Dental Surgery and Veterinary Science	657
Engineering	652
Science	630
Agriculture	272
	4,578

A total of 1,386 students (internal and external) qualified for the award of degrees/diplomas during 1973 as shown in table 17.3 :—

TABLE 17.3—DEGREES AND DIPLOMAS AWARDED, 1973

<i>Degree/Diploma</i>	<i>Internal</i>	<i>External</i>	<i>Total</i>
Bachelor of Arts (Ordinary)	257	233	490
Bachelor of Arts (Special)	150	9	159
Bachelor of Commerce	82	5	87
Bachelor of Education	19	—	19
Diploma in Education	125	—	125
Bachelor of Science	124	—	124
Bachelor of Science (Special)	51	—	51
Bachelor of Medicine and Bachelor of Surgery	88	—	88
Bachelor of Dental Surgery	21	—	21
Bachelor of Science (Agriculture)	43	—	43
Bachelor of Science (Engineering)	162	—	162
Total ..	1,139	247	1,386

University of Sri Lanka—Colombo Campus

As in the previous year the Colombo Campus of the University of Sri Lanka was administered during 1973 by the President under the direction of the Vice-Chancellor until such time the Administrative and Academic Bodies are established under the University of Sri Lanka Act (No. 1) of 1972.

In keeping with the reorganisation scheme, the department of Education under the former Faculty of Social Sciences was made a Faculty of Education, with effect from July, 1973. Faculties of Humanities and Social Sciences under the old scheme were combined to form the Faculty of Arts in August, 1973. By the end of the year there were five Faculties, viz : Law, Medicine, Natural Sciences, Education and Arts. Faculty Councils and Academic Committees in all Faculties assisted the respective Deans in an advisory capacity in matters of common interest.

The Faculty of Education conducted two new Postgraduate Courses during the year, viz : Diploma in Education and Diploma in teaching English as a Second Language apart from the Degree Course in B.Ed. which replaced Teachers' Diploma Course in Social Sciences conducted earlier by the Department of Education of the Faculty of Social Sciences.

Registrations for the year 1973 were :—

NEW ADMISSIONS—1973

<i>Faculty</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
Education	87	143	230
Arts	145	124	269
Natural Sciences	98	56	154
Law	27	17	44
Medicine	88	90	178

Registered Students—1973

<i>Faculty</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
Arts	717	637	1,354
Law	76	66	142
Education	194	377	571
Natural Sciences	339	195	534
Medicine	399	326	725

Degrees and Diplomas—1973

Bachelor of Medicine and Bachelor of Surgery (M.B.B.S.) (December 1973)	63
Bachelor of Medicine and Bachelor of Surgery (M.B.B.S.) (July, 1973)	99
Doctor of Medicine (M.D.) - 1973	05
Diploma Tropical Medicine and Hygiene (D.T.M. and H) (March 1973)	05
Diploma Tropical Medicine and Hygiene (D.T.M. and H.) (July 1973)	03
Bachelor of Science (B.Sc.) 1973	137
Bachelor of Laws (LL.B.) Internal 1973	39
Bachelor of Laws (LL.B.) External 1973	60
Doctor of Philosophy (Ph.D.)	02
Bachelor of Arts (B.A.)	619
Master of Arts (M.A.)	1

University of Sri Lanka — Vidyodaya Campus

Vidyodaya University became a campus of the University of Sri Lanka with effect from 15 February, 1972 with the enactment of the University Act (No. 1) of that year. In terms of the New Act, the President became the academic and administrative head of the Campus, whilst responsibilities of the Faculties devolved on the Deans.

A Campus Board, Faculty Councils of Buddhism, Languages, Arts and Science for administrative matters and Academic Committees of Faculties of Buddhism, Languages, Arts and Science for academic matters functioned as new authorities of the Campus.

In addition to these authorities the Board of Governors and Senate were established to deal respectively in all administrative and academic matters. These authorities function in an advisory capacity. The Vice-chancellor however, would remain as the final authority for all administrative and academic purposes.

There were 1,852 students registered for various courses of study during academic year 1973.

The three faculties, viz : Arts, Management Studies and Commerce and Applied Sciences cover the following subjects :

Theravada Buddhism, Mahayana Buddhism, Buddhist Civilisation, Indian Philosophy, Western Philosophy, Sinhala, Pali, Sanskrit, Geography, Education, Economics, Sociology, Politics, Tamil, English, History, Law, Archaeology, Anthropology, Public Administration, Business Administration, Commerce, Valuation and Taxation, Mathematics, Statistics, Physics, Chemistry, Botany, Biology and Food Science.

Sinhala is the medium of instruction at the Campus, courses however are provided in English for non-Sinhalese students and facilities provided for the first degree in Public, Business Administration and Commerce in Tamil Medium and post-graduate degree in Public and Business Administration in English Medium.

Results of examinations held in 1973 were :—

Ph.D. (approved in 1972)	1
M.Sc. (approved in 1972)	2
M.P.A. and M.B.A.	—
B.A. Hons.	105
B.A.	698
B.A. (Econ.)	47
B.Sc.	21
B.B.A. and B.P.A.	80
B.Ed.	55
Diploma in Education	68
Diploma in Statistics	—
Diploma in Food Science	—

University of Sri Lanka — Vidyalkankara Campus

The Vidyalkankara University became one of the Campuses of the University of Sri Lanka on 15 February, 1972 in terms of the provisions of the University of Ceylon Act (No. 1) of 1972. The Vidyalkankara Campus of the University of Sri Lanka is a body Corporate consisting of the Chancellor, Pro-Chancellor, Vice-Chancellor, the Board of Governors and the Senate duly nominated, appointed or elected by or in accordance with provisions of the University Act.

The four faculties of the Vidyalkankara Campus, viz : Languages, Buddhist Studies, Arts and Science were reconstituted as from 14 June, 1973 to function as five faculties of Arts and Science.

Arts :—Sinhala, English, Tamil and Hindi Culture, Logic, Buddhism and Buddhist Culture, Arabic and Islamic Culture, Western Culture (including Latin and Greek languages), Pali, Sanskrit, Modern languages (including Hindi, Chinese, German, French and Russian), Statistical Systems, Philosophy, History and Archaeology, Geography, Economics, Librarianship and Education.

Science :—Mathematics, Physics, Chemistry, Botany, Zoology and Industrial Administration.

Staff :—Strength of the Vidyalkankara Campus consists of—

Professors	10
Senior Lecturers	20
Lecturers	24
Assistant Lecturers	48
Assistant Lecturers (Temporary)	32
Visiting Lecturers	74
Instructors (English)	31
Tutors	15

University of Sri Lanka — Katubedde Campus

The Katubedde Campus of the University of Sri Lanka is engaged in education and training of Engineers, Architects, Technical Teachers, sub-professional personnel and the award of Engineering Diplomas. The Campus at Katubedde provides a wide range of courses as listed below :—

Full-time courses :—Under-graduate courses in Engineering and in Architecture, Post-graduate Course in Architecture, Diploma course in Technology, Certificate courses in Technical Teacher Training.

Part-time courses :—Rubber Technology, Geology, Gemmology, Course for Engineering Apprentices, Certificate Courses in Mechanical Engineering, Electrical Engineering, Architecture, Builders, Quantities, Building Construction, Surveying and Levelling.

Some of these part-time courses are conducted in English, while others are conducted in Sinhala and Tamil.

Student population in 1973 totalled 1,257 in respect of full-time courses and 877 for part-time courses. Intake of students increased by 16 per cent for full-time courses and 12 per cent for part-time courses over the preceding year.

Under the scheme of assistance afforded by the UNDP, steps have been taken to commence post-graduate education in Engineering and also provide computing facilities at the Campus.

Staff position at the end of the year was :—

Professors	06	
Senior Lecturers	09	(Including Director Post-graduate Studies)
Lecturers	21	(Including Workshop Engineer)
Assistant Lecturers	26	
Engineering Teaching Assistants	22	
Temporary Instructors	50	

In maintaining professional liaison with the industry, several engineers and architects were engaged as Visiting Lecturers of the Campus. Full-time members of the staff served the industrial sector as consultants and otherwise. Student projects were carried out at the request of industrial organisations.

Student facilities were increased by way of Bank loans to a large number of students apart from provision of health and other amenities at the Campus. Much interest was evinced by the staff in the National Food Drive bringing a major portion of available land under cultivation.

Legal Education

Apart from the courses of study in Law available at the University of Ceylon, Colombo, legal education for students who wish to qualify as Advocates and Proctors of the Supreme Court is provided by the Ceylon Law College which is controlled by the Incorporated Council of Legal Education. The Council consists of the Judges of the Supreme Court, the Attorney-General, the Solicitor-General and such persons of standing in the legal profession as are appointed by the Judges. Admission and such persons of standing in the legal profession as are appointed by the Judges. Admission to the Law College takes place in the month of September of each year. The number of students admitted during 1973 for the Advocates' course was 43 and for the Proctors' course 99. The number of students who entered for examinations at the Law College in 1973 and successful were as follows :—

	Entered	Passed
For admission as Advocates	361 (a)	197 (a)
For admission as Proctors	477 (a)	254 (a)

(a) Candidates withdrawn included.

Number admitted refers to students who passed the Entrance Examination held in November, 1973.

III—EDUCATIONAL PUBLICATIONS ADVISORY BOARD

Educational Publications Advisory Board is charged with the functions of recommending to the Director-General of Education, of the books produced by the private sector, suitable text books, supplementary text books, readers, supplementary readers, library books, Teachers' Hand Books and Atlases for use in schools and attending to matters incidental thereto.

Statistics of books that received the attention of the Board during the calendar year 1973 were :—

	Sinhala	Tamil	English
(i) Printed books received by the Board	66	4	24
(ii) Books approved for use in schools	74	3	26
(iii) Books rejected	20	1	5
(i) Manuscripts received by the Board	7	—	—
(ii) Manuscripts approved	3	—	—
(iii) Manuscripts rejected	4	—	—

Finance

	<i>Rs.</i>
Scrutiny fees received for paying scrutineers	12,199
Amount credited to deposit account of the Educational Publications Advisory Board	8,133
Amount credited to Revenue	4,066
Amount paid to scrutineers as 'scrutiny' fees	8,696

All books received in a particular calendar year may not necessarily receive attention of the Board within the year itself.

The Notification appearing in the *Republic of Sri Lanka Gazette* No. 93 of 1974.01.04 and list of books "The 21st Supplementary List of Books" issued on 1974.01.21 would furnish details of books approved by the Advisory Board.

Educational Publications Department

The main functions of the Department of Educational Publications are (a) writing and publishing of text books in Sinhala and Tamil on subjects laid down in the school syllabus, (b) publishing text books on English literature, (c) translation into Sinhala and Tamil of text books in English necessary for higher education, and (d) compiling and publishing of glossaries of Technical terms on various subjects.

School books published by the Department are distributed to registered private traders and multi-purpose Co-operative Societies. The distribution is handled by the Sales Section of the Department.

To encourage publishing of supplementary readers on science subjects the Department has launched a scheme to buy supplementary readers written in Sinhala or Tamil media or translated into Sinhala and Tamil. Under this scheme 4 science books were selected in 1973 and 940 copies bought. These were handed over to the Director-General of Education for distribution among school libraries.

The Department published books listed below during 1973 :—

<i>Category</i>		<i>No. of copies</i>
(1) New school texts	19	2,535,425
(2) New Higher Education Texts	4	91,764
(3) New background readers, Teachers' hand books, children's books in English	12	1,811,941
	35	4,439,130
(4) Reprinted text books	33	2,937,430
(5) Reprinted Higher Education Text books.	26	116,500
	59	3,053,930

IV— DEPARTMENT OF EXAMINATIONS

A total of 102 examinations were held during 1973 including 15 foreign examinations and those on behalf of various Government Departments. Apart from G. C. E. (O. L.) Examination, Scholarships Examinations for Grades VII and VIII and G. C. E. (A. L.) Examination which are school examinations, the Technical College Entrance Examination and Technical College Final Examination were also conducted as usual.

The number of Candidates that appeared for the G. C. E. (O. L.) Examination, the largest examination conducted by the Department totalled 419,054. Of the entire number of candidates 210,534 were males and 208,520 were females. The G. C. E. (O. L.) examination was held at 2,298 centres. Although arrangements were made since 1968 to mechanise all work in connection with the examination, the results were normally released in May or June. To release the results as early as possible a new scheme was introduced for the first time as regards the scheme of marking answer scripts. After the scripts were marked at 276 centres it was possible to release the results in February, 1974. The new scheme entailed release of results within 6 weeks of the examination. Marks Sensing Cards were used for this purpose, incidentally for the first time in the history of the Department.

A total of 25,374 candidates sat the G. C. E. (A. L.) Examination which commenced in April 1973. A list of candidates who were successful in a minimum of 3 subjects was prepared according to different courses, and these were sent to the respective University Boards for purpose of making selections.

There were, 18,785 candidates who sat the Technical College Entrance Examination in 1973 at 119 centres. Work in connection with the Examination was mechanised and order of merit lists were prepared for the respective courses. These were sent to the relevant Technical Colleges.

Statistics of G. C. E. (O. L.) and (A. L.) examinations appear below. Candidates who were successful in 6 subjects or more in respect of all three media were :—

	<i>Sinhala</i>	<i>Tamil</i>	<i>English</i>
G. C. E. (O. L.), 1973.	36,613	7,021	672

At the G. C. E. (A. L.) Examination 1,358 candidates were selected for Courses in Medicine and Biology with passes in either three or four subjects. Candidates selected for courses in Engineering and Physics were 1,999 while 9,605 were selected for Arts and Law.

Of the examinations conducted and results released during the year, the Sinhala Proficiency Examination, February 1973 had a total of 15,704 candidates while the number that sat the Examination for recruitment to Posts of Principals in Government Schools held in September, 1973 had a total of 8,444 candidates.

V—LIBRARIES AND DOCUMENTATION SERVICES

In accordance with a UNESCO resolution approved at the 14 session of the General Assembly, a regional meeting of Library Experts of 11 countries in South East Asia was held in Colombo in December, 1967. A national plan was formulated at this meeting for the development, of libraries and documentation services in Ceylon for implementation, as a model for Asian countries in improving their own library and documentation services. The establishment of a strong national library agency to organise the national library infra-structure was considered essential for the plan to be successfully implemented. Library legislation was accordingly enacted in Ceylon for the first time with the promulgation of the National Library Services Act No. 17 of 1970.

Provision was made in the Act for a Board of 9 members, a full-time Chairman and a Director-Secretary. The Board was financed with an annual grant provided under estimates of the Ministry of Education.

The new Act came into operation in May, 1970. With the separation of the Ministry of Education and Cultural Affairs as two separate Ministries and re-allocation of Scientific Affairs to the Ministry of Industries, the Ministry of Education re-constituted the Board in May, 1971. Under the new scheme archival services were retained by the Ministry of Cultural Affairs, while Library and Documentation services became a function of the Ministry of Education.

The UNESCO Regional plan included 5 aspects of library services in national development, viz : School, Public, Departmental or Special/and University Libraries. The Board in addition was empowered to establish and maintain the Ceylon National Library.

The establishment of a National Library infra-structure centered round the development of School Libraries and Public Libraries, and promotion of library education. A UNESCO Grant provided under its Approved Programme and Budget for a Pilot Project in Rural Library and Documentation Services in Sri Lanka, was a development incentive. Kandy district was selected for this project in which 22 Local Authorities and 23 Schools and several community centres were grouped for collective development. Its objective was to extend institutional library facilities to village areas where rural population, though literate, had little opportunities to contact books. Mobile libraries were to be experimented with where conditions encouraged such activity. Surveys were to be conducted to ascertain reading interests, subject preferences, and socio-economic status of readers. The area covered under project libraries was constant about 900 square miles, in extent, with a population of 1.1 million, majority of whom were rural. Provision of library facilities for such a population was practically non-existent and consequently the Board devoted its activities in its first year to establishment of viable library units in 20 Village Committees, 3 Town Council areas and 25 Schools. The assistance of the Kandyan Peasantry Commission, the Department of Local Government and the Department of Education was sought in organising and implementing the project.

Those activities incidentally coincided with the International Year Book organised in Sri Lanka.

With a view to developing a library infrastructure, Ministry of Education and the University of Sri Lanka commenced teaching Library Science at University level. This would in due-course take over entire responsibility for Library Education that the Ceylon Library Association was undertaking on a voluntary basis. The Board itself arranged short-term in-service-training courses for librarians of Local Authorities and Schools. This was an opportunity for school leavers to opt librarianship as a means of employment.

The Library Board is the UNESCO Depository in Sri Lanka, as well as its National Information Transfer Centre. It is a member of the International Federation of Library Associations and is also an Overseas Affiliated Institutional member of the Library Association, United Kingdom.

Action was initiated by the Board to assemble statistical data on libraries in Sri Lanka on the basis of the UNESCO resolution in standardization of Library Statistics. Summary Statistics of the data so obtained appear in Table 17.4.

A recommendation on International Standardization of Library Statistics as adopted by the General Conference of the UNESCO at the Sixteenth Session held in Paris from October to November 1970 envisaged collection of library statistics with special coverage to (a) Number of libraries (b) Population served (c) Collections and Additions, (d) Current Periodical Titles, (e) Registered Borrowers, Expenditure (both ordinary and capital) and library Employees.

Table 17.4 LIBRARY STATISTICS : 1971-1972

Type of Data	Special Libraries	Libraries of Institutions of Higher Education	School Libraries	Libraries Financed by the Public Authorities	Total
Number of Libraries	69	44	844	496	1,353
Collections :					
(a) Books and periodicals :					
Volumes	353,510	561,456	—	426,800	1,341,766
(b) Manuscripts :					
Volumes	6,487	6,438	—	—	12,925
(c) Microforms of books, periodicals and manuscripts :					
(i) Microfilms :					
No. of rolls	—	505	972	267	16,144
(ii) Microfiches :					
Physical units	350	25	—	4	379
Annual Additions :					
(a) Books :					
(i) Titles	9,993	22,936	—	—	31,929
(ii) Volumes	20,766	45,333	32,179	—	98,278
(b) Microforms of books and manuscripts :					
(i) Microfilms :					
Rolls	1	50	—	—	51
(ii) Microfiches :					
Physical units	400	25	—	—	425
Current Periodical Titles	6,620	4,737	—	—	11,357
Registered Borrowers	17,612	30,378	195,168	39,986	283,144
works loaned out to users :					
(a) Books, Periodicals and Manuscripts* :					
(i) No. of Volumes	475,275	346,052	—	—	821,327
Inter-Library Lending at the International Level :					
(a) Items issued to other countries :					
(i) Books, periodicals and manuscripts :					
Volumes	1,329	12	—	—	1,341
(b) Items received from other countries :					
(i) Books, periodicals and manuscripts :					
Volumes	2,401	883	—	—	3,284

*For purpose of maintaining copies in place of original material.

CHAPTER XVIII

MUSEUMS, ARCHIVES, ARCHAEOLOGY, FINE ARTS AND CULTURAL ACTIVITIES

I—MUSEUMS

THE Department of National Museums maintains four museums namely the National Museums at Colombo, Kandy and Ratnapura and the Folk Museum at Anuradhapura. The Colombo Museum functions as the premier museum for the entire country while provincial museums at Kandy and Ratnapura portray material attributes as well as the society and culture of areas of their location. The Folk Museum at Anuradhapura concentrates only on traditional rural aspects of the culture and society of the North-Central region.

At the Colombo Museum display work in regard to the Stone Sculptures and Inscriptions, Polonnaruwa Period objects and exhibits on traditional crafts were completed during 1973. A number of recently collected anthropological objects from the North-Central Province were added to exhibit collection at the Folk Museum, Anuradhapura. Four exhibitions were held ad-hoc during the year at the Colombo National Museum.

Twenty-four public lectures and 12 film shows were held apart from a comprehensive schools' educational service for pupils from Grade I to G.C.E. (Ordinary Level).

The project on the 'Bio-systematics of the Insect Fauna of Ceylon' conducted by the Smithsonian Institution in Collaboration with the Department of National Museums continued during the year.

The Colombo Museum Library maintains a comprehensive coverage of Ceylon Books and Periodicals. Under exchange agreements with foreign museums nearly 458 exchanges were received for the departmental research bulletin, *Spolia Zeylanica*. In all 800 titles were added to the Library during the year.

There were 1,680 readers on roll. New enrolments during the year totalled 326. 7,429 issues were made during 1972. The library issued a bimonthly periodical index and a quarterly acquisitions bulletin during the year.

Vol. 33, Parts I and II which includes a 'Catalogue of Antiquities and other Cultural Objects from Sri Lanka (Ceylon) Abroad' and Part II, Vol. II of 'Singithi'—Museum Magazine for Children were handed over to the Government Printer during the year.

There were 512,227 visitors to the National Museums during 1973 of whom 177,029 were school children.

II—NATIONAL ARCHIVES

The Director, National Archives, receives administrative records of the Central Government over 50 years old and of historical importance for permanent preservation. The requirement under Chapter XXXIX—9 of the Establishment Code of the Government of Sri Lanka, was superseded by a new National Archives Law passed by the National State Assembly in December, 1973. (Law No. 48 of 1973). Activities of the Department which hitherto were confined to Central Government Institutions would now be extended to Local Government Institutions, Semi and other Government sponsored Institutions. Apart from these functions the Director of National Archives also administers the Newspapers Ordinance, Printing Presses Ordinance and Printers and Publishers Ordinance (Chap. 178-180).

The main function of the National Archives Department is accruing, conserving, and preserving the Archives of the country for administrative needs, legal requirements, historical research and for purpose of posterity. The Department also takes on loan manuscripts and other important records in private possession for photocopying and permanent deposit when donated. The department renders advice on matters of organizing and conserving record collections. The National Archives is the legal depository for all printed publications and Newspapers in Sri Lanka.

Departmental officers visited during the course of the year record rooms of the Ministries of Justice and Local Government, Supreme Court, Fiscals' Office, Colombo, General Post Office, Police Department, Coastal Lighting Services Department, Government Supplies Department, Kandy Kachcheri, Land Registry, Matara, Dehiwala-Mt. Lavinia Municipality and Galle Municipality. Records for permanent preservation were taken in from the Ministry of Justice, Ministry of Local Government, Supreme Court and Fiscals' Office, Colombo. This accrued 458 linear feet of records to the Department, within the year.

Donations received by the Department during 1973 were —

Mr. Solias Mendis	Forty-line drawings of Kelaniya Temple murals,
Mrs. Leela De Silva	Ten MSS of plays of late Proctor John de Silva.
Mr. P. D. S. Weerasooriya	MSS of "Sanatana Manava Dharma" by Rev. Welipatanwila Depankara Thero.
Rev. Gammeddegoda Punnassara Thero	A collection of holograph letters of Rev. Welivitiye Dhammaratana Thero.
Rev. K. Vajiragnana Thero	Some printed books in 19th century.
Rev. Tiranagama Ratanasara Thero	Photographs of Buddhist stupas and temples in East Asia.

Collections of some of these donations were made through the Ministry of Cultural Affairs.

A seminar on preservation of private manuscripts in Anuradhapura District was held at the Anuradhapura Madyamaha Vidyalaya in April, 1973. Subsequently, regional conferences of allied members of the Sri Lanka Historical Manuscripts Commission and those of District Cultural Councils on matters of Archival importance were held at Puttalam, Kegalle, Galle and Matara Kachcheries under the auspices of Government Agents of the respective districts. The Department also distributed a booklet containing instructions on the preservation of private archives and manuscripts in Buddhist Temples of the Island.

Records and manuscripts belonging to members of the public and institutions in Sri Lanka were examined, listed and copies of certain documents obtained by the department.

An exhibition on the occasion of the first Republic Day Commemoration was organised by the Department, depicting the political, religious and social history of Sri Lanka. The exhibition was declared open by Sri Lanka's Prime Minister Mrs. Sirimavo Bandaranaike on 22 May, 1973, at the Art Gallery, Ananda Coomaraswamy Mawatha, Colombo. The exhibition was kept open for the public from 22 to the 25 May 1973. The Department actively participated in organising the Bandaranaike Museum at the BMICH. An exhibition of Historical Manuscripts was organised by the Department at the Sahitya Day Celebrations, Polonnaruwa.

A total of 36 new declarations were received for registration of printing presses ; 29 printing presses were closed down during the year. The total number of printing presses registered stood at 947 as at end of December, 1973. In terms of section 2 of the printers and publishers ordinance, (Chap. 179) 4,396 titles were registered at this office. There were 148 Newspapers in circulation of this number 72 were Sinhala Newspapers. During the year 31 new declarations were received in term of section two of the Newspapers Ordinance (Chap. 180). Newspaper publishers as at the end of 1973 constituted a total of 128. Publication of the Ceylon National Bibliography ceased to be a function of the department, from July, 1973. The catalogue of local translations prepared for the "Index Translationum" published by UNESCO, includes books translated into other languages.

III — ARCHAEOLOGY

Activities of the Department of Archaeology were expanded, excavation and conservation works were commenced at a number of new sites. In addition, works carried over from the past year were continued.

To ensure a more efficient service and in the interest of the public, the work of the Department was decentralised. For this purpose four regional offices were opened at Anuradhapura, Tissamaharama, Kandy and Colombo. In the reorganization scheme the island was divided into four regions, viz, Ruhunu, Maya, Pihiti, and Western. All archaeological activities in these regions were entrusted to the respective regional offices.

Under the auspices of the Ministry of Cultural Affairs a register of Ancient Monuments containing short descriptions of all archaeological sites and protected monuments was published.

Preliminary action was initiated in connection with lifting and conservation of the colossal Buddha image lying prone on the ground at Maligavila in Moneragala District. The image house at the site is being excavated and conserved. A plan and a model was prepared for a shelter to cover the Buddha image at Avukana in keeping with designs of ancient architecture.

Conservation of the dagabas at Dighavapi and Yatala in Amparai and Hambantota Districts respectively was commenced with assistance of the public restoration societies.

A number of sites in Trincomalee District were inspected and necessary action taken to declare important sites as archaeological reserves including Fort Fredrick.

Excavations

Excavation at site of the ancient port of Mahatittha at Tiruketheesvaram a flourishing port in Sri Lanka from earliest historical times, for more than ten centuries were expanded and continued.

Compilation of reports connected with excavation conducted in the pre-historic beach habitation at Bundala in Hambantota District was completed for publication in the Journal of the Department, *ANCIENT CEYLON* No. 2.

Chemical Conservation of Cultural Objects

Wall paintings at Bihalpola Rajamahavihara, Totagam Rajamaha Vihara, Sulunapahuwa Vihara at Matala, Mulkirigala Vihara, Yapahuwa Vihara and Veragala Vihara at Mirissa were chemically treated and conserved. A Buddha image at Galvihara, Polonnaruwa Buddha Statues and architectural objects, at several other places were also conserved.

Researches were conducted in connection with the use of IOM EXCHANGE Resins for conservation of copper and copper alloy objects. Experiments were also conducted to evolve a suitable chemical formula for protection of ancient brickwork from elements under tropical conditions.

Epigraphy

A total of 50 new inscriptions were copied and recorded. In addition, 21 inscriptions were recopied. Four issues of the Epigraphical Notes, a booklet containing the texts and translations of inscriptions were published.

Publications

No. 2 of the Ancient Ceylon, the Journal of the Department was published during the year. Work in connection with the publication of the *Epigraphia Zeylanica*, Vol. VI, Part I, was completed.

A guide book to *Sigiri* in Sinhala was prepared and is in final stages of printing.

Proofs of the *Corpus of Inscriptions*, Vol. II and Ancient Ceylon No.3 were read.

Excavation and conservation of ancient monuments

Ancient monuments at Kantarodai, Medirigiri, Dimbulagala, Potgulvihara and Rankotvihara, at Polonnaruwa, Padaviya, Tissamaharama, Velgamvihara, Menikdena, Sigiriya, Panduvasnuwara, Arankele, Yapahuva, Rajangana, Kotte, Maligavila and Seruvila, were excavated and conserved.

Inspections

Archaeological reserves and protected monuments continue to be inspected regularly. Some hitherto unknown sites were noted and action taken to declare these archaeological reserves.

Departmental reserves located in various parts of the island were brought under subsidiary food crops in pursuance of National food programme initiated by Sri Lanka's Prime Minister.

IV — FINE ARTS

The pictorial traditions of Ceylon 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 scene 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, Ceylons' remnants of paintings are more numerous than in India. The folk art of the Island, known as Sittara, is peculiar to Ceylon. This type of art persists to our 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 Ceylon there appeared a new trend in art which became most noticeable in British times.

Folk Art

The tradition in the folk arts is what has been handed down from the Middle Ages of Ceylon. The golden Age of Sinhala Folk Arts was the kandyan period of Ceylon History, with the system of service tenure which ensured the economic self-sufficiency of the artisan. The stimulus was so profound that it took shape in the Kottal 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 Ceylon, the artistic expression of the folk mind, as distinguished from the "fine arts", the art of the sophisticated. Ceylon 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 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 Ceylon mask ranks among the highest expression of the art of simple folks.

A folk art of mediaeval Ceylon 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 which has been constituted by an Act of Parliament has been in existence since 1952. 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 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.

National Institute of Art and Art Crafts

The National Institute of Art and Art Crafts caters primarily to the cultural needs of the country in the field of Art and Art Crafts. It provides specialised instructions leading to the Diploma Course in Art, Sculpture, Graphic Arts, Textile designing, Ceramics, Light metal, Wood, Leather and Coir designing. Students who initially follow a three year's certificate course in Art could sit a Diploma examination in any one of these subjects. Arrangements have been made to provide these students, a programme of field training.

Exhibitions both locally and abroad were organised in 1973, displaying creative ability and talent of students in the field of art and sculpture. With the necessity to promote art and art crafts been felt by both the public and private sectors, attainment of levels comparable with international standards by students of this institution spelt indeed a healthy outlook.

Government College of Dancing and Ballet

Student and Staff participation in events of social and cultural significance is the theme of activity at this institution. Highlights of these activities during 1973 were (a) Dance recital to welcome a delegation of teachers from Japan (b) Throbling of 'Magul Bera' and blowing Conch Shells at the opening of Tourist Board Secretariat by the Prime Minister of Sri Lanka (c) Blow of trumpets on the occasion of the presentation of 'Sannasa' to Mahanayake elect of the Malwatta Chapter (d) 'Hewisi' display to mark Bandaranaike Commemoration Day (e) Welcome to the Deputy President of the United Arab Republic of Egypt Mr. Hassain al Shain at the Bandaranaike International Airport, Katunayake (f) Ceremonies to commemorate 50th Anniversary of Sri Lanka's Department of Labour and reception accorded Mrs. Sirimavo Bandaranaike, Prime Minister.

Acclaimed internationally as a leading institution in fostering national dances and ballet performances the College of Dancing plays a vital role in the revival of a culture and heritage of the people in this country.

V — CULTURAL ACTIVITIES

The Department of Cultural Affairs was set up in 1956 to help in the preservation and furtherance of the Island's cultural heritage, promote the religious activities of the adherents of the principal religions prevalent in the country, encourage and assist the development of the cultural life of the people as manifest in literature and drama, music and dancing, painting and sculpture and other creative art forms and promote cultural understanding with the other countries.

These purposes and objectives assumed special importance and significance when a Ministry of Cultural Affairs was re-established by the Government which took office in May, 1970.

Religious Activities

Under the programme of religious upliftment, financial assistance has been given by the Department of Cultural Affairs to various religious institutions and also for propagation of Buddhism in foreign countries. Text books and Attendance Registers for Buddhist Dhamma schools were supplied free. Two public examinations were held by the Department. Action was initiated to promote religious upliftment through advisory bodies consisting of all religious representatives.

- (i) Free supply of all Dhamma textbooks and Attendance Registers required for the 6657 Dhamma Schools in the island ;
- (ii) Financial assistance granted to Sri Lanka Buddhist Missions abroad and books necessary for the propagation of Buddhism supplied through High Commissions of the respective countries ;
- (iii) Action taken to deliver Buddhist sermons in Tamil in up-country estate sector and in Jaffna ;
- (iv) Compilation of directories of Mosques, Hindu temples, Catholic and other Christian Churches, Buddhist Festivals, Buddhist Associations and Pilgrims Rests.
- (v) Annual Dhamma School Final Examination and the Buddha Dharmacharya Examination conducted as usual. Certificates to successful candidates in Grade examinations of Dhamma Schools conducted by the Pradeshiya Sasanarakshaka Mandalas issued by the Department ;
- (vi) Pradeshiya Disa Sasanarakshaka Mandalas set up in every district are in operation ; a total of 187 Pradeshiya Sasanarakshaka Mandalas set up in D.R.O.O. divisions ;
- (vii) A 'Jayanti Bookshop' started for sale of publications of the Department of Cultural Affairs and the Cultural Council of Sri Lanka ;
- (viii) Financial assistance given to religious institutions, Monetary aid to Buddhist places of worship to meet cost of repairs and reconstruction. Issue of Identity Cards to Bhikkhus who had applied during stipulated period ;
- (ix) Printing and circulation of monthly newsletter "Sasana Pravurthi" with news items of Buddhist religious activities.

Arts Section

Financial assistance was afforded Kalayatanas and needy artistes. Arrangements have been made to bring the theatre within easy reach of the masses at reasonable rates and strengthen cultural relations established with countries abroad.

- (i) Dance and Music performances 'Jana Rasanga' held with participation of competent artistes from Kalayatanas receiving assistance from the Department.
- (ii) Two cultural pageants held to mark the Republic Day. A series of cultural performances held in the districts ;
- (iii) District Cultural Councils set up with patronage of Government Agents ;
- (iv) Short theatrical peices of a popular nature, produced and staged at several places in provinces to bring the theatre within easy reach of the masses ;
- (v) Stage lighting at the Lumbini Theatre at Havelock Town handled by private technicians taken over by the Department ; Facilities provided for producers to get stage lighting at concession rates ;
- (vi) To foster cultural relations between Sri Lanka and foreign countries, a series of performances of the Wuhan Acrobatic Troupe of the People's Republic of China and a series of performances of Puppetry by artistes of the Federal Republic of Germany held in Colombo and the outstations ;
- (vii) To encourage development of artistic and literary activities in provinces six Cultural Centres re constructed and work of John de Silva Memorial Theatre completed.

- (viii) As assistance to approved Kalayatanas, needy artistes and selected plays, an amount of Rs.120,000/- was released ; Kala Pola a trade fair for products of indigenous arts and crafts commenced to make these products available to public at reasonable rates ; Arrangements made to hold a dancing class for small children at the Art Gallery ; facilities also provided artists to purchase requirements at reasonable rates.

Literary Section

Activities were undertaken for welfare of writers and readers and also cultivate understanding and interest among people in literature.

- (i) A function sponsored by the Islamic Literature Advisory Panel was held on March 17, 1973 at Zahira College, Colombo. A publication "Sinhala Sirith Virith Potha" was printed and released for the Sinhala New Year.
- (ii) The two schemes of assistance to writers viz. (a) purchasing of copies of selected printed works and (b) providing financial assistance for publishing manuscripts were implemented. Work of the Inquiry Committee regarding Welfare of Writers and Readers was completed.
- (iii) The Annual Sahitya Day Celebrations were held at Polonnaruwa and annual literary awards distributed to the authors.
- (iv) Scope of Reader's Club was broadened.

Publications

Compilation, editing and printing of the Sinhala Dictionary, Sinhala - English Dictionary, Sinhala Encyclopaedia, Encyclopaedia of Buddhism and Translation of the Tripitaka were in progress.

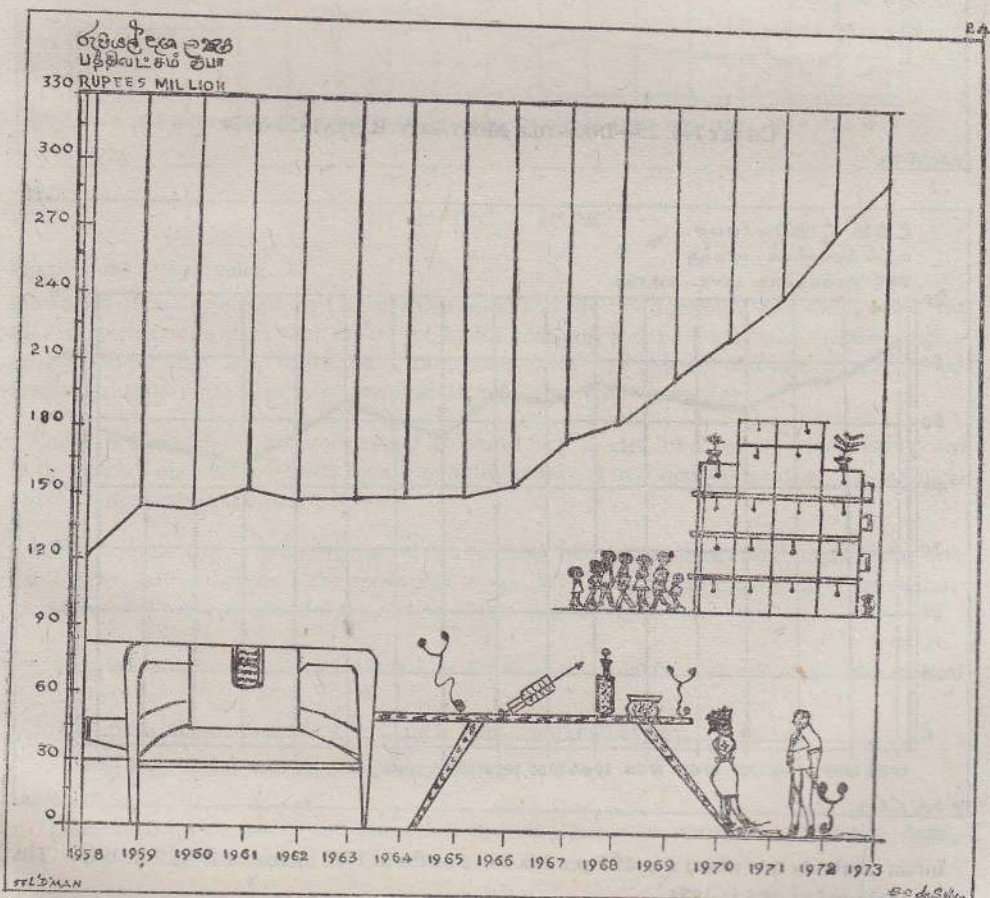
CHAPTER XIX

PUBLIC HEALTH

I—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.

CHART NO. 24—EXPENDITURE ON PUBLIC HEALTH, 1958-1973



Budgetary allocation for provision of State Health Services in 1973 totalled Rs. 273,517,380 as compared with Rs. 261,088,722 on a pro-rata basis for a 12 month period ending December, 1972

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.

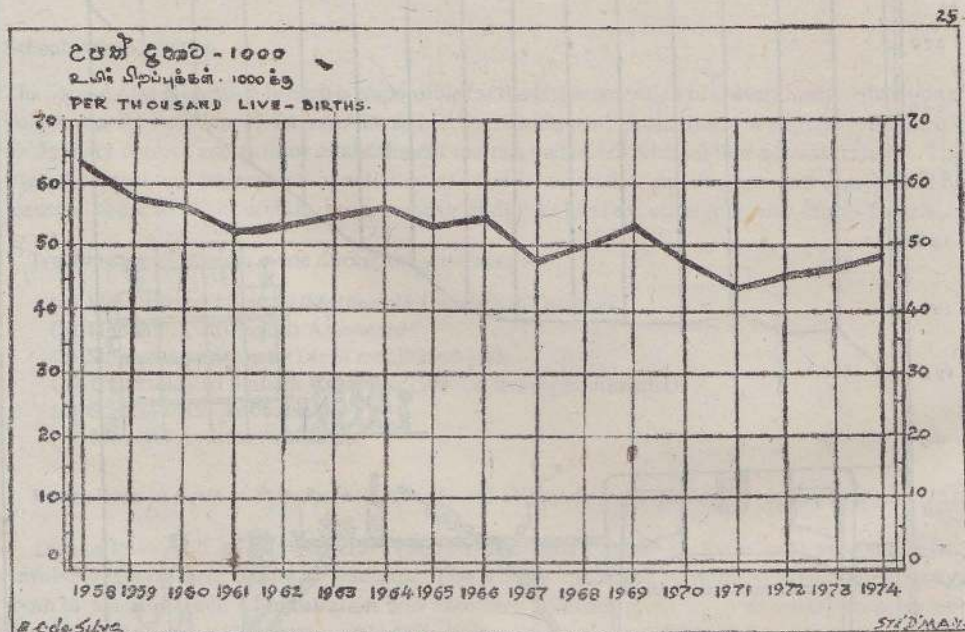
Population : The estimated mid-year population of Sri Lanka for the year 1973 was 13,180,000 an increase of 1.2 over 13,022,000 the preceding year. Provisional estimate for the year 1974 is 13,393,000 showing an increase of 1.4 per cent over the 1973 figure.

Births : Number of births registered during 1973 was 365,186 as compared with 384,066 in 1972. Crude birth rate for 1972 was 29.7 per 1,000 population. This had decreased to 27.8 in 1973.

Deaths : Deaths registered for the year 1973 were 100,850 the corresponding figure for 1972 being 104,080. Crude death rate which in 1972 was 8.0 per 1,000 population decreased to 7.7 in 1973. Rate of natural increase of population was 20.1 in 1973 as compared with 21.7 the preceding year.

Infant Deaths : Deaths of infants (under 1 year of age) registered during 1973 numbered 16,687 a decrease of 875 over the available figure for 1972.

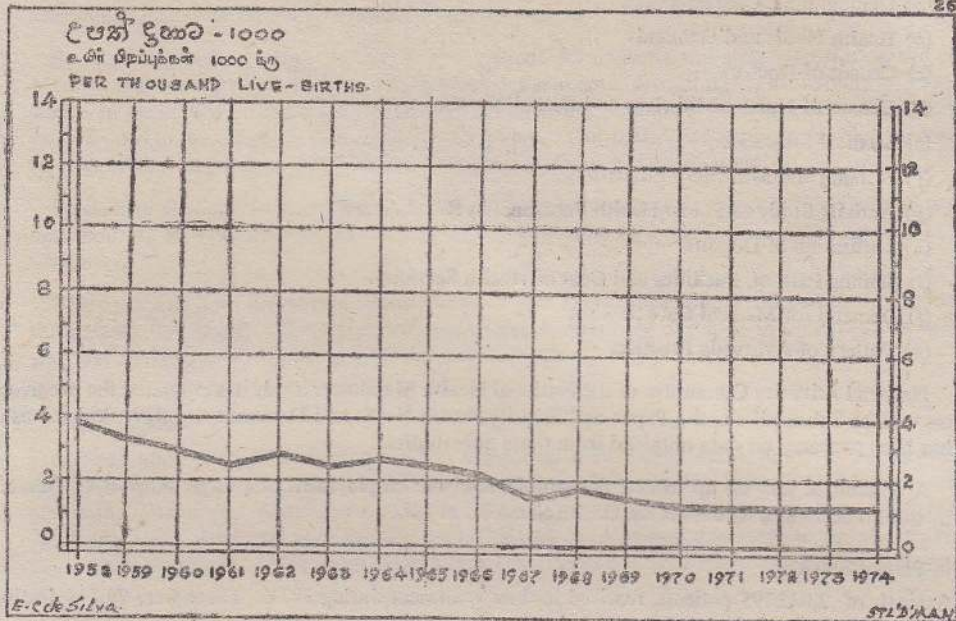
CHART NO. 25—INFANTILE MORTALITY RATE, 1958-1974



Infant mortality rate which was 45.7 per 1,000 live births in 1972 increased to 46.2 in 1973. The figure increased to 48.5 in 1974.

Maternal Deaths : Number of maternal deaths recorded in 1973 was 453 as compared with 454 the preceding year. Maternal mortality rate was static during years 1970 to 1973 with 1.2.

CHART No. 26—MATERNAL DEATH RATE, 1958-1974



III—MEDICAL CARE

Planning and Programming

Formation of new proposals for Capital Investment and effective implementation of the Five-Year Plan proposals were important aspects of health planning and programming. Implementation Programme for all projects setting out quarterly targets in both physical and monetary terms was drawn during the year and progress reviewed through quarterly Progress Reports.

Cadre requirements for Professional and Technical Staff needed for a 5-year period were revised in the light of observations made by a committee appointed to review professional and technical cadre requirements in the Health Services.

Much progress was made during the year on National Health Man-Power Study undertaking with the WHO-UNFP assistance. The services of several WHO Short-Term and Long-Term consultants were obtained for successful completion of this study designed to—

- (1) determine pattern of Health Manpower Utilization within frame-work of current medical care to—
 - (a) identify matters of intervention in improving productivity,
 - (b) redefine roles of basic health occupations.
- (2) determine present needs and demands for health services for purpose of projecting future manpower requirements.
- (3) initiate process of redefining educational goals in health professions.

Sub-studies made as end of 1973 were—

- (a) Demographic Characteristics
- (b) Health Needs and Demands
- (c) Census of Doctors
- (d) Census of Nurses, Midwives and Dental Nurses
- (e) Medical Education
- (f) Nursing and Midwifery Education
- (g) Activity Study of Public Health Personnel in Rural Areas
- (h) Utilization of Doctors
- (i) Staffing Pattern, Facilities and Cost of Health Services
- (j) Demand for Medical Care Services
- (k) Pattern of Ayurveda Practice.

National Advisory Committee of the National Health Manpower Study has evaluated the progress on various Sub-studies and a Paper on "Priority Health Needs and Demands and their Projections" has been prepared on data obtained from these Sub-studies.

A committee was set up to examine problems in the employment of a large number of female medical officers and its impact on Health Services.

In-Patient Services

A total of 2,037,195 patients received in-door treatment during 1973. There were 29,514 deaths in hospitals reported during the year.

The largest number of in-door patients recorded in 1973 was in Colombo Group of Hospitals and in Divisions of the Superintendents of Health Services, Colombo, Kandy, Kurunegala, Ratnapura, Badulla and Matara.

At Maternity Hospitals in Colombo (De Soysa Maternity Hospital and Castle Street Hospital for Women) a total of 39,116 patients received treatment. A total of 6,520 patients were treated at Chest Hospitals. Indoor cases treated at Mental Hospitals were 16,158 during the year.

Admissions at other hospitals during the year were—

Leprosy Hospital	930
Infectious Diseases Hospitals	6,827
Cancer Hospital	5,325
Dental Institute	1,202
Eye Hospital	7,389

A total of 42,353 patients were treated at the Children's Hospital in 1973.

Bed Strength : Bed strength at medical institutions under the Department of Health Services as on 31st December, 1973, was 39,732.

Over-crowding : Among Colombo Group of Hospitals incidence of over crowding was highest (12 per cent.) at the General Hospital, Colombo, compared with 18 per cent. the preceding year. At Provincial Hospitals overcrowding was highest in Kandy, Kurunegala, Badulla, Ratnapura and Galle. Larger District Hospitals recording incidence of highest over-crowding were at Homagama, Nawalapitiya, Walasmulla, Elpitiya, Mirigama, Balangoda and Vavuniya while Embilipitiya, Kaltota, Deraniyagala, Palleda and Welimada were among the smaller District Hospitals to record highest overcrowding figures in 1973.

Private Nursing Homes : There were 59 registered Nursing Homes with a total bed strength of 1,380.

Out-Patient Services

There were 20,577,366 first visits, while total visits were 23,640,722. A steady decrease in Out-patient attendance has been recorded during the last two years.

Standard of medical care provided at Out-patient departments was improved during the year. Medical Officers were appointed to Out-patient departments, depending on availability of Medical staff. In pursuance of Departmental policy in improving peripheral medical care services, action was initiated to post Medical Officers to the periphery. Out-patient laboratory and other diagnostic services were strengthened. A satisfactory supply of drugs was maintained.

Specialists attached to Provincial and Base Hospitals continue to conduct specialist clinics at neighbouring medical institutions, as part of a programme of extension specialist services to the periphery.

There was a marked decrease in attendance at Branch Dispensaries and Visiting stations conducted throughout the Island. Visiting programmes were temporarily curtailed in certain areas due to shortage of Registered Assistant Medical Practitioners.

Medical Supplies

Decentralisation of Civil Medical Stores was completed in 1973 with establishment of the Divisional Drug Stores at Matara. There are 14 Divisional Drug Stores in the Island, at Matara, Galle, Kalutara, Madampe, Kurunegala, Matale, Kegalle, Kandy, Ratnapura, Badulla, Batticaloa, Anuradhapura, Vavuniya and Jaffna. The Civil Medical Stores continues to supply drugs to Divisional Drug Stores, Institutions in the S.H.S. Division of Colombo, Colombo Group of Hospitals and Estates.

An allocation of 24 million rupees was made to obtain drugs and Medical Supplies during the year. The Civil Medical Stores, main importer of drugs to the Department relaxed its import policy to allow the State Pharmaceuticals Corporation to import 38 items of drugs. Stocks position of drugs was in general satisfactorily maintained. The Civil Medical Stores supplied medical equipment to institutions in the Island. X-ray equipment from Hungary valued at Rs. 971,000 and a Cobalt Source to the value of Rs. 377,000 from Canada were ordered in 1973. X-ray equipment to the value of Rs. 477,000 was obtained for the Neuro Surgical Unit of the General Hospital, Colombo.

International Aid.—Total value of drugs and equipment received from International Agencies is—

	Rs.
(a) UNICEF Drugs and Equipment	81,016
(b) W.H.O.	641,126
(c) SIDA Family Planning	344,775

Aid under CARE Programme, CARE Milk, Wheat, Soya Blend and "Thripasa" powders.—778,400 lb. of CARE Milk Powder, 201,500 lb. of W.S.B. Powder and 120,370 packets (523 packets of 500 grammes, 3,315 of 750 grammes) of Thripasa powder were received.

(d) F.M.D.S. Milk Powder

78,400 lb. F.M.D.S. powder valued at Rs. 196,000.

National Formulary Committee.—There were 9 sittings of the National Formulary Committee in 1973. An important step taken by the Committee was to classify and approve all drugs that would be used in listed Government Institutions and Estate Dispensaries.

Drug Sub-Committee of the National Formulary Committee had no sittings as no new drug was imported during the year.

Toxicity Committee.—Committee met once during 1973 to consider adverse reaction reported as regards three preparations, Insulin, Benzethine Pencillin and Triple Vaccine.

Local Manufacture of Drugs.—Local Manufacture Committee approved formulation and manufacture of drugs by Local Firms.

Food and Drugs Sub-Committee.—The Draft of Revised Food and Drugs Act was completed in 1973 and submitted to the Government for approval.

Physical Medicine Services

Physical Medicine (General) and Physical Medicine (Special), the two units at the General Hospital, Colombo, function under two Physicians-in-charge. The former caters to the needs of the in-patients and O.P.D. patients of the General Hospital, Colombo.

Physical Medicine (Special) provides consultation and therapeutic services for orthopaedic, paediatric and maternity patients, as well as accident cases. Consultation services have been provided to patients at the Colombo South Hospital and Rehabilitation Hospital, Ragama.

Physical Medicine services were provided in periphery at all Provincial Hospitals and some of the Base Hospitals.

IV—FAMILY HEALTH

An island-wide programme has continued satisfactorily during a five-year span. Its significant features during 1973 were :—

- (a) Existing agreement with Sweden renewed for a further year with likely extension of 3 more years ;
- (b) The Aid Agreement with the UNFPA to the value of US \$ 6 million signed in February, 1973 ;
- (c) Early setbacks to the Programme have now been overcome and Acceptors of family health programmes on the increase ;
- (d) All Medical and Para-medical personnel work in association with voluntary organizations, rural development societies, Ayurvedic practitioners and other Ministries in a meaningful environment.

In-service Refresher Training

Available training teams conducted classes at the Institute of Hygiene, Kalutara, Family Health Bureau and Colombo South Hospital, Kalubowila.

Family Planning Work

In view of observations made by the United Nations' Inter-Agency Mission, training curricula of all Para-medical personnel have been revised. Scheme of training in the context of Family Health Services is being incorporated with Undergraduate training.

Health Education

Appointment of two Health Educators to the Family Health Bureau helps augment services undertaken by the Bureau in matters relevant to health education.

Clinics : Twenty new clinics were opened during 1973 bringing the total number of clinics functioning to 491. Poly-clinic nature of service introduced during the year has shown good response, particularly at stations as Kiribathgoda, Kuliapitiya, Kurunegala, Ratnapura, Galle and Badulla. Preventive and curative services are being integrated through a clinic association.

Field distribution of contraceptive requisites was carried out by both Medical and Para-medical staff with active participation of Public Health field staff.

Post-Partum Programme : A unique feature in Sri Lanka's family health programme is that nearly 75 to 80 per cent, of total deliveries are institutionally conducted. In this context the Post-Partum Programme is quite effective. Shortcomings that existed in wake of personnel, theatre-time consumed and buildings as Post-Partum Wards have appreciably been overcome. Associated with this programme is the commencement of a referral service of operated patients to neighbouring smaller institutions for recuperation. A referral service of specialist care to the periphery was organized in some parts of the Island, particularly at Kurunegala, Gampaha, Kandy and Nawalapitiya.

Free Milk Scheme

- (a) During the year there were 2,000 centres functioning to cater to 7,600 beneficiaries under a national milk scheme.
- (b) The "CARE" programme caters to 310 centres in addition to 86 estate centres covering beneficiary total of 67,739. "W. S. B." is being issued under this programme.

Epidemiology

Poliomyelitis : A total of 362 cases have been notified during 1973 giving a rate of 2.7 per 100,000 population incidentally the highest over the preceding 5 years. This figure however is provisional due to non-availability of surveillance reports based on analysis by confirmation.

Colombo Municipality and Colombo S. H. S. area have as usual maintained a high incidence with 83 and 99 cases respectively, the only other area reporting a high incidence being the S. H. S. Division, Ratnapura with 81 cases. The cases at Ratnapura were reported mainly from the M. O. H. area Atakalanpanna probably attributable to less immunization coverage.

Typhoid : An outbreak of typhoid occurred in the area of M. O. H., Badulla and lasted throughout the 1st quarter, 1973. There were 172 cases, most of these being within Badulla Municipal Council area. Water supply to the M. C. area is from Wewassa stream which runs through Wewassa Estate and is liable to contamination. Samples of water tested from the stream showed evidence of faecal pollution.

Out-break of Para-Typhoid at the Welikada Prison : An outbreak of para-typhoid occurred among prisoners at Welikada Prison during August and September, 1973. There were 45 cases and the spread of disease has been due to contact infection.

Viral Hepatitis : There was a marked increase in the number of cases observed in 1972 with a continuing trend in 1973. Notifications of Viral Hepatitis was highest in 1973 with the introduction of the present system of surveillance.

Diarrhoeal Diseases : Out-break of Cholera El Tor was reported in Sri Lanka for the first time in October 1973 in the area of S. H. S. Jaffna. The Island was immune from Cholera for the past 20 years, the out-break of Classical Cholera dating back to 1953.

Though communications between South India and Sri Lanka are somewhat restricted, traffic continues despite strict surveillance measures. Spread of the disease from the neighbouring sub-continent is therefore not an impossibility.

Confirmed cases of El Tor reported in the Island from commencement of the outbreak by Health Districts and the number of deaths appear below :—

S.H.S. Area	Population	Cases	Deaths
Jaffna	752,000	175	9
Vavuniya	183,000	3	1
Matara	967,000	1	1
Colombo	2,818,000	13	1
Kandy	1,702,000	1	1

(Reporting period October, 1973 to January, 1974).

Food-Poisoning : A major out-break of food poisoning in the city of Colombo occurred in early 1973 when 37 residents were reported ill having consumed contaminated meals. There were 24 deaths giving a case fatality rate of 65 per cent.

Ten other cases of food poisoning were reported during the year. Of these, 2 were from Colombo Municipal area and one each from Nugegoda, Peliyagoda, Maharagama, Lunuwila, Hingurakgoda, Kegalle, Lunugala and Nuwara Eliya.

Small-pox : A total of 304,542 primary vaccinations, 24,354 secondary vaccinations were carried out during the year. This was a substantial drop in the number of immunizations as compared with the preceding year. Only 16.7 per cent. of immunizations performed were under 1 year of age, age groups 2-5 years and 5 plus had 32.4 and 28.2 per cent. respectively. Surveys reveal that less than 5 per cent. of infants are immunized during the first year of life. High percentages in immunizations occur after 5 years attributable to school entry as a requirement for school admission.

Anti-Typhoid Innoculations : A total of 309,008 doses were administered representing only 53 per cent. of the total in the preceding year. Wider percentage in the preceding years was due to several outbreaks of the disease during 1971 and 1972.

	1971-72	1973
1st dose	293,252	193,556
2nd dose	203,971	138,245
Booster	92,757	57,207
	579,980	309,008

Triple Vaccine (DPT) : A total of 772,691 doses of triple vaccine were administered during the year representing an 86 per cent. increase over 1972. Coverage in the first dosage is in the region of 168 per cent. increase over the preceding year. The immunizations carried out have been spread over the 5-year pre-school group.

Immunization programme has been hampered due to a large stock of DPT vaccine imported being found unsuitable.

Double Vaccine (D. T.) : 60,087 doses of double vaccine were administered mainly to school children.

Tetanus Toxoid

Immunization of pregnant mothers had been undertaken in an effort to eliminate neonatal tetanus. Only a small proportion of estimated population of pregnant women has been covered. A total of 28,621 (first), 14,849 (second) and 11,210 (third) doses were given to pregnant mothers during 1973.

Immunization of other Groups : 115,220 doses have been administered among other categories of persons mainly from schools and hospitals. A considerable demand for tetanus toxoid exists.

Oral Polio Vaccine : A total of 344,837 doses in 0-1 year age group and 483,666 doses in the 1-4 years age group were given during the year.

There was thus a total of 828,503 doses administered in 1973 of which 42 per cent. are reported to be in the 0-1 year age group, a similar proportion as observed in the preceding year. Of the doses administered in infancy, 52.3 per cent. constitute 1st dose while only 21 per cent. received 3rd dose.

Anti-Cholera Immunization : Anti-Cholera immunization was commenced in October, 1973, with the outbreak of Cholera in Jaffna Peninsula. A total of 840,992 doses were administered with nearly 80 per cent. coverage in Jaffna S. H. S. Division.

V—SPECIALIZED CAMPAIGNS

Tuberculosis

Tuberculosis control measures were integrated during the year. Managerial Teams headed by Divisional Tuberculosis Control Officers were appointed, one each to a Health Division to work very closely with respective Superintendents of Health Services in the control of the disease.

The World Health Organisation selected Sri Lanka for its Field, Training Programme in measures designed for the control of Tuberculosis.

A total of 5,970 cases of all forms of Tuberculosis were registered in 1973. Of these 5,231 were notified as Pulmonary Tuberculosis. Only 3,276 cases (63 per cent) of these however were bacteriologically confirmed and 1955 cases were registered on clinical and radiological evidence. Confirmation rate was higher than in 1972 (57%) and rates ranged from 47% in the S.H.S. Division, Matara to 85 per cent. in Anuradhapura. There were 165 more infectious cases of Pulmonary T.B. notified during 1973 than in the preceding year.

Of cases registered non-Pulmonary tuberculosis contributed 12 per cent. of the total. The proportion of male to female cases continued to remain at 2 : 1. Incidence of non-Pulmonary cases was highest among elderly males over 35 years of age.

As compared with the preceding year incidence of all forms of Tuberculosis was 45 (49.7 in 1972) per 100,000 population, and of Pulmonary Tuberculosis was 39.4 per 100,000 population as compared with 42.1 the preceding year.

There were 35,272 cases remaining in the Central T.B. Register as at the end of 1973. A total of 17,905 cases were removed from the Register during the year.

Latest figures available on mortality rate for the disease is 14.2 per 100,000 population and that too in respect of year 1969.

With extension of the Community-Oriented Integrated Tuberculosis Control Programme to the Southern and Northern Provinces the entire island is now covered by this service. A total of 155 more Medical Care Centres were organised during the year for purpose of case finding and treatment, bringing the total number of such centres to 661.

Chest Clinics and Branch Chest Clinics examined 106,684 persons and notified 4,354 cases of Pulmonary Tuberculosis as compared with 120,878 persons examined and 4,684 cases notified the preceding year. The Chest Clinics carried out ambulatory treatment on 15,238 cases. General Medical Care Institutions in the island had 6,854 cases of Pulmonary Tuberculosis on supervised treatment under their charge.

The four Chest Hospitals and 16 T.B. Wards in other hospitals with a total bed strength of 2,066 treated 11,345 patients and provided a total of 568,274 patient-days service during the year. There were 468 deaths in hospitals during the year. A permanent Thoracic Surgeon was appointed to Chest Hospital, Welisara.

The Central T.B. Laboratory and the laboratories of the Chest Hospitals and Chest Clinics carried out a total of 160,613 investigations. Of these, 107,243 were direct smears and 10,893 were culture examinations of sputum. In addition, the Central T.B. Laboratory carried out cross-checking of sputum smears from peripheral laboratories, drugs sensitivity tests and preparation of culture media.

Where X-ray facilities were available, these were utilised for diagnosis and follow-up cases of Tuberculosis. Chest X-rays were carried out on 144,391 persons. Of these 127,159 were in Chest Clinics and 17,232 in Chest Hospitals and T.B. Wards.

The Mobile Mass Miniature Radiography service was curtailed due to shortage of miniature roll films. However, 3,973 mobile examinations were carried out mainly among adults subject to exposure of risk, but no pulmonary pathology in any form was detected.

All specific drugs except for PAS viz. Streptomycin, INAH, Pyraxinamide, Ethiouamide, Thiace-tazone, Ethambutol and Rifamycin were available.

Primary vaccination was given to new born infants, pre-school children and school entrants and re-vaccination was carried out in schools in the age group 10 - 14 years. A total of 573,280 children were vaccinated in 1973.

A total of 143,359 new borns were vaccinated in 114 hospitals, an increase of 10,050 over the preceding year. There were 6 hospitals opened up for new-born vaccinations with a coverage of 79.9 per cent.

At 180 Child Welfare Clinics covering 84 M.O.H. areas 99,652 infants and pre-school children were vaccinated and 63 new Child Welfare Clinics organised in 1973. School children vaccinations totalled 330,239 in 6,742 schools with a coverage of 74.6 per cent.

Range Public Health Inspectors throughout the island had contacts with patients in their homes for purpose of investigation, education, follow-up and default action.

Health Education was directed to promote community participation in the Integrated Tuberculosis Control Programme and strengthen service programme by improving contact among patients, general public and health workers. Pre-service and in-service personnel education and orientation were carried out among health workers. Apart from training 182 821 persons of various categories on T.B. Health Education, the Campaign also participated in 7 Health Exhibitions.

A total of 1,053 medical and para-medical personnel were trained in T.B. Control activities and B.C.G. vaccination. Medical personnel so trained varied from Superintendents of Health Services to Public Health Midwives. There were 19 International Fellowship trainees during 1973.

A sum of Rs. 2,660,063 was paid as financial assistance to 4,694 deserving T.B. cases during the year.

Expenditure under the Anti-Tuberculosis Programme totalled Rs. 7,321,199.

Malaria

Total incidence of Malaria has shown a considerable increase due to resistance of the vector to insecticide DDT and drought conditions favouring high density of vector breeding. Increased movement of people to highly malarial areas for purposes of cultivation, Gem mining and other development activities have also contributed to an increased incidence of the disease.

A total of 1,455,572 blood smears were examined and 227,713 found positive with a slide positivity rate of 15.6 per cent. In the preceding 15 months 1,893,002 blood smears were examined and 170,742 found positive with a slide positivity rate of 8.9 per cent. *P. falciparum* cases totalled 9,486 as compared with 4,996 during the preceding 15 months. Predominant species continue to be *P. vivax* which was 95.8 per cent and *P. falciparum* 4.2 per cent. There were no confirmed *P. malaria* cases. *P. falciparum* infection has been limited mainly to areas as in the preceding year viz.—Moneragala, Bibile, Hingurakgoda, Valaichenai, Amparai, Hambantota, Atakalanpanna and Rattota. Continued intensified remedial measures have helped prevent spread of the disease to other areas.

Although resistance by the vector *A. culicifacies* to DDT was evident residual insecticide spraying with DDT was continued, the insecticide being effective though to a lesser extent than anticipated. A total of 5.4 million people were protected under a campaign of DDT spraying on a 4 monthly cycle. In malignant malaria infected areas, the insecticide was sprayed on a 2 monthly cycle. A small quantity of Malathion was added to DDT to abate bug nuisance.

Case detection continued as before with active and passive components. Field Assistants attached to spraying units, Public Health Inspectors and Vigilance Units carried out Active Case Detection.

Apart from institutional treatment, various field units also carried out house to house visits for purposes of effective treatment. Presumptive treatment with Camoquin or Chloroquine and Pyrimethamine hitherto confined only to *P. falciparum* areas was extended to all other malarial areas with Camoquin and Chloroquine, where *P. falciparum* was not prevalent. In malignant malaria infected areas, single dose prophylactic treatment with Camoquin or Chloroquine and Pyrimethamine was administered by house to house visits. Kataragama pilgrims were afforded protection under an adequate scheme for prophylactic treatment. As anti-malarial drugs were freely available at all institutions apart from distribution in house to house visits, it was possible to protect people adequately without disruption to their normal activities. The government has provided more than sufficient stocks of anti-malarial drugs to ensure prompt treatment of the disease.

Anti-Malaria Campaign Laboratories functioned smoothly though taxed to maximum capacity due to increase in incidence. Additional Microscopists were recruited during the year.

Entomological Investigations continued to be carried out. There were 5 Entomological teams, 2 national Entomologists and a WHO Entomologist attached to the Anti-Malaria Campaign.

Anti-Filariasis

Parasite Investigation and Control.—1,550,429 blood films were examined for *Microfilaria* inclusive of 66,158 blood films from Special Survey. There were 7,629 positive cases of *Microfilaria*. *Microfilaria* rate for the year was 0.47 per cent. Blood filming activities have suffered a setback due to a shortage of glass slides. In areas where both Vector and Parasite Control work are carried out, high rates were recorded at Matara with 1.5 per cent., Galle 1.2 per cent., Balapitiya 1.2 per cent. and Peliyagoda 1.0 per cent. Where Parasite Control is solely carried out high rates were recorded at Walahanduwa 1.3 per cent., Kotuwila 1.3 and Gothatuwa 1.1 per cent. *Microfilaria* rate for endemic belt has decreased slightly from 0.59 per cent. to 0.47 per cent. during 1973.

Clinical Cases.—8,531 visits had been made by patients with clinical manifestations for treatment at 15 clinics in the endemic belt. New clinical cases seeking treatment at these centres during the year totalled 1,387.

Vector Investigation and Control.—Routine Entomological Investigations were conducted in two different sectors—

- (a) Areas where Vector and Parasite Control Work is carried out ;
- (b) Areas where only Parasite Control Work is being carried out.

Special Studies undertaken during the year were—

- (1) Larvae identification and breeding pool characteristics ;
- (2) Gonotrophic cycle of "house catch" adult (*p. fatigans*).

Prevention of breeding and elimination of breeding places of the vector were chief methods adopted. A total of 83,456 permanent breeding places were treated weekly with a mixture of Fenthion and water. Catch pits were converted to water-seal type latrines. The introduction of larvivorous fish was undertaken. The fogging of houses with DDVP (Vappona) as an adulticide was undertaken in Dehiwela Municipality and in selected areas at Matara. Efficiency rate of larval control work was over 95 per cent. for the year.

Intensive Health Education programmes were carried out in 30 areas. Volunteers were selected and trained for participation in blood filming programmes.

Special Activities undertaken were :—

- (1) Mass blood filming was carried out in areas with high incidence of Filariasis and positive cases given treatment ;
- (2) Blood filming in Moratuwa U.C. area where Parasite Control work had been suspended ;
- (3) Blood filming in hospitals ; and
- (4) All Island Filariasis Survey ;
- (5) Mass treatment of filaria cases in three selected areas.

Leprosy

With a view to preventing any form of social disability on the patient 'home visits' excepting defaulting cases were discontinued. The Anti-Leprosy Campaign participated in two Health Exhibitions :—

- (i) Faculty of Medicine, Sri Lanka University, Peradeniya Campus ;
- (ii) Peoples Health Week Exhibition at Town Hall, Jaffna and also ;
- (i) Lecture Demonstrations to Health Committees, Rural Health Volunteers, Sarvodaya and Saukyadana workers ;
- (ii) Contacts established with Western and Ayurvedic Medical Practitioners by Public Health personnel attached to the Anti-Leprosy Campaign.

There were 67 Peripheral clinics functioning at the beginning of 1973. Six new clinics were opened during the year. These clinics were functioning at Kegalle, Maho, Valaichenai, Ruwanwella, Narammala and Hingurakgoda. Office equipment including a Pradovit Colour Projector with Portable Screen was received by the Sri Lanka Project—0026 in 1973 under W.H.O. assistance programme.

Three Toyota Jeeps and a Fibre Glass Boat purchased from Papal Donation were formally handed over to the Leprosy Hospital, Hendala. Average in-patients at Mantivu and Hendala were 97 and 481 respectively during 1973. A total of 6,913 patients were treated as out-door cases at Leprosy Clinics.

Morbidity.—Overall prevalence for the island as a whole is 0.535 per 1,000 population.

New cases detected during 1973 totalled 749, giving a monthly average of 62.4.

Veneral Diseases

Infectious V.D. cases registered during the year showed an increase. There were 845 new cases of infectious Syphilis and 4,980 cases of Gonorrhoea as compared with 680 and 3,949 respectively in the preceding year.

Infectious Syphilis recorded a rate of 6.5 per 100,000 population as compared with 5.2 the preceding year. Gonorrhoea showed an increase with rate of 38 per 100,000 population as compared with 30 cases in 1972.

Attendance of infectious Syphilis and Gonorrhoea cases was more marked in the second half of the year than in the first half, continuing trend as observed in the preceding year.

Infectious Syphilis in 10–19 age group accounted for 12.7 per cent. of total cases as compared with 12.8 per cent. in 1972. Gonorrhoea cases too among this age group showed no significant change being 5.6 per cent. total cases, compared with the figure 5.8 per cent. in the preceding year.

Outstation clinics recorded increases in attendance of infectious V.D. cases. Fresh cases of Syphilis and Gonorrhoea reported during the year were 435 and 1,888 respectively, corresponding figures for the preceding year being 359 and 1,546 cases.

Among the outstation clinics, Kurunegala, Katugastota, Horana, Anuradhapura, Ragama and Kegalle showed significant increases in attendance of infectious Syphilis cases. Attendance of Gonorrhoea in all outstation clinics, except Horana, Matara and Ratnapura recorded increases during the year.

Colombo Clinics recorded highest incidence among labour classes which accounted for 32 per cent. of infectious Syphilis cases and 25.8 per cent. of Gonorrhoea cases compared with 31.3 per cent. and 29.4 per cent. respectively in the preceding year.

Traders accounted for 19 per cent. of infectious Syphilis and 22 per cent. of Gonorrhoea showing a slight decrease in the group with 22.3 per cent. and 21.2 per cent. respectively in 1972.

Prostitutes and casual acquaintances together accounted for 74.8 per cent. of sources of infection of infectious Syphilis and 85.5 per cent. of Gonorrhoea cases.

Homosexual sources of infection for infectious Syphilis declined from 17.7 per cent, in the preceding year to 14.7 per cent, during 1973. Corresponding rate for Gonorrhoea was 3.3 per cent, as compared with 3.2 per cent, in 1972.

Routine blood tests were continued at ante-natal clinics in areas of Colombo and Kandy Municipalities. All reactive cases were investigated and treated where treatment so warrants.

Regular educational programmes and group talks were carried out with co-operation of voluntary organisations. Intensive health education work was undertaken in Pilot Community Health Project Areas.

Anti-V.D. Campaign participated in 4 Health Exhibitions in outstations and a similar number in Colombo. Regular control measures were carried out at all full time clinics.

Routine blood tests on admission to Remand Homes, Prisons and Training Schools for Youthful Offenders were continued. Similar tests were carried out at ante-natal clinics and Maternity Wards of hospitals in Colombo and in outstations.

Expectant mothers in estates affiliated to the Planters' Association were examined for traces of Venereal Diseases.

Ten cases of Early Congenital Syphilis were detected as compared with 31 the preceding year. Five of these cases were from Colombo.

Procaine Penicillin in oil with 2 per cent, aluminium monostearate continued to be a drug of popular choice in all cases of Syphilis at clinics in the Island giving excellent results in treatment of infectious Syphilis. All such cases were tested for Penicillin sensitivity before treatment.

Standard treatment for Gonorrhoea was 1.6 million units of fortified Procaine Penicillin for males and 2.4 million units for females.

Training of medical and para-medical personnel in V.D. control work was continued at Central V.D. Clinic, Colombo.

Post-Graduates and under-Graduates of the Faculty of Medicine at Peradeniya Campus of Sri Lanka University and Colombo Campus were given lectures and lecture demonstrations on V.D. control work.

Venereal Diseases Research Laboratory (VDRL) test continues to be carried out in Colombo, and in eight decentralised units in outstations.

The Fluorescent Treponemal Anti-body (F.T.A.) test is being maintained satisfactorily in Colombo.

Mental Health

Angoda, Mulleriyawa and Pelawatte Mental Hospitals with a bed-strength of 3,592, provide the main in-patient services. Peripheral Units too had a total of 267 beds for in-patient care. Ragama Chest Hospital, was converted to a Rehabilitation Hospital providing 200 beds for psychiatric T.B. patients. A total of 11,765 patients were treated at Mental Hospitals during the year.

As regards outstation clinics 21 such clinics were organised by the Psychiatrists attached to Mental Hospital, Angoda. Psychiatrists attached to Peripheral Units held clinics at Jaffna, Point Pedro, Tellipalai, Kandy, Matara, Galle, Kalutara, Anuradhapura, Kurunegala and Unawatuna, hospitals. Daily attendance at these clinics was in the region of 100 patients per clinic.

Under the scheme of rehabilitation 5½ acres of paddy land were cultivated at Mental Hospital, Angoda, during Maha season. Income from agriculture at Angoda, Mulleriyawa and Pelawatte was Rs. 40,700.

With existing cadre of Occupational Therapists activities carried out during the year were textile weaving, ratan work, carpentry, masonry, tinkering, coir mattress and broom work, dusters from unserviceable hospital linen and mat weaving. On an average approximately 100 patients per day were engaged in these activities.

The School of Psychiatric Nursing at Mulleriyawa continued its affiliation programmes involving all Nursing Schools in the Island. A total of 800 students received training at the School during 1973.

National Blood Transfusion Service

Blood collection at the Central Blood Bank and Provincial Blood Banks is outlined below :—

- (i) From regular donors—Those who call over at the Blood Bank to donate blood every three to six months.
- (ii) From relations of patients—A new scheme was initiated in March, 1973, at the Central Blood Bank to increase blood collection. Public Health personnel visit wards at the General Hospital to contact relatives of patients given blood transfusions previous day, to persuade them to replace blood given their patients.
- (iii) Through Mobile Units—Two Mobile Units are released frequently from Central Blood Bank for blood collection. Medical Officers of Blood Banks at Kandy, Jaffna, Ratnapura and Kegalle similarly release Mobile Units for purpose of blood collection for their respective Blood Banks.

Festivals.—Religious festivals covered by Mobile Units were—Vesak ; St. Anne's Festival, Talawila ; Poson, Anuradhapura ; Esala, Kataragama ; Mahiyangane ; Esala, Devinuwara ; Munneswaram and Medamahawara, Sri Kadireshan Kovil.

Free Blood Donation.—Of 43,237 blood donors during the year 32,029 were free donors. Percentage of Free Blood Donation thus increased from 69 per cent. to 74.1 per cent. saving an honarium of Rs. 320,290.

Special Programmes.—Blood was obtained from 13 Commercial Establishments, 16 State Corporations, Police Training School, Kalutara, Reserve Police Training School, Bandaranaike Commemoration Programme, Dudley Senanayake Commemoration Programme, 5 Teachers Training Colleges and 3 State Institutions.

Voluntary Assistance.—Assistance in the form of voluntary blood donations was obtained from religious organisations, Community Organisations, Lions Clubs, Sri Lanka Boy Scouts Association, St. John's Ambulance Brigade, Ceylon Red Cross Society, Sri Lanka Eye Donation Society, Sri Lanka Sauky dana Movement, Lanka Jatika Sarvodaya Sramadana Movement, Sasarakshaka Mandala, Sasana Sevaka Samithi, Government Agencies, Departments of Education, Local Government, Police, Prisons and Railway, the Armed Forces, Commercial Establishments, State Corporations and Teacher-Training Colleges.

VI—HEALTH EDUCATION

Considerable progress was made in the field of Health Education during 1973. Health Education Division of the Ministry continued to work in close liaison with other sections of the Health Ministry, specially the Family Health Bureau and also other Ministries as Education, Labour, Information and Broadcasting.

Central Division of the Ministry assists the S. H. S. Divisions Health Educators and other staff in providing necessary assistance and guidance. Work assignments were categorised to cover such aspects as—Community Health Education (including hospitals), School Health, Training, Mass Communication, Material Production, Research and Evaluation. A major development during the year was amalgamation of the Health Education Material Production Units with the Health Education Section of the Ministry.

All major activities planned for 1973 under UNFPA/WHO Project (SRL 104) were accomplished. These include Training, Behaviour Studies, Supplies and availability of Equipment. Proposed Behaviour Studies were in progress and some of the supplies and equipment received were distributed under a scheme of plan operation.

Training programmes conducted during the year both by central organisation and the divisions were :

- (1) Seminar for Superintendents of Health Services and Medical Superintendents in administrative aspects of Health Education.
- (2) The training programme conducted at Health Units, Kirindiwela, was reviewed and suitable modification made.
- (3) Workshops for tutors and field staff attached to the Institute of Hygiene, Kalutara, in Health Education training.
- (4) 44 training programmes for field workers conducted by divisions with the assistance of the central unit.
- (5) Training programmes in Health Education for Medical Officers and Nursing staff attached to Out-patients Department, General Hospital, Colombo.
- (6) Assistance afforded to other training programmes on Malaria training and Nursing School of Dental Nurses.

Hospital Health

A pilot health education programme was commenced at the O. P. D., General Hospital, Colombo. Health Education Committee have been formed in some outstations with necessary training been given to the staff in Health Education.

Health Education Division of the Ministry participated actively in cholera control work, with the outbreak of cholera EL/TOR in the Island. Central organisation and Health Education Material Production Units worked with Divisional Health Educators and other health workers in implementing Health Education programmes in the control of cholera. Apart from preparation and distribution of posters and leaflets, special radio programmes were arranged and press releases were prepared depicting various aspects of the disease.

Community Organisation

On encouraging results obtained in the preceding years, the pilot project programme was expanded to cover 98 areas, one each in a Health Unit area. Intensive educational programmes were carried out in these areas. Some important activities were —

- (1) Identification and orientation of volunteer workers.
- (2) Organisation of central and village level committees.
- (3) Conducting, analysing and feed back survey findings to the community.
- (4) Conducting intensified health education programmes, talks, discussions with formal and informal groups.

To intensify public participation in community health projects special recordings on these projects were made with local participation for purpose of broadcasting over the National Radio.

Material Production

Six posters on Family Planning were designed. A total of 400 silk screened posters were prepared and necessary wooden frames for display made available at the Health Education Material Production Units. The Units also carried out training cinema operators and supplied sound system to a number of exhibitions and assisting other Ministries as Education and Agriculture in providing sound system facilities.

Research Studies

One of the major activities under the Project SRL 104 was the development of behaviour studies to assist health education aspects of the family health programme. Five such studies commenced in 1973 are in progress.

Mass Communication

Special features in mass communication media were :

Journal.—The quarterly journal "Sepatha" was published and distributed for 4 quarters of the year.

Radio Programmes.—In addition to routine radio programmes in Sinhala, Tamil and English, a number of special programmes were conducted in connection with the World Health Day and measures on the control of Cholera EL Tor.

Press Supplements.—Regular articles were published in the daily papers. Press supplements were issued in connection with the World Health Day. A series of press articles and notices were released consequent to the outbreak of Cholera EL Tor in the Island.

Film.—The Film on Tuberculosis was completed. Work on the film on Cancer was commenced during the year. Assistance was also afforded to a WHO team in the preparation of a film on portraying various aspects of Family Health.

VII—ENVIRONMENTAL SANITATION

Environmental Sanitation is an important routine activity of Public Health personnel and includes measures taken for disposal of human waste, provision of safe water supplies, refuse disposal, housing, food and food sanitation. These functions are executed with active co-operation of local authorities and voluntary organisations. Facilities for proper disposal of human waste, adequate portable water supply continue to be below optimum level in many parts of the island. Under the "aided scheme of latrine construction" financial assistance is provided for poor and needy households in rural areas to construct sanitary latrines. Of a sum of Rs. 400,000 allocated under this programme the amount expended was Rs. 225,345. Price fluctuations of building materials, particularly cement and steel have curtailed normal supplies of these items. Further a subsidy of Rs. 25 under the scheme is considered inadequate and steps are being taken to increase the rate of subsidy. Of amount allocated 25 per cent. was expended for construction of pre-school latrines. In the filaria endemic belt assistance was given for conversion of bucket system to water seal latrines. Health Education continues to be an important item in the planned programme of environmental sanitation. Community Pilot Projects were commenced one each in a MOH area in 1973. An important aspect of the project is to stress emphasis as regards latrine construction. The services of voluntary organisations have been enlisted to execute this programme.

Food and Drugs Control

At present there are seven Food and Drugs Inspectors who are in charge of this work.

A new draft Food and Drugs Act has been submitted to the Ministry of Health by the Committee on Food and Drugs Control. The Act provides for regulating and control of importation, sale, manufacture of Food, Drugs, Cosmetics and other similar items.

The Competent Authority for enforcement of the Act is the Chairman of each Local Body. Food and Drugs personnel carry out inspections as regards diet and kitchen hygienes in all Government Institutions. Sampling various food items with purity standards has been conducted and proceedings instituted against offenders of the law.

School Health Work

School health work is carried out mainly by Medical Officers of Health with assistance of field staff. There are six full-time School Medical Officers covering school health activities in principal towns.

The National Joint School Health Committee under the Chairmanship of Deputy Director-General, Education, discussed such topics as immunization procedures, issue of free spectacles for school children, family education, sanitary facilities in schools and BCG vaccination of school children.

There are yet a large number of schools particularly in rural areas void of adequate sanitary facilities. Steps however, have been initiated to improve existing facilities through Joint School Committees, Parent-Teacher Associations and Voluntary Organisations.

Medical Inspections

A total of 2,990 schools were taken up for medical inspection and 206,158 children examined. Audio-visual defects and dental cases were particularly significant among school children.

Immunizations

Of children examined 12,033 were found unvaccinated against Small-pox, an increasing trend each year. The Health Ministry is taking steps to introduce legislation for compulsory vaccination as these diseases are preventable. The number of primary vaccinations carried out by the Public Health Inspectors and Public Health Nurses in Schools and Clinics in the area of S.M.O. Colombo is 9,667. Booster doses of Triple Vaccine were given to 84 children, Double Toxoid Booster doses to 806 children and Tetanus Toxoid Booster doses to 6,433 children.

VIII—DRUGS-QUALITY CONTROL

The laboratory established with aid from Japan continued to expand its services. Analysis done for public and private sectors increased considerably giving a total of 634 items of work undertaken. Income from private sector work was Rs. 17,999, a four-fold increase over the preceding year.

The Drugs Quality Control Laboratory provides technical advice to many institutions including Civil Medical Stores, State Pharmaceutical Corporation, Bureau of Ceylon Standards etc. The laboratory assisted the Medical Faculty staff, Colombo Campus of Sri Lanka University in a project to determine serum levels of drugs.

A project on bio-content of Tetracycline and another on stability of drugs in strip packs were undertaken by the division.

Sampling of locally manufactured drugs at manufacturing institutions was carried out by the laboratory staff.

IX—ELECTRO-MEDICAL ENGINEERING

The Electro-Medical Division continued its function in providing maintenance and repair facilities for all Electro-Medical and certain other equipment in hospitals under the care of Department of Health Services. The Division also provides technical assistance in purchase of equipment and installation of new equipment purchased. Services of the Division were available to hospitals and institutions of the Armed Services. A total of 7,490 assignments were undertaken during the year.

Maintenance Workshop at the MRI and its staff were transferred to the Division in addition to the transfer of the workshop at the Civil Medical Stores.

X—RADIOLOGY

Radiology activities at the General Hospital, Colombo, during the year were:

	<i>Patients</i>	<i>Films</i>
Main X-Ray Department	53,025	97,864
O.P.D.	12,032	15,933
Accident Service	20,646	31,126
Orthopaedic Clinic	9,873	13,756
N.S.U.	4,986	16,222
Dental Institute	12,103	14,197
Thoracic Unit	309	328

In the periphery, radiologists were attached to some of the provincial hospitals. Seven X-Ray plants were ordered from Hungary for new installations and also to replace some of the old plants now being used.

XI—VETERINARY SERVICES

Rabies being the most important zoonotic disease in Sri Lanka, action was initiated during the year to carry out mass immunization campaigns against rabies in dogs. The programme which commenced in December, 1972, has been continued during 1973.

Elimination of stray dogs which is an important aspect in the control of rabies could not be effectively carried out for lack of seizing van facilities. Dogs destroyed in the process of seizing are quite insignificant as compared with stray dog population in the Island.

A total of 1,116 (animal) brains were received for examination for trace of rabies at the M.R.I. There were 618 positive cases.

Consequent to two large outbreaks of Leptospirosis at Ja-ela and Kalutara, investigations were undertaken with the Epidemiologist to identify sources of infection.

Lectures on zoonoses with special emphasis on rabies were given to M.O.H. in their training programme at Kalutara.

As part of in-service training lectures were given to Senior Public Health personnel on meat inspection and rabies control.

XII—QUARANTINE ACTIVITIES

Quarantine work including granting of pratique to ships was carried out by the Chief Port Health Officer.

A total of 1,598 ships including sailing vessels and Naval Craft were given pratique during the year.

Three ships from Indian Ports were placed under Quarantine as there were a number of cases with symptoms of diarrhoea on board. Specimen stools or rectal swabs taken were sent to Medical Research Institute which eventually reported them as negative cases.

Immunizations carried out were :—

Small-pox	777
Anti-Cholera	4,270
Yellow fever	568
T.A.B.	22

Fumigation activities carried out were :—

Ships with rice cargo fumigated	— 34 (Number)
Ships fumigated with rice and other cargo	— 3 (Number)
Rice fumigated	— 3,012,668 (Bags)
Other merchandise fumigated	— 83,593 (bags)

Medical advice to ships requesting aid has been given over the radio.
Occasional breeding of Aedes was detected within the Harbour area.

Periodic inspections of all centres in Port premises are done by Medical Officers. An outbreak of food poisoning occurred during the year, the source being traced to the Port of Colombo.

Strict control measures had to be adopted to prevent recurrence.

Katunayake Airport

During the year passengers and aircraft which called at the Airport were the highest over recorded there being 3,119 aircraft and 99,518 passengers landing.

Hygienic supervision of the flight kitchen at the Airport has been vested in the Airport Health Officer as from May, 1973. Periodical bacteriological examination of water supply is also being carried by the Port Health Authorities. The Airport including its environs is being regularly sprayed with insecticide.

XIII—AYURVEDA

Bandaranalke Memorial Ayurveda Research Institute, Navinna

Cases treated during the year were in respect of those patients suffering from skin diseases, leukoderma, arthritis and asthma. Patients suffering from "Kitipha" aczema and leukoderma responded satisfactorily to the drug 'Kitiparilapa' and Bakuchi, respectively. Three tests were carried out with hitherto secretly held indigenous prescriptions for treatment of asthma. Under the research programme 82 patients brought by the Sarvodaya Association were examined and found suffering from anaemia and worm (Hook worm and Whip worm) infections.

Ayurvedic Medical College

Candidates were selected to follow D.A.M.S. (an internal course), pharmaceutical course and "Ayurveda Shastri" (external) course. Examinations for these courses were delayed during the year. A total of 101 students were admitted to Ayurvedic, 9 to Siddha and 2 to Unani Sections to follow D.A.M.S. course. Of these 71 were females and 41 were males.

At the pharmaceutical examination, 42 were successful at one and same sitting. As regards 'Ayurveda Shastri' examination, 78 have been registered for the first part, 47 for intermediate and 10 for final parts. Results of 'Ayurveda Shastri' examination held in November and December 1972 were released in April 1973.

There were 99 students who passed the D.A.M.S. final examination and were recommended for one year internship in 1973.

Only one student completed the written part of the "Ayurveda Shastri" final (external) examination. A total of 64 students were admitted on the results of an entrance examination to follow the D.A.M.S. course, 1974. Scholarships and Bursaries awarded were 24 and 35 respectively.

Ayurvedic General Hospital, Colombo

There were 4,481 patients who received indoor treatment during the year. Cases of out-door treatment totalled 347,430. Paying wards opened in 1972 have become popular as evident from the number of patients who received treatment at these wards. A sum of Rs. 50,000 was collected as revenue during the year.

Ayurvedic Hospital, Anuradhapura

There were 1,978 indoor and 102,228 O.P.D. cases during 1973. Among patients treated were ophthalmic, fracture and snake-bite cases.

Ayurvedic Hospital, Ratnapura

A total of 138,734 O.P.D. and 1,061 indoor patients were treated at this hospital. At specialist clinics of the O.P.D. cases treated were fracture, wound, abscess and cancer, ophthalmic and snake-bite and, also 19,467 children.

Ayurvedic Hospital, Kurunegala

This hospital has no specialist clinics. Ophthalmic, wound, abscess and cancer, fracture, snake-bite, burn cases and children received treatment during the year at this institution. A total of 190,993 patients received treatment at the O.P.D. of this hospital.

Ayurvedic Hospital, Beliatta

Only O.P.D. treatment is provided at this hospital. A total of 156,586 patients suffering from rheumatism, aczema, paediatric ailments, respiratory ailments, catarrh, fever, gynaecological disease, piles, diabetic mellitus, rickets, diarrhoeical diseases, etc., received treatment during the year.

Ayurvedic Hospital, Jaffna

Ayurvedic Hospital at Jaffna was opened on June 1973. By end of the year nearly 20,100 patients had received treatment at the O.P.D. Most of these patients were those suffering from rheumatism, aczema and anaemia.

Ayurvedic Medical Council

The Ayurvedic Medical Council held 9 meetings during the year. For purposes of registration of Ayurvedic physicians, 17 inquiry committees were held and 356 applicants interviewed. Of those 34 were registered as general practitioners and 64 as special practitioners. There were 48 candidates who were successful at the written test for registration as physicians.

College and Hospital Board.—The Board held 3 meetings during the year. A special Committee was appointed to investigate the scheme of conducting college examinations. A working committee was also appointed to examine other educational aspects. In view of the difficulty in obtaining registrations for those who had passed out at Siddha Vidyalaya, Jaffna, a Committee was appointed 'ad hoc' to examine academic standards at this institution. The Board obtained approval of recommendations as regards methods in conducting examinations.

The existing Ayurvedic Shastri course (external) was revised.

Ayurvedic Pharmacopoeia Board

The Ayurvedic Pharmacopoeia and Indigenous Chikitsa Formulary Board was established in October, 1973 to replace the Ayurvedic Pharmacopoeia Board.

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 an Order published in the *Government Gazette* (No. 14,976/8) of 22 September, 1971.

Local Manufacture of Drugs.—One of the policies of the Corporation is to maximise local manufacture by import of chemicals in bulk for manufacturing drugs thus replacing imports of processed pharmaceuticals. A survey on local manufacture capacity among 14 manufacturers revealed that only about 40 per cent of tableting capacity and 15 per cent capsulating capacity were being used.

The Corporation proposed a programme for local manufacture of 34 drugs which would result in increase of tablets manufactured by approximately 3 fold and capsules manufactured by 6 fold. It was estimated that this would ensure a foreign exchange saving of about Rs. 3 million and increased employment opportunities in pharmaceutical factories. Four of the manufacturers with largest capacity and foreign capital investment in the country did not partake in this programme resulting a foreign exchange loss of about Rs. 1.3 million due to enhanced import prices.

Technical Advisory Committee.—A Technical Advisory Committee has been appointed to advise the Corporation on laboratory and clinical evaluation of drugs.

Pricing.—The 1973 Budget envisaged a levy of FEECs on drugs with expectation of an estimated Rs. 9 million as Revenue. Representations made to the Minister of Finance ensure removal of FEECs. An estimated revenue of about Rs. 4.5 million was collected instead from Corporation profits.

Finance.—Sales figures of the Corporation for the year ended 31 December, 1973 were Rs. 10.4 million with a net profit (before taxation) of Rs. 4.0 million. Payment to the Consolidated Fund for the year was Rs. 1.2 million.

CHAPTER XX

SOCIAL SERVICES, RURAL DEVELOPMENT, CO-OPERATIVE MOVEMENT, NATIONAL HOUSING AND TOWN AND COUNTRY PLANNING

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 Services in the island and foster the phased 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 effected 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 department took over the payment of Public Assistance Monthly Allowances, 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 Allowances and Rehabilitation Grants.
- (2) Financial Assistance to T. B. Patients and their dependents.
- (3) Financial Assistance to Leprosy Patients and their dependents.
- (4) Casual Relief.
- (5) Relief of widespread distress due to Floods, Drought, Epidemics or other exceptional causes.
- (6) Care and Welfare of the Aged and Infirm.
- (7) Services for the Physically and Mentally Handicapped.
- (8) Rehabilitation of Anti-Social Persons.
- (9) 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 given in the Sections that follow.

Social Assistance Services

Public Assistance Monthly Allowances and Rehabilitation Grants.—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 those Municipalities, payment of monthly allowances to the needy continued to be the responsibility of the Central Government. It serves as major governmental protection against the hazards of old age, sickness and disability. Assistance is also, given to destitute widows and to women deprived of their husbands' support owing to imprisonment or physical disability. The standards determining relief are set out in the Manual of Public Assistance Orders and Procedure of the Department of Social Services. The maximum amounts paid under this scheme are Rs. 10 per mensem to an individual without dependants and Rs. 20 per mensem to a person with dependants. In order to help larger families, steps were taken in 1970-71 to increase the monthly allowance by Rs. 5 per child in excess of 4 children under the age of 16 years and living and dependant on recipient of Public Assistance, subject to a maximum of Rs. 50 per family. A 10 per cent. increase in the rate of payment was granted to recipients with effect from 1 October, 1973 to meet increased cost of living. Another rehabilitation scheme inaugurated in 1970-71 has enabled Public Assistance recipients, and those eligible to receive such assistance to obtain a lump sum, not exceeding Rs. 500, in lieu of monthly assistance. This would enable them and their dependants to engage in an industry, agriculture or trade and become useful, independent and self-respecting members of the community. A total of 1,433 persons were rehabilitated in 1973 incurring an expenditure a sum of Rs. 713,610.

Persons receiving monthly allowances and the total sums expended on such cases since 1967-68 are given below :—

<i>Year</i>	<i>Number of persons</i>	<i>Total sum expended Rs.</i>
1967-68	155,846	15,673,702
1968-69	153,673	15,550,237
1969-70	163,575	15,260,140
1970-71	161,580	17,276,903
1971-72	162,900	22,866,917(a)
1973	158,792	18,207,072

(a) 15 months period.

The responsibility for the administration and expenditure of Public Assistance is borne by the Central Government through its Revenue Officers.

Financial assistance to T. B. patients and their dependants

The aim of this scheme is to give financial assistance to indigent Tuberculosis patients and to their dependants with a view to enabling such patients to follow medical treatment. This scheme of assistance, which is being implemented with the co-operation of the Department of Health Services, was started in 1953.

Under this scheme, a T.B. patient with dependants is paid a monthly allowance not exceeding Rs. 80 while under out-door treatment from a Chest Hospital. A similar patient who receives Institutional treatment is paid an allowance not exceeding Rs. 60 per month for the maintenance of his family. A patient without dependants who takes out-door treatment is paid a monthly allowance not exceeding Rs. 40. If any other member of the family, dependent on the patient is afflicted with T. B. he or she is also entitled to a supplementary allowance of Rs. 40 per month. In estimating these allowances, the income of the patient and that of the other members of his family are taken into account.

During the financial year 1973 a sum of Rs. 2,660,067 was incurred as expenditure by the department on payment of allowances to T.B. patients. The number of patients assisted was 3,794.

In order to facilitate checks on payments and to assist patients, the scheme of T. B. Assistance has been now decentralised to Kachcheries and D. R. O. Offices. A 10 per cent increase in the rate of payment was granted to patients with effect from 1st October, 1973.,

Financial Assistance to Leprosy Patients and their dependants

The leprosy assistance scheme provides for financial assistance in a sum not exceeding Rs. 50 per mensem per individual non-infective leprosy patients discharged from a leprosy institution with no means of sustenance. There were 470 patients who were assisted under this scheme and a sum of Rs. 278,761 was spent during the Financial Year 1973. A 10 per cent increase in the rate of payment was granted with effect from 1st October, 1973.

Leprosy work in all districts, other than in Colombo, has been decentralised.

Casual Relief : Assistance is given to relieve distress, resulting from sudden calamities, or other emergencies affecting individuals or small groups. The relief covers distress resulting from loss of earnings or food supply by fire or accident and includes assistance to repair or reconstruct houses, to purchase clothing, implements of trade or tools, or cooking utensils lost through fire, rain, storm or similar causes. The maximum grant payable in any one case is Rs. 300. The amount spent on casual relief in 1973 was Rs. 378,242.

Relief of Widespread Distress : This scheme provided assistance to persons and families rendered destitute as a result of floods, cyclones, droughts, earthslips and similar causes.

A sum of Rs. 127,380 has been spent for providing immediate relief as food, clothing, temporary shelter, etc., and cash grants up to a maximum of Rs. 500 per family for repair or reconstruction of damaged houses, as well as for payment of temporary monthly allowances where necessary.

Relief to Fishermen in Distress : A sum of Rs. 17,760 has been spent during the year for individual cash grants to 127 fishermen for repair or replacement of fishing gear lost or damaged by storms, fire, etc.

Drought Relief : Distress was caused to a large number of families in some districts as a result of failure of crops due to drought. A sum of Rs. 268,750 was spent to organise relief work and grant temporary monthly allowances to such families when necessary.

Supply of Drinking Water : Drinking water has to be supplied in some districts particularly in the dry zone area where severe shortage of drinking water occurred due to prolonged drought. A sum of Rs. 118,760 has been spent for this purpose.

Epidemics : Among those who took part in development work as "Sramadana" in the D. R. O. Division, Ja-Ela 81 families were in destitute circumstances as a result of an outbreak of Influenza. A sum of Rs. 4,125 has been spent for granting them temporary Monthly Allowances.

Fire : A sum of Rs. 6,815 has been spent for granting assistance to 150 persons in 15 houses gutted as a result of a sudden fire which broke out at Mahalugolla in Siyambalanda D. R. O. Division, Moneragala.

Relief for Crops damaged by Wild Animals : A sum of Rs. 18,000 was allocated to Government Agents to assist cultivators whose crops were damaged by wild animals during the year.

Care and Welfare of the Aged and Infirm : (a) State Homes for the Elders—There are three State Homes for the 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, an Apothecary and other staff. Admission to these Homes is determined by the Director of Social Services on reports of an applicant's circumstances furnished by the Divisional Revenue Officer of the area and on reports obtained through the departmental officers. Those eligible for admission, should generally be over 60 years of age, in reasonably good health and in needy circumstances warranting institutional care.

In each State Home facilities are provided for residential medical care, recreation, gardening and religious activities. Advisory Committees and unofficial visitors have been appointed to each Home to assist the administration. In response to an appeal from the Prime Minister to grow more food, all available land in these institutions has been brought under cultivation.

The buildings and the land of the Mirigama Home for Elders were handed over to the Commissioner of Prisons on 30th June, 1971 for a Rehabilitation Centre. The Mirigama buildings have since been released to the Department and the State Home re-opened in May, 1973. The buildings and land of

the Home for Elders at Koggala were also handed over to the Commissioner of Prison in August, 1971. Action is being taken to reopen this State Home when once handed over to the department.

A sum of Rs. 267,035 was spent during the Financial Year 1973 on running these three State Homes.

With a view to relieving residents of the institutional atmosphere, the relatively able-bodied are permitted to leave the Homes on short holiday to stay with relatives or visit places of interest.

(b) *Cottage Homes for the Elders.*—The setting up of Cottage Homes was the result of a Cabinet decision to establish Cottage Homes in districts where there was a need for them and where no State Homes exist. These Cottage Homes have in each accommodation for a maximum of 24 persons. There are at present seven Cottage Homes in Kandy District, two Cottage Homes in Kegalle District and a single Cottage Home in Kurunegala District. In addition to these, three new Cottage Homes have been opened in Matara and Galle Districts.

Kandy District.—(1) Thumpane, Galagedera, (2) Phimbiyahena, Hindagala, (3) Pata Dumbara Nikaketiya, (4) Uda Bulathgama, Nawalapitiya, (5) Godahena, Pujapitiya, (6) Uduunuwara-Kalugamuwa, Handessa (7) Pata Hewaheta, Ankelipitiya ;

Kegalle District.—(1) Beligal Korale, Nelundeniya, (2) "Asoka" Rambukkana ;

Kurunegala District.—(1) Galgamuwa,

Matara District.—(1) Owitigamuwa, (2) Wehella ;

Galle District.—(1) Abesekera Cottage Home, Elpitiya ;

There were 260 inmates in residence in these Cottage Homes and per capita maintenance grant of Rs. 155,560 and Ad-hoc grants of Rs. 27,488 were paid to these institutions during the year.

(c) *Voluntary Homes for the Elders.*—Under the scheme of assistance for the construction and running expenses of the Homes for the Elders, 45 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 buildings etc. A sum of Rs. 116,766 was paid to these Voluntary Organisations as Ad-hoc grants and Rs. 596,833 as per capita maintenance grants during the year 1972/73.

Services for the 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.

(b) Education and Custodial Care.

(c) Vocational Training, Placement and Re-settlement.

(d) General Welfare measures.

(a) *Medical Rehabilitation.*—Where it is found that a disabled person needs medical rehabilitation before education, training etc. the department through its net-work of agencies and personal 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 education and custodial care of the disabled. Under the existing scheme 22 such Institutions were assisted during the year. A sum of Rs. 569,000 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 own living and thereby become useful citizens, training is given in various trades with the assistance of Government Departments as well as establishments in the Private Sector. The department assists these persons for a maximum period of 2 years by payment of an allowance of Re. 1 to Rs. 3 per diem, depending on the circumstances of each case, during period of training.

Vocational training given exclusively to adult deaf, dumb and blind persons at the two training centres at Seeduwa and Wattegama provide for self-employment, employment under the Home Workers' Scheme and Sheltered employment. Training is given at these Centres in carpentry, rattan and 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 trades as : motor mechanism, welding, tinkering spray painting, electrical work, sheet metal work, carpentry, tailoring etc.

(d) *General Welfare Measures.*—Under this category there is a scheme to provide Aids and appliances to Disabled persons. The crippled and the lame are under certain conditions provided with tricycles and wheel-chairs. Those with eyesight and hearing defects are provided with spectacles and hearing aids.

Rehabilitation of Anti-Social Persons.—The department administers the House of Detention at Gangodawila, under the House of Detention Ordinance, (Chap. 33 of the Legislative Enactments of Ceylon) for the rehabilitation of beggars, vagrants, and other anti-social persons. The correction and rehabilitation programme adopted at this Institution consists of an ordered and disciplined life promoting regular work habits. An attempt is also made to provide, training in a wide range of skills and occupations as weaving, sewing, knitting, lace making papier-mache work, cooking, rattan work, gardening, 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.

Number of Persons Admitted	Adult		Children	Total
	Females	Males		
From 1 January to 31 December 1973.	231	342	21	594
Established in Employment	20	60	—	80
Released to Relatives	08	67	05	80
Released by Court	10	03	—	13
Given in marriage	04	—	—	04
Released to institutions	06	12	—	18
Deaths	08	25	—	33
Escaped from institution	04	17	—	21
Escaped from hospital	06	05	—	11

Assistance to Voluntary Agencies Engaged in Social Welfare Work : In pursuance of Government policy to encourage Voluntary effort, liberal grants are paid by Government to Voluntary Agencies which provide Institutional care for destitute persons and children, unmarried mothers, unwanted babies and children of working mothers, as well as for out-door social work.

Assistance to Voluntary Agencies which provide institutional care is given at a per capita rate. Quantum of assistance to other organisations is based on actual expenditure incurred by these organisations in the welfare services rendered during the preceding year. Such assistance is subject to a maximum of 50 per cent of the actual expenditure. Grants paid to voluntary organisations during the financial year 1973 were :—

(a) Homes for destitute or deprived children, unmarried mothers etc.

Number of Homes	31
	Rs.
Grants paid	257,067
Ad-hoc grants	118,227
Advances	142,444

<i>(b)</i> Creches	
Number of Creches	108
	<i>Rs.</i>
Grants paid	396,900
Ad-hoc grants	1,500
<i>(c)</i> Voluntary Agencies engaged in out-door Relief work	
Number of Organisations	22
	<i>Rs.</i>
Grants paid	34,055
<i>(d)</i> An allocation of Rs. 8,940 from the Public Assistance Vote ; a grant to the Friend-in-need Society Colombo 2, to reimburse its expenditure on monthly allowances to persons in need who did not qualify for assistance from the Colombo Municipal Council on account of the required residential qualification.	

During the year the CARE organisation in Ceylon provided 406,250 pounds of Wheat Soy-Blend Growth Powder under the CARE social Services Department Programme to be distributed among Social Services Institutions and Voluntary Agencies throughout Sri Lanka.

As in the previous years, applications from Social Welfare Organisations for issue of Import Licences and waive of customs duty were granted in respect of gifts from abroad which were essential for furtherance of Social Welfare activities of recipient charitable Institutions.

Protection of Workers Against Injury and Invalidity

Workmen's Compensation : The Workmen's Compensation Ordinance and amendments thereunder provide for the payment of compensation to workmen who suffer personal injury by accident arising out of and in the course of employment. The Ordinance expressly extends the term 'accident' to include occupational diseases like anthrax, lead poisoning etc. The compensation payable is determined on the basis of wages earned by a worker and the nature and extent of his disablement. Insurance is not compulsory under the Ordinance but an employer may insure with the Insurance Corporation of Ceylon in order to safe guard himself against these risks. Claims paid to employees who met with accidents since 1971 are :

<i>Year</i>	<i>Claims</i>	<i>Amount</i> <i>Rs.</i>
1971	2956	246,017
1972	2789	341,554
1973	2575	330,071

Amendments to Workmen's Compensation Act are envisaged.

Social Work Training

School of Social Work—The Ceylon School of Social Work which was inaugurated in 1964 successfully served its objective in improving quality and standard of Social Services through the programme of Social Work Training made available to social workers both in Government and Voluntary Sector. 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 including a course leading to a Diploma in Social Work, and an extension course in Management of Social Welfare Organisations.

The School is at present located at 82, Fifth Lane, Colombo 3, and functions under the aegis of the Ministry of Social Services.

II—RURAL DEVELOPMENT

The prime objectives of the Department of Rural Development is to initiate the promotion of economic, social and cultural activities among villagers. Efforts directed in this regard continued as in preceding years.

Activities of the Department may broadly be classified thus :

- (a) Reorganisation of Rural Development Societies and Kantha Samithies.
- (b) Training representatives of village level organisations in Community Development work.
- (c) Shramadana.
- (d) Training Rural women in Home-Management.
- (e) Implementaion of intensive development Programmes in selected villages.

Rural Development Societies and Kantha Samithies

These societies are voluntary organisations that do not come under any form of legislation. The aim of these societies is to promote economic, social and cultural development of the rural masses. Normally, a Rural Development Society/Kantha Samithiya is established in each village area. Consquent to a Cabinet decision re-registration of these societies was commenced during the year. Granting assistance to Rural Development Societies for Public Utility work on self-help basis continued. Village Roads, Culverts, Public Wells and Tanks, Latrines, Multi-purpose Society Halls, Assembly Halls and School Buildings have been constructed under the programme of public utility works.

Training of representatives of village level organisations in Community development

Arrangements have been made by the department to train members of various rural organisations at Rural Development Centres to broaden their outlook and encourage active participation in community development projects. There are only 10 Community Development Training Centres with residential facilities for the entire island. Training courses are of 2 weeks duration. A total of 69 residential courses have been conducted at these Training Centres with the participation of 1,992 trainees. There were 755 male and 1,237 female trainees participating in these courses.

Shramadana Work

Shramadana provides free labour for completion of a particular task. Value of work completed during the year totalled approximately Rs. 658,000. These include Construction of houses, wells, latrines, community and textile centres, Society Halls, School buildings, Dispensaries, and culverts. In addition, restoration of minor village tanks and minor schemes, clean-up Campaigns and items of social work were under taken in connection with the Bandaranaike Commemoration Day. Emergency work undertaken on Shramadana basis as restoration of minor tanks and minor irrigation schemes formed part of the National Food Drive. A total of 694 minor village tanks and 1 070 minor irrigation schemes were restored. Value of work done was in the region of Rs. 398,000.

Training rural women in Home Management.—The scheme of training village women in Home Management progressed satisfactorily. Work on 145 needle work centres was completed on schedule. Classes were conducted in Cookery, First Aid and Child care with the help of Home Science equipment distributed to Needle-work Centres under a scheme Foreign aid.

Implementation of intensive development Programmes in selected villages

Under these programmes of development 3 or 4 villages in each D.R.O's Division are selected for intensive work. Main consideration in the selection of villages is

- (i) Active participation of Rural Development Societies and the other village level organisations in development activities ;
- (ii) Availability of resources and talent in the village ;
- (iii) Easy access ;
- (iv) Immune from various problems that do normally crop up in the villages.

Selection of villages for intensive development took place initially during 1970. Of the 517 villages selected, the 3 year programme in respect of villages in Galle District has already been completed. A further selection of 25 more villages has been made during the year for intensive development. Construction of roads, buildings for factories, Society Halls, expansion of Agricultural Projects and Small Industries were some of the aspects of development. Sunday Schools were also organised under this programme.

There were 13 special development projects undertaken during the year. These Projects have contributed significantly towards agricultural development and solving unemployment problem in these villages.

III—THE CO-OPERATIVE MOVEMENT

The beginning of the Co-operative Movement in Sri Lanka dates back to 1911 the year in which the Co-operative Credit Societies Ordinance was enacted. The first Co-operative Credit Society was registered under this Ordinance in 1912. Growth of the movement between years 1911 and 1972 saw several revisions and amendments been made to the main Ordinance. Important land marks in the evolution of Co-operative legislation are—

- (i) Co-operative Credit Societies Ordinance 1911 ;
- (ii) Co-operative Societies Ordinance 1921 ;
- (iii) Co-operative Societies Ordinance No. 16 of 1936 ;
- (iv) Amending Act of 1949 ;
- (v) Amending Act of 1952 ;
- (vi) Consolidation of the Law, 1956 ;
- (vii) Amending Act of 1958 ;
- (viii) Amending Act of 1964 ;
- (ix) Special Provisions Act No. 34 of 1970 ;
- (x) Special Provisions Act No. 35 of 1970.

Co-operative legislation has been revised and up dated in 1972, Acts Nos. 34 and 35 of 1970 being exceptions. These Acts have been revoked and the operative Law at present is the Co-operative Societies Law No. 5 of 1972.

The history of the Co-operative Movement in Sri Lanka could be divided into 5 distinct phases each with its own characteristics :—

(1) *Credit Societies era 1912-1942*

Emphasis during this period was mainly on the provision of credit facilities for village cultivators.

(2) *The Stores Societies, 1942-1957*

The second World War made its direct impact on the island in 1942 bringing forth new priorities. Due to the scarcity of essential food items consequent to disruption of shipping routes imports from abroad were gradually curtailed. To cope with this situation the Government had to organise a distribution net-work for food stuffs to reach every member of the Community with less cost to the Government. It was felt that the only organisation which would effectively satisfy these pre-requisites was the Co-operative. Consequently a planned drive with great intensity was launched to establish Co-operative Stores Societies throughout the island. There were 4032 Co-operative Stores Societies serving a membership of 1,033,238 by 1945, a post-war year depicting initial success of the movement. Estates in the plantation sector had organised separate Co-operative Stores Societies to serve estate population. The Co-operative Whole-sale Establishment, the C.W.E. as popularly known was also established during this period to function as the Wholesale supplier of consumer goods to the Co-operatives.

(3) *Co-operative Agricultural Production and Sales Societies, 1947-1957*

With the end of the war emphasis was shifted towards agriculture specially food production. The Government once again worked out a scheme to organise agricultural co-operatives to assist farmers in food production and provide financial assistance. By 1957 there were 995 C.A.P. & S. Societies with a membership of 24,700. The Guaranteed Price Scheme was introduced to encourage farmers in the cultivation of essential food crops.

Financial assistance given to these societies by the Government totalled Rs. 314.8 million. Purchases under the G.P.S. were valued at Rs. 140.6 million. The Co-operative Central Market was established in Colombo in 1952 to serve as an outlet for the produce of the C.A.P. and S. Societies.

(4) *Multi-purpose Co-operative Societies, 1957-1970*

The re-organisation of co-operative structure with the co-ordination of various economic activities in the village into one Co-operative Society resulted in the evolution of M.P.C.S.S. with integrated Credit Distribution, Production and Marketing functions. There were 5,053 M.P. Societies and 117 M.P.C.S. Unions functioning during 1965.

The People's Bank was established in 1961 under the People's Bank Act, No. 29 of 1961. Its aims are to develop the Co-operative Movement in Sri Lanka, rural banking and agricultural credit by affording financial and other assistance to Co-operative Societies. The People's Bank is now the major financier of the Co-operative Movement.

Amalgamation of Societies—1970 Onwards

Various institutional and structural defects and deficiencies in small Co-operatives were focussed by the Royal Co-operative Commission appointed in 1968 to examine and suggest measures to establish and improve the Co-operative movement in Sri Lanka. On the recommendation of the Commission a re-organisation of the Co-operatives with main emphasis on the function of large and economically viable M.P.C. Societies, was launched in 1970. In the re-organisation scheme 5,530 small M.P.C.S.S. and all the C.A.P. & S. Societies were either amalgamated or liquidated and 371 large primary M.P.C.S.S. were formed. A re-organisation of Fisheries Co-operatives on lines similar to those of the M.P.C.S.S. was also implemented. A total of 241 small Fishermen's Co-operatives were amalgamated and 45 large Fishermen's Societies formed. A scheme to amalgamate some 501 small textile Co-operative Societies into large Textile Societies is being formulated.

Co-operative Rural Bank Scheme

The Co-operative Rural Bank Scheme was inaugurated by the People's Bank in 1964. Its aim broadly was to assist village level M.P.C.S.S. in the task of promoting overall rural economic development. In particular is sought to establish Banking Departments in Co-operative Societies with the People's Bank providing a combination of financial and managerial aids. These Departments styled Rural Banks and since re-styled Co-operative Rural Banks (C.R.B.) were initially to provide basic services like acceptance of deposits, issue of loans to members and pawn broking. As reserves increase and managerial skills improve they were subsequently to develop various activities in collaboration with the other departments of the Co-operatives.

Prior to re-organisation of Co-operative Societies in 1971, a pre-requisite to join the scheme of Rural Banking, a Co-operative M.P.C.S. Society had to be substantially large and economically viable and well recommended. With these stipulations relatively a few of the then existing small M.P.C.S.S. qualified to join the Rural Banks Scheme.

With the re-organisation of the M.P.C.S.S. and the organisation of large and viable M.P.C.S.S. a scheme has been drawn up in collaboration with the People's Bank to introduce a Rural Bank to each of the 355 large M.P.C.S.S. Societies. By the end of the year 341 M.P.C.S.S. had each a Rural Bank.

Main functions of a Co-operative Rural Bank may be briefly summarised as—

- (1) Mobilisation of deposits from members and non-members ;
- (2) Provision of loan facilities to members for production and consumption purposes attuned to M.P.C.S. development ;
- (3) Provision of Pawn broking facilities.

All funds received by the M.P.C.S.S. for development purposes are channelled to members through the Rural Bank. Loans under the Government Agricultural Credit Schemes and all other State-sponsored loan schemes are channelled through the C.R.B. The Rural Bank is the Credit Department of M.P.C.S.S. through which all loans to members are granted. The credit limit per individual member is fixed at Rs. 5,000 with the maximum re-payment within a 5-year period.

A member could obtain one or more loans within this limit for purposes listed below :—

	<i>Rs.</i>
(1) Production	5,000
(2) Consumer	1,000
(3) Construction of Houses	5,000
(4) Redemption of Debts	5,000
(5) Electrification	1,000
(6) Emergencies	200

Loans upto Rs. 1,000 are given on personal guarantee of 2 members. Members who have borrowed earlier from a society and re-paid satisfactorily are allowed loans not exceeding Rs. 2,000 on the security of a personal guarantee. Loans in excess of these limits are given on co-lateral security in addition to personal guarantee. Comparative figures below indicate the progress in Co-operative Rural Banking since inception.

	1967	1968	1969	1970	1971	1972	1973
No. of Rural Banks	27	44	68	90	111	242	341
	<i>(Rs. Million)</i>						
Short-term Advances	2.1	3.6	5.6	7.1	7.2	8.2	16.8
Pawn Brokering	0.6	1.1	1.5	1.9	2.1	6.9	22.7
Deposits	1.3	3.3	6.1	16.9	17.8	23.3	44.8

Industrial Co-operatives

At the end of 1973 there were 1,110 primary Industrial Societies and 30 Industrial Unions. Of the primary societies, 194 are Carpentry Societies, 464 Textile Weavers Societies, 96 Coir Societies and 67 Pottery Societies. Textile Co-operatives form the biggest group constituting 37.3 per cent. of the total. Of the Unions, 21 are Textile Unions and constitute 25 per cent. Total sales of primary societies during 1973 were Rs. 58.3 million. Textile Societies alone totalled Rs. 43.4 million. Textile Unions had sales amounting to Rs. 48.1 million.

The Ceylon Co-operative Industrial Union was registered in 1964 with the object of providing advisory services and other facilities to member societies. The Union is also engaged in business activities as manufacturing and marketing. The main business activity of the Union is centred around production of rubberised coir goods as mattresses, cushions and carpets which are marketed under popular trade mark "Ceyesta".

The factory of the Union is at Navinna, while a subsidiary plant for producing twisted coir goods is sited at Madampe. Local sales of the Union in 1973 amounted to Rs. 3.5 million while income from sales abroad amounted to Rs. 135,342. Net profits earned by the Union in 1973 amount to Rs. 707,732.

Agricultural Co-operatives

Besides M.P.C.S.S. which are engaged in Agricultural activities there are 14 C.A.P. and S.S., 14 Coconut Societies, 18 Tea Societies, 19 Rubber Production Societies, 80 Tobacco Societies, 43 Dairy Societies and several other types of Agricultural Societies including Co-operative Youth Schemes, Goat Farming, Vegetable Production, Toddy Production, Plantain Sales, Cardamoms, Cadju Sales, Citronella Growers and Cinnamon Producers Societies. Samupakara Gammana and Samupakara Janawasa new ventures in Co-operative Youth Schemes were initiated during the year. Samupakara Gammana are Co-operative Youth Schemes commenced by the Ministry of Agriculture and Lands with objective to provide employment to unemployed youths by settling them in virgin crown lands or private lands not adequately maintained. Samupakara Gammana are Youth Schemes established on lands that have been vested with the Land Reform Commission under the Land Reform Law (No. 1) of 1972.

There are 3 apex-level organisations viz. the Sri Lanka Co-operative Marketing Federation, Ceylon Coconut Producers' Co-operative Societies Union and the All-Ceylon Rubber Producers' and Sales Societies Union engaged in agricultural activities. These include assistance to primary Agricultural Co-operatives and export of agricultural products.

Fisheries Co-operatives

A total of 251 small uneconomical Fishermen's Co-operative Societies were amalgamated into 45 large Fisheries Societies in pursuance of a departmental policy. Turnover of the societies amounted to Rs. 7.0 million. There was a total membership of 12,167 in these societies. The Department of Fisheries is the major source of finance for these Societies and has granted Rs. 5.7 million as loans.

Co-operative Consumer Distribution Services

Within the net work of distribution of consumer goods there were 355 large primary M.P.C.S.S. in 1973, performing wholesale functions through 745 sale points and 7,077 retail outlets. There were in addition 100 Co-operative Estate Stores Societies serving residents in the plantation sector. All imported essential food commodities are distributed only through Co-operatives. The C.W.E. is vested with the monopoly of importing these essential commodities. Of the 16 items which the C.W.E. imported under its sole monopoly, food commodities like Green Gram, Bombay Onions, Red Onions and Tinned Fish came under total ban and ceased to be imported. Essential food items like rice, sugar, dried chillies, mysore dhal and maldive fish were issued under the ration scheme.

Total value of goods handled wholesale by the M.P.C.S.S. amounted to Rs. 1,645.4 million. Retail sales amounted to Rs. 1,178.9 million. The total number of ration books served by retail branches of these societies amounted to 10.8 million and ration books attached to private Authorised Distributors number 1.6 million. The Co-operatives serve almost 80 per cent. of the total population of Sri Lanka.

Co-operative Credit Societies

There are 2,835 Co-operative Credit Societies with a total membership of 155,617. These societies have lent a sum of Rs. 15.2 millions to the members as loans during 1973.

Co-operative Savings Societies

The total number of Co-operative Thrift and Savings Societies at end of the year was 290. Total savings amounted to Rs. 10.4 million. Average savings of each member was Rs. 138. Loans availed of by members amounted to Rs. 10 million with deposits withdrawn amounting to Rs. 3.4 million. Of the Thrift Societies, 90 Societies are Public Savings Societies with exclusive membership of Public Sector employees.

Co-operative Labour Societies

Among Labour Co-operatives there are several societies that have entered into agreement with various Government Departments and other Institutions to provide Labour Services as loading and unloading goods. The Chalmers Granaries Co-operative Labour Society, Welisara Co-operative Labour Society, Narahenpita Co-operative Labour Society, Manning Market Co-operative Labour Society are among such societies that provide loading and unloading services on "contract" to the Food Department. There are also other Labour Societies that perform similar services to institutions like

C.W.E., the Consol Expo., Paddy Marketing Board and the Cement Corporation. Payment for these services, rendered, is on piece-rate basis. Total value of contracts performed during the year by all labour societies numbering 155 amounted to Rs. 8.0 million. This figure includes value of contracts performed by M.P.C. Societies.

Hospital Services

There are Co-operative Hospitals functioning at Colombo, Galle, Matara, Kurunegala, Gampaha, Bentota, Moolai, Telepallai, Islands, Vadamardchy, Sandalankawa and Kuliypitiya. The number of in-door patients treated at these hospitals during 1973 totalled 38,328 while out-door patients numbered 132,801. Total bed-strength in all Co-operative Hospitals is 500.

Table 22-1—STATISTICS OF CO-OPERATIVE SOCIETIES—1972

Type of Society	No. of Societies	No. of members	Working Capital Rs. '000	Turnover Rs. '000	Net profits Rs '000	Net loss Rs.'000
PRIMARY SOCIETIES TOTAL	7,985	1,682,148	559,572	2,522,387	30,024	10,182
Credit Unlimited	2,835	115,617	20,652	15,224	535	132
Credit Limited	298	59,853	33,698	14,991	826	57
Thrift	290	71,570	19,659	6 043	606	8
Multi-purpose Large Primary	364	884,201	392,982	2,338 200	20,928	4 456
Multi-purpose Others	32	3,475	2,906	4 550	81	147
Stores	130	54,810	3,886	24,390	375	130
Agricultural	477	59,500	19,966	41,344	1,166	2,772
Fisheries	64	12,162	21,056	7,006	438	1,130
Industries	1,110	122,456	21,007	58,395	5,881	645
Labour	137	9,786	3,958	126	548	93
School Co-operatives	2,038	246,496	790	1,351	114	50
Other Primary	210	42,222	11,897	10,763	520	564
SECONDARY SOCIETIES OTHERS						
TOTAL	85	3,059	53,283	142,629	4,758	416
Agricultural Unions	5	623	6,872	3,128	141	113
Fish Sales Unions	2	78	2,301	13	57	—
Industrial Unions	35	794	22,474	52,204	3,488	67
National Co-operative Council	1	681	4,733	—	—	235
Credit Unions	36	463	13	—	24	331
Other Unions	8	420	16,808	87,282	1,071	30

Finance

The People's Bank is the main sources of finance for the Co-operative Movement. Co-operative Banks which had earlier been a major financing agent of the Movement have ceased to function. Seventeen Co-operative Banks had been merged with the People's Bank, the last two Banks merged in 1972 were the Mannar District Co-operative Bank and the Jaffna District Co-operative Bank. The Peoples' Bank has granted a sum of Rs. 143.1 million to Co-operative Societies.

Employees

To safe-guard interests of Co-operative Employees an Act entitled the Co-operative Employees Commission Act (No.12) was promulgated in 1972. In terms of the Act, Co-operative Employees Service Commission was appointed with power to determine all matters relating to recruitment, conditions of employment, promotions, transfers, salaries, etc., of Co-operative Employees. There were in these Co-operatives a total of 38,133 employees as at end of 1973. Salaries paid to them totalled Rs. 68.4 million.

IV—CO-OPERATIVE WHOLESALE ESTABLISHMENT

The C.W.E. originated in 1943 as a Government Department. The Establishment became a State-sponsored Corporation by the Co-operative Wholesale Establishment Act, No. 47 of 1949. It commenced business as a Corporation on 1st July, 1950. The objects of the C.W.E. in terms of the Act as amended from time to time are :—

1. Procure and supply requirements of Co-operative Societies ;
2. Transact business as exporters and importers of and as wholesale and retail dealers in goods of every description ;
3. Conduct any such trade or business including any agricultural or industrial undertaking or the business of banking, shipping or insurance as may be incidental or conducive to the attainment of the aforesaid objectives ;
4. 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 the objectives of the public 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 ;
5. Conduct such other trade or business as may be approved by the Ministry of Foreign and Internal Trade with concurrence of the Ministry of Finance.

Although the main role of the CWE is to procure and supply the requirement of the Co-operative sector, the role it plays as an agency of the Government to ensure equitable distribution of essential commodities becomes important. With this in view the Establishment was progressively made the sole importer of Dried Fish, Bombay Onions, Chillies, Gram Dhall, Toor Dhall, Oorid, Chick Peas, Yellow Gram, Green Moong, Mathe Seed, Fennel Seed, Garlic, Barley, Yeast and Sago.

In addition to making direct imports, bulk purchases are made from the Food Commissioner. Local items are also purchased from the public and private sectors.

The distribution is channelled to consumers mainly through the Co-operative sector, a smaller percentage of items being distributed through the chain of CWE retail shops. These items are channelled through the private sector only when circumstances so warrant.

To understand consumer needs in all parts of the island, and establish better co-ordination between the CWE and the Co-operative sector, an Extension Service consisting of 167 Extension Officers has been set up on an electoral basis.

A flying squad has also been established to ensure that the goods distributed by the CWE do not fall into hands of blackmarketees.

The CWE owns a considerable share capital of Asian Hotels Corporation. The CWE is at present the sole distributor for Ceramic Corporation products. Apart from this the CWE has also been appointed as sole distributor for all products of the Steel Corporation, Eastern Paper Mills Corporation, Type Corporation, Livestock Feed of Oils and Fats Corporation and Sports Goods of the Leather Corporation. The distribution of 20,000 Cwt. of Cement a month by the CWE would take shape once discussions with the Cement Corporation authorities are finalised.

Sri Lanka State Trading (Textiles) Corporation

The Sri Lanka State Trading (Textiles) Corporation, viz., Salu Sala, set up in April, 1971, as a separate Corporation under the Sri Lanka State Trading Corporations Act, No. 33 of 1970 commenced business from January, 1972, consequent to taking over the assets and liabilities of Lanka Salu Sala Ltd. The Corporation has monopoly of importing rationed cotton textiles for distribution to consumers in Sri Lanka on surrender of valid textile coupons or tokens.

Salu Sala's imports of rationed cotton textiles are based on Foreign Exchange Allocations granted. Imports in 1973 were confined to Utility Cotton Textiles as was done in the two preceding years. A total of 15.4 million yards of Fabrics and 2.1 million yards of Poplin were accordingly imported during 1973.

The bulk of cotton textiles imported in 1973 consisting of 13.4 million yards came from the People's Republic of China, while 2.5 million yards and 1.6 million yards were imported from Poland and the U.S.S.R. respectively on basis of competitive prices.

Imported rationed cotton textiles were distributed exclusively through the Co-operatives on the basis of Rice Ration Books attached to each Co-operative. Maximum retail price of imported rationed cotton textiles was Rs. 3 per yard. Each consumer was entitled to maximum of 2 yards of imported cotton textiles on surrender of each textile coupon with the Rice Ration Book.

The Corporation imported textiles essential in the manufacture of Ladies' and Children's Garments on the basis of Foreign Exchange Allocations granted to each Garment Manufacturer by the Ministry of Industries and Scientific Affairs. The Corporation also imported cotton thread and flannellette against Trade Quota Allocations. These two items were distributed to consumers through the Co-operatives and Dealers registered with Salu Sala.

Apart from importation and distribution of rationed cotton textiles, the Corporation continued to purchase locally manufactured cotton textiles other than Handloom Textile for distribution to consumers through the Co-operatives, CWE Retail Outlets and Registered Private Dealers. Main suppliers of locally produced textiles were the National Textile Corporation's Mills at Veyangoda and Thulhiriya and Powerloom Centres functioning under the Department of Small Industries.

Some of the locally produced textiles, viz. Cambric and Poplin were issued to local screen printers registered with the Ministry of Industries and Scientific Affairs for printing designs as approved by Salu Sala. Printed textiles received from screen printers were subject to tests by the Quality Control Division of the Corporation. Nearly 5 million yards of locally printed textiles were distributed to consumers.

The Corporation was required to obtain Synthetic Shirtings produced by local manufacturers for distribution among Garment Manufacturers registered with the Ministry of Industries and Scientific Affairs on the basis of allocations granted each Manufacturer.

V—TOWN AND COUNTRY PLANNING

The Department of Town and Country Planning handled a large volume of work on National Planning. Local authorities including Town and Village Councils made requests to the Department for preparation of planning and zoning schemes for their areas. The Department however could not carry out its full quota of assignment due to lack of technical personnel.

Planning

Work commenced on preparation of zoning schemes under the Housing and Town Improvement Ordinance for Ambalangoda, Moneragala, Maharagama and Kandy. The Department also prepared preliminary plans for improvement schemes for Sigiriya, Galewela, Diyatalawa and Nochchiyagama and also completed drafting of by-laws for the Anuradhapura Preservation Board under a scheme of zoning.

Preliminary work on the preparation of a Master Plan for the Metropolitan Area of Colombo is being carried out with UNDP Special Fund Assistance.

Items of work on the preparation of the Dehiwela-Mount Lavinia Town Planning Scheme carried out were—

- (1) Land use Survey, and
- (2) Diagnostic Surveys for the preparation of the following plans :—
 - (a) Physiography
 - (b) Infra-Structure
 - (c) Communication Pattern
 - (d) Housing
 - (e) Commerce and Industry
 - (f) Community facilities
 - (g) Vacant and Low-lying Land

Necessary assistance was afforded by the Department to the Ministry of Public Administration, Local Government and Home Affairs, other Ministries and Government Departments, Government Agents, Corporations and Local Authorities in the preparation of 'layout' plans for development areas, siting public buildings, religious and cultural institutions, preparation of housing schemes and selection of sites for civic buildings. Advice was given local authorities on building applications under the Housing and Town Improvement Ordinance and the Town and Country Planning Ordinance.

Kataragama.—Considerable progress was made on the Kataragama Planning Scheme, both in the Sacred Area and New Town.

All secular buildings in the fore-ground of Maha Devale in the Sacred Area were removed and sites levelled and prepared for development work. The platform in the fore-court of the Maha Devale was completed and work commenced on ponds at either end of the platform. Work was also commenced on the new foot-bridge across Menik Ganga, which would relieve congestion of traffic on the existing foot-bridge during festivals. Planting of shade trees on the platform and along Maha Weediya and Pita Weediya has been completed.

Work on the Water Supply scheme in the New Town, was continued. More lands were allocated for development purposes to Government Departments and prospective developers in the private sector.

Kelaniya.—At Kelaniya, acquisition of land for extending the Sacred Area was completed. Work was continued on the surface drainage scheme and landscaping of the Sacred Area.

Mahiyangana.—Satisfactory progress was made on the Mahiyangana Planning Scheme both in the Sacred Area and in the New Town.

Steps were taken to demolish obsolete structures in the Sacred Area and re-settle occupants in the New Town. Action was also initiated to provide alternative accommodation for remaining residents and traders in the Sacred Area. Work on two new roads was also commenced in the Sacred Area. Distribution pipes for water supply in the Sacred Area is almost complete.

In the New Town, construction of most of the distributory roads and provision of street lighting are almost complete. Water supply distribution lines have been laid on all these roads.

Sites were selected for construction of the Police Station and Quarters, Straw Board Factory, Co-operative Building and shop buildings opposite new Police Station site.

Housing.—The Department assisted 53 Local Authorities in the preparation of Housing and Slum Clearance Schemes.

These local authorities were assisted in selection of sites, preparation of layouts and new house types, preparation of bill of quantities and tenders documents, advising on tenders received and periodical inspection of the houses under construction.

A total of 25 Layout Plans covering 752 houses were prepared and 225 houses were undertaken by the Local Authorities for construction.

Local Authorities assisted by the Department during the year were—

Municipal Councils.—Kurunegala, Dehiwela-Mount Lavinia, Ratnapura and Matale.

Urban Councils.—Bandarawela, Kotte, Talawakele, Beruwela, Trincomalee, Balangoda, Kalutara, Haputale, Nawalapitiya, Gampaha and Horana.

Town Councils.—Kayts, Polgahawela, Alawwa, Rambukkana, Manipay, Agalawatta, Ahangam, Haliela, Kahawatta, Beliatta, Kankesanturai, Pelmadulla, Teldeniya, Kinniya, Kantalai, Nattandiya, Akuressa and Dodanduwa.

Village Councils.—Baddegama, Ambagamuwa South, Nivitigala, Akmeemana, Bogoda, Mannar North, Bintenna, Otara Gandolaha Melpattu East, Pasbage Korale, Wagapanaha Udasiya Pattu, Abangaha Korale, Manthai North, Delgoda, Maminiya Korale North, Medapattu, Padukka, Waga and Pindeniya.

Civic Designs

Preliminary and working drawings, bills of quantities and estimates for 73 civic buildings were prepared in affording assistance to Local Authorities and Government Agents of the district administration.

(a) Detailed working drawings for improvements to rest houses :

Matara, Hambantota, Trincomalee, Vavuniya, Tangalle, Moragala, Mahara, Ambalangoda, Badulla, Kankesanturai, Kalpitiya, Hanguranketa, Gurulupota, Matale, Kuliypitiya, Weligama Mullaitivu, Kurunegala, Sinnamuttu and Lunugala.

(b) Construction of markets, Polas, Shops and Co-operative buildings as listed below :—

Markets

Kandana, Ratnapura, Bemmulla, Kekirawa, Welimada, Puttalam, Polonnaruwa, Minuwangoda, Ja-ela, Nawalapitiya, Kotte, Rajakumbure Wannu Pattu, Nelliady, and Akkaraipattu South.

Polas

Urugasmanhandiya, Dummalasuriya, Pannala, Ruwanwella, Nelundeniya and Nattandiya

Shops

Mahiyangana and Puttur

Co-operatives

Ambagasdowa and Mahiyangana

Buildings

(c) Detailed working drawings were prepared for—

Town Councils

Kandana, Walasmulla and Vavuniya

Village Councils

Udugampaha, Biyagama, Induruwa, Welipenna, Urugasmanhandiya, Ibbagamuwa and Kataragama

Other items of work covered by the Department during the year were—

(d) Detailed working drawings for Kataragama Police Station and Improvements to the Police Mess, Minuwangoda.

(e) Detailed drawings with structural details for a 3-storeyed Agricultural Secretariat Building Kandy.

(f) Preliminary working drawings for the construction of stadia for Local Authorities :

Kalutara U.C., Homagama T.C. and Passara T.C.

(g) Plans for library buildings of local authorities :

Balangoda U.C., Walasmulla T.C., Vavuniya T.C., Madampe T.C., Veyangoda T.C., Dodangoda V.C., Udagaha V.C., and Mattakanneriya V.C.

VI—NATIONAL HOUSING

The functions and main objects of the Department of National Housing established under the National Housing Act No.37 of 1945 as amended by the Acts Nos.42 of 1958 and 36 of 1966 are —

- (1) Grant of Loans to prospective house builders ;
- (2) Acquisition and development of lands for purposes of house Construction ;
- (3) Construction of houses for residential purposes ;
- (4) Enforcement of the Tenant Protection (Special Provisions) Act No. 28 of 1970 ;
- (5) Enforcement of the Rent Act No.7 of 1972 ;
- (6) Enforcement of the Ceiling on Housing Property Act No.1 of 1973.

Housing Loans

The Department of National Housing grants loans from the National Housing Fund for purposes of housing and construction of buildings. These loans are granted on security of immovable property and personal surety. The amount of loan granted on personal surety certificates has been increased to Rs. 4,000. Loans exceeding Rs.4,000 are granted on security of immovable properties and on contract basis. The grant of loans is reckoned on the proportion of income of each applicant. The maximum allowable as loan however is restricted to Rs. 40,000 and instalment as repayment of the loan should correspond to 25 per cent. of the borrower's income, while maximum period allowed for repayment of loan is limited to 15 years. The floor area of the housing unit to be constructed should not exceed 2,000 sq.ft. The grant of loan for housing purposes is considered only in case of persons receiving income below Rs. 2,000 per month.

Loans granted during the year and amounts involved are—

(a) Number of loans	2,666
(b) Amount involved	Rs. 21,382,500
(c) Number of houses completed during the year (including extension and repair)	1,910

Acquisition of Land

Land requirements of the Department of National Housing are being met either by acquisition of private land or transfer of Crown land through the Land Commissioner. The Department acquires land on behalf of members of Housing Societies and group of house builders. Members of these Housing Societies and groups of prospective house builders should undertake the construction of houses on these lands with own funds or by obtaining loans from the Department. Lands which are not particularly required for housing societies or groups and any vacant blocks in housing schemes including Crown lands are thus allocated. The procedure generally followed for the purpose is by advertisement, calling applications and subsequent allocation of such lands.

Action has been taken to acquire about 68 acres of land in 1973 involving a sum of Rs. 982,050. Persons who do not own land or who have not obtained land from the Department earlier are eligible to obtain land for purpose of housing. Land is allocated to an applicant subject to a proviso that he should construct a house within a period of three years from the date of allocation.

Construction of Houses

The Department of National Housing constructs houses for purposes of renting out and allocating on rent purchase schemes to persons in lower and middle income groups. This objective is achieved in constructing low cost and middle class housing schemes and flats. The Department has completed a number of low cost middle class housing schemes, aided self-help housing schemes and flats. These housing units have already been allocated to applicants while applications have been called for allocation of houses in several housing schemes during the year.

Tenants Protection (Special Provisions) Act

A total of 7,957 complaints have been received under the Tenants Protection (Special Provisions) Act. Of these, 2,928 have been taken up for inquiry while 2,339 were amicably settled and 421 were referred to Courts.

Enforcement of the Rent Act.—Under the Rent Act, No. 7 of 1972 Rent Boards were inaugurated in various local areas and respective districts. Suitable steps have been taken to bring under the Rent Act houses within limits of more local authority areas.

Ceiling on Housing Property Act

There were 27,822 applications from tenants under provisions of the Ceiling on Housing Property Act. Necessary action is being taken on these applications. Declarations from landlords received under the Act totalled 1952.

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 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, most important are—

- (a) affording entrepreneurs necessary advice in the production of building materials ;
- (b) promoting sales of items produced ;
- (c) encouraging local raw material consumption in the production processes to ensure availability of sufficient supplies to substitute imports ;
- (d) estimating import requirements of the building industry.

Import and systematic distribution of building materials is also the responsibility of the Corporation.

The main sales centre of the Corporation is located at Sri Sangaraja Mawatha with sub-depots at the Railway Yard, Maradana, Bloemendhal Road, Baus Group of Stores, Kelaniya and at Maligawa Road, Ratmalana. Optimum coverage in the scheme of distribution is achieved through a network of co-operatives located in various parts of the island.

VIII—ANURADHAPURA PRESERVATION BOARD

The Anuradhapura Preservation Board was established under the Special Act of Parliament (No. 32) of 1961. The main functions of the Board are the shifting of lay activities and settlement from the "Sacred Area" with a view to preserving its archaeological, historical and religious interest, provide necessary facilities for the many lakhs of pilgrims and tourists visiting the "Sacred City", and conducting archaeological explorations and research while preserving the religious shrines within demarcation of the "Sacred Area". In addition, the Board has also the responsibility of building up the new town in stages for the settlement of people, presently in residence within the "Sacred Area" and providing them with housing, water supply, electricity, health and other facilities.

Apart from providing necessary social and welfare amenities to the heavy pilgrim and tourists "influx" visiting the Sacred City during Wesak, Poson and Esala Seasons, the Preservation Board continued its development programme during the year.

Action was initiated to construct roads under stage III of the Board's Authority. A total of 26 shop buildings were completed near Bus Stand premises and allocated to traders. Facilities were provided to drain-off seepage water at the Board's Stadium.

A transformer was installed at Puliyankulama Sub-Supply Station and preliminary steps taken to extend electricity supply to Asoka Rama Area. A sum of Rs. 83,525 was paid as compensation for lands acquired in the old town. Revenue from rentals of shops, residential buildings and land leases totalled Rs. 401,980.

Accommodation facilities provided by the Board at "Sunhatha" and the tourist home earned a sum of Rs. 34,951 during 1973.

IX—KANDYAN PEASANTRY REHABILITATION

The Kandyan Peasantry Rehabilitation Department was established for the sole purpose of rehabilitating peasants of the Uva and the Central provinces who were for centuries gravely oppressed economically, educationally and socially due to foreign domination. Districts involved under the rehabilitation programme are Kandy, Matale, Nuwara Eliya, Badulla and Moneragala.

Allocation of funds for purpose of rehabilitation of the Kandyan peasantry is made to various Government Departments on the basis of an approved development programme. An allocation of Rs. 6,471,506 was provided for the year 1973 as details below would show :—

	Rs.
Public Roads	3,643,829
School Buildings	606,905
Village Committee Roads	657,225
Water Supply Schemes	471,023
Libraries, Shop premises and Play grounds	389,862
*Health Centres, Hospitals, Clinics etc.	636,545
*Industrial Centres, Workshops	62,068
*Agricultural Development Centres	4,049
Total ...	6,471,506

*Construction of Buildings.

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 Sevaka 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 282 Police Stations in the Island at the end of 1973 with a total of 15,957 Police Officers in the Department. Financial considerations have virtually hampered the Department's plans to take over unpoliced areas.

Crime Statistics

Grave Crimes include offences of Abduction, Arson, Burglary, Cattle Theft, Exposure of Children, Grievous Hurt, Attempted Homicide, Hurt by Knife, Rape, Unnatural Offences, Riot, and Robbery, Theft over Rs. 20, Theft of Bicycles and Receiving stolen Property.

TABLE 21.1—CRIME STATISTICS, 1967-1973

Year	Total Crime	True	Convictions	Percentage	Pending
1967	28,253	14,316	3,536	25.07	12,886
1968	31,859	15,738	3,673	23.33	14,582
1969	32,229	16,097	3,315	20.53	15,467
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

Vehicular Traffic

A total number of 69,670 detections of traffic offences were made by the Police in 1973. In 6,453 cases, warning tickets were issued to offenders for instructions in lieu of prosecution, emphasis being stressed more on correction than punishment.

There were 15,267 accidents in 1973 with 9,177 persons injured and 721 killed. The following table shows accident figures over the last decade:-

TABLE 21.2—ROAD ACCIDENTS, 1964-1973

Year	Total No. of accidents	Persons injured	Number killed
1964	14,188	8,653	430
1965	13,608	7,798	446
1966	12,271	6,580	474
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

II—PRISONS

The Department of Prisons functions under the Ministry of Justice and is administered by the Commissioner of Prisons. It comprises all Prisons, Training Schools for Youthful Offenders, Open Prison Camps, new Prison Camps for Insurgents and Prison Lock-ups. There are 15 Prisons, a Training School for Youthful Offenders and 4 Open Prison Camps, which provide accommodation for a daily average of 3,505 convicted and 6,332 unconvicted prisoners. Insurgent suspects and detainees in Prisons as on 31st December, 1973 totalled 2,216, when compared with 5,542 at the end of the preceding year.

The four largest Prisons are at Welikada (Colombo), Mahara (Ragama), Bogambara (Kandy) and Jaffna. The other Prisons are located at Anuradhapura, Galle, Batticaloa, Badulla, Matara, Tangalle and Negombo. There are in addition the Kandy Remand Prison, the Colombo Remand Prison, the New Magazine Prison and the Hultsdorp Prison. The Open Prison Camps are at Pallekelle, Kopay, Taldena and Anuradhapura. The Training School for Youthful Offenders is at Wathupitiwela. Of the ten camps, three existing camps viz. Amparai, Polonnaruwa and Akkarayankulam were closed down and a new camp at Mahiyangana was established. There were 8 Insurgent camps at the end of the year.

The 26 Lock-ups provide necessary accommodation for Remand Prisoners. During the year 180,223 persons passed through these Lock-ups.

Training programmes in the Department fall into three main categories :

- (a) The Industrial Programme.
- (b) The Agricultural Programme.
- (c) The Rehabilitation Programme.

Industrial Programme

Prisoners capable of being trained in Industrial work are given a training in 23 selected trades. These include Carpentry, Blacksmithy, Masonry, Tailoring, Laundry, Shoe-making, Coirwork, Agriculture and Animal Husbandry, Printing, Motor Workshop, Weaving and Rattan Work.

The object of the scheme is to provide the prisoner with an Industrial background to ensure a rehabilitative form of job training. Articles so turned out have been mainly consigned to Government Departments.

Agricultural Programme

Where land is available for agricultural work, groups of prisoners are trained in gardening, horticulture and cultivation of food crops by departmental instructors. The inmates of Open Prison Camps engage themselves in the cultivation of paddy and vegetables and poultry breeding. This has helped the department raise its own food supplies to feed prisoners.

Total value of out-put from Industrial and Agricultural Programme during the six year period ending 1973 is shown below :

Year	Value (Rs.)
1967-68	2,503,644
1968-69	2,417,697
1969-70	2,494,177
1970-71	2,630,715
1971-72(a)	3,465,392
1973(b)	3,882,703

(a) 15-month period (1st October 1971—31st December 1972).

(b) Calendar Year.

Value of output during the year ending 31st December 1973 constituted an all-time record incidentally the highest since Agriculture and Industry were introduced as prison activities.

Rehabilitation

Apart from those in custody being kept occupied, Vocational Training is also provided in a number of trades at various Rehabilitation Centres in the Island. This scheme has provided detainees with a Vocational Training, a sine-qua-non for a successful rehabilitation programme. Inmates are tutored by competent instructors in Carpentry, Masonry, Blacksmithy, Motor Mechanism, Bakery work, Tractor Driving, Agriculture, Animal Husbandry and Handicrafts.

Education

Adult education classes are held at Welikada, Bogambara, Pallekelle, Wathupitiwela and Negombo Classes at Welikada are in Sinhala and English media and conducted by teachers from the Education Department. Commercial subjects—Sinhala Shorthand, Typewriting and Book-keeping are taught under the auspices of Prisoners' Welfare Association. Teachers from the Polytechnic conduct these classes. Prisoners who reach average educational standards are allowed to sit examinations conducted by the Institute of Commerce.

Moral and Spiritual Welfare

Prisoners of all religious denominations are provided with facilities for their daily religious rites and practices in keeping with their faiths. Prisons and Training Schools in the Island have places of worship within premises as shrine rooms and chapels with unrestricted access. Religious activities are generally directed by chaplains and other visiting clergy. Buddhist chaplains visit the Prisons regularly and direct religious activities. Bana preaching and Sil campaigns are a weekly feature and are organised on all Poya Days. On Sunday services are held for the benefit of Christian inmates. Hindu and Muslim Dignitaries visit prisons to conduct services for adherents of these faiths.

Recreational Activities

Welfare Officers attached to Prisons are responsible for attending to individual needs of prisoners, organising recreational, educational, religious, cultural, literary and other extra curricular activities of prisoners, supervising prisoners released on 'Licence system' and conduct social investigations on prospective 'licences'.

Prisoners were provided with facilities for outdoor and indoor games at the various institutions. The Prison wrestlers participated in all important wrestling meets organised by the All-Ceylon Wrestling Association in open tournaments. Newspapers in Sinhala, Tamil and English are distributed daily among prisoners to afford them the opportunity to keep abreast with current topics during their leisure.

Young First Offenders

The Prison Rover Troop is a unique feature in prison administration. A number of selected prisoners from well-behaved young offenders in the age group 22-28 with long sentences are being trained on scout lines.

Health

The general state of health in Prisons and Training Schools continues to be quite satisfactory.

At Welikada, Mahara, Bogambara, Jaffna, Wathupitiwela, Anuradhapura, Badulla and Negombo Prison Hospitals there are Resident Medical Officers from the Department of Health Services. In other prisons, regular visits are made by the District Medical Officer of the area. Patients are transferred to local civil hospital whenever indoor treatment is required.

An Ayurvedic Physician visits Welikada Prison regularly twice a week (Wednesdays and Fridays). Prisoners from other Prisons needing this form of treatment are brought to Welikada. The Ayurveda Hospital provides prescribed medicines.

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 and Approved Homes.
- (e) Psychiatric service.

The Probation Service

The Probation Service is the field organisation of the Department. It has received recognition as an effective service in 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 all such information relating to character, antecedent, environment and mental and physical state of the offender from a Probation Officer for the Judicial Division in which the offence was committed.

These social reports together with reports on behalf of the Commissioner as to suitability of the case for supervision under probation are furnished by Probation Officers. These officers also furnish social reports to court in respect of children in need of care and protection.

During the period of supervision that ensures making the Supervision Order, the Probation Office is required to see that conditions in the Orders are complied with and also help the "client" to solve the problem or problems faced by him by initiating his own efforts and mobilising the resources in the community.

There were 124 Probation Officers deployed in the 37 Judicial Divisions in the island during 1973. Of these, 5 Officers have been released for full-time work in insurgent camps and have since been appointed Chief Rehabilitation Officers in the Department of Rehabilitation. Two officers have been released for work in the Armed Services.

Probation Officers also perform functions as :—

- (1) Inquiries into applications for adoption of children ;
- (2) Investigation of children in need of care and protection and their placement ;
- (3) Aftercare of children in certified and approved schools ;
- (4) Inquiries 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 the 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 for the year 1973 are outlined below :—

Investigations

Social Inquiries (To Court)	2,741
Other Inquiries	4,946
	7,687

Supervision

Probation	3,860
Supervision of Children and Young Persons in need of care and protection	710
After Care	957
Fines and Miscellaneous work	194
	5,721

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. 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 815 adoption inquiries carried out by Probation Officers during 1973.

Institutional Correctional Service

The Institutional Correctional Service is a major aspect of the Department's activities. The Department runs 4 State Remand Homes and 6 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. A 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, situated at Maggona, which caters to children and young persons of the Roman Catholic faith.

Certified schools and the approved school 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. These officers also assist discharged inmates to settle down in their communities and look after them until they could maintain themselves.

The 5 certified schools for boys are situated at Makola, Hikkaduwa, Koggala, Atchuvely and Keppetipola, the school for girls is at Rammutugala near Kadawata.

The State gives a monthly per capita grant of Rs. 37.50 for the maintenance of inmates in the approved school. There were 700 inmates in residence at certified schools and the approved school in 1973.

Remand Homes

The State Remand Homes for boys are situated at Kottawa, Koggala and Atchuvely while the Remand Home for girls is at Dehiwala. These institutions provide detention facilities for children and young persons pending production in Court or pending trial and on other orders of Court. The "remandees" are subject to observation and a pre-trial or pre-sentence report is provided by the Warden in respect of each child to assist Court in deciding the method of disposal most suited to each case. A total of 2,092 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 the reception of Juvenile "remandees" in areas where State Remand Homes are generally not available. These institutions are financially assisted by the State for the maintenance and Custodial care of the "remandees".

State Receiving Homes

These Homes have been established for the 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 found in accordance with specific needs of each child. Apart from providing immediate needs and necessary care for children admitted to Receiving Homes, these Homes also afford 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 are 4 State Receiving Homes located in Jaffna, Panadura, Bandarawela and Galle. Resident population in these Homes during the financial year 1973 totalled 301 children.

Registration and Inspection of Orphanages and Approved Homes

There were 106 Orphanages or Children's Homes administered by Voluntary Agencies registered with the Department of Probation and Child Care Services in terms of the Orphanages Ordinance. These Homes provide long-term residential care, educational and other facilities. Voluntary Agencies continue to play an important role in the field of child care. In recognition of the useful service performed by these Agencies Government gives a monthly per capita grant of Rs. 38.50 for each child maintained at these institutions and also ad-hoc-grants in suitable cases for purchase of equipment and effecting improvements and additions to buildings.

There were 2,582 children accommodated in these Children's Homes at the end of the financial year 1973. A total sum of Rs. 807,665 was given to these Homes as maintenance grants and Rs. 386,426 as Ad-hoc-grants.

Approved Homes are private residences and training centres approved in terms of the Probation of Offenders Ordinance. The Homes provide short term accommodation and training to probationers and children who have been subject to unsatisfactory home circumstances and require 'treatment' in a restrained environment. There were 18 Approved Homes functioning during the year. Departmental officers inspect these institutions regularly giving necessary guidance and assistance as regards care and maintenance of children at these homes.

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 those cases which warrant such treatment.

TRANSPORT AND COMMUNICATIONS

I—RAILWAYS

THE Railway system of the island has been designed to meet its industrial and agricultural requirements. All sections of the country's Railways except the Kelani Valley Line—from Colombo Fort to Opanaika—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 follows the Coast Northwards to Palavi and Puttalam. At Palavi the line branches off to the Cement Factory at Attavillu and at Puttalam the Aruakalu extension takes off to the Limestone Quarry, with a branch at Illuvankulam to the Clay Fields. At Polgahawela one line runs up to Badulla and Matale the deviating point being at Peradeniya ; and the other line goes up to Kankesanthurai with branches at Maho and Madawachchi. At Maho the branch line proceeds to Gal-Oya where it forks out to Trincomalee and Batticaloa on the Eastern Coast. At Madawachchi 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. Colour Light Signalling has been installed in the sub-urban areas from Colombo to Panadura on the Coast Line, from Colombo to Mirigama on the Main Line and from Colombo to Katunayake and the Bandaranaike Air-Port on the Puttalam Line.

Track

Total Track	Broad Gauge	1,159 miles 31 chains
	Narrow Gauge	100 miles 33 chains
Running Track	Broad Gauge	866 miles 48 chains
	Narrow Gauge	86 miles 51 chains

Organisation

The Railway in Sri Lanka is State-owned, the management being vested in the Ceylon Government Railway Department. The organisation consists of eight sub-departments under the General Manager as Head of the 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 Services provided at Stations and on trains now operate as a separate unit under the Commercial Department. Centralisation of administration was another major change in the structure brought about in 1971.

The target to construct 40 new carriages was exceeded with construction of 48 carriages in 1973. This has helped provide additional services to commuters. It is proposed to build all underframes so that complete carriages would be constructed locally. A scheme has been drawn up to rebuild all Chinese Coaches which are badly worn out and need repairs.

The bonus scheme has been extended to wagon modification, carriage building and carriage repair work. This has proved very successful giving about 100 per cent. extra output. It is proposed to extend the scheme to other divisions in the workshop.

Of the 8 Diesel Shunting Locomotives, 7 have been completed and put into service.

Additional consignments of Power Coaches and Locomotives are expected to strengthen Engine Stock. Proposals have been made for assembly of metal-bodied coaches and wagons on a large scale as from 1975.

Under the wagon-building programme 10 wagons have been completed and 40 more are to be done within course of the year.

Locomotives, Carriages, Wagons and Road Vehicles as at end of 1973 were :

Diesel Electric and Hydraulic (Broad and Narrow Gauge)	213
Steam Locomotives including Rail Cars	50
Other Locomotives and Train Units	9
Road and Motor Inspection Vehicles	95
	Total
	367
Carriages, Other Coaches and Wagons	4,813
Carriages and Wagons Narrow Gauge	298

Co-ordinated Road Motor Services

The following co-ordinated Rail-Road Services for passenger and freight traffic are operated for convenience of the general public :

(a) COLLECTION AND DELIVERY SERVICES

These services worked with departmental lorries deal with Wagon-load traffic like Tea, Paddy, Paper, etc. and small consignments to and from Firms, Government Corporations and Departments and other recognised institutions or parties by prior arrangement. Operated within Municipal limits of Colombo and suburbs these services offer Railway patrons facility of economic and expeditious transport of goods and parcels.

(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 are valuable links between Rail-heads and outlying areas.

(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-distance express trains. These co-ordinated services provide bus connection to rail passengers or a rail connection to bus passengers at scheduled times to and from hinterland areas.

Co-ordinated omnibus services are also operated to and from thickly-populated areas and suburban Railway stations, viz : Kollupitiya, Bambalapitiya, Dehiwela, Ratmalana, Moratuwa, Hunupitiya, Ragama, Veyangoda, Mirigama, Polgahawela, Kandy, Ja-ela, Negombo and Nugegoda for convenience of City workers and school children.

Retiring Rooms.—Retiring rooms fully furnished and equipped with modern amenities for use of passengers are available at Anuradhapura, Kandy, Jaffna, Galle, Trincomalee and Polgahawela. (Single Room at Rs. 10, Double Room at Rs. 20.)

Diesel De-Luxe.—There are two self-propelled Saloon Cars with de-luxe accommodation for 30 passengers each 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. Every passenger (Adult or Child) in the observation saloon must hold in addition to a first Class travel ticket, and 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 "Yal Devi" train. 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 distance trains. Passengers with 2 and 3 class journey tickets should avail of sleeperettes on payment of Rs. 7.50 for a second class sleeperette ticket or Rs. 5.00 for a 3 class sleeperette ticket.

Railway Agencies (Traffic) opened during the year were :—

<i>Ticket Agency</i>	<i>Location</i>	<i>Date opened</i>
Heendeniya-Pattigoda	.. 21 miles 43 chains between Magalegoda and Veyangoda	21.01.1973

Railway Traffic

The volume of railway traffic for the years 1972 and 1973 appears in table 22.1

TABLE 22.1—VOLUME OF RAILWAY TRAFFIC—1972 AND 1973

<i>Year</i>	<i>Passengers conveyed (thousands)</i>	<i>Season Ticket holders (thousands)</i>	<i>Goods conveyed including livestock (thousand-tons)</i>
1972	33,642	690	1,695
1973	37,021	726	1,805

Finance.—A broad classification of income and expenditure showing results of operation is given below :—

<i>Years</i>	<i>Working Expenditure</i>	<i>Gross Receipts</i>	<i>Net Receipts</i>
	(Rs. Million)		
1971—1972*	194	177	-17
1973	167	149	-17

*15—month period

The annual capital outlay was—

<i>Years</i>	<i>Capital Expenditure during the year (Rs. Million)</i>	<i>Total Capital Expenditure up to end of year</i>
1971—72*	35	764
1973	46	809

*15—month period

A sum of Rs. 1.4 million consisted of assets written off and transferred during the year.

II—ROADS AND ROAD TRANSPORT

Territorial Civil Engineering Organisation

With the establishment of the Territorial Civil Engineering Organisation under the Ministry of Irrigation, Power and Highways on 1st January, 1971, the maintenance and construction of roads that do not come under category of Major Schemes handled by the Department of Highways, came to be delegated to the Territorial Civil Engineering Organisation.

Provision of Irrigation facilities, improving existing facilities, maintenance of Major and Minor scale tanks, water supply schemes, preparation of plans, estimates for local bodies and D.D.C. Projects also fall within scope of its functions.

The T.C.E.O. has a net work of regional offices consisting of 9 sub-divisions in the various parts in the island.

Among items of Construction work taken up during the year were the Kallar Causeway and On-datchchimadam Causeway on the Colombo-Ratnapura-Wellawaya-Batticaloa Road. These causeways become impassable during spells of heavy rain.

Department of Highways

The Department of Highways functions under the Ministry of Irrigation Power and Highways. Its activities in 1973 were :—

Roads.—Road constructions carried out were :

1. Kohuwala-Dehiwala (road widening)
2. Nugegoda Church Road (widening)
3. Wirawila Air Port (road construction).

Bridges.—Bridges constructed were :

1. Polpitiya-Tibertan Bridge (across Maskeli-Oya)
2. Kalawellawa Bridge
3. Badalgama Bridge (across Maha-Oya)
4. Bridge No. 52/5—Colombo-Puttalam Road
5. Bridge No. 58/4—Colombo-Puttalam Road
6. Bridge No. 64/8—Colombo-Ratnapura-Wellawaya-Batticaloa Road
7. Bridge No. 64/2—Ambepussa-Kurunegala-Trincomalee Road
8. Bridge No. 91/3—Ambepussa-Kurunegala-Trincomalee Road
9. Bridge No. 123/3—Ambepussa-Kurunegala-Trincomalee Road
10. Bridge No. 117/2—Ambepussa-Kurunegala-Trincomalee Road
11. Bridge No. 38/2—Avisawella-Hatton-Nuwara Eliya Road
12. Bridge No. 61/14—Avisawella-Hatton-Nuwara Eliya Road
13. Bridge No. 33/5—Panadura-Nambapana Road
14. Bridge No. 32/1—Kandy-Jaffna Road
15. Bridge No. 42/2—Kandy-Jaffna Road
16. Bridge No. 127/6—Medawachchiya-Mannar-Talaimannar Road
17. Bridge No. 93/6—Kandy-Jaffna Road
18. Gurugalla-Amithirigala (Bridge across Kelani Ganga)

Motor Traffic

The Department of Motor Traffic is responsible for the Administration of the Motor Traffic Act and Regulations framed thereunder. Its functions are the registration and licensing of motor vehicles, registration of transfer of motor vehicles, issue of drivers, conductors and ticket inspectors licences, issue of permits for buses used on tours and excursions, regulation of motor traffic on highways, control supply and distribution of motor vehicles, issue of Certificates of Fitness for Commercial Vehicles, examination of and reporting on vehicles involved in accidents and implementation of the Finance Act No. 11 of 1963 relating to sale of certain cars.

Registration of Motor Vehicles

The post-independence period saw a rapid expansion of road transport until January 1961, when a virtual ban was imposed on the importation of motor vehicles in order to conserve foreign exchange.

However, with a view to assisting agricultural and industrial projects, Government obtained aid and long-term loans from foreign countries and imported a restricted amount of commercial vehicles and motor cycles for distribution among Estates and Engineering sectors and Transport, and other services. Statistics of the number of motor vehicles in the Registers for the period from 1963 appear below :

<i>Year</i>		<i>Number of Motor Vehicles</i>
1963	..	146,323
1964	..	147,589
1965	..	147,760
1966	..	151,417
1967	..	156,754
1968	..	161,154
1969	..	169,353
1970	..	175,642
1971	..	179,637
1972	..	133,330
1973	..	187,671

With the introduction of the ban on import of cars, ownership of registered vehicles changed more frequently than in the past. During the Financial Year 1973 a sum of Rs. 4,140,306 was collected as revenue on transfers of motor vehicles.

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 the Financial Year 1963/64 are given below :

Financial Year	Revenue collected	
	Registrar of Motor Vehicles	Government Agencies
	Rs.	Rs.
1963/64	6,948,152	6,131,402
1964/65	6,278,207	5,972,553
1965/66	5,906,570	5,167,813
1966/67	10,046,089	5,377,754
1967/68	8,024,812	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
1971/72	10,892,175(a)	16,627,696(a)
1973	15,750,595	9,387,679

(a) Subject to revision.

Driving Licence

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 case he is retested by a department official of staff rank. Licences to drive commercial vehicles, as buses, lorries and hiring cars are issued after a test conducted by a Board consisting of an official of Staff rank, an Examiner of Motor Vehicles and a Police Officer. Although there is a marked decrease in the number of passenger cars imported into the Island there has not been a corresponding decrease in the number of drivers for this class of vehicles. The number of driving licences for private cars and commercial vehicles issued during the Financial Year 1973 was 16,544.

Conductors and Ticket Inspectors Licences

The Licensing of Conductors and Ticket Inspectors Regulations was amended by notice in the *Government Gazette* of 3 January, 1969 to enable persons with VIII Standard qualification to obtain Conductors and Ticket Inspectors Licence and dispense with the earlier requirement of a certificate of employment from the Ceylon Transport Board or other transport organisation. Fee for such licences was increased from Rs. 2.50 to Rs. 7.50 by an amendment to the Fees Regulation. During the Financial Year 1973, a total of 254 conductor licences were issued, while there has been no issue of Ticket Inspectors Licences. The issue of Conductors Licences to private individuals was suspended with effect from 13 October, 1970.

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 guidance of persons using roads and is in the process of revision.

Examination of Motor Vehicles

Commercial Vehicles in Colombo District required by law to obtain annually certificates of fitness are examined at the testing station attached to the Department. In the provinces, this work is being done by the Examiners of Motor Vehicles, attached to Government Agencies of the district Administration.

International Convention Relating to Motor Traffic

Ceylon 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 those visiting Sri Lanka.

Tax on the sale of motor cars

Under the Finance Act No. 11 of 1963, tax is payable on the sale after 1st August, 1963 of motor cars,

- (a) registered for the first time in Ceylon on or after 26th January, 1961 (the registration number issued on 26th January, 1961 was 4 Sri 4064) and
- (b) imported free of Customs Duty or on special concessions given to Diplomatic and other privileged persons.

A sum of Rs. 2,285,787 was collected as revenue during period 1st January to 31st December, 1973. The purpose of the tax is to prevent owners of motor vehicles who have obtained the privilege and concession of importing new motor cars into the country from making unconscionable profit by selling these cars at fabulous prices in a booming second hand market.

Ceylon Transport Board

The Ceylon Transport Board was established as the first nationalized venture on 1 January, 1958, under the motor transport Act No. 48 of 1957. The Board laid during the year greater emphasis on its capital development projects. Two new depots, a provincial workshop and a central docking station were constructed.

A docking station for maintenance and servicing of Board's vehicles in the Western Area was declared open in October, 1973. A part of major development programme undertaken by the Board, the docking station is the first of its kind to be established in Sri Lanka. It also forms part of a multimillion rupee complex to be completed on a 32 acre site at Moratuwa. The complex would consist of :—

- Docking Station
- Depot for 150 buses
- Garage with repair facilities for a fleet of 100 buses (festive services)
- Medical Division Headquarters
- The new Ceylon -German Training School
- Civil Engineering structural workshops
- Pre-casting yard and park.

The docking station would handle 24 weekly docks of 2,500 vehicles attached to Colombo and Greater Colombo area depots.

The setting up of provincial workshops is one of major steps in the Board's programme of decentralisation of the engineering services. Decentralisation entails efficiency, increased output, better control of man power and material and maximum utilisation of the Board's resources. Hitherto, repair and overhaul facilities of the Board's large fleet of buses operated by its depots throughout the island pivoted round the Central Workshops at Werahera. There was thus a heavy demand for facilities afforded at these workshops. Provincial workshops would also increase efficiency and output.

The Board operates one of the largest fleet of buses in the East and perhaps the second only to London Transport Board. From the 3,400 vehicles taken over at the time of nationalisation the fleet has steadily increased to 6,600 vehicles. The number of buses operated per day has increased from 2,318 to 4,590 buses with a phenomenal increase both in the number of passengers carried and number of miles operated. From 1.25 million passengers per day at the time of nationalisation the Board, at present, provides transport facilities to approximately 3.85 million passengers. The mileage has increased from 281,000 to approximately 700,000 per day. Personnel employed is in the region of 48,000 a three fold increase since 1958. From 95.7 cents in 1958 revenue per mile has increased to 164.7 cents as at end of 1973.

The Board was compelled to curtail considerably the operation of its services on account of fuel crisis. Reduction in the services to cater for festivals and events of social significance was also affected.

Statistics below indicate the growth and development of the Board's activities during the past sixteen years :—

TABLE 22.2—MILES OPERATED AND PASSENGERS CARRIED 1958-1973

<i>Year</i>	<i>Miles operated</i>	<i>Passengers carried</i>
1958	102,616,664	456,401,953
1959	108,824,831	513,532,364
1960	115,006,429	555,363,140
1961	120,636,509	617,456,143
1962	122,529,143	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	212,519,436	1,271,102,316
1969	221,285,392	1,328,412,218
1970	237,031,717	1,373,414,164
1971	241,148,795	1,335,846,790
1972	270,082,614	1,390,351,993
1973	250,899,496	1,405,164,385

The Board has been charged with the responsibility of providing an efficient and adequate road passenger transport service as required by law. This ensures that its revenue is sufficient to meet charges which are proper to be made to the Board's revenue.

Expansion and development of the Board's activities owe its origin to Employees' Councils initiated by the United Front Government. Cordial relations between the Board and Employees' councils initiated a sense of responsibility among members of these councils and the significant role they are called on to perform.

Incentive bonus schemes were introduced to cover both workshop as well as operational workers. In workshops production increased from 200 to 300 per cent, whilst revenue from bus services increased considerably at all depots, since the new scheme was introduced. There was also a marked improvement in bus services.

Employees selected from among engineering floor level staff were sent abroad for training, the first selection ever in the history of the Board. These training courses were provided at workshops of supplier organisations with no financial burden whatsoever to the Board.

The accounting organisation of the Board has been decentralised with effect from January 1973. Each depot under this system is an independent accounting unit. This procedure would reflect efficiency of a depot and pin-point its deficiencies. Several changes have also been made in Stores Accounting and Documentation systems.

A five-year plan of development has been prepared after a careful study of existing facilities and taking to consideration projected passenger-increases. The major plan has been split up into annual implementation programmes and reviewed in perspective to ensure realisation of targets.

The Driver Training School has been re-organised to provide intensive training for driver and conductor recruits. Special courses have been arranged to ensure courtesy awareness among bus crews. These courses are conducted at various centres throughout the island to ensure a wider coverage of these employees as expeditiously as possible.

III—SHIPPING

Merchant Shipping Division, Ministry of Shipping and Tourism

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.—On September, 1973, a new statutory organisation, the Central Freight Bureau of Sri Lanka came into operation to take over the functions of the Ceylon Freight Bureau. The Bureau, first of its kind to appear in international shipping scene, has been acclaimed as a useful institutional arrangement to serve Shipping Conferences, Shipping Lines both national and foreign, Shipping Agents, Shippers and Port authorities in Sri Lanka. "The aggregation" policy of the Bureau provided additional cargo to vessels, arriving in the ports of Sri Lanka having recorded short-shipments at earlier ports of call.

Licensing of Shipping Agents.—With a view to providing fair employment prospects for Ceylonese and to exercise a certain amount of control over local Shipping Agencies, the Licensing of Shipping Agents Act, No. 10 of 1972 was promulgated effective from 1973. All Shipping Agencies are required under this act to be licensed annually and function in accordance with terms and conditions of licences issued them. A considerable income is being collected and credited to revenue each year as licensing fees.

Promotional Freight Rates.—The Merchant Shipping Division has been instrumental in obtaining promotional freight rates as a measure to promote export trade in non-traditional commodities. Recommendations made to Shipping Conferences/Freight Rate Agreements and individual shipping lines have already been successful in granting promotional freight rates to several commodities and export products.

Seamen.—A corollary to growth of the national merchant navy, was the inauguration of a comprehensive training scheme by the Ministry of Shipping and Tourism in December, 1973. This scheme has helped provide employment in Sri Lanka vessels for trained seamen and supply of trained seamen to foreign vessels.

Training courses are conducted at the Naval and Maritime Academy, at Trincomalee with assistance of the Sri Lanka Navy. Sri Lanka's strict adherence to policy of non-alignment, knowledge of the English Language and ability of the seamen work with nationals of other countries have increased demand for local seamen.

Business activity transacted during 1973 is outlined below:—

(a) Ships Masters attended to	740
(b) Change of Masters	28
(c) Seamen signed on	3,078
(d) Seamen signed off	2,158
(e) Number of deaths reported	nil
(f) Number of Ceylonese seamen engaged	1,330

Distressed British seamen were attended to as follows:—

(i) Repatriated by the Department	nil
(ii) Rejoined own or other vessels	10
(iii) Repatriation by Local Agents	20

Tonnage.—Number of vessels on the British Registry as at the end of 1973 in Colombo was 19 representing a total of 5,530 gross tons. The number of vessels at the Jaffna Registry was 115 with a gross tonnage of 4,840. Two ships were registered in Colombo under the Merchant Shipping Act No. 52 of 1971 and had a total of 19,820 gross tons.

There were no shipping casualties reported during the year.

Seamen's Employment and Welfare:—The employment of Ceylonese on Tramp Greek ships has increased and wages paid them have been higher than in previous years consequent to the rise in wages of seamen in Greece and in U.K.

Engagements of Ceylonese seamen from 1966 appear below:—

TABLE 22.3—CEYLONESE SEAMEN—ENGAGEMENTS

1966	215
1967	210
1968	182
1969	304
1970	270
1971	639
1972	779
1973	1,330

Marine Survey Office.—There has been a considerable increase in volume of work attended to by the Government Engineer and Ships Surveyor who also, functions as the Deputy Director of Merchant Shipping. In addition to his normal duties the Deputy Director also acts as Technical Adviser to the Ceylon Shipping Corporation.

Surveys carried out of vessels in the Port of Colombo and Outports were:—

(a) COLOMBO

Passenger launches	50
Passenger cum cargo launches	16
Towing tugs	2
Self-propelled barges	2
Fishing trawlers	2

(b) OUT-PORTS

Passenger launches	272
Passenger cum cargo launches	—
Lighters	—

A total of 109 applicants were examined for Certificate of Competency under provisions of Chapter 152 of the Master Attendant's Ordinance. There were 90 applicants who successfully obtained certificates.

Under provisions of Part III of the Merchant Shipping Act, No. 52 of 1971 two ships of the Ceylon Shipping Corporation, Lanka Shanthi and Lanka Rani were registered as Sri Lanka vessels.

Ceylon Shipping Corporation

One of the major policy decisions taken by the United Front Government, in June, 1970, was to establish and develop a national merchant marine to carry a substantial percentage of cargo generated by Sri Lanka's foreign trade.

In implementing these plans, the Shipping Corporation was established as a Statutory Body by an Act of Parliament (No. 11) of 1971 on 6th June, 1971. Until the acquisition of the first vessel the Corporation's commercial activities were limited to the functions of 'Chartering Broker' principally for the Food Commissioner and carrying related agency work.

Gross turn over of the Corporation in 1973 was Rs. 70.7 million an increase of Rs. 13.1 million over the preceding year. Return of 17.39% on capital investment was 17.4 per cent. Foreign exchange earnings were US \$ 3.7 million and net savings amounted to US \$ 1.6 million. Incidentally the net profit before interest was Rs. 21.5 million an increase of 100 per cent over the preceding year.

General Operations

Liner Service.—During the year 1973 the Shipping Corporation continued to expand and stabilise two liner services to UK/Continent and Far East respectively. The C.S.C. continued to serve Arabian/Persian Gulf and Red Sea Ports as well. Gross earnings from the liner service amounted to Rs. 67.1 million.

Ceylon/UK/Continent Liner Services.—The two vessels operating in these liner services, 'Lanka Rani' and 'Lanka Devi' were joined by 'Lanka Shanthi' after her acquisition towards middle of the year. Coverage of this service was further strengthened by the time-chartered vessel 'Neptune Garnet' making total number of vessels operating within this region four. The Shipping Corporation served major UK Ports as well as ports in Germany, Netherlands and Belgium.

Sri Lanka/China/Japan/Far-East Service.—The vessels Lanka Kanthi and Lanka Kalyani operating this service were mainly utilised for purpose of trade between the People's Republic of China and Sri Lanka. 'Lanka Sagarika' joining in the latter stages of the year performed a single voyage to Japan.

Sri Lanka/Arabian and Persian Gulf/Red Sea Service.—Lanka Sagarika performed two round voyages in this service before encountering engine defects during the second quarter of the year.

Chartering.—The CSC continued to act as the sole local chartering 'Broker' on behalf of the Food Commissioner, Ceylon State Flour Milling Corporation, Ceylon Fertilizer Corporation, Ceylon Petroleum Corporation, Ceylon Cement Corporation, Ceylon Government Railway and other Government Institutions. The number of chartered ships handled during the year totalled 125 vessels with corresponding increase in tonnage to 974,520.

Non-Liner Section.—The Non-Liner Section handled 104 vessels earning Rs. 406,395 as agency fees. In addition to being Charters' Agents, this section also handled the Owners Protective Agency. All agency work in respect of tankers chartered by Ceylon Petroleum Corporation continued to be entrusted to the Shipping Corporation.

Other Developments

Assistance to Import/Export Trade—Private Sector Imports.—Private Sector Imports were allowed to use their import allocations fully to meet F.O.B. cost of imports, provided the Corporations vessels were utilised to lift cargo.

Export Promotion.—The Corporation acting as Secretaries to the Ceylon/Arabian and Persian Gulf/Red Sea Conference allowed promotional freight rates for a number of non-traditional export items.

Sri Lanka/China Joint Shipping Service.—The first meeting of the Joint Committee was held in Colombo in October, 1973. An important decision taken at this meeting was to expand Joint Shipping Service from the People's Republic of China to UK and Europe.

Ceylon/Australia Service.—The Shipping Corporation in collaboration with Compagnie Havraize & Nantaise Peninsulaire provided a regular service from Sri Lanka to Australian Ports. Three sailings from Sri Lanka to Australia during 1973 were provided under this service.

Manning of CSC Vessels.—A considerable progress was made in increasing the number of Sri Lanka nationals manning the Corporation vessels in officer grade. Of the six owned vessels only three vessels had foreign Masters and Chief Engineers in 1973.

Training Facilities.—Training facilities were afforded both floating and shore staff in technical and other related fields. In addition the Corporation recruited cadets and junior engineers for training on board its vessels to cover ever-increasing demand for trained personnel.

The Shipping Corporation invested capital in Ceylon Shipping Lines (controlling 23 per cent. of the issued share capital) and Ceylon Port Services (controlling 50 per cent. of the issued share capital) in addition to acquisition of shares from following companies in Shipping Agency Trade :—

Ceylon Ocean Lines Ltd.
Delmege Forsyth & Co. (Shipping) Ltd.
Mackinnon Mackenzie & Co. (Shipping) Ltd.
Scanships Ltd.

Fleet Strength.—Vessels owned by the Corporation :—

Lanka Rani ;
Lanka Sagarika ;
Lanka Devi ;
Lanka Kalyani ;
Lanka Kanthi ;
Lanka Shanthi.

The expansion of the Corporation fleet-strength from 5 to 6 owned vessels during the year increased total dead-weight to 59,264 tons.

Chartering.—

<i>Commodity</i>	<i>No. of Vessels</i>	<i>Tonnage</i>
Rice	41	335,600
Wheat Grain	4	64,600
Flour	33	255,600
Sugar	16	192,490
Petroleum	1	10,500
Fertilizer	16	79,150
Coal	4	24,300
Cement	1	10,600
General	1	1,680
Bunker Callers	8	—
	125	974,520

Port Tally and Protective Services Corporation

The Port Tally and Protective Services Corporation was established under Port Tally and Protective Services Corporation Act No. 10 of 1967.

Tallying and Watching of cargo in the interests of Ship-Owners, Agents or Masters of Ships in the Ports of Colombo and Trincomalee are the main functions of the Corporation.

Colombo Port Commission

(a) *Extension of Queen Elizabeth Quay.*—Estimated total cost is Rs. 105 lakhs. Work on construction of the main platform wall and the wave wall on the South West Breakwater was continued. Dredger "Diyakawa" was used to reclaim land of about 2 acres in extent.

(b) *Tanker Berth Project*.—Estimated total cost of Rs. 2.5 million; the project which envisaged provision of berthing facilities to two 60,000-ton tankers was suspended. A Cabinet memorandum was subsequently forwarded recommending purchase of four 30,000-ton deep water tanks. Dredger "Diyakawa" was used instead in dredging the canal.

(c) *Trincomalee Development Project*.—Estimated total cost Rs. 220 lakhs; the project provides for construction of two jetties, warehouses and yards. Work construction of concrete parts and platform wall on the reclamation of land was carried out. Sinking of cylinders for the platform wall was commenced.

(d) *Galle Harbour Development Project*.—Estimated total cost Rs. 203 lakhs— Work on construction of the Fisheries Harbour was continued.

(e) *Maritime constructions*.—Roads, floating crafts and plant were maintained in Colombo, Galle and Trincomalee Harbours. Work on buildings, roads, and coast protection were also carried out in addition to main projects listed above.

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 41 of 1964.

Main functions of the Corporation as stipulated in the Act under Section 4 (1) are :—

- (i) 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
- (ii) 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 than 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.

Non-labour and labour grade employees in the three Ports during 1973 were :—

	Non-labour	Labour
Port (Cargo) Corporation, Colombo	3,061	11,734
Port (Cargo) Corporation, Trincomalee	375	1,673
Port (Cargo) Corporation, Galle	92	596
	3,528	14,003

Operations

Vessels and volume of cargo handled.—The number of vessels and the volume of cargo handled during the year were :—

Port	Vessels	Imports	Exports	Total (Tons)
Colombo	923*	1,487,350	864,887	2,352,237
Galle	14†	22,553	11,644	34,197
Trincomalee	116‡	62,728	95,495	158,223
1973	1,053	1,572,631	972,026	2,544,657
1972	1,211	1,607,815	1,012,175	2,619,990

Include— * 91 food ships: † 4 food ships: ‡ 10 food ships

Supply of fresh water to vessels

Volume of fresh water supplied to vessels during the year was :—

Port of Colombo	352,255 tons
Port of Galle	—
Port of Trincomalee	13,380 tons

Port Efficiency.—Efficient cargo handling performed by Corporation's labour with record tonnages during the year helped earn despatch money in foreign exchange to the tune of £ 59,150 and \$ 640,920 (Rs. 8,184,864 including FEECs).

Finance.—The Corporation gazetted in June 1973 new Consolidated Rate Structure in the Port of Colombo for all normal stevedoring services based on tonnage handled without an upward revision of existing rates of a very complex nature since nationalisation. The new rate structure, apart from expeditious recovery of charges for services rendered, has eliminated a large number of disputes as regards various interpretations in existing Schedule of Rates.

Revenue

The Port Cargo Corporation (Colombo) made a profit of Rs. 6,208 million during the year, whilst the Ports of Galle and Trincomalee incurred losses of Rs. 2,921 million and Rs. 8,441 million respectively.

Review of Performance

Port Re-organisation.—Implementation of the Wickremasinghe Parliamentary Committee Report was given effect to by the establishment of fixed gangs in the Operations Division. Another major recommendation by the Committee regarding the implementation of a three shift pattern of work, received the active consideration of the Corporation. Several other recommendations of this Report including the decentralisation at unit level have been implemented.

Due to the rapid decline in the volume of work handled an Incentive Retirement Scheme was introduced to permit all employees over 55 years of age to retire, if they so desired. About 690 employees made use of this scheme to retire during the course of the year. A further Scheme to embrace those under 55 years of age has been submitted to Cabinet of Ministers and awaits approval.

Security.—A new security service under the Corporation was established in the Port of Colombo on 2nd April 1973. Incidence of thefts and losses reported from Units where personnel of the security service have been deployed are now on the decrease. For the present, security service operations are confined only to certain areas. This service has been able to satisfactorily provide security required for transshipment cargo. Action is being taken to recruit the personnel required from within the Corporation to expand this service so that it could be strengthened and extended to cover other areas in the Port as well.

Engineering.—A sum of Rs. 500,000 has been earned by work done for organisations like the Ceylon Shipping Corporation, Mineral Sands Corporation and the River Valleys Development Board.

Clearance of cargo

Special facilities essential for expeditious clearance of cargo from the Port of Colombo were provided. A Continuing Committee appointed to investigate clearance of cargo consigned to public sector has initiated appropriate action.

Container service.—The Corporation having established the operation of a Container Service in consultation with the Ministry of Shipping and Tourism, handled the first conventional/container ship in December 1973. The vessel owned by the American President Lines had 600 tons of containerised cargo loaded during one shift. With completion of the container berth project undertaken by the Colombo Port Commission, more container ships of other lines, too would be expected to call at the Port of Colombo.

Trincomalee Development Programme.—Construction of two alongside berths at the Port of Trincomalee by the Colombo Port Commission when complete would enable the Corporation to effect more economic handling of cargo and quicker turnaround time of vessels.

IV—CIVIL AVIATION

Bandaranaike International Airport (Colombo)

Sri Lanka, like many other countries, has felt the impact of rapid changes in the development of high speed, increased capacity passenger and cargo aircraft. Bandaranaike International Airport being the premier airport of Sri Lanka and the gateway for all tourists, has met this challenging situation inspite its very limited resources.

Air Ceylon (International), British Airways, Qantas Airways Ltd., Swissair, 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 Bandaranaike International Airport.

Regular and seasonal charters were operated through this Airport by Balair, Sterling, Condor, Caledonian, Cargolux, 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 Aircrafts were staged through Bandaranaike International Airport during the year. U. T. A. introduced DC. 10 Aircraft on its operation to Bandaranaike International Airport and the East with effect from 14th May, 1973.

Work completed during the year helped provide landing of heavy aircraft and the increase in traffic—

- (i) The former V. A. S. I. system was modified to 3-bar V. A. S. I. with the addition of 4 more units at both 04 and 22 ends of the runway in accordance with specification laid down by I. C. A. O.
- (ii) New taxiway and extended portion of the apron have been wired and lit.
- (iii) A permanent underground service main to the V. I. P. Lounge and the Fire Service building were provided.
- (iv) Runway, lighting unit was strengthened to resist the jet blast impact, etc., caused especially by large Jet Aircraft of the Jumbo Jet Type.

Since 1st September, 1973 a Civil Police Post has been established in the Terminal Building at Bandaranaike International Airport.

The Outside Portorage Scheme was put into operation during the latter part of the year to facilitate quick clearance of baggage. This scheme has been greatly appreciated by all Airlines operating at this airport.

Aerodromes

The other Custom Airports 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) — This Aerodrome is situated on the Northern coast strip of the Island, approximately twelve miles north of Jaffna.

Other Aerodromes : The Aerodromes at Amparai and Batticaloa are maintained for domestic Air Services operated by Air Ceylon Ltd. The Aerodromes at Puttalam, Minneriya, Koggala have been maintained by the Government as emergency landing grounds.

Puttalam and Koggala continue to function as regular Beacon Stations. Work on the new Aerodrome at Weerawila is nearing completion.

Air Transport Companies operating through Sri Lanka

Air Ceylon Ltd. : Air Ceylon operated the following international services using DC. 8 Aircraft—

East Bound : Flight AE.16/16A—

London/Paris/Rome/Karachi/Colombo/Kuala Lumpur/Djarkarta

West Bound : Flight AE.17/17A—

Djarkarta/Kuala Lumpur/Bangkok/Colombo/Karachi/Rome/Paris/London

Flight AE.15A/15—

Singapore/Kuala Lumpur/Colombo/Karachi/Rome/Paris/London

Using Trident Aircraft Air Ceylon operates the following Services :—

Two Services—Colombo/Kuala Lumpur/Singapore and vice versa

Two Services—Colombo/Bangkok and vice versa

One Service—Colombo/Bombay and vice versa

Three Services—Colombo/Madras and vice versa

Air Ceylon operates its domestic and regional services with AVRO and DC. 3 Aircraft as follows :—

Three Services—Colombo/Thiruchirapallai and vice versa

Two Services—Jaffna Thiruchirapallai and vice versa

Two Services—Colombo/Jaffna/Thiruchirapallai and vice versa

One Service—Colombo/Jaffna and vice versa

One Service—Colombo/Trincomalee/Jaffna/Thiruchirapallai and vice versa

Two Services—Colombo/Trincomalee/Jaffna and vice versa

Two Services—Colombo/Galoya/Batticaloa/Colombo

Two Services—Colombo/Hullele and vice versa

(There had been changes in the schedule of these services from time to time)

Aeroflot Soviet Airlines

Aeroflot Soviet Airlines operated one weekly terminate service to Colombo from Moscow using IL 62 Aircraft—

East Bound : Flight SV.543—

Moscow/Teheran/Karachi/Colombo

West Bound : Flight SV.544—

Colombo/Karachi/Teheran/Moscow

BRITISH OVERSEAS AIRWAYS CORPORATION

British Overseas Airways Corporation operated the following services using B. 707 and VC. 10 aircraft—

East Bound : Flight BA. 704—

London/Cairo/Bombay/Colombo/Kuala Lumpur/Perth/Melbourne

Flight BA. 726—

London/Kuwait/Bombay/Colombo/Singapore/Sydney

Flight BA. 432—

London/Dubai/Colombo/Bangkok/and return via Dubai

West Bound : Flight BA.705—

Melbourne/Perth/Kuala Lumpur/Colombo/Bombay/Bahrain/Cairo/London.

Flight BA. 729—

Sydney/Melbourne/Darwin/Kuala Lumpur/Colombo/Dubai/London

AFRICAN SERVICES

East Bound : Flight BA. 911A—

Tokyo/Hongkong/Colombo/Seychelles/Nairobi/Entebbe/London

Flight 911A—

Tokyo/Hongkong/Colombo/Seychelles/Johannesburg

West Bound : Flight BA. 910A—

London/Entebbe/Nairobi/Seychelles/Colombo/Hongkong/Tokyo

Flight 910A—

Johannesburg/Seychelles/Colombo/Hongkong/Tokyo

GARUDA INDONESIAN AIRWAYS

Garuda Indonesian Airways operated one return service through Colombo with DC. 8 Aircraft on the following route :—

East Bound : Flight GA. 895—

Amsterdam/Paris/Athens/Bombay/Colombo/Kuala Lumpur/Djarkarta

West Bound : Flight GA. 896—

Djarkarta/Kuala Lumpur/Colombo/Bombay/Athens/Frankfurt/Amsterdam

INDIAN AIRLINES

Indian Airlines operated the under-mentioned service during the year, 1973—

Flight No. IC. 573/574—3 Services

Madras/Colombo/Madras using Caravelle Aircraft

Flight Nos. IC. 577/578—3 Services

Trichy/Colombo/Trichy/using HS. 748 Aircraft

Indian Airlines resumed their Trivandram services in May, 1973 with HS. 748 Aircraft with flight Nos. IC. 507/508

PAKISTAN INTERNATIONAL AIRLINES CORPORATION

Pakistan International Airlines Corporation operated two weekly return services with B. 707 Aircraft as follows :—

East Bound : Flight No. PK. 770—

Karachi/Colombo/Kuala Lumpur/Singapore/Djarkarta

Flight PK. 772—

Karachi/Colombo/Kuala Lumpur/Singapore.

West Bound : Flight PK 771—

Djarkarta/Singapore/Kuala Lumpur/Colombo/Karachi

Flight PK 773—

Singapore/Kuala Lumpur/Colombo/Karachi

QANTAS AIRWAYS LTD.

Qantas Airways Ltd. operated through Colombo a single return service per week London/Sydney with B. 707 Aircraft on the following route :—

East Bound : Flight QF. 762—

London/Teheran/Colombo/Kuala Lumpur/Sydney

West Bound : Flight QF. 761—

Sydney/Kuala Lumpur/Teheran/London

SINGAPORE AIRLINES LTD.

Singapore Airlines Ltd. operated twice weekly services through Colombo on the following route with B. 707 aircraft :

East Bound —Flight SQ. 776—2 services
London/Zurich/Athens/Bahrain/Colombo/Singapore

West Bound —Flight SQ. 777A and 779A
Singapore/Colombo/Bahrain/Athens/Zurich/London

SWISSAIR TRANSPORT COMPANY LTD.

Swissair operated one weekly return service Zurich/Singapore/Geneva with DC. 8 aircraft on the following route :

East Bound —Flight SR. 314
Zurich/Geneva/Karachi/Bombay/Colombo/Singapore

West Bound —Flight SR. 315
Singapore/Colombo/Bombay/Zurich/Geneva

U. T. A. FRENCH AIRLINES

U. T. A. French Airlines operated two weekly return services using DC. 8 aircraft until 13th May 1973.

East Bound —UT. 566
Paris/Athens/Colombo/Singapore/Djakarta/Noumea UT. 564
Paris/Colombo/Phnom-Penh/Saigon/Singapore/Noumea

West Bound —UT. 563
Noumea/Djakarta/Singapore/Colombo/Karachi/Athens/Paris
UT. 565
Noumea/Singapore/Saigon/Phnom-Penh/Colombo/Paris

With effect from 14th May, 1973 UTA introduced DC. 10 Aircraft and operated one return service through Colombo as follows :

East Bound.—UT.564—
Paris/Karachi/Colombo/Singapore/Noumea

West Bound.—UT.563—
Noumea/Singapore/Colombo/Karachi/Paris

In June 1973 UTA started a second frequency through Colombo using DC. 8/53 aircraft on the following route :—

East Bound.—Flight UT.572—
Paris/Colombo/Phnom-Penh/Singapore/Djakarta
Flight UT.573—
Djakarta/Singapore/Phnom-Penh/Colombo/Paris.

AIR CEYLON LIMITED

Air Ceylon Limited was established in May 1951 replacing Air Ceylon which was operating regional and international services under the Department of Civil Aviation.

COMMERCIAL ACTIVITIES

(a) *International*.—Operated by Douglas DC 8-53 Aircraft in collaboration with UTA on the following routes :—

London to Singapore via Rome, Karachi, Colombo and Kuala Lumpur.

(b) (i) *Regional*.—Operated with Trident Aircraft

Colombo/Bombay/Colombo.

Colombo/Kuala Lumpur/Singapore/Kuala Lumpur/Colombo.

Colombo/Bangkok/Colombo.

Colombo/Madras/Colombo.

(ii) Operated with Avro Aircraft.

Colombo/Trichy/Colombo.

Jaffna/Trichy/Jaffna.

Colombo/Male/Colombo.

(c) *Domestic*.—Operated with Avro and Dakota Aircraft Colombo/Jaffna/Colombo.

(d) *Non-Scheduled Operations*.—In addition to scheduled operations already referred to there were non-scheduled operations during the year to Jaffna, Trichy, Male, Singapore, Madras, Bombay.

(II) *Air Traffic*.—Passenger Kilometres.

	1972	1973	Increase or Decrease
International	227,162,567	347,591,097	+53 per cent.
Domestic	13,115,000	4,677,922	+64 per cent

The increase of 53 per cent on the International service is due to AE/DC8 services being in operation for the whole year, though in 1972 it operated only from April. The decrease in the Domestic sector was due to temporary suspension of Flight to Trincomalee, Galoya and Batticaloa.

Freight.—Freight Traffic increased appreciably during the year to 614,026 Kilograms, an increase of 10.6 per cent. over the preceding year. Freight carried on the international services accounted for 99.3 per cent. of the total freight.

Mail.—Recorded an increase of 22.1 per cent.

(III) *New Services*.—Bangkok was added as on-line destination on the DC-8 service from London to Djakarta.

(I) Engineering Aircraft fleet

DC. 8	1
Trident	1
H. S. 748	1
DC. 3	2
Beechcraft	1 (maintained and operated for Survey Department).

(II) Aircraft Utilisation Hours

DC. 8	3,795.22
H. S. 748	1,605.00
Beechcraft	78.35
Trident	1,648.65
DC. 3	845.27

(III) Aircraft Handled

Foreign Aircraft	1,392
Air Ceylon	1,205
Others	468

Operations.—Operations personnel included 29 pilots, 1 Navigator and 75 Cabin personnel.

Scheduled regional flights were operated to Singapore, Kuala Lumpur, Maldives, Bangkok, Trichy, Madras and Bombay.

Hours flown by Aircraft and statute air miles covered are :—

<i>Type</i>	<i>Identification</i>	<i>Hour</i>	<i>Statute air Miles</i>
DC. 8	4R—ACQ	3795.00	1,830,575
Trident	4R—ACN	1649.00	873,970
HS. 748	4R—ACJ	1604.00	368,920
DC. 3	4R—ACI	521.00	88,570
DC. 3	4R—ACG	324.00	55,100
Beechcraft	4R—AAU	79.00	13,400
Total distance flown			3,230,535

Air Ceylon operated international flights with the aid of DC. 8 aircraft.

Personnel.—There were 963 employees as at 31st December 1973 consisting of permanent, temporary, and casual staff.

Training.—(a) A batch of 6 Executive Assistants were recruited in January 1973 to be trained for managerial positions.

(b) Flight Engineer trainees completed a basic training Course at the Civil Aviation Safety Centre Beirut.

(c) Three Captains and three Co-pilots were released for training at the U. T. A. Training Centre.

Welfare measures.—A Health Insurance Scheme for employees was started through the Sri Lanka Insurance Corporation. Air Ceylon Ltd. pays 50 per cent of the annual premium.

A department of industrial relations was established in May 1973 with the objective of improving industrial relations in the Corporation and settlement of trade disputes between unions and management.

Several problems both of a general and individual nature were investigated and settled in terms of the Provisions of the Shop and Office Employees' Act, Wages Board decisions and Industrial Disputes Act.

Scheduled Services

Aircraft Departures	— 2887
Aircraft Hours	— (DC 8) 4103, (HS 748) 1265 (DC 3) 165 (TRIDENT) 1720
Aircraft Kilometres (000)	— Dom. (HS 748) 201 (DC 3) 623
Passengers carried	— (Int) 93558 (Dom) 15642
Passenger Kilometres (000)	— (Int) 347, 591, 097 (Dom) 4,677,922
Available Seat—Kilometres (000)	— (Dom) 6,402,860
Passenger Load Factor—%	— (Int) 58.51 (Dom) 73.06
Passenger Tonne Kilometres	— (Int) 30,796,622 (Dom) 896,946
Tonne Kilometres available	— (Int) 13677173 (Dom) 515,305
Weight Load Factor	— (Int) 49.57 (Dom) 61.61
Total Tonne Kilometres performed	— (Int) 34,788,158 (Dom) 317,496

V—POSTAL AND TELECOMMUNICATION SERVICES

Postal Services

The Sri Lanka Postal Service was inaugurated in 1815 with only six post offices at Colombo, Matara, Galle, Mannar, Trincomalee and Jaffna. This service has since been extended to suburbs and villages in the Island and today it functions as an efficient organisation comprising as many as 320 post offices and 2,465 sub-post offices.

The administration of the Postal Service is now being decentralized into 15 Postal Divisions for convenience of the Public and also promote efficiency of the service. The services rendered by "Divisional Offices" of the Postal Administration could be summarized thus :—

- (1) To make necessary arrangements in the island's postal services for next-day delivery service to many areas as possible ;
- (2) To provide postal facilities to areas hitherto void of such facilities ;
- (3) Extension and improvement of the service by providing letter boxes, tappal-bags and franking machines ;
- (4) Development of mail transport by improvements and extensions to the Mail Transport Division ;
- (5) Re-organisation of the Foreign Mail Service ;
- (6) Expansion of Money Order and Postal Order facilities ;
- (7) Help National Savings Bank in its efforts to inculcate saving habit among the public through the network of post offices and sub-post offices.
- (8) Services rendered for other departments—

Payment of :

- (a) Teachers salaries ;
 - (b) Pensions ;
 - (c) Widows' Pensions ;
 - (d) T.B. allowances ; and
 - (e) 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 to facilitate transactions with post offices and proof of identity by candidates appearing for examinations.

Mail transport in the developing areas around Hingurakgoda and Polonnaruwa had earlier been arranged through runners of the Postal Department. With motorization of transport of mails to these areas in 1973, residents now enjoy the facility in posting letters two hours later, and receiving tappal two hours earlier, than before. There is also the advantage of monetary transactions through the post offices, exceeding the restricted limits enforced earlier.

Postal facilities were afforded with the opening of "Temporary Post Offices" to the spectators at representative cricket fixtures, at the District Congress of the Lions' Club, Hotel Taprobane, Diamond Jubilee of Scouts, Ceylon Intercontinental Hotel and the Esala Mela at Bogambara.

Temporary "Camp Post Offices" were also set up for use of pilgrims participating annual religious festivals at shrines Seruwila, Talawila, Madhu and Wahakotte.

Post Offices and Sub-Post Offices

Three 'A' grade sub-post offices and 100 'B' grade sub-post offices were opened in 1973 ; up-grading includes 14 'B' grade sub-post offices to 'A' grade and 4 'A' grade sub-post offices to full post office status.

Post offices and sub-post offices in the Island as at end of 1973 were :—

Post Offices	320
Sub-post Offices ('A' grade)	1,240
Sub-post offices ('B' grade)	1,225

Telephones and Telegraph Facilities

- (1) Telephones and telegraph facilities have been provided to 63 Sub-Post Offices in the island ;
- (2) Consequent to providing 596 external circuits, it is anticipated that most of the delays in telegrams would be eliminated ;
- (3) New telephone connections have been provided to 2,774 applicants ;
- (4) Telex Service to 10 subscribers and Teleprinter service to 7 subscribers have been provided. Sinhala telegraph facilities at 12 Sub-Post Offices and delivery of telegrams at 13 Sub-Post Offices have been provided. Sunday telegraph facilities have been extended at 4 Post Offices ;
- (5) A sum of Rs. 46,148,843 has been collected and credited to telephone revenue during the year ;
- (6) A total of 459,777 radio licences have been issued. Of this total 91,575 are in respect of new radio sets ;
- (7) With the opening of the Kandy District Switching Centre in June, 1973 work on Outer Colombo Area Development Schemes has been completed. This Scheme provides interdialling facilities to subscribers in Central, Western and Southern provinces.

O.C.A.D.S. Project.—Stage I of the OCADS Project was completed in June, 1973 with the cut-over and commissioning of the Kandy District Switching Centre. The completion of this Scheme, has helped subscribers in Western, Southern and Central provinces connected to 38 Exchanges to dial direct without assistance of a Manual Board Operator.

To ensure efficient maintenance of modern equipment, installed in this Project as Crossbar Exchanges, Microwave Radio Relay Systems and Coaxial Cables, a Telecommunication Centre was opened in August, 1973. This centre provides training courses for entire staff in the Department on working and maintenance of equipment and is located at Horethuduwa, Moratuwa. The assistance of the U.N.D.P., I.T.U. as well as resources made available by the Government of Sri Lanka contributed substantially to the new Telecommunication Centre.

Multi-Channel Radio Equipment to Batticaloa and Trincomalee from Colombo was installed respectively in May and September, 1973. Additional trunk circuits have also been provided from Colombo :—

Anuradhapura 12

Jaffna 11

Vavuniya 3

This has considerably relieved congestion at the Central Office, Colombo.

Additional junction circuits have also been provided at :—

Eravur	—	Batticaloa	1
Kantalai	—	Trincomalee	1
Hingurakgoda	—	Polonnaruwa	2
Tissamaharama	—	Hambantota	3

Telephone facilities have been provided at 57 Sub-Post Offices.

Capacity of Automatic Exchanges has been augmented as follows :—

Nugegoda	Madulsima
Wattala	Batticaloa
Kelaniya	Kalawana
Kataragama	Mullativu
Hingurana	

Additional Manual Exchanges were also provided at Ratnapura and Batticaloa.

Private Automatic Branch Exchanges have been installed at the establishments listed below :—

- (i) Inter-Continental Hotel, Colombo ;
- (ii) National and Grindlays Bank, Colombo ;
- (iii) Carson and Cumberbatch, Colombo ;
- (iv) Allambra Hotels Ltd., Colombo ;
- (v) Insurance Corporation, Colombo ;
- (vi) Bank of Ceylon, Colombo ;
- (vii) Tourist Resort, Giritala.

Revenue from Coin Collecting Boxes increased from Rs. 40,000 in 1970 to Rs. 120,000 per annum in 1973. Eighty four such boxes were provided with Subscriber Trunk Dialling facilities.

An Additional cable plant was installed at Chilaw, Puttalam, Hingurakgoda, Jaffna and Sigiriya to meet increasing demand for telephone facilities.

Postal Orders

	Rs.	c.
1. Number of Postal Orders issued during the Financial year 1973 : 960150		
2. Value	7,023,063	50
3. Commission earned	127,986	55
4. Number of Postal Orders paid during the Financial year 1973 : 980672		
5. Value	7,231,201	00

Money Order Services	No. of M.00	value	
		Rs.	c.
Inland Money Orders issued for 1973 :	3,009,364	608,639,116	0
Indian Money Orders issued for 1973 :	10,771	881,793	0
Indian Money Orders paid in 1973 :	5	849	0
Foreign Money Orders issued 1973 :	142	20,045	0
Foreign Money Orders paid 1973 :	1,710	298,872	0
Money Order Commission earned	—	4,893,733	0

Overseas Telecommunication Services

The Overseas Telecommunication Service provides telegraph, telephone, picture-telegraph and telex services between Sri Lanka and other countries. In addition, it also participates with other Commonwealth Administrations in providing relay and transit facilities for traffic between other countries. Sri Lanka is a signatory to the Commonwealth Telecommunication Organisation Financial Agreement of 1973. This agreement came into force on 1st April, 1973 and superseded the earlier financial arrangement between Sri Lanka and members of the Commonwealth Telecommunication Organisation to promote efficient exploration and development of Commonwealth external telecommunication systems. External telecommunication facilities at present are provided by H.F. radio links.

The international telex service which was introduced in Sri Lanka in 1963 has expanded considerably during the past decade. Telex service was introduced to Dahomey, Gabon, Ivory Coast, Malagasy Republic, Mali, Niger, Senegal, Togo, Upper Volta, Cameroon, Central African Republic and Congo (Brazzaville), People's Republic of China, Libya and Macao during 1973. The capacity of the semi-automatic telex exchange which was commissioned in September, 1971 would be increased from 100 to 200 lines. A telex booth was set up in O.T.S. premises for the exclusive use of exporters of non-traditional products.

Radio telephone service was introduced to Bahamas and Germany in 1973. Radio Telephone service is now available to more than ninety five countries.

VHF/UHF (12/24 Channel) FM Radio link equipment complete with multiplexing equipment to supplement and eventually replace the existing V.H.F. link between O.T.S. office in Colombo and the Wireless Station at Poththode and Kotugoda have been obtained and are to be installed shortly.

A Satellite Earth Station would be constructed near Padukka to provide an adequate number of high quality telephone circuits and effect overall improvement in telecommunication facilities now available. A semi-automatic international telephone exchange would be installed in Colombo under this project. The Definitive Agreement of International Satellite Consortium replacing the Interim Arrangement of 1965 was signed in February, 1973 in Washington.

The Overseas Telecommunication Service has shouldered responsibility in handling additional telegraph and telephone traffic, voice casts and radio pictures on special occasions as International Conferences in Sri Lanka and abroad.

One of the most important profitable ventures of the Government, the O.T.S. makes an average net profit of over Rs. 10 million a year.

CHAPTER XXIII

ELECTRICITY, WATER SUPPLIES AND PUBLIC WORKS

I—ELECTRICITY

THE generation, transmission and supply of electricity are functions of the State. The Central authority for the execution of these functions is the Ceylon Electricity Board. A few local authorities and state-sponsored institutions however have their own generating facilities. Distribution of electricity is carried out directly by the Board and also under licences issued to local authorities.

The Board's generating capacity was 262 Megawatts, consisting of 192 Megawatts of hydro-power plant and 70 Megawatts of thermal power plant. The 100 Megawatts Laksapana hydro-power plant is rapidly nearing completion and would be expected to commence commercial operations in due course.

Highest grid system demand during the year was 199 Megawatts. Total energy generated during the year was 980 million kilowatt-hours, an increase of 3.8 per cent. over units generated in 1972.

Transmission

The main transmission lines are energised at 132 or 66 kilovolts and the Sub-transmission system operates at 33 or 11 kilovolts. Towards end of the year, world-wide tenders were invited for supply of materials for Maskeli Oya Stage II Transmission Project which is financed by a loan from the International Development Association. Erection of the 132 KV lines and grid substations under this contract would be carried out by the Board's staff though such type of work was hitherto carried out by foreign contractors. The project includes extension of the 132 kilovolt grid to Rajangana and Trincomalee.

Distribution

The distribution of electricity at present is carried out by the Board and Local Authority Licences. It is not proposed to issue new licences to Local Authorities and new urban and rural lighting schemes would in future be constructed and operated by the Board.

Commercial

Of 980 million units generated during the year, 855 million units were sold to consumers and balance used for power station auxiliaries and units lost in transmission and distribution. Over 50 per cent. of units are sold to industrial consumers and gross revenue for the year from sale of electricity was Rs. 135 million. At the end of the year, the Board had a total of 92,330 consumers, of whom domestic consumers totalled 68,517.

II—WATER RESOURCES, SUPPLY AND DRAINAGE

Water Resources of Sri Lanka

The only source of water in Sri Lanka is direct rainfall. Over 600 rain-gauge stations established all over the Island measure the amount of rainfall precipitation. The mean annual precipitation in the dry zone is about 57" million acre feet and 32" million acre feet in the wet zone, making a total of 89" million acre feet over the entire Island.

The Island's territory can be divided into 103 component natural drainage river basins and 94 smaller coastal basins. Over ninety stream-gauging stations established all over the Island measure the run off in streams and rivers. From the 83 dry zone river basins the run off is poor, in many of them only 20 per cent. and amounts annually to 20.6 million acre feet. The river basins in the wet zone, though only twenty in number contribute an equal amount, 20.9 million acre feet.

Water is the most important among resources of a country requiring an integrated plan for its development and use. The claims of agriculture, domestic consumption, hydro power, industry, etc., for this resource is likely to conflict if each of them develops in isolation. A composite and planned development to meet all such diverse interests is however possible if a central organisation plans the use and development of water resources. A step in this direction was taken in Sri Lanka when the Water Resources Board Act, No. 29 of 1964 was enacted for establishment of a legally constituted Water Resources Board.

Water Resources Board

The Water Resources Board was set up in 1966 under the Water Resources Board Act, (No. 29) of 1964. Its main function is to advise the Minister of Planning and Economic Affairs on all matters relating to water resources of the island and utilization of such resources in pursuance of section 12 of the Act.

Among subjects on which reports and advice tendered to the Minister of Planning and Economic Affairs during 1973 were—

- (1) Desirability of trying experimentally "Trickle Irrigation" system practised with advantage in some countries.
- (2) Adverse effects on cultivation and problems that would arise if water supply for the proposed paper mill at Rajangana be drawn from the Rajangana reservoir; discharge of factory effluents into the irrigation channel system was not advocated. An alternative tank site was recommended at Palankadawela which would serve the needs without hardship to cultivators.
- (3) The impact on farmers under the Chandrikawewa Scheme in drawing water from that tank for the Paper Factory at Embilipitiya; the undesirability in discharging untreated factory effluent into the Walawe Ganga.
- (4) Adverse effects on water resources envisaged consequent to the clearing of 300 acres steep montane forest land over 5,000 feet in elevation by the Walapane Apple Growers' Association in Mahacoodugala Forest Reserve, Nuwara Eliya.
- (5) The urgent need to station a tractor unit at the Gin Ganga outfall to tackle flood problem in the Oya and save large extent of paddy cultivation. This would serve as a temporary measure until a permanent solution is found.
- (6) Desirability of protecting source area and conserving the flow from Kalatuwewa Ulpotha in Matale District.
- (7) Inadequacy of existing machinery to combat illicit felling of forest reserves and need for adopting stringent measures with deterrent penalties that would prevent devastation of forests, specially reserved for catchment basins of reservoirs as Labugama.
- (8) Desirability of constructing a storage tank at Uruledeniya in Kegalle District.
- (9) Inviting the Director of the Commonwealth Institute of Biological Control to study the salvinia problem with a view to its control by biological methods. This was felt necessary as the pest weed was spreading far and wide in the island and would become a source of hindrance to cultivation.
- (10) Measures that would assist in conserving available storage in Labugama and Kalatuwewa Reservoirs; adequate distribution and prevention of waste recommended to the Minister of Planning and Economic Affairs in view of prolonged drought conditions.

Water Supply and Drainage

The Department of Water Supply and Drainage is charged with the responsibility of providing technical assistance for establishment of pipe-borne water supply, sewerage and surface drainage facilities to the Community, State-sponsored institutions and Industrial Establishments.

The main functions of the Department are (a) investigate, design, prepare working drawings, contract documents, (b) execute, operate and maintain water supply, drainage and sewerage systems in the island.

Water Supply Schemes completed during the year were—

Badulla
 Polgahawela
 Gampaha
 Chilaw
 Udunuwara-Yatinuwara
 Anuradhapura
 Nawalapitiya
 Nuwara Eliya
 Digana
 Uprating of Ambatale Head Works, Stage 'A'
 UNICEF Schemes
 Pomparippu
 Madurankuliya

Continuation water supply schemes in progress are—

Galle
 Kegalle
 Weligama
 Ruwanwella
 Ratnapura, Stage II
 UNICEF Schemes
 Weeraketiya
 Bibile
 Kebitigollewa
 Pungudutivu
 Nedunkerny

Surface Drainage Schemes

- (a) Completed
 Pugoda Textile Mills
- (b) Under Construction
 Matara
 Weligama
 Dehiwala-Mount Lavinia Stage I
 Kotte
 Kelani Raja Maha Vihara
 Kataragama

Investigations and designs are being finalized in respect of following schemes.

Rambukkana
 Kilinochchi
 Bandarawela
 Veyangoda
 Gampola
 Balangoda
 Matale
 Hambantota and Ambalantota
 Welimada
 Rakwana
 Towns North of Colombo, Stage I
 Towns South of Colombo, (Kalutara) Stage I.
 Ambalangoda

Upgrading of Ambatala, Stage B and UNICEF Schemes—

Hanguranketa
 Sampur
 Harbour Villages
 Andigama
 Hapugastalawa
 Medamahanuwara
 Baddegama
 Lunugala
 Kotikawatta

Operation and Maintenance of Water Supply Schemes

The Department maintained and operated 25 water supply schemes varying from large schemes as Towns South of Colombo water supply scheme serving 5 major towns around Colombo, to Sri Pada water supply scheme, a seasonal pilgrim requirement. A population of about 630,000 people have been served with pipe-borne water varying from capacities 30 gallons to 12 gallons per head per day. Towns South of Colombo Water Supply Scheme is the largest Scheme handled by the Department and provides about 19 million gallons a day to a population of approximately 440,000.

Revenue collected from supplying water to various Local Bodies and Institutions in 1973 totals up to Rs. 2,104,916 as compared, with Rs. 1,636,002 the preceding year. Collectable revenue is in the region of Rs. 4,860,673.

The Department also carried out chemical analysis and bacteriological examination of water, both for the Department and other Institutions. Revenue earned by testing of samples for the private sector was Rs. 14,460. The laboratory has undertaken testing water for the Maldives Water Supply Scheme.

The Colombo Water Supply

The Colombo Water Supply is obtained from reservoirs at Labugama and Kalatuwawa which are both situated in the Western Province at distances of 28 and 31 miles respectively from the city.

Labugama

Prior to 1886 the city of Colombo obtained its water supply from wells, canals, etc. Work on the Labugama reservoir which commenced in 1862 was completed in 1886. The top water level is 374 feet above mean sea level and has a maximum depth of 73 feet, the area of the storage capacity of the reservoir is 1,960 million gallons. The estimated safe yield from this reservoir is 12.5 million gallons per day. Filtration works of the jewel rapid gravity type are situated immediately below the reservoir dam. In addition to filtration, water is sedimented and sterilised by the Chloramine method.

Kalatuwawa

The Kalatuwawa Water Supply Scheme was accepted in the Colombo Municipal Council in 1939 in order to augment the supply of water from the Labugama reservoir. However due to the intervention of the World War II the commencement of work on the Scheme was delayed until August, 1949. Work was completed in 1954 and the reservoir was impounded in 1955. The catchment area feeding the new reservoir is 3,320 acres. The top water level is 370 feet above mean sea level and has a maximum depth of 60 feet. The area of the reservoir at the present top water level is 454 acres. The storage capacity of the reservoir is 3,900 million gallons. The estimated safe yield from this source is 20 million gallons per day. The water goes through a process of aeration and passes along an open channel down the centre of the sedimentation tanks. Here, chemical action and sedimentation of solid matter takes place while the water slowly moves back in the direction of the Aerator, with sedimentary tanks in use and when flowing at 20 million gallons per day. The next process is filtration and chlorination. Bacteriological examination and chemical analysis is also carried out regularly.

Statistics of the water supply in Colombo appear below :

<i>Water supply</i>	<i>Gallons</i>
Water supplied from the Kalatuwawa reservoir	5,984,720,000
Water supplied from the Labugama reservoir	3,984,880,000
Water supplied from Ambatale and Mulleriyawa purifying station	1,395,070,000
Water supplied under Colombo South Supply scheme from 20 September to 31 December, 1973	160,730,000
Water supplied from Dehiwala reservoir and Colombo Water Works from 20 September to 31 December, 1973	160,210,000
Water supplied to areas outside Colombo Municipality	289,580,000
Water supplied for distribution within the city including water supplied to ships	10,389,270,000
Water supplied to ships	120,410,000
Approximate figures	

Kandy Water Supply

Prior to the Major Water Supply Scheme, the city of Kandy was being supplied with water from ten different small schemes covering different sections of the Town. The Major Water Supply Scheme was completed in 1966 to supply the whole City with treated water. Water is drawn from the Mahaweli Ganga, treated with chemicals, filtered, chlorinated and pumped into Storage Tanks from which the City is supplied by means of two systems of Mains, one for Low Levels and the other for High Levels. Three sets of electric pumps are used for the purpose.

A Stand-by supply from an impounding Reservoir is available when the main supply has to be curtailed or stopped. The Stand-by supply too is treated in the same manner and feeds directly into the Low Level Reservoir.

Water supply is metered for private use and stand posts are provided for public use along roads. In addition to water rates which cover cost of public supply provided, individual supplies are charged at the rate of Rs. 1 per 1,000 gallons above free limit calculated on basis of 2,000 gallons for each Rupee of the quarterly water rate due and payable in respect of the dwelling or premises.

Important features in the Kandy Water Supply Scheme in 1973 are outlined below :

Population of the City	97,766
No. of Service Connections	4,664
Public Stand Posts	810
Length of distribution mains	78 miles
Average daily supply	3.4 M. G. D.
Total Rain Fall (inches)	53.37
Chemicals used : Alum	115.7 tons
Lime	54.9 tons
Chlorine	3.6 tons

Main supply designed for 5.0 M. G. D. Maximum.

Stand-by supply designed for 3.0 M. G. D.

III—DEPARTMENT OF BUILDINGS

The objective of the Department of Buildings is to design, construct and maintain public buildings necessary for the implementation programme of Government Departments.

The functions of the department are —

- (i) Designing, Estimating and construction of buildings provided under departmental votes.
- (ii) Maintenance of and effecting additions and improvements to Government buildings, including ancillary services as water supply, sewage disposal, electricity, approach roads, fencing and surface drainage.

Major items of work carried out during the year were Secretariats, Low Cost Housing Schemes, Powerloom Workshops, Fertilizer Stores, Hospital Buildings and Sewage Disposal Schemes.

As in 1972 the construction of buildings was carried out on the system of direct labour introduced in October, 1970.

Assignments to be undertaken by the Department totalled Rs. 63.4 million during 1973 as provided for in the National Estimates of Revenue and Expenditure. The Department carried out works on other departmental votes as special requests to the value of Rs. 12.6 million.

An item of national significance completed during the year was the Bandaranaike Memoria International Conference Hall costing Rs. 38.3 million. Construction work in this regard was carried out jointly by Sri Lanka and Chinese personnel comprising labour and technological grades.

Major items of work completed during the year were :—

Housing Schemes	13
D.R.OO's Offices	20
Powerloom Workshops	5
Wards and Dispensaries	42
Fertilizer Stores	6
New Post Offices	6

Housing Schemes completed in 1973 are listed below :—

<i>Housing Schemes</i>	<i>No. of Units</i>
L.C.H.S. Mahawatte Stage II	102
L.C.H.S. Uswatte Stage I	70
L.C.H.S. Uswatte Stage II	88
L.C.H.S. Juwanpullegewater Stage I	72
L.C.H.S. Juwanpullegewater Stage II	72
L.C.H.S. Ratgama	25
L.C.H.S. Badulla	46
L.C.H.S. Angulana	128
L.C.H.S. Kanadulla, Kuliypitiya	38
L.C.H.S. Sirimapura	80
L.C.H.S. Wanathamulla	88
L.C.H.S. Kuruwita	42
L.C.H.S. Ayagama	20

Some of the major projects in hand are as follows :—

Housing Schemes scheduled for completion :

C2 and D2 Flats, Jayantha Weerasekera Mawatha
 L.C.H.S. Stace Road—Stage I
 L.C.H.S. Wekanda
 L.C.H.S. Bolamesawatte, Thimbirigasyaya
 L.C.H.S. St. Sebastian
 Self help housing scheme, Dunwatta, Borella
 Self help housing scheme, Madiwala Stage I
 Self help housing scheme, Kalutara
 Self help housing scheme, Diyahondelawatte, Negombo
 Self help housing scheme, Wekunagoda, Galle
 Self help housing scheme, Thundy
 Self help housing scheme, Hambantota
 Self help housing scheme, Kekirawa
 Self help housing scheme, Alawwa
 Middle class housing scheme, Wekunagoda
 Middle class housing scheme, Anuradhapura
 L.C.H.S. Balangoda
 L.C.H.S. Dehiwela
 L.C.H.S. Galkissa.

Major projects under construction during the year include—Post Offices, Police Stations, Powerloom Workshops, Hotels and University Blocks, Hospitals and Hospital Wards, Operating Theatres, Food and Fertilizer Stores, Auto Exchanges and Air Port improvements.

IV—STATE ENGINEERING CORPORATION OF SRI LANKA

The State Engineering Corporation was established on 1st January 1962, under the State Industrial Corporations Act, No. 49 of 1957, to carry out the following objects :—

- (1) Planning, investigation, designing and construction of industrial and engineering projects in the public sector.
- (2) Functioning as Consultants to State-Sponsored Corporations and Government Institutions in regard to the above functions.
- (3) Training of engineering and other technical personnel required for the above.
- (4) Research into building materials and methods of construction with the view to improving existing materials and methods.

The Corporation was started with an initial authorised capital of Rs. 1 million.

Projects scheduled for completion in the ensuing year are :—

People's Bank Building, Head Office, Colombo	Rs. 3.9 Million
Eastern Paper Mills Corporation, Embilipitiya	Rs. 10.3 Million
National Textiles Corporation, Pugoda	Rs. 4.4 Million
State Mortgage Bank, Colombo	Rs. 2.0 Million
Torrington Secretariat	Rs. 3.3 Million
Maligawatte Secretariat	Rs. 4.0 Million
C.W.E. Secretariat	Rs. 4.4 Million
Paddy Stores Complex, Galgamuwa	Rs. 2.8 Million
Inginipapola	Rs. 3.5 Million
Kandy Secretariat	Rs. 1.6 Million
Parsons Road Secretariat, Colombo	Rs. 2.3 Million
Textile Building, Pannala	Rs. 4.0 Million
Ratmalana Housing Scheme	Rs. 4.0 Million

Research and Development Activities :—

Paddy Marketing Board	Manufacture of necessary equipment and machinery
Flour Milling Corporation	Manufacture of necessary equipment and machinery
Ceramic Corporation	Manufacture of necessary equipment and machinery
Air Ceylon Ltd.	Manufacture of necessary equipment and machinery
Department of Buildings	Manufacture of necessary equipment and machinery
Department of Education	Supply of Bunsen Burners
Port Cargo Corporation	Construction of wirecon concrete Boats
Ceylon Transport Board	Speed detectors—check speeding of vehicles
Telecommunications Department	Construction of Hydraulic 'Lifts'
Colombo Municipality	Colour lights systems and two-wheeled tractors

V—STATE DEVELOPMENT AND CONSTRUCTION CORPORATION

The State Development and Construction Corporation was set up in March, 1971 by an Incorporation Order published in the *Government Gazette* of 29 March, 1971 under provisions of the State Industrial Corporations Act, No. 49 of 1957. Objects of the Corporation as set out in the Incorporation Order are :—

- (i) The planning, designing and construction of single and multi-purpose development projects for irrigation, flood control, power, highways, water supply and drainage, land development and similar engineering undertakings ;
- (ii) The manufacture of concrete, reinforced concrete and prestressed concrete products required for engineering undertakings ;
- (iii) The planning, designing and fabrication of mechanical and electrical installations for the purpose referred to in (i) and (ii) above ;
- (iv) The training of engineering and technical personnel required for such purposes ; and
- (v) Carrying out research into construction material and methods and techniques utilized for such purposes.

Estimated Value of Work that was in hand during 1973 was approximately Rs. 100,000,000. The Corporation had a turnover of approximately Rs. 19,280,000.

Projects completed during the year were :—

(a) Department of Highways	4 projects
(b) T.C.E.O.	7 projects
(c) Department of Water Supply and Drainage	1 project
(d) Other Departments and Boards	2 projects
	Total 14 projects

Projects in hand as at 31 December, 1973 :—

(a) Department of Highways	35 projects
(b) T.C.E.O.	7 projects
(c) Department of Water Supply and Drainage	7 projects
(d) Mahaweli Development Board	3 projects
(e) Other Departments and Corporations	4 projects
	Total 56 projects

CHAPTER XXIV

THE PRESS, BROADCASTING, INFORMATION,
PUBLICITY AND TOURISM

I— PRESS

Newspapers and Periodicals

THERE were four main Newspaper groups in Sri Lanka namely, the Associated Newspapers of Ceylon Ltd., the Times of Ceylon Ltd., the Independent Newspapers of Ceylon Ltd., and the Virakesari Ltd. in 1973. The Associated Newspapers of Ceylon Ltd. published five dailies and nine weekly papers and other periodicals. The Times of Ceylon Ltd. published three dailies three weekly papers and other periodicals. The Independent Newspapers of Ceylon Ltd. published five dailies and nine weekly papers and other periodicals. The Virakesari Ltd. published two dailies and two weekly papers.

On a language basis there were 5 dailies and 15 weekly papers in Sinhala ; 5 dailies and 5 weekly papers in Tamil ; 5 dailies and 3 weekly papers in English. Elanadu a Tamil daily with a Sunday edition is published in Jaffna.

The oldest of the Sri Lanka Newspapers is the Ceylon Observer, the next being The Times of Ceylon, each of them counting over a century of continuous publication. Details of the principal newspapers and periodicals published in Sri Lanka in 1973 appear in Table 24.1

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 Per Issue</i>	<i>Publishers</i>
<i>A. Newspapers :</i>				
<i>(i) Morning Dailies</i>				
Dinamina	1909	Sinhala	104,305	The Associated Newspapers of Ceylon Ltd.
Lankadipa	1947	Sinhala	33,751	The Times of Ceylon Ltd.
Dawasa	1961	Sinhala	83,285	Independent Newspapers Ltd.
Virakesari*	1930	Tamil	17,584	The Virakesari Ltd.
Thinakaran	1932	Tamil	17,261	The Associated Newspapers of Ceylon Ltd.
Dinapathi	1964	Tamil	31,337	Independent Newspapers Ltd.
Ceylon Daily News	1918	English	54,752	The Associated Newspapers of Ceylon Ltd.
Ceylon Daily Mirror	1961	English	15,995	The Times of Ceylon Ltd.
Sun	1964	English	32,247	Independent Newspapers Ltd.

TABLE 24.1—PRINCIPAL NATIONAL NEWSPAPERS AND PERIODICALS—(contd.)

Name of Publication	Year Established	Language of Publications	Average Circulation Per Issue	Publishers
<i>ii. Evening Dailies :</i>				
Janata	1953	Sinhala	11,703	The Associated Newspapers of Ceylon Ltd.
Sawasa	1963	Sinhala	18,812	Independent Newspapers Ltd.
Mithran*	1966	Tamil	9,665	The Virakesari Ltd.
Thanthi	1967	Tamil	10,020	Independent Newspapers Ltd.
Ceylon Observer	1834	English	5,757	The Associated Newspapers of Ceylon Ltd.
The Times of Ceylon	1848	English	5,000	The Times of Ceylon Ltd.
<i>iii. Sunday Papers :</i>				
Silumina	1930	Sinhala	282,088	The Associated Newspapers of Ceylon Ltd.
Sri Lankadipa	1951	Sinhala	85,654	The Times of Ceylon Ltd.
Rivirasa	1961	Sinhala	185,000	Independent Newspapers Ltd.
Virakesari Illustrated*	1931	Tamil	22,019	The Virakesari Ltd.
Thinakaran Vara Manjari	1948	Tamil	24,750	The Associated Newspapers of Ceylon Ltd.
Chinthamani	1956	Tamil	35,000	Independent Newspapers Ltd.
Observer Magazine Edition	1925	English	71,188	The Associated Newspapers of Ceylon Ltd.
Sunday Times	1923	English	29,054	The Times of Ceylon Ltd.
Weekend	1965	English	48,590	Independent Newspapers Ltd.
<i>iv. Weeklies :</i>				
Vanitha Viththi	1957	Sinhala	30,507	The Times of Ceylon Ltd.
Visitura	1962	Sinhala	20,000	Independent Newspapers Ltd.
Sarasaviya	1963	Sinhala	86,943	The Associated Newspapers of Ceylon Ltd.
Tikiri	1963	Sinhala	12,000	Independent Newspapers Ltd.
Mihira	1964	Sinhala	73,095	The Associated Newspapers of Ceylon Ltd.
Gitanjali	1964	Sinhala	15,000	Independent Newspapers Ltd.
Iranama	1964	Sinhala	40,000	Independent Newspapers Ltd.
Rasakatha	1965	Sinhala	15,328	Independent Newspapers Ltd.

TABLE 24.1—PRINCIPAL NATIONAL NEWSPAPERS AND PERIODICALS—(contd.)

Name of Publication	Year Established	Language of Publications	Average Circulation Per Issue	Publishers
Budusarana	1965	Sinhala	10,403	The Associated Newspapers of Ceylon Ltd.
Tharunee	1969	Sinhala	57,364	The Associated Newspapers of Ceylon Ltd.
Subasetha	1969	Sinhala	17,401	The Associated Newspapers of Ceylon Ltd.
Mithran Varamalar *	1966	Tamil	10,409	The Virakesari Ltd.
Sathuta	1972	Sinhala	95,967	The Associated Newspapers of Ceylon Ltd.
Sundari	1973	Tamil	1,000	Independent Newspapers Ltd.
B. Periodicals :				
<i>(i) Fortnightlies:</i>				
Nava Yugaya	1966	Sinhala	21,327	The Associated Newspapers of Ceylon Ltd.
Deepasikā	1972	Sinhala	14,429	The Times of Ceylon Ltd.
<i>(ii) Monthlies :</i>				
Rasavahini	1956	Sinhala	5,388	The Times of Ceylon Ltd.
Sri	1963	Sinhala	28,000	Independent Newspapers Ltd.
<i>(iii) Times Digest</i>	1973	English	8,517	The Times of Ceylon Ltd.

* Latest figures available under Express Newspapers (Ceylon) Ltd.

Department of Government Printing

Apart from its normal quota of assignments, the Department of Government Printing handled a large volume of additional work consequent to the re-organisation of several Government Departments. Most of printing requirements were executed for the Department of Inland Revenue and the Department of National Housing. Forms, leaflets and other printing matter were supplied in connection with the National Food Production Campaign.

Printed material for the opening of the Bandaranaike Memorial International Conference Hall, the reorganisation of the Judiciary and administration of Courts under the amended law, and printing work for the newly-formed Press Council were among important items of work carried out during the year.

Other items undertaken were —

- (a) Programme Budget ;
- (b) 1.8 million Text books for lower grades ;
- (c) 42 Course Guides totalling nearly 300,000 copies, for guidance of school teachers, ;
- (d) A new Householder's List to cover a ten-year period was printed for the Food Commissioner's Department ;
- (e) Schedules and Instructions, for the Census of Agriculture ;
- (f) Posters and Folders for Family Planning Bureau ;
- (g) First-Day covers for Philatelic Bureau and
- (h) Sessional Papers.

State Printing Corporation

The main objective of the State Printing Corporation is printing School Text Books required by the Commissioner of Educational Publications and printing work for other Corporations and Statutory Bodies.

The Corporation completed printing of 32 titles comprising 2,141,484 copies of School Text Books to the value of Rs. 4,927,834. The Corporation also undertook job printing for other Corporations and Statutory Bodies to the value of Rs. 1,100,478.

Machinery purchased by the Corporation during the year was in the region of Rs. 259,000.

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, it 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.

Engineering, Finance, News and Administration Divisions are shared by four other Directors. Business activity oriented programmes are conducted under the supervision of Business Managers.

Apart from main programme services, the Education, Hindi and Foreign Services are each headed by the respective Controllers. Identification of programme services under different language media is known as Channel I and Channel II of Broadcasting Services.

Channel I

This was known earlier as the National Service and broadcasts programmes with a weekly assignment of 58 hours in Sinhala, 49 hours in Tamil and 38 hours in English. Programmes of educational and cultural significance with particular reference to national development are projected on this service. *Sinhala Service (Channel I)*.—A summary of programmes broadcast on Channel I of the Sinhala Service during the year is outlined below :—

Spoken Word.—Particular emphasis was stressed on the production year as declared by the Prime Minister. A series of talks (each of 5 minutes duration) on home gardening, literary pageants, drama, discussions and featuring were covered on this service. Visit of the Indian Prime Minister, Mrs. Indira Gandhi, May Day celebrations, Opening of Bandaranaike Memorial International Conference Hall, Bandaranaike Commemoration Day, Sri Lanka Republic Day and other events of national significance received special coverage.

Programmes (each of an hour's duration) spotlighting social, economic and aesthetic aspects with participation of individuals well-versed in these fields were broadcast once a month.

Discussion Panels.—These discussions helped portray problems affecting human society and deeper investigation of these problems in the form of literary pageants.

“PERANI YUTHUKAM”, “PRAJA YUTHUKAM”, “ATHEETHAYEN ANAGATHAYATA”, “A Page from History” (Programme compered with historical background), “Poem and the Poet” “Country unites in a national campaign” and “KAVIKARA MADUWA” were projected on this service.

Religion

Apart from normal Buddhist and Christian programmes, short Dhamma Talks substituted for afternoon sermons broadcast on Full Moon Days were beamed on this service commencing January, 1973. A Dhamma Panel discussion ensued this programme and evinced much popularity among listeners.

Dhamma Dialogue, a new programme was commenced with observance, of ancient rites and ceremonies.

The Pinnacle enshrinement at the ancient historic shrine Mihintale, Opening Ceremony of the 'Chuda Manikkaya' with participation of the President and the Prime Minister of Sri Lanka were beamed on this service.

Commentaries on observance of Ata Sil, religious talks to commemorate Wesak, Poson and Esala respectively were relayed from Buddha Gaya, Sanchi and Benares under the auspices of the All-India Radio. Changes were effected to relay commentaries of the historic Sri Dalada Perahera at the hill Capital.

Music

Daily programmes of light music, classical and folk songs continue to be broadcast as usual. A programme of recorded Chinese and Sinhala music by the Chinese Circus, Music pageants of Sinhala and Tamil songs for the Sinhalese and Tamil New Year and recorded music of the 'Tower Hall Age' were highlights of programmes during 1973. A special examination for local artistes was held in May and June, while the Research Division of the S. L. B. C. issued a publication during the year.

Children's and Women's Programmes

Children's programmes were designed to promote children's participation in these programmes, particularly rural children. Themes of programmes were oriented to stress importance of the 'Production Year'. A series of broadcasts were beamed daily for children based on respective age groups. 'RASA DOTHA' programme on Sunday afternoon 4.-5. and 'WANITHA KALA' on Saturday morning 8.30—9.00, women participation in national development, programmes for housewives and mothers featured in this service. 'SONDURU SEVANA' a new programme for the benefit of family listeners was introduced during the year.

Development Division

The role of the radio in national development was manifestly expressed with the creation of a special development unit in the S. L. B. C. Theme of broadcast was national development with special reference to development schemes and other activities projected by the Ministries of Agriculture and Industries.

Light Engineering Works, Fisheries, Cottage crafts and Co-operative Farming initiated under District Development Councils received coverage in these programmes.

Maskeli Oya Scheme, Gemming, Inland Fishing and the Industrial Development Board were among topics covered by the development division.

Tamil Service (Channel I)

Presentation and programme content were quite similar to those obtained in Sinhala services.

The presentations of programme 'KALASANGAM' evinced much popularity among listeners. Efforts were made to form discussion panels consisting of S. L. B. C. officials and listening public drawn from various strata in Society. Farmers, artisans and employees in various local bodies in Jaffna, Mannar, Vavuniya and Trincomalee were afforded opportunities to participate in these programmes. 'Radio Doctor at your service', youth programmes, 'radio quiz' were broadcast under channel I of the Tamil service. Presentation of Drama and Music training programmes were considerably improved during the year.

Education Service

Programmes under this service were designed to incorporate educational reforms formulated by the Government with particular reference to the Five-year Plan. These programmes were drawn up by a committee comprising representatives of the Ministry of Education and the Sri Lanka Broadcasting Corporation.

Initially, a pilot scheme for the benefit of Grade VI students in 350 listener schools, coverage of the service was extended during the year to grades VII and VIII and lessons broadcast in the three language media, Sinhala, Tamil and English. Handbooks on these programmes were printed and facilities afforded to those interested to avail of copies.

Commercial Service

The Commercial Service commenced in September, 1950 on an experimental basis proved subsequently a valuable source of State revenue. Listenership surveys conducted by various organisations have revealed that this service has by far the largest number of listeners as compared with any other broadcasting service in the Asian Region. With the assignment of the commercial service under different language media services, there has been an appreciable improvement in programmes beamed on this service. Broadcasts on this service were geared to accommodate various aspects of development, production year and national consciousness.

Apart from local coverage, the commercial service broadcasts programmes for Asian listeners in English, Tamil and Hindi. These broadcasts have very good reception in various countries the world over.

News Division

Main news bulletins of the S. L. B. C. contain information highlighting activities of the Government and Government-sponsored institutions on various fields of social and economic development. Programme-content was widened to give special emphasis on 'Production War' initiated by the Prime Minister. Agriculture and Industry were projected on this service while 'news casts' had world coverage.

The programme 'Behind the News' beamed on this service covered important topics with participation of local and foreign personnel.

Record Repository (Sinhala)

Songs and special programmes for daily broadcast, those suitable for preservation, songs and programmes with cultural significance were processed with the assistance of B. B. C.

These recordings include feature programmes on the inaugural Republic Day celebrations, 1972, Declaration of the New Constitution of Sri Lanka by the Prime Minister, Inaugural speech of the First President of the New Constitution, Republic Anthem and Sri Lanka folk songs.

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 Government programmes, policies and activities both locally and abroad. Two sub divisions under the department, are the films divisions known earlier as the Government Film unit and the Government Publications Bureau. Apart from issuing news bulletins in the form of press communiques, the department arranges press conferences for Ministries, Government Departments and Corporations. The Department organises film coverage of Government activities. Issuing special booklets and hand-outs depicting background to new proposals, arranging publication of Newspapers, Supplements and Radio Features are other important activities of the department.

A monthly magazine "Sri Lanka Today" mainly for overseas distribution is published by the department covering many articles of topical interest about the island.

Films Division

The main object of the Films Division is to focus public attention on Government activities projected through the film. This Division consists of trained personnel, a fully equipped film theatre and a laboratory. Films produced are news-reels, covering important activities and development work and documentaries, portraying progress made in various fields as Agriculture, Industry, Health, Education and Arts. Screening these films is done through mobile vans.

Important films produced during the year were a—1,400 foot length film on Rural Development, a—1,100 foot length film on Tuberculosis, a—1,400 foot length film on spinning yarn, a—1,700 foot length film on Modern Techniques in Dairy Farming and a 1,600 foot length film on the Bandaranaike Commemoration Day. The Films Division is presently engaged in the production of films entitled "D.D.C. projects", "Gunaya", "Passion Fruits", "Growing Red Onions in Home Gardens", "Rattaran" (National Savings), "Mines and Minerals", "War against Hunger" (Food Production) "Werahera Training School", "Cancer", "Sports", "Gem", "Cashew Nuts", "Golden Jubilee of the Labour Department", "Samaneliya", "Fisheries Training and development schemes in North and East".

Publicity Unit

The Publicity Unit handles publication of posters, booklets, newspaper supplements, etc. focussing attention of the public towards Governmental activities. Coverage of press conferences is also a function of this unit apart from photographic display of various activities for purpose of record.

Some highlights of work carried out by the Publicity Unit during the year were :—

- (1) Bandaranaike Day—Poster—"March Forward fulfilling the aspirations of masses (Sinhala).
- (2) Between "Two Eras"—Bandaranaike Life Story (Children's Publication).
- (3) Preparation of a booklet on the restoration of Wahalkada Tank.
- (4) Assisting in the preparation of slogans required by the S.L.B.C.
- (5) Propaganda leaflet on Budget Speech—"1974 for you" (Sinhala and Tamil).
- (6) "Publication Poster", "Me Polawath Lissanai".
- (7) "Birth of a Republic" (English).
- (8) "Birth of a Republic (Tamil).
- (9) Propaganda activities : inter-district sports (Commemoration issue and poster).
- (10) Supplements for newspapers issued by the Ministry of Planning—special Phamplet regarding development councils.
- (11) New housing policies (Ministry of Housing).
- (12) Publicity Literature—Press Council.
- (13) Opening of B.M.I.C.H. (Special Issue).

Research Unit

The Research Unit feeds other units of the Department with background data on the country. Data are also supplied to foreign as well as local institutions and enquirers.

The unit has assisted Family Planning activities of the Government conducted in association with United Nations Agencies. A new unit the "Family Planning Communication Strategy Project" in the Department was formed under Dr. Roland Von Euler, a Swedish expert on Family Planning Research attached to the Department.

Seminar for Communication Personnel on Population Issues was a great success.

A Bibliography incorporating all mass media literature on population/family planning has been prepared by the Unit. This has been a long felt need and would greatly assist research scholars and also family planning communication activities.

A Directory of Family Planning Projects in the island has been prepared with comprehensive coverage.

Government Publications Bureau

The Publications Bureau is the Government's Bookshop and has its main office at the Old Secretariat.

Government Publications as Hansards, Gazettes, Sessional Papers, Educational Books, etc. are available at the Bureau for purpose of sale.

Part II of the Government Gazette which advertises vacancies in the State sector has become quite popular and had ensured great success. Public requirements of these gazettes were met over the bureau counters. Sale of publications had helped credit large sums as Government revenue.

IV—TOURISM

Volume of tourist traffic in Sri Lanka which recorded 23,666 arrivals in 1967 shot up significantly to a total of 77,888 arrivals in 1973, an increase of 39.0 per cent. over the preceding year.

Nett receipts from tourism (exclusive of FEECs) increased correspondingly, from \$ 1.3 million in 1967 to \$ 12.9 (Rs. 79.8 m) in 1973 giving a growth rate of 48.3 per cent.

Tourist arrival projected for 1973 was 88,000, giving a decline of 12 per cent over the actual figure recorded. The drop over the preceding year was due to low performance in the North American and Indian markets.

Volume of tourist traffic as measured by number of tourist nights also showed significant improvement during the year, a total of 804,363 tourist nights as against 614,109 the preceding year, an increase of 31 per cent. There was a slight drop in the average duration of stay from 10.9 nights in 1972 to 10.3 in 1973.

On the basis of returns furnished to the Tourist Board foreign exchange encashments made by tourists through authorised dealers as approved travel agents, tourist hotels, tourist shops and commercial banks totaled Rs. 79.8 m. (nett of FEECs) as against Rs. 43.8 m. the preceding year. This was an increase of 81.8 per cent over the 1972 figure.

Administrative and legislative control coupled with a wide range of incentives afforded by the Government in recent years contributed largely towards decline in tourist spendings being diverted to unofficial channels, a mythical evolution of what is known popularly as the tourist "black market". Sri Lanka's growth rate in tourist arrivals and receipts are significantly higher than growth obtained in the Pacific and South Asian regions.

Total investment in the tourist industry both public and private over the period 1967 ending 1973 has been Rs. 165.5 m. including a foreign exchange component of Rs. 59.9 m. Annual average investment has been Rs. 23.6 m. Investment programme has resulted in 1,495 new rooms, 232 cars and coaches and expansion of recreational facilities. Total investment has also covered the Tourist Board outlay on marketing development programmes.

Foreign exchange receipts for the period 1967 ending 1973, was Rs. 198.8 million (nett of FEECs) excluding leakage if any, into the "Black Market". Nett foreign exchange surplus, viz. actual foreign receipts less foreign costs has been Rs. 159.3 million. This nett surplus compared favourably with more advanced countries in this field like Spain and Yugoslavia. It is also significant that nett foreign exchange surplus of Rs. 159.3 million has been earned with comparatively small foreign exchange investment of Rs. 59.9 m. over a 6-year span.

There was a favourable expansion during the year as regards direct employment in the tourist industry. Employment agencies providing facilities and services for international tourists, viz. hotel and catering establishments, travel agencies, recreational outfit, airlines and national tourist organisations increased by 25.6 per cent from 7,040 in 1972 to 8,840 in 1973. The hotel sector was responsible for 61 per cent or 1,105 of new employment opportunities made available.

Regions void of technical requirements, economic feasibility and manpower supply for other developments come within scope of the development programme. Interior areas like Sigiriya and Giritale, places away from the metropolis as Kalkudah and Nilaveli or coastal stretches from Bentota to Amaduwa have resorts, hotels, shops and public facilities as banks, police stations, railway stations to mention a few. Apart from increases in land value, employment opportunities, fostering building and furniture industries, local arts and crafts, organising retail outlets, the development programme has been a source of income to local authorities concerned.

Tourist promotion has therefore acted a catalyst in the economic and social development in these areas.

Research and Statistics

The Research and Statistics Division of the Tourist Board compiles each year basic data on continuing basis. Basic data programme includes collection and analysis of visitor flow-volume, characteristics and growth ; accommodation to cover capacity, distribution and occupancy ; air traffic-capacity load factor and passenger movement ; employment structure and tourist receipts.

These Statistics were made available to various agencies in Sri Lanka and abroad through the medium of 3 regular publications—Monthly Bulletin on Tourist Arrivals, Quarterly Review, and the Annual Statistical Report.

The Report "Survey of Foreign Tourists, 1972" was issued during the year. Some aspects of the report based on findings of the Survey were :—

- (1) average tourist expenditure per night increased from US \$ 11.1 in 1967/68 to US \$ 14.5 in 1972—an average annual increase of around 7 per cent.
- (2) leakage into the black-market has dropped from 68.7 per cent in 1967/68 to 14.9 per cent in 1972.
- (3) average tourist expenditure per night ranged from US \$ 4.8 for Indian tourists to an increase of US \$ 25.2 in the case of Japanese tourists.
- (4) 43.3 per cent of tourist expenditure was on board and lodging, 29.9 per cent on shopping, 14.9 per cent on internal transport, 8.4 per cent on entertainment and 3.6 per cent on miscellaneous items.
- (5) Tourists preference describing trip to Sri Lanka as thoroughly enjoyable was 77.1 per cent.
- (6) East bound traffic was substantially higher than round—the—world tours.

Publicity and Promotion

Limited budgetary allocation compelled the Board to curtail its marketing programme far below the level envisaged in the Tourism Plan. Other measures had therefore to be adopted which would entail minimum financial outlay, particularly in foreign exchange and yet maintain a level of activity to boost Sri Lanka image at trade consumer levels. These measures were :—

- (1) public relations on a selective basis—a first line programme in the Federal Republic of Germany ; Switzerland and Britain in Western Europe ; Mid West, Philadelphia and West Coast in States ; and a second line programme in the Benelex Countries, France, Italy and Scandinavia in Western Europe ; Australia, Canada and Japan.
- (2) A mini-advertising campaign in Australia, the Federal Republic of Germany, Japan, Britain and the U. S.
- (3) a comprehensive information and sales promotion service both local and overseas to bridge the gap in commercial advertising.

Public Relations : Leading personnel from the travel trade, press and other media visited Sri Lanka on educational tours. These visits were sponsored through Sri Lanka's Foreign Missions, Overseas Offices, Public Relations Agencies and Airlines.

This educational programme, apart from any specific activity in relation to the assignment consisted of tours to depict local attractions, tour patterns and facilities development.

Wide and purposeful coverage at media and trade levels resulted in these visits.

Feature articles on Sri Lanka, pictorial and descriptive, appeared in a number of magazines and newspapers in Europe, North America and Japan—to mention a few : Asia Travel News, San Francisco Examiner, Chicago Tribune, Ambiance Magazine, Aftenpostern, London Observer, Die Telegraaf, Travel Trade Gazette and "Good Housekeeping."

Two guidebooks were published viz., "Travels in Ceylon" in Japan, "This Beautiful World Series" and "Ceylon" in Sweden.

Television and broadcasting display varied from a T.V. spot in the States on local culinary methods in U.K. by participation in the "Gold Crown Food Promotion", in Japan in the series "Food and Civilization," a telecast in Japan under "Passport Four Programme" and telecast of film "Makers Motifs and Materials" in the U.S.

Visits of travel industry representatives resulted in contacts with local counterparts, work out of package programme geared to meet various market needs, and education of sales point personnel.

"Destination Sri Lanka", "Kandy Festival", "In the Trail of the East India Company", "Asie Tours" and "Gem Tour" were some of the package programmes worked out.

The Ceylon Travel Newsletter was replaced by the "Ceylon Travel News". The new publication, a larger format includes colour printing. A key publication for tourist trade the "Travel News" has a circulation of 4,500 copies. Other publications were "Welcome to Ceylon", monthly and "Tourist Ceylon" quarterly issues.

Two new posters in English and Japanese, a calendar of national festivals, a folder on convention facilities as well as a colour brochure on the Bandaranaike Memorial International Conference Hall were produced during the year. The Kandy Perahera folder, the Jaffna folder, the Ancient Cities brochure and 5 guide maps were revised and reprinted. The Pictorial Desk Diary of the Tourist Board was another popular production. Promotional brochures of general and special interest are available in English with the more important ones in French, German, Italian and Japanese.

Over 200,000 items of promotional literature were distributed principally in overseas markets.

The Travel Information Centre in Tourist Board premises, Centre at the Bandaranaike International Airport, Centre in Kandy and in Resort offices at Bentota, Polonnaruwa and Sigiriya afford the tourist on the spot information on Sri Lanka. The Colombo Passenger Terminal Information Centre serviced shipping traffic.

An information library was initiated during the year.

The library is being expanded to promote literature of general and travel interest on Sri Lanka, expert studies and travel information on as many foreign destinations as possible. The film library maintains a variety of pictures, slides, posters, duplicates, etc. It also possesses 5,774 original colour transparencies of different colour sizes, 3,671 black and white negatives and approximately 7,000 duplicates for presentation and for purpose of sale.

North America : The programme for the year was handled by the Board together with an information outlet at Los Angeles and by Sri Lanka foreign missions.

Marketing activities were directed more towards various echelons of the tourist industry coupled with a limited consumer contact. Main features of the programme were slide presentations depicting Sri Lanka's attractions, hotels and other facilities available, travel trade seminars, press, radio and TV interviews, trade advertising campaigns and public relation contacts with leading US and Canadian tour operators and consumer groups.

Activities at the Los Angeles Office combined sales calls on travel trade personnel with feature releases in influential magazines and newspapers with a wider coverage.

Ceylonese in the States supplemented the Board's promotional efforts by organising entertainment programmes of music, dance recitals, dress displays, handicraft shows, Ceylon tea parties, television and radio programmes with community participation.

Lack of direct contact with Sri Lanka as well as high air fare constraints to an accelerated flow of traffic to the Island from North America.

Japan : Main items of programme were promotion of travel trade personnel, sales contact calls, seminars and slide and film presentation. A special promotional seminar aimed at travel wholesalers and retailers was held by the Tourist Board in collaboration with the Sri Lanka Foreign Mission and BOAC. These activities centred around Tokyo and other leading cities, in Japan.

There was also a mini-advertising campaign.

Europe : Programme in Europe was operated under the supervision and co-ordination of the Board's Directorate in Frankfurt. The Frankfurt Directorate was assisted in marketing activities by the Assistant Director in Rome, the Tourist Promotion Officer, Sri Lanka Foreign Mission in Paris, and professional agents in the Federal Republic of Germany and Britain. Sri Lanka Missions in Europe too handled some aspects of this programme.

Promotional activities in Europe included press, television and travel industry liaison, seminars, presentation, travel workshops, sales contact calls, maintenance of an information service and participation in travel conventions and major public events as the Berlin Tourism Exchange.

Highlights of the programme in Europe were :—

Austria : a promotional seminar in collaboration with Touropa, Austria, the leading Austrian charter operator.

Benelex Countries : participation in the Vakantie (Holiday 1973, Fair in Utrecht ; seminars in association with KLM/Sabena and UTA.

Britain : participation in the Gold Crown Food Promotion and the Fiesta Marina Competition ; direct promotions consisted of travel workshops in London, Manchester, Birmingham and Glasgow, two-tier promotions in Jersey, Bournemouth and Guildford and direct promotion at the Ceylon Tea Centre for senior travel agency counterstaff.

Federal Republic of Germany : a consumer press advertising campaign in the leading national and regional newspapers as the Frankfurt Allgemeine Zeitung, Welt am Sonntag, Die Zeit, Suddeutsche Zeitung, BZ Berlin, etc. and insertions in consumer periodicals "Westermann Monats Magazin" and "Chic" supplemented by a Press Conference for the Berlin Tourism Exchange, and the Ceylon Multi-Vision Show. A major poster campaign on billboards was also conducted in leading German cities.

France : participation with the Tea Propaganda Board in the Salon Du Tourisme Fair in Paris which included a competition on Sri Lanka, travel trade and press liaison.

Italy.—participation in the FIAVET Congress ; travel trade seminars in association with Air Ceylon.

Scandinavia.—seminars combined with Sri Lanka "evenings".

Switzerland.—seminars for trade and press together with a series of consumer presentation in Anglo-Swiss Clubs.

Facilities Development

Developments on the west and south coasts continued apace with completion of new hotels and additions to existing ones. There was a thrust into the east coast with the Kalkudah/Passekudah resort under establishment and hotel developments north of Trincomalee.

The first 40-roomed hotel in Polonnaruwa resort in Ancient Cities region and the Ceylon Intercontinental 252 rooms, in Colombo, were in operation.

Hotel Plant.—The hotel plant stood at 2,521 rooms by end 1973 with 597 new rooms operating during the year on a capital outlay of Rs. 60 million including investment on the Hotel Ceylon Intercontinental. Distribution of hotel plant was :—

	No. of Hotels	Rooms
Colombo City	12	716
Beaches	25	1,130
Ancient cities, Hill country, etc.	19	675

Dispersal of hotel plant was in the ratio of Colombo City.—Beaches and Ancient Cities 1 : 1.45 and .9

	Accommodation		
	Existing Rooms	New Rooms	Total
	1972	1973	
Colombo Resort Region			
City	428	288	716
Outside City	470	40	510
South Coast Resort Region	377	168	545
Ancient Cities Resort Region	334	81	415
Hill Country Resort Region	212	—	212
East Coast Resort Region	55	20	75
Northern Region	48	—	48
	1,924	597	2,521

Resort Development.—Satisfactory progress has been made as regards Plan requirements. In particular, resort projects at Polonnaruwa, Giritale, Sigiriya, Kalkudah and Kataragama showed a high degree of performance.

South Coast—Bentota Resort.—two hotels in the resort have added 63 rooms bringing the total room strength of 3 hotels to 209. Another hotel of 40 rooms is under construction. Bank facilities have also been provided. Further developments are envisaged.

Ancient Cities—Polonnaruwa Resort.—the resort at Polonnaruwa has a 40-roomed hotel, a holiday hostel cum 3 family cottages and recreational amenities including a swimming pool. Another 30-roomed hotel would be available shortly.

Giritale Resort.—a camping centre of 10 under-canvass and 10 trailer camping sites have been completed. A 50-roomed hotel is under construction.

Sigiriya Resort.—in addition to the camping centre with other public facilities available, a 30-roomed hotel would be available shortly.

East Coast.—Kalkudah/Passekudah.—provision of infra-structure is in progress. A 60-roomed hotel is under construction. Two more hotels have been approved.

Trincomalee Resort.—vesting and contour surveys, water studies and other preliminaries have been completed. Discussions as regards foreign collaboration for the first stage of development have been concluded.

Other Developments—Bandarawela and Nuwara Eliya.—the projects at Bandarawela and Nuwara Eliya have been delayed due to certain revision of estimates and other administrative changes.

Work on provision of roads and jeep tracks in villages covered with jungle is in progress.

Viewing Platforms at Dunhinda, Ramboda and Bambaragama are being tendered for construction.

Domestic Tourism.—Domestic tourism continues to remain an important element in the Board's development programme.

Plans are under preparation for construction of two large Pilgrim Halls to cater to pilgrim traffic at Kataragama. In Jaffna, plans have been finalised for construction of a pilgrim centre to serve pilgrims visiting Nagadipa and other important shrines in the Peninsula.

Camping centre at Sigiriya, hostel facilities in Polonnaruwa and picnic area in Bentota have become popular with local visitors. The resthouse at Kataragama has evinced popularity among local visitors who appreciate facilities available at the resthouse. Camping complex to be opened at Giritale is a further step towards boosting domestic tourism.

Travel Trade

With the development of hotels and other facilities at various tour points in the island, servicing of these facilities and maintenance of standards are increasingly important.

The Travel Trade Division of the Board has therefore focussed special attention on providing sufficient foreign exchange for the operational and promotional requirements of these establishments.

Two major activities undertaken were periodic inspections of establishments including hotels, restaurants, shops and also investigation of complaints made by tourists.

A scheme was introduced for approved tourist establishments to function as authorised dealers in foreign exchange, an incentive to boost enhanced foreign exchange earnings.

In view of inadequate recreational facilities available existing clubs and sports organisations were requested to allow temporary membership to tourists visiting the country. Avenues of recreation available through these organisations as golf, tennis, fishing, boating, water skiing, yachting and swimming were thus thrown open as added services afforded to visitors.

Travel Agents, Shops and Restaurants : Total number of approved travel agents stood at 44. There were 47 applications for approval as travel agents by new-comers to the tourist industry of which 8 applications were approved during the year.

Jewellery, handicraft and batik shops have been added to the list of approved establishments bringing a total of 53 approved shops.

There are at present 40 approved tourist restaurants in the island.

Guide Lecturers.—21 guide lecturers were trained giving a total of 63 trained guide lecturers. The training scheme has met with good response particularly as guides with a knowledge of foreign languages.

Supplementary Accommodation

The policy to register more informal types of accommodation as guesthouses and paying guest accommodation continued but with a very close outlook. This facility is of particular significance for travellers with special bias towards personalised atmosphere. Such informal type of accommodation has further advantage of personal hospitality for tourists desirous of contact with local tourist interests.

Apart from 2,521 hotel rooms available, guesthouses, resthouses and paying guest accommodation have provided 975 rooms in 167 units.

Internal Transportation.—Tourist transportation within the island is in the form of tourist cars, coaches and buses, luxury train and air with scheduled and charter flights. The majority of tourists use coaches, buses and train as mode of transport.

Strength of road transportation fleet is 124 tourist cars, 46 station wagons, 21 mini-buses and 18 coaches.

International Transportation.—Ninety per cent. of the tourist traffic used air transport. Several representations have been received through overseas offices as well as travel agents as regards lack of convenient flight connections from generating markets, inadequacy of frequencies and inconvenient flight timings in the regional sector and relatively high air fares in relation to attractive promotional and group fares available to other destinations in the region, as India, Pakistan, Singapore, Malaysia and Bangkok with rebates ranging from 50-60 per. cent of fares.

There were 31 inter-regional flights and 23 intra-regional flights servicing Sri-Lanka. In addition, tour charters operated during the year under Summer and Winter programmes were—

Vingressor Club 33 AB	Stockholm
Tjaereborg Rojser	Copenhagen
Neckermann and Reisen	Frankfurt
Touristique Union International	Frankfurt
Airtour Suisse	Zurich
Kuoni	Zurich
Hotelplan	Zurich
Far Horizons	London

Group traffic continues maintain a healthy growth rate and constituted 40 per cent. of total arrivals in 1973.

International Organisations and Conferences

The Ceylon Tourist Board plays an active role in international tourist organisations as—

1. International Union of Official Travel Organisations (IUOTO)
2. South Asia Regional Travel Commission (SARTC)
3. Pacific Area Travel Association (PATA)
4. The American Society of Travel Agents (ASTA)
5. The Travel Research Association (TTRA)

The Regional Secretariat of the IUOTO for South-Asia which was set up in Colombo in October, 1972 in terms of the Agreement between the Government and the IUOTO was ceremoniously opened by the Prime Minister of Sri Lanka on 20 March, 1973. The President of the IUOTO, Secretary-General and several other leading personalities from member-countries participated at the ceremony.

The ceremonial opening ensued a meeting of the SARTC at which the representatives of India, Iran, Pakistan and Sri Lanka participated.

Representation at International Organisations —

IUOTO.—At the XXIII General Assembly of the IUOTO held in Caracas, Venezuela, in October, 1973, the Chairman of the Ceylon Tourist Board was unanimously elected as a Vice-President of the Union to represent the Asian and the Pacific Region.

PATA.—The Chairman of the Ceylon Tourist Board was nominated by the PATA Board of Directors to serve as a member of the PATA Marketing Authority for a period of two years commencing 1974.

Other representations were the PATA Conference in Japan March, 1973, IUOTO Executive Committee, Poland and the ASTA Annual Convention in Mexico.

Community Relations

The Board's community relations drive was on a two-tier basis emphasising values and benefits of tourism to the country and mobilising younger generation in appreciating and accepting the Tourism Plan.

Important steps taken under the Community Relations Programme were —

- (1) a campaign with the Ministry of Education in the form of seminars in principal schools within tourist points : Galle, Matara, Kandy, Ratnapura, etc. ;
- (2) inauguration of an island-wide campaign to "Keep Sri Lanka Clean and Beautiful". In this campaign the Board has been able to adopt the "Tidyman" symbol through kind courtesy of the "Keep Britain Tidy Group" ;
- (3) special efforts directed towards Colombo City itself—cleanliness and lay-out of tourist centres in the City and maintenance of the City roundabouts ;
- (4) slides at cinemas on benefits of tourism and environmental cleanliness. Around 50 theatres throughout the island screened these slides ;
- (5) a Vesak Bakthi Gee programme was sponsored under the open-air concert series and was held at the Vihara Maha Devi Park open-air theatre. The programme was arranged with the co-operation of the Girl Guides' Association and Teacher-Training College, Maharagama ;
- (6) the Annual Festival of Kites conducted on the Galle Face Green in collaboration with the Moratuwa Jaycees and Lake House Group of Newspapers ;
- (7) essay competitions for school children : topic for senior children was "Are we still a Hospitable Nation", and for juniors, "Keep Sri Lanka Clean and Beautiful". Cash prizes totalling more than Rs. 500 would be awarded ;
- (8) a painting competition with assistance of the Ministry of Education and Lake House group of newspapers was conducted. Captions were "The people of Sri Lanka at Work" for the senior category and "Beautiful Sri Lanka" for the junior stage.

Forty consecutive exhibitions were held during the year at the Samudra Gallery. These exhibitions continue to evince popularity among public, school children and art lovers.

Sinhala Newsletter "The Sancharika" provides information on a variety of topics including domestic tourism.

In promoting cultural tourism the Board participated at the Poson Festival at Polonnaruwa, a revival of the ancient pageant during Poson Season.

Steps are being taken in collaboration with the Department of Archaeology to obtain UNESCO assistance for improvement of tourist facilities in historic cities.

Vocational Training

The Hotel School continues serve as an important adjunct to the tourist industry in training personnel at various levels.

The programme for 1973 covered a 3-Year Diploma Course in Hotel and Catering Operations, 6 month craft courses in cookery, restaurant and bar-service, short-term upgrading courses in reception and house-keeping, bar and flambe and refresher courses for hotel personnel.

The School staff consists of 6 full-time lecturers, 6 visiting lecturers and an I.L.O. expert.

Participants under various training schemes during the year were —

(a) 3-year Diploma Course in Hotel and Catering operations 1st, 2nd and 3rd Year	70
(b) 6-month cookery course	40
(c) 6-month restaurant and bar course	60
(d) Short-term courses	25
(e) Refresher courses for hotel personnel	28
(f) In-service training for the 2nd and 3rd year trainees	67

Three students of the 3-Year Diploma course were awarded Scholarships for training in the Federal Republic of Germany under the Technical Assistance Scheme. Forty students were selected for short-term regional training under the UNDP Country Programme.

Other activities of the School were —

- (a) advice on raising operational standards in existing hotels and in-plant training ;
- (b) advice on equipment selection, food service and food preparation, layout and designs for new hotels as well as menu planning and staffing ;
- (c) follow-up seminar for the railway hotel and catering services ;
- (d) collaboration with the National Apprenticeship Board on the scheme of training for cooks and waiters.

At the Graduation Ceremony held in August, 1973, 28 students were awarded Diploma in Hotel and Catering Operations.

V—CEYLON HOTELS CORPORATION

Hotels and Resthouse Operations

The Ceylon Hotels Corporation had under its control the management of 18 hotel establishments comprising Resthouses, Hotels and Tourist Inns located in the island's prominent places of tourist interest. A new addition during the year is the Galle-Harbour Inn, a four-bedroomed Tourist Inn. The total room-strength which was at 213 during first half year increased to 239 during the latter half with the addition of 26 rooms. Increase in room-strength was a result of an extension scheme effected to the Lihiniya Surf Hotel, Bentota, which comprised 40 air-conditioned double rooms at inception. Existing hotel establishments were given a face-lift under an extensive renovation programme carried out by the Corporation. Hotel Samudra was commissioned with an Auxiliary Bar. A 20-roomed Hotel Project was launched in Kandy, the Hill Capital.

Tourist Transport Facilities

The Transport Department of the Corporation operated with a fleet of 58 vehicles comprising 47 Peugeot Cars, 5 Station Wagons, and 3 Cargo Vans and 3 Coaches. Seven Coaches were added to existing fleet during the latter half of the year. An order was placed for a further consignment of 20 Peugeot Cars to ensure stability of fleet strength.

Tourist Shop

In furtherance of its activities, the Corporation made a significant break-through into the tourist industry and foreign exchange market through establishment of a Tourist Shop with an initial investment of Rs. 4 lakhs. The shop situated at No. 50, Chatham Street, Colombo, was commissioned for business on 27 September, 1973. The first one of its kind under the Corporation, this shop has been geared to sell imported utility items to foreign tourists and diplomats on payment of foreign currency. Handicrafts and Batikware are sold in exchange for local currency. In the first three months of operation the tourist shop has recorded a nett profit of Rs. 26,347.

Profits and Dividends

The Corporation paid a first and final dividend of 6 per cent on the ordinary capital having made a nett profit of Rs. 705,151 against 1972 year of operation. A sum of Rs. 108,791 representing 20 per cent of the profits was set aside to the credit of the Permanent Reserve Fund.

Investments and Shareholdings

The Corporation took a further step in activities of the hotel trade by acquiring a shares-holding of 142,303 Ordinary Shares of Rs. 1 each from Kandy Hotels Co. (1938), (Queens and Suisse Hotels). The shares-holding was increased through an additional purchase and is equivalent to 76 per cent of the Ordinary Holding. The Corporation has been successful in securing Management Agreement with Kandy Hotels Co. (1938) Ltd., recording a dividend of Rs. 26,649.

Asian Hotels Corporation Limited

Asian Hotels Corporation Limited is a joint stock company promoted by the Co-operative Wholesale Establishment to construct the "FIVE STAR" Hotel in Colombo, consisting of 266 rooms. This Hotel is situated at Steuart Place, Galle Road, and would cost Rs. 75 million when completed. Authorised share capital of the company is Rs. 100 million.

An additional wing consisting of 110 rooms is being constructed and would be completed in due course.

The Hotel is being operated by the "OBEROI" Group in INDIA and is part of the "OBEROI" chain of Hotels.

