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LEGISLATIVE COUNCIL, CEYLON.

ADDRESS OF HIS EXCELLENCY THE RIGHT HON. SIR J. WEST RIDGEWAY, G.C.M.G., K.C.B.,
K.C.S.I., ON THE OPENING OF THE LEGISLATIVE COUNCIL, NOVEMBER 11, 1902.

HONOURABLE MEMBERS OF THE LEGISLATIVE COUNCIL,

WHEN I opened the Session which has just expired I anticipated that it would be the last of my administration, but His Majesty was pleased, on the advice of the Secretary of State for the Colonies, to extend my term of office until October, 1903, when I shall have governed the Colony for nearly eight years. The responsibility which accordingly rests upon me of proving that I have made adequate use of the golden opportunities which an era of unexampled prosperity has placed at my disposal is proportionately great. I do not, however, propose to undertake that task to-day, but to defer it until the end of the Session, which will nearly coincide with my departure from Ceylon. To-day I will merely review the history of the last twelve months, but as I have been away for six months, and have only returned within the last few days, this review must necessarily be to a great extent based on information obtained from the Lieutenant-Governor, who has so admirably administered the Colony during my absence, and on the reports of Heads of the various Departments.

REVENUE AND EXPENDITURE.

As I anticipated, in spite of a falling off during the first nine months of the year under certain heads, the revenue of 1901 to a great degree recovered itself during the rest of the year, and when the accounts were closed a satisfactory surplus of more than half a million remained.

The estimated revenue for 1901 was Rs. 26,320,000; the actual revenue exceeded this estimate by Rs. 117,102, and amounted to Rs. 26,437,102. Though these figures show a decrease of Rs. 888,828 on the revenue for 1900, it must be remembered that the latter year was a record year for the Colony financially, and that with this exception the revenue of 1901 is greater than that of any of the preceding years. The expenditure of 1901 also exceeded that of any previous year. This steadily increasing revenue indicates that the financial condition of the Colony is still one of advancing prosperity.

The surplus revenue for 1901 amounted to Rs. 540,508, notwithstanding a large supplementary vote of Rs. 2,630,557, made up of Rs. 1,760,557 met from current revenue and Rs. 870,000 for Railway construction from past savings.

The expenditure for 1901 was Rs. 25,896,594, exclusive of expenditure from surplus funds, or Rs. 574,606 more than that of 1900, but Rs. 360,964 less than our estimated expenditure for 1901. The principal heads under which the expenditure of 1901 exceeded that of 1900 were Railways Rs. 359,426, Hospitals and Dispensaries Rs. 101,412, Education Rs. 87,863, Military Expenditure Rs. 81,313, Port and Marine Department, Colombo, Rs. 50,926, Provincial Administration Rs. 74,181, and Pensions Rs. 41,526.

The principal heads under which the estimate of 1901 proved to be excessive were Public Works Extraordinary Rs. 565,610, Public Works Annually Recurrent Rs. 110,439, Irrigation Rs. 122,700, Railways Rs. 128,426, Forests Rs. 81,700, Post and Telegraph Rs. 49,261, and Civil Service Rs. 35,214.

The principal items of the Supplementary provision were: Railways Rs. 297,494, Public Works Extraordinary Rs. 231,918, Miscellaneous Services Rs. 228,139, Military Expenditure Rs. 469,417,

Provincial Administration Rs. 92,141, Hospitals and Dispensaries Rs. 61,980, Pensions Rs. 57,500, and Port and Marine Department Rs. 46,322.

The estimated revenue of 1902 was Rs. 26,500,000, or Rs. 62,898 more than the actual revenue of 1901, while the ordinary expenditure was estimated at Rs. 26,204,698.

It is satisfactory to note that the actual revenue of the first nine months of 1902 shows an increase of Rs. 593,871 over the corresponding period of 1901. This is due chiefly to increases under the following heads: Customs Rs. 218,922, Post and Telegraphs Rs. 162,934, Interest Rs. 91,136, Land Sales Rs. 134,235. The principal articles which contributed to the rise in the Customs revenue are grain, sugar, and kerosine oil. To the satisfactory sales in the Western, Southern, and North-Western Provinces are chiefly due the large increases under the head of Land Sales. This increase should be more than maintained during the next three months, and I shall be disappointed if the revenue for the year is not well in excess of Rs. 27,000,000; but, in any case, I have no doubt that there will again be a satisfactory surplus.

The revenue for 1903 is estimated at Rs. 27,044,380, and the expenditure at Rs. 26,966,561, of which Rs. 386,650, for the construction of railway feeder roads, will be furnished from Savings and Surplus Revenue. The details will be explained when the Estimates are laid before you.

PUBLIC DEBT.

On 1st January, 1902, the debt at the current rate of exchange was Rs. 54,003,853, or Rs. 129,887 less than on 1st January, 1901.

The charges on account of Interest and Sinking Fund were on 1st January, 1902, Rs. 2,805,029, and of this amount Rs. 1,575,553 were on account of the portion of the debt incurred for Railway Extension. The surplus Railway receipts in 1901, after defraying this charge, amounted to Rs. 1,625,875; of the debt (Rs. 54,003,853), 32 millions were on account of Railway Construction, 17 millions on account of Harbour, and the balance 5 millions for Waterworks and Irrigation.

After the 1st January, 1902, a further loan of £1,400,000 was raised, realizing in local currency Rs. 19,829,116. The annual charge for interest on this for 1903 amounts to Rs. 630,000. This additional loan has been apportioned as follows: Railway Construction Rs. 8,420,000, Irrigation Works Rs. 2,500,000, Duplication of Water Main Rs. 362,707, Harbour Works Rs. 8,546,409.

COLOMBO HARBOUR.

Of the amount borrowed for Harbour Extension (17 millions), Rs. 16,401,079 have been expended up to 30th June last on the new Harbour Works. The amount required to complete these works is Rs. 4,198,389. The total of the appropriations on account of the Harbour is thus Rs. 20,599,468, although the revised estimate in 1901 was Rs. 19,684,360. The excess is principally due to the following items: improvements to grain sheds, Rs. 152,951; Master Attendant's jetty, Rs. 59,940; widening Seashore street, Rs. 75,000; constructing new strong room, Customs, Rs. 9,617; additional moorings, Rs. 63,000; tugs for the Port of Colombo, Rs. 502,500; and acquisition of land for Fire Commander's post, Mutwal, Rs. 12,431.

Loans to Local Boards amount to Rs. 872,445, of which Rs. 207,141 have been repaid, leaving a balance of Rs. 665,304.

PRESENT FINANCIAL POSITION.

On the 1st August, 1901, the total cash balance of Government amounted to Rs. 1,014,979; on 1st August, 1902, after raising the loan of £1,400,000, it was Rs. 8,486,409. This cash balance does not include the Currency and Note Reserve, and cash in the hands of Heads of Departments. Besides the cash balance, Government held on 1st August, 1902, Indian and other securities to the value of Rs. 5,979,710, as against Rs. 6,037,206 on 1st August, 1901. The amount to the credit of the Widows' and Orphans' Pension Fund on 1st August, 1902, was Rs. 3,039,535. The total investments on account of Note Currency Reserve on 1st August, not included in the above total, amounted to Rs. 6,174,840.

The Ordinance which was passed by this Council last year, modifying the Currency Ordinance of 1884 and making the sovereign legal tender in Ceylon, has led to a large importation of gold into the Colony in place of silver, the Banks finding it cheaper and more convenient to import the less bulky metal. The result has been to create a scarcity of rupees, the continuance of which might seriously hamper trade. I have appointed a Commission, chiefly composed of leading Bankers and Merchants, under the Presidency of the Attorney-General, to consider this important question.

The Commission on the Incidence of Taxation commenced its sittings in February of this year, under the Presidency of the Lieutenant-Governor. Sub-Committees have been formed to collect and sift the available information, economical and statistical. Their deliberations have now extended for nearly six months, and it is hoped that they will soon be able to lay the results before the Commission.

TRADE.

The following table shows the value of the trade of the Colony, omitting specie :—

Year.	Value of Trade in Lacs.	Year.	Value of Trade in Lacs.
1890 ...	1,066	1898 ...	1,813
1892 ...	1,238	1899 ...	2,130
1894 ...	1,476	1900 ...	2,205
1896 ...	1,624	1901 ...	2,042

Of the total value in 1901 (2,042 lacs), imports exceeded 1,040 lacs and exports 1,001 lacs. The imports decreased in value by 105 lacs, the principal contributors to the decrease being : cotton goods 18½ lacs, metals and metalware nearly 20½ lacs, manures 5½ lacs, spirits 4 lacs, sugar nearly 29 lacs, and grain 31½ lacs. These figures, however, do not indicate a diminution in the trade in every case. For instance, the quantity of spirits imported increased by 9,000 and odd gallons, and sugar only decreased by 12,428 cwt., a quantity by no means corresponding to the enormous decrease in the value. This is explained by the fact that the value in 1901 was taken as declared by the importers, while in previous years a fixed—and now excessive—value was given. The decrease of nearly 59 lacs in the export trade is mainly due to smaller shipments of tea, due in part to unfavourable climatic conditions and in part to finer plucking. The products of the cocoanut palm, however,—such as copperah, cocoanuts, coir fibre, coir yarn, and cocoanut oil,—exported in 1901, show an increase in value of 15 lacs over 1900. The export of cacao also increased by 13,775 cwt., the quantities being 33,696 cwt. and 47,471 cwt. for 1900 and 1901 respectively. The value of the exports of coffee in 1901 was nearly 5½ lacs, against nearly 6 lacs in 1900 and 13½ lacs in 1899. The exports of cinnamon show a decrease in 1901.

The latest obtainable returns for the first nine months of the current year in Customs duties show a nett increase under all heads of imports and exports, save under Other Goods and Chanks.

Grain : nearly 270 lacs in value was imported during the first nine months of the current year, an increase of nearly five lacs compared with 1901. Rice alone shows an increase of nearly eight lacs in value, the quantities being 6,284,306 bushels and 6,555,290 bushels for 1901 and 1902 respectively.

The imports of cotton manufactures fell from 47 lacs to 45 lacs in 1902, but the quantity cleared was greater than in the previous year, hence an increase of Rs. 7,040 in duty.

135,230 gallons of spirits and cordials were imported, against 134,549 gallons in 1901, being valued at 7½ and 7¼ lacs respectively. The quantity entered for home consumption was more by 2,162 gallons. Sugar, value 15¼ lacs, shows an increase of 1½ lac over the figures for 1901, the quantity imported being 157,673 cwt. against 129,010 cwt. in 1901. Kerosine oil, 9½ lacs, gives an increase of 1½ lac compared with 1901. Other goods show 460 lacs, against 508 lacs in 1901, the principal items of decrease being machinery 6¾ lacs, coal 18¾ lacs, chinaware 2¼ lacs, Government stores 12½ lacs, and Military stores 8½ lacs. It may be stated that the last item represents the full value for 1901, the stores being now entered in the Customs returns without value.

The exports of plumbago for the first nine months of 1902 amounted to 376,938 cwt., an increase of 28,158 cwt. over 1901. Arrack rose from 30,832 gallons to 45,728 gallons in 1902.

The following statement shows the value of the trade of the Colony, excluding specie, for the first nine months of 1901 and 1902 :—

Year.	Imports. Rs.	Exports. Rs.	Total. Rs.
1901 ...	77,391,274	76,653,770	154,045,044
1902 ...	71,822,207	80,112,359	151,934,566

} A decrease of
Rs. 2,110,478

The decrease in the import trade has already been explained. Turning to the export, it is found that the increase is chiefly attributable to tea and cocoanut oil, the value of which rose by nearly 20 and 13½ lacs respectively, the quantities being 111,125,699 lb. and 120,523,688 lb. in respect to tea, and 337,010 cwt. and 394,040 cwt. in respect to cocoanut oil for 1901 and 1902 respectively. Plumbago, too, contributed nearly 3 lacs towards the increase, though the price of it per ton fell from Rs. 448.12 to Rs. 430 in 1902.

PUBLIC WORKS.

The total provision in the Supply Bill for Public Works in 1902 was Rs. 3,871,887, made up of Rs. 2,024,815 for Public Works Annually Recurrent and Rs. 1,847,072 for Public Works Extraordinary.

It is anticipated that the greater part of the sums voted for the maintenance of roads and buildings and other annually recurrent expenditure will be spent during the year.

Of the sum of Rs. 552,605 voted for new roads and bridges, Rs. 192,443 was expended during the first seven months, and it is estimated that a sum of Rs. 465,300 will be expended during the year.

Of the more important works under construction, the following have been completed : the erection of the Queen's statue in York street, the Wall-

Sengal-oya, and Lunu-oya bridges ; the construction of a jetty at Trincomalee, and the Periya Mukatuwaram and Mohideentanda causeways in the Eastern Province ; the erection of a court-house at Hambantota, a resthouse at Peradeniya, and a house for the Archæological Commissioner at Anuradhapura.

During the year the new District and Police Courts, and also the new Fiscal's Office, Colombo, will be completed. Considerable progress has been made with the improvements and extension of the Customs premises and the widening of Seashore street in Colombo, and with the construction of the following roads : the Ardross-Polatagama road and Madampe road deviation in Sabaragamuwa, the approach road to the Railway Station, Anuradhapura, in the North-Central Province, and the railway feeder road from Vilakatupota to Hiripitiya in the North-Western Province. The completion of the duplication of the water main from Labugama to Colombo, and the erection of the new Technical College, have been commenced.

RAILWAY EXTENSION.

The estimated cost of the Northern Railway is Rs. 11,029,376 ; the expenditure at the end of September last was approximately Rs. 5,902,000.

At the southern end work was in hand up to 77 miles from Kurunegala. At the northern end the works are finished or in hand from Kankasanturai 198 miles to within 90 miles of Kurunegala, a total length of 108 miles. On the intervening 13 miles some clearing of the trace has been done, and an Assistant Engineer has taken up his quarters to begin the work on that section. The rails are laid at the southern end as far as Galgamuwa, 40½ miles from Kurunegala, and at the northern end 45 miles from Kankasanturai. Permanent way and bridge material has been received in the Colony for 150 miles.

The first section, Kankasanturai to Chavakachcheri, 21 miles, was opened for public traffic by me on the 11th March last, and the section Chavakachcheri to Pallai, 14 miles, was opened on the 15th September. It is expected that the line from Kurunegala to Anuradhapura will be ready for opening early in 1904, and the whole of the Railway in the second half of that year.

Labour is fairly plentiful in the North-Western and North-Central Provinces. In the former there are, besides Sinhalese and Tamils, a good number of Indian masons and coolies employed. In the Northern Province there is more difficulty in getting labour.

The estimated cost of the Uda Pussellawa Railway is Rs. 1,301,351 ; the expenditure at the end of September last was approximately Rs. 924,400.

About half of the earthwork, nearly half of the work in bridges, and two-thirds of the work in culverts is done. The acquisition of the private lands required for the Railway is nearly completed. About 3½ miles of the permanent way is laid, the work in the alteration of Nanu-oya Station is well forward, and the whole of the permanent way and bridge material and the engines for this Railway are now in the Colony.

It is expected that the line from Nanu-oya to Nuwara Eliya will be ready for opening by May next, and the whole Railway to Ragalla before the end of next year, but these dates depend upon when the rolling stock from England arrives in the Colony.

The Kelani Valley Railway has been completed as far as Avisawella (37 miles), and the line from Colombo to Avisawella was opened for passenger traffic on the 15th September, and for goods traffic on the 17th September.

The work of construction on the remainder of the line, including the station buildings and staff quarters buildings at Yatiyantota, is well in hand, and it is hoped that the Railway will be completed to Yatiyantota and ready for opening by the end of September, 1903.

A commencement has been made with the road bridge over the Kelani river at Yatiyantota ; this bridge will consist of three spans of 100 feet and two spans of 30 feet.

The cost of the whole line was estimated at Rs. 4,829,800 ; the expenditure to 30th September, 1902, was Rs. 4,299,345.

Now that the Railways under construction are approaching completion, we may, without rashness, consider future extensions. Those which first suggest themselves are : (1) The extension of the Kelani Valley Railway from Avisawella to Ratnapura. The survey of this line will, with your approval, be begun as soon as possible. (2) A light railway from Colombo to Negombo and Chilaw, and possibly Puttalam. An offer has been made by an English syndicate for the construction of a road railway with electric traction, and is under consideration. There would be no doubt regarding the desirability of undertaking such a railway, were it not for the existence of the canal and the consequent competition for goods traffic. I propose to appoint a Committee to consider the question. (3) The construction of a railway to Trincomalee, which would serve Batticaloa. This is not pressing, and the construction of such a railway solely at the expense of the Colony would not be justifiable. When the Admiralty and War Office, to whom it would be most useful, are willing to contribute to the cost, the proposal will be well worthy of your consideration.

HARBOUR EXTENSION.

It was hoped that the Patent Slip would be ready to take up vessels in the earlier part of this year, but these anticipations have, unfortunately, not been realized. The work has proved to be more tedious than was expected, but the progress made, although slow, has been steady. It is now nearing completion, and by the end of this year there should be very little, if anything, left to do.

The total quantity of material dredged from the Harbour and deposited at sea during the twelve months ending 31st July was 434,812 cubic yards, or 652,218 tons.

Six additional sets of moorings have been ordered. Three of these have arrived, and the work of screwing them down will be put in hand as soon as weather permits.

The completion of the seaward end of the North-East Breakwater, which has been kept in abeyance in order that observations might be taken to decide on the most satisfactory width of opening to be left between the North-East and North-West Breakwaters, is now in progress, as the Consulting Engineers have arrived at the conclusion that the original width of 700 feet should be adhered to.

The North-West Breakwater, which was commenced in the latter part of 1898, and will, it is anticipated, be completed in 1905, is now constructed for about 1,750 feet, or two-thirds of its entire length as originally designed, although the determination of the width of the remaining opening will also depend on observations taken as the building of the Breakwater proceeds, and will necessarily control the length of the Breakwater. The progress of this work has been very satisfactory, and although severe weather and heavy seas have been experienced, no movement has taken place in the structure.

Good progress has also been made with the new Graving Dock. The cofferdam has continued thoroughly watertight and in every way satisfactory. With the exception of about 250 feet, the timbered trenches, in which the side walls of the Dock are being built, are in hand to their full extent, and about half their total lengths excavated to a rock foundation. During the year ending 31st July, 1902, 46,000 cubic yards of excavation were removed from the trenches, making a total of 55,510 cubic yards from the commencement of the work. At the west end of the Dock it was found necessary, when the ground was opened out, to go to a maximum depth of 78 feet in the timbered trench, or about 30 feet below the expected foundation level of wall, before a suitable wall foundation was secured. To obviate having to go to this depth for the south-west return wall, timber piles were driven and the wall founded on them, thereby saving the excavation of over 20 feet in depth. The concreting of the side walls was commenced on February 17, and there are about half the total lengths of walls founded, part of which has been built up to low-water level. Altogether there have been 9,894 cubic yards of concrete deposited, 10,703 cubic feet of stone, and 665 cubic feet of concrete facing blocks set in the side walls and entrance of Dock. The dressing of stone for the Dock has been carried on at Mahara by prison labour and at Kochchikada by free labour during the year, and 22,277 cubic feet of stone were dressed, making a total of 47,147 cubic feet from the commencement of the work.

In view of the tendency both at home and abroad to add considerably to the length of proposed Graving Docks, it was pointed out by the Consulting Engineers that an extension of this Dock from 600 ft., as originally provided for, to 700 feet would be most desirable, and indeed absolutely necessary if the Dock is to be considered up to date and equal to the best and latest Docks in England. Moreover, the present is the most opportune time for such extension, before the Dock is completed and while the plant and labour are still on the spot. The cost of extension is estimated at £28,700. The Admiralty were asked to contribute to the work, but they have refused, and I accordingly propose to ask the Council to vote the necessary sum.

With a view to increasing the facilities for discharging coal at the new coaling depôt, it has been decided to build eighteen coaling jetties under the shelter of the North-West Breakwater. Each jetty will be 150 feet in length and 30 feet in width, and will allow of the berthage of four barges simultaneously.

The question of increasing the harbour accommodation, by providing a separate Fishery Harbour, which will render available the valuable space now occupied by the fishermen on the foreshore, is under consideration.

The works now in progress will increase the area of the Harbour from 415 to 660 acres. It is proposed in addition to form in the swamps to the south of Blomendahl a Wet Dock having a nett area of 187 acres, or sufficient to berth simultaneously thirty of the largest steamers frequenting Colombo. The approach to the Dock will be from the existing Harbour, the entrance being so placed as not to interfere with the berthing of vessels in the Harbour. Swamps and low lands round the Dock will be filled in and will be available for bonded warehouses, and the Dock will be connected with the Railway System of the Colony. The preliminary survey is now being carried out by a staff of surveyors sent from home. By the time this survey is completed, the works now under construction will probably be finished, and the staff, &c., will be available for the proposed Wet Dock, should the increase of shipping in the interval justify the expenditure.

CRIME.

The special measures introduced in 1896 for the suppression of crime have been continued up to the present time. There is now no opportunity afforded for the compounding of serious crime, as every offence is reported to the Magistrates, who continue to make their inquiries promptly and carefully.

In 1901, the number of institutions in all Police Courts and Municipal Courts rose by 6 per cent., while the number of non-cognizable true cases was 28 less than in 1900, and the number of these offences which are classed under the head of "Serious Crime" was 5 per cent. higher. There was an increase of 13 per cent. in thefts and of 1 per cent. in all offences against the person.

The number of institutions in all Courts was 6 per cent. above the average for the five years, and 5 per cent. higher than in 1897, an increase due, as in 1900, to the continued energy and vigilance on the part of the Municipalities in the interests of sanitation. The number of institutions in Police Courts was 2 per cent. above the average, and about 1 per cent. less than in 1897. The number of cases of serious crime was 7 per cent. above the average, and 9 per cent. above that for 1897.

The proportion of serious crime to population for the Island was 1 to 1,598 in 1901, as against 1 to 1,566 in 1900, and the figures for the last five years give an average of 1 to 1,671, as compared with 1 to 1,552 for 1892-1897.

During the year the percentage of false cases of serious crime was 21, as against 18 in 1900 and 24 in 1899. There was no diminution in the violent crime prevalent in the Island. Homicides were 16 per cent. above the average and 21 per cent. above the number for 1897, while the number of persons convicted of the capital offence was 23 per cent. and the number of executions 48 per cent. above the average. In 27 cases the victims were shot, as compared with 25 cases in 1900. The steady increase of cases of shooting during the last few years gives cause for reflection, but the Firearms Ordinance, which was passed by the Legislative Council last year, will, it is hoped, have the effect of preventing firearms from falling into the hands of improper persons. The Southern Province had the worst record of serious crime in 1901, with one serious crime in every 923 of population,—the population being that ascertained by the Census of 1901, exclusive of military, shipping, and prisoners of war,—followed by the Western Province with 1 in 1,149, while the North-Central, the least sophisticated Province, showed the best record of 1 in 15,820, and next to it Uva with 1 in 2,784.

The criminal statistics for the first six months of the present year (1902) augur badly for the return for the year, the number of murder cases being 92, as against 89 for the corresponding period of 1900. The convictions for voluntarily causing grievous hurt, the kindred offence of homicide, show an increase of 5 per cent. above the average. The homicides were distributed amongst the Provinces as follows: 63 in the Western Province, 37 in the Central Province, 23 in the North-Central Province, 22 in the Province of Sabaragamuwa, and 17 in the Central Province, the figures ranging from 1 to 6 in the other Provinces.

House-breaking still continues to be an unsatisfactory feature in the returns, the cases instituted being 11 per cent. above the number for 1900 and 39 per cent. above the average for the five years. This increase, as was the case last year, was confined chiefly to the villages in the Western and Southern Provinces. The majority of cases consisted of breaking into houses or huts, the walls, doors, and shutters of which are insecure, and removing articles of small value. There was in 1901 a decrease in this class of offences in Colombo of 17 per cent. as compared with 1900. The worst part of the City is the Kotahena Division, in which there has been an increase of 107 per cent. The decrease in Colombo was attributed to the improved system of patrols, which have been to some extent substituted for beats. I much regret, however, that there has lately been a recrudescence, but on a much smaller scale, of that epidemic of so-called burglaries which broke out for a few months in Colombo in 1899-1900. I say "so-called," because the great majority of cases have been cases of theft from a dwelling-house, often by day, which no Police, however vigilant and efficient, can be expected to prevent. To the cases of real house-breaking, the remarks which I made to you when opening the Session of 1900-1901 are relevant at the present moment. I said: "The number of burglaries in 1899 increased by 30 per cent., and their frequency in Colombo and its environs a few months since excited much angry criticism of the Police. House-breaking by night is an offence difficult of prevention and of detection in every country, but especially so in this country, where the isolation of houses in enclosures thick with trees at a distance from the road, the flimsy nature of the materials often used in their construction, the insecurity of the fastenings of doors and windows, and the frequency with which they are left open at night, whether from carelessness or a desire for fresh air, and the absence of night watchmen, universally employed by householders in India under similar circumstances, offer the burglar many facilities. The burglar is the product of civilization. As wealth increases the temptation to burglary grows, the technical education of the burglar is perfected, and his appliances become more elaborate. Property can no longer enjoy the freedom and immunity of poverty, and in self-defence must also have recourse to the weapons of

civilization in the shape of locks, bolts, and other inconvenient safeguards, which are the indispensable necessity of Western civilization in its present advanced stage. It is gratifying to know that, though the Police of the country were, under these conditions, unable to cope with the difficulties of prevention, they secured in 1899 convictions in 12 per cent. of the cases—a better figure than that shown by the London Police,” an average which was more than maintained in subsequent years. Indeed, this year (1902) the average of convictions in house-breaking cases has been over 25 per cent. Although it is necessary to remind the public of the changed conditions of life in this and other prosperous towns, and of the consequent obligations which devolve upon them as regards the safe custody of their property, yet I am far from desiring to minimize the responsibilities of the Police, or from attempting to prove that they have fully and satisfactorily discharged those responsibilities. I consider it to be highly unsatisfactory that they are unable to trace the gang or gangs which have lately been at work in our midst, or still more that they are unable to strike at the heart of the evil by discovering the receivers of the stolen property, and of devising successful means of bringing them to justice. On this point they have a defence to offer. They plead that when they have brought to justice a receiver of stolen property, the Court has refused to convict, because the Police have been unable to prove that the accused had received the property—proved to be stolen—with a guilty knowledge. I believe that this is not good law. If it were, I would invite you to amend the law. There is no doubt that the detective ability of the Force is poor, and means must be taken to strengthen it. The new Inspector-General of Police has been desired to make proposals to that end. The material of which the Police is composed might certainly be improved, but I am very doubtful whether the addition of a few rupees to their salaries—the panacea usually proposed in such cases—is likely to render efficient those who are now condemned, somewhat extravagantly, as useless and unfit, or whether it would even enable us to tap a stratum of supply much more satisfactory than that from which we now draw our recruits. The subject has my careful consideration, for I am open to conviction, but I am inclined to think that what is required is the better education—technical—of our Police Officers, and a training for picked men in detective work. I have instructed the Inspector-General of Police to prepare a scheme for the establishment of a training school, into which present members of the Force as well as selected outsiders will obtain admission by examination. Those who pass successfully out of the school will enjoy substantially higher pay, and will be employed on more responsible duties. We may find it necessary, as in some other Colonies, to enlist for duty in our towns natives of Northern India, but my experience is that the Police of India, generally speaking, are not much more, if at all, superior to our own Police. But an improvement of the Indian Police may have been effected in recent years, and it will be our duty to ascertain what the methods there are, and how far they can be adopted here.

There has been no increase of crime under the head of “Thefts of Cattle or Prædial Products,” but the prevalence of thefts of cacao in certain districts of Matale is a matter which has had my careful attention, and I propose to appoint a Commission to inquire and report whether the present condition of affairs justifies special legislation.

The power of quartering police under the Ordinance No. 15 of 1896 has been exercised only in two instances in 1901. Owing to the stubborn and combined refusal of the people of Ambalangoda to pay the small cess levied by the Sanitary Board, the Government Agent went to the town with a large police force to enforce distraint of property. A determined and organized resistance had been prepared, and culminated in an attack on the police and Government officials soon after distraining operations had commenced, and the police were obliged, in self-defence, to fire upon the mob, killing two and injuring four, two of which injuries subsequently proved fatal. The cases against those concerned in the attack on the police resulted in the conviction of the chief offender and 34 others. Owing to the disturbed state of the town and the occurrence of this open breach of the peace, a punitive police force was quartered in the town, and has not yet been withdrawn. The town is now quieter than it has ever been before. The inhabitants have always been unruly, and this is not the first time that officials have been assaulted by them. In the Eastern Province a serious riot occurred between the villagers of Navatkuda and Nochimunai, in which eight men were seriously wounded. A police force was quartered in both the villages, and was withdrawn in July last.

The improvement in the disposal by the Courts of youthful offenders has been maintained. Out of 511 offenders who were prosecuted, only three were sentenced to imprisonment, while 45 were sent to the Certified Industrial School at Maggona, and the remainder were otherwise suitably dealt with. I stated in my Address on opening the Legislative Council last year, that I was disinclined in future to confirm the sentence of whipping, except in cases where premeditation is proved. This policy was observed throughout the year. Three hundred and forty-three persons were sentenced to be whipped during 1901. The sentence was either remitted or set aside by the Supreme Court in 41 cases and remitted by me in 33 cases, leaving 269 persons on whom the sentence was to be carried out subject to the approval of the Medical Officer.

The number of habitual criminals with over three convictions was nearly the same in 1901 as compared with 1900. Those with not more than three convictions show an increase of 10 per cent. in 1901 as compared with 1900, and 32 per cent. over the average for the five years.

It is a great disappointment to me, Gentlemen, that the vigorous and persistent efforts which have been made throughout my term of office to suppress violent crime in certain parts of the Island have met with but little success. As regards ordinary crime, the condition of the Colony is on the whole satisfactory, and it is difficult to account for the prevalence of the crime of murder. The offenders seldom belong to the criminal classes, and generally have led respectable and comparatively blameless lives up to the time of the offence. The frequency of the crime appears to be due to absolute want of self-control and to a remarkable want of appreciation of the value of human life. It has been pointed out that of 37 persons executed—for the offender is almost invariably brought to trial—35 were Buddhists and 2 Mohammedans. Fear of death is no sufficient deterrent, but many who know the people well advise me that transportation beyond the sea would have the desired effect. I am making further inquiry into the subject, and if the views I have mentioned are confirmed, I will ask the Secretary of State to reconsider an adverse decision which he gave some years ago on a similar proposal made by me. It would be a great relief to me and my colleagues in the Executive Council if we were able to substitute for death a punishment which would be more merciful and yet more deterrent. But, as I remarked last year, no radical improvement can be expected until, under the ameliorating influence of education and discipline, a new generation arises in which the savage instincts of revenge and retaliation have not complete mastery of reason and humanity. In the meantime the law must be rigidly enforced, especially in the case of assaults, for it is often a mere accident whether an assault does or does not end in murder.

EDUCATION.

The scheme for introducing Drawing into our schools has been started, and is in successful operation. Several schools have taken up Drawing on the new schedule approved by Government; the first examination for teachers took place on 19th September, when there were 44 candidates for certificates. Of these, five received first-grade and thirteen received second-grade certificates. Thirty of the candidates attended classes at the Technical College, and of these three got first-grade and twelve second-grade certificates.

The Census returns give 465,613 males and 401,590 females, or a total of 867,203 persons of the school age. The Director in his last report estimates that in 1901 there were 218,479 under instruction. Thus, for the instruction of about three-fourths of the children of school age, numbering about 650,000, there was no provision whatever. In the City of Colombo there were enumerated 20,906 boys and 14,499 girls of this age, or a total of 35,405 children. The number returned as under instruction was only 9,747 (6,802 males and 2,945 females). The Western and Northern Provinces take the lead in education, over 42 per cent. of the male population and 24 per cent. of the female being able to read and write. The lowest place is taken for males by Uva (23 per cent.) and for females by the Uva and North-Central Provinces (about 1 per cent.). The contribution of the revenue towards education largely increases every year, and if the educational wants of the people are to be met in a way worthy of this prosperous Colony, there must be local financial assistance. This difficult subject, to which I have alluded in previous Addresses, comes within the scope of the Commission on the Incidence of Taxation, and we must await their proposals.

In my Address last year I alluded to a proposed Training College for English Teachers. This is, in my opinion, the great desideratum of the Department, for until a more efficient staff of teachers is organized no real progress can be made. It is hoped that this College will be open in January next, for the buildings of the old Agricultural School are being adapted to the purpose, and the new Principal has arrived from England.

The new Inspector of English Schools, Mr. R. B. Strickland, has assumed duties.

An attempt to introduce sericulture into Ceylon schools has been begun, at the suggestion of the Government Entomologist. Several schools have been supplied with mulberry cuttings, a short pamphlet on the subject in the form of a Nature Study lesson by Mr. Green is being translated into Sinhalese, and the eggs are ready for distribution as soon as the gardens are ready to receive them.

The system of payment by lump-sum grants instead of by results has been introduced in the case of three of our principal schools as an experiment, and possibly marks the beginning of a very important change.

An attempt is being made to start a school of Oriental Studies, as a means of inducing adults to study the literature of their own land. Two representative meetings have been held, the scheme has met with more favour than was expected, and it has been arranged to hold a preliminary examination. On the results of that examination will depend the question whether we proceed further.

The Cadet Battalion has made a most successful start. Six schools, in Colombo, Kandy, and Galle, each furnish a company. The number is limited to four hundred, but if desirable this can be very largely increased.

The London University has decided to continue its Colonial Examinations, a very important fact as concerns higher education in the Island.

The Coronation of the King was marked by the presentation to each of the five hundred Government schools of a portrait of His Majesty, framed in teak and glazed.

THE TECHNICAL COLLEGE.

The present number of students on the roll is 188. Out of 95 who sat last year for their Final Examination, 61 have been passed by the Examiners. Thirty-nine of these have already been drafted into Government Service, and ten nominated for apprenticeships. Two others are serving apprenticeships in approved workshops in Ceylon, and seven are entitled to the Surveyor-General's License for Surveying and Levelling.

The total number of students under various classes in the Drawing and Art Department is 78 ; of these, 30 sat for the Final Examination for the Teachers' Drawing Certificate.

The work of the Electrical Department (Telegraphy) has been extended by introducing the teaching of Railway Accounts and Bookkeeping. Mr. De Silva of the Traffic Superintendent's Office was appointed Instructor, and the work commenced in September. Eighteen students passed the Final Examination last March, and 23 others passed in October after a shortened course of eleven months. These have all now received appointments in the Railway Department.

In the Electrical Engineering Department three students completed a three years' course last April, and are now serving apprenticeships to engineering firms in Colombo.

The Surveyors' course has been increased from one to two years, and it is expected that more satisfactory results will be obtained. The number attending the class is 16, as against 18 last year.

The foundations of the new buildings have been laid, and the old Art School and Electrical Laboratories have been demolished to make room for the first portion of the new College.

SURVEYS.

The Cadastral or, more properly speaking, Block Surveys have, this year, been practically confined to the Southern, North-Central, North-Western, and Sabaragamuwa Provinces, within which many questions await settlement under the Waste Lands Ordinances. The estimated area is about 140,000 acres, the plans of which will all be completed during the approaching recess.

As the large area covered by the Block Surveys does not appear to be generally known, it is perhaps as well to mention the extents surveyed during the last six years, and also give some idea of the amount still to be dealt with. From 1897 to the end of the current year inclusive, the Block Survey parties have surveyed and mapped over 1,700 square miles, which, with former surveys which can be utilized, make a total of over 2,000 square miles.

Taking the area to be dealt with on this system at 6,000 square miles, there remains 4,000 still requiring survey, but not so urgently as those completed, as these areas were specially selected in consequence of the necessity for early settlement. The plans of the surveys referred to are being issued to the Special Officer for purposes of the Waste Lands Ordinances, under which numerous settlements have been, and are being, made.

The Surveyor-General represents that if it is decided to push forward the Block Surveys and get them out of hand, the whole of the Cadastral staff would have to be largely increased both in the field and at Headquarters. Supervising officers of experience would have to be engaged either on the pensionable staff or on high salaries, and the surveyors and draughtsmen paid in the same proportion, for the Department cannot now train a new staff and carry on survey work at the same time. It would therefore be safe to estimate that (1) the new staff required would cost at least double the present staff ; (2) that they would not be collected, nor could Headquarters be extended, under twelve or eighteen months ; (3) that owing to their lack of experience the outturn for the first twelve months would be very small ; or, in other words, about two and a half years would be required before the staff was in working order.

The alternative is a contract survey to be carried out in a certain time, in which case the Block Survey field staff could be reduced, leaving only a sufficient number of officers and experienced surveyors to check the contract work. There are objections, financial and other, to this alternative, but the question is under consideration.

The Topographical Surveys cover a large area, comprising practically all the Northern Province, North-Central Province, Eastern Province, and portions of the North-Western, Central, and Southern Provinces, within which lie the ancient irrigation works, which are now seen to be a carefully worked out system, forming a network of storage tanks and channels all over the north-west, north-east, and south-east of the Island.

Since 1898, during which year less than half the staff were in the field, 15,000 square miles have been surveyed on the scale of one inch to the mile, and as plan work was kept well up to date the Department has been able to issue proof prints for the use of the Irrigation and Public Works Departments, and Revenue Officers, all of whom have been requested to note any omissions or errors they may detect.

The Topographical and Block Surveys together now cover 17,000 square miles of the 25,000 which is the approximate area of the Island, leaving about 8,000 square miles to be dealt with.

Out of this, as before mentioned, there may be about 4,000 square miles requiring a Block Survey, about 2,000 of which might be surveyed on the scale of one inch to the mile, and about 2,000 which, although not requiring a Block Survey, must be surveyed on a scale on which contours can be shown, the most convenient scale for us being 5 inches to the mile.

To await the completion of these surveys before publishing the 8 mile topographical map is unnecessary; the survey has now entered the area within which old surveys exist, which, when gaps are filled in, &c., will be sufficient for the purpose required; it is proposed therefore to run in the required surveys rapidly, and to publish the map of the Island referred to next year, returning to the ordinary duties in 1904. It will be a great satisfaction to me to see the Colony supplied for the first time in its history with an accurate map before I give up the reins of office.

Excellent work has been done by the Application Branch, in fact at one time the staff had to be reduced in consequence of some districts having been cleared, but there has lately been further demands, so that a large staff is at work endeavouring to meet the wants of the public, the average number of surveyors engaged in the work up to date being 43. The number of applications and special questions completed up to date are 1,448 separate surveys, many only a few roods in extent, but which give as much trouble as if they were a hundred acres. Up to the end of last month the Department had issued no less than 822 preliminary plans, containing 4,624 lots, aggregating 20,064 acres, a considerably larger area than issued within the same period last year.

The area which will be covered by these surveys during the current year is very large, about 40,000 acres, and is most creditable to all concerned.

The Surveyor-General reports: "Some idea of the manner in which the Department has responded to the call for further and strenuous efforts to meet the growing demands for surveys can be formed from the following figures: In 1896 the whole work of the Department was that which is now being carried on by the Application Branch, and the outturn was 45,438 acres, as against 41,047 by the Application Branch last year, and an estimated 40,000 this year. The total cost of working the Department was then Rs. 447,674, as against Rs. 656,489 last year, and about the same this year. In fact the Application Branch alone represents the old Department, and both the Topographical and Block Surveys are costing only Rs. 208,815 over and above what was formerly expended on application and special questions.

"We have hitherto had considerable difficulty in endeavouring to keep plan work up to the field work, but now that both extra room and better appliances have been sanctioned we shall soon be as fully able to meet the demands for plans as we are for surveys."

THE ROYAL BOTANICAL GARDENS.

The work of the scientific staff of the Department may be divided into the giving of advice to cultivators upon various agricultural questions, and the investigation of matters of economic importance both as regards existing cultivations and new products. The Entomologist and Mycologist have reported on questions submitted to them on many hundreds of cases of diseases in plants, and have travelled in planting districts, both up-country and on the plains, giving advice and making investigations. The Mycologist has been working at diseases of *Grevillea* trees, a leaf disease of the Betel pepper, which is a most profitable native industry and supports a large number of workers, and also carrying on his investigations in regard to the life-history of the fungus causing Grey Blight in tea, and the question of the means of distribution of the spores of this widely-spread parasite. This and other leaf blights of tea have not caused so much damage as in some previous years, owing partly to improved sanitary methods of cultivation, but the very fact of the decrease of the evil may be a danger, as it leads to a slackening of preventive and remedial measures. The advantages of a constant care in this direction have been continually brought to the notice of the agricultural community by the Department.

The Entomologist has been experimenting with a night trap for destroying some pests on tea and cacao, and also investigating the "Shot-hole borer," which in some districts is increasing more rapidly than in past years. Mr. Green has also been making experiments with sericulture. A large number of eggs of some of the most profitable varieties of silkworms have been obtained from Italy, and have been successfully reared at Peradeniya. A supply of eggs has been produced from the moths of these Italian caterpillars. It is hoped to interest the natives in the industry by distributing eggs to the School Gardens with the assistance of the Director of Public Instruction.

Gangaroowa estate, which occupies the other side of the river bounding the gardens, has been purchased by the Government as an Agricultural Experiment Station. The need of such a place has long been felt, and the character of the land now acquired is eminently suitable for experiments on the plants already cultivated in Ceylon and for the trial of others that promise well. The proximity of the experimental station to the Gardens will enable the Director and his colleagues to superintend the experiments with a minimum loss of time. A Committee has been appointed to assist Government in carrying on this work, consisting of the Hon. Messrs. H. Wace and J. N. Campbell, Messrs. M. K. Bamber, J. B. Carruthers, Joseph Frazer, E. E. Green, T. C. Huxley, E. Rosling, and Herbert Wright, the Director of the Royal Botanic Gardens being President. Mr. Herbert Wright, who came to Ceylon as Scientific Assistant to the Director, Royal Botanic Gardens, and later acted as Curator of the Gardens at Peradeniya, has been appointed Controller of the Experiment Station.

The estate consists of some 500 acres, more than 200 acres of which is flat alluvial land with a good soil, and the remainder is a hill rising to some 500 or 600 feet, covered with jungle, and precipitous on the side further from the flat cultivated area. The estate contained a very closely planted assortment of trees, cacao, cocoanut, arecanut, &c., under a dense shade of jungle and other trees. The cacao canker had some six or seven years ago attacked the trees, and under these favourable conditions had spread rapidly without any preventive measures being adopted, so that in taking over the estate a careful examination showed 96 per cent. of the trees diseased. The first experiment has been to free the estate in as effectual and economical a way as possible of this disease, and already, by means of letting in sun and air and the adoption of remedial measures, the improvement has begun and the trees are responding, growing with more vigour and producing more fruit.

A survey of the estate is being made, and it will be divided up into ten-acre blocks to facilitate the carrying on of experiments. These have already been started with cacao,—in relation to disease and to test improved methods of curing,—with citronella, and with leguminous manurial crops, and when the survey is completed and suitable areas selected many experiments will be put in hand to throw light on various agricultural questions. The station will no doubt in the course of time be of great economic value to the Island.

A new experimental branch garden has been opened in Nuwara Eliya under the superintendence of Mr. Nock, on a site of about five acres in the Park on the plateau at the Sanitarium. The climate of Nuwara Eliya is different from that of Hakgala, our only hill gardens, and it is important that new plants should be tried and experiments carried on with regard to those at present cultivated. Already eleven plots for experimental work with grasses, clovers, and other fodder plants have been laid out, and 50 trees suitable for wind belts, shade, and ornamental purposes have been planted, while 82 different fruit trees, shrubs, and water plants have been ordered from England, and will be established before the end of the year. For the water plants an ornamental lake has been made. This garden, in addition to its use in gaining knowledge as to plants at a high elevation, will make a most picturesque addition to the beauties of Nuwara Eliya.

The staple crops of the Island are in a healthy condition. Tea has been in certain districts seriously damaged by the "Shot-hole borer" and by *Helopeltis*, but both these evils, if dealt with energetically, should be kept within bounds and gradually exterminated. The tea industry is still suffering from the effect of production in India and Ceylon outstripping consumption, the latter being checked in the United Kingdom by the additional duty of 2*d.* per pound necessitated by the war. This, it may be hoped, will be reduced or removed in the Imperial Budget next spring, and with the abolition of the tax on tea entering the United States from 1st January next, an improved demand and better prices for the staple product of the Colony may fairly be anticipated before 1903 is far advanced. Meantime, both Indian and Ceylon planters have been profiting by the trying experience of the seasons 1900-01. The export of tea from Ceylon last year was 3 million pounds less than in 1900, and for the current year there is not likely to be any special excess; while "green tea," a new and promising branch of the industry, is taking the place of a good deal of the "black tea" at present too abundantly manufactured. Careful economy exercised on plantations, the devising of improved means of working on estates, and the invention of machines to prepare the pure "green tea," with which Ceylon and India are to compete in America with Japan and China, reflect the greatest credit on planters and machinists in this Island and on the opposite continent. Considering all that this new departure in green tea means, recalling the fact that the planting of fresh land has been almost entirely checked during the past three or four years in both India and Ceylon, and allowing for a fairly anticipated increased demand and consumption both in the United Kingdom and North America, I hope that I am not over-sanguine when I seem to see a silver lining to the dark cloud which has hovered so long over the tea industry, and in believing that a year hence this brighter era will have fully dawned. The activity manifested in making known the merits of Ceylon tea on the Continent of Europe and in other parts of the world—more especially if India, by means of a "cess" levy from 1st January next, joins forces—cannot fail to hasten and strengthen the improved position for British-grown teas, which should be inaugurated by the middle of next year. Meantime it is very satisfactory to observe that through the natural course of

trade and the advantageous central position of Colombo as a tea market, the export of Ceylon tea to Russia goes on increasing; while the slight check which the export to Australasia has received this season is known to be due to temporary causes connected with the final settlement of the tariff by the new Commonwealth Government. As usual, I give the statistical record, from 1896 onwards to the latest date available :—

Total Exports of Ceylon Tea.

			lb.		Increase on previous Year. lb.
1896	...	...	108,141,412	...	10,000,000
1897	...	...	116,054,567	...	8,000,000
1898	...	...	119,769,071	...	3,700,000
1899	...	...	129,894,156	...	10,000,000
1900	...	...	149,264,602	...	19,500,000
1901	...	...	146,299,018	...	Decrease 2,965,584
1902 (up to 6th October)	...	...	114,749,288	...	—

The progress in shipments to countries other than the United Kingdom may be noted :—

Export of Tea from Ceylon to the following Countries.

		Australasia.		Russia.		All Countries outside United Kingdom.
		lb.		lb.		lb.
1896	...	11,062,832	...	201,313	...	14,205,051
1897	...	13,258,456	...	439,349	...	17,124,508
1898	...	15,126,891	...	2,714,003	...	23,635,138
1899	...	15,606,833	...	3,949,740	...	25,946,032
1900	...	17,606,912	...	8,917,185	...	34,671,446
1901	..	20,641,184	...	9,653,896	...	40,564,448
1902 (up to 6th Oct.)	...	14,540,587	...	10,122,002	...	33,866,345

According to the Custom House returns the green tea exported up to 6th October, 1902, amounted to 1,646,683 lb.

It is a matter for congratulation that, as I have said, the tea plantations have been specially free from any enemy or disease of consequence during the past year; and that the new system of regulating the movement of coolies between Southern India and the Ceylon planting districts is generally giving satisfaction, though still to some extent on its trial.

Finally, in respect of tea, I may repeat what I said in my Address of a year ago: "Colombo is clearly destined to become a great market and distributing port for tea. How far its trade and importance might be increased by the removal of certain restrictions, and the imposition of safeguards against the import and export of what is known as inferior or 'rubbishy' tea, it is for those chiefly concerned to say. Meantime, confidently trusting in the judicious management of plantations, practical experience being aided by Science, I see no reason to doubt the continued well-being of the great planting industry of the Colony."

Of new products, Para rubber is the most prominent, and has now taken its place as a recognized cultivation in Ceylon, with every prospect of becoming a large and profitable industry. The market price during the past year has been good, and it may be hoped that Ceylon rubber will continue to be known on the home market as representing high quality. The trees introduced into Ceylon in 1876 by the Department and grown at the Henaratgoda Branch Garden are most vigorous, and have this year again produced a large crop of seed, some 250,000 of which have been distributed through the Island for planting.

New areas of tobacco have been planted up both in the Northern Province and in the Dumbara Valley. In the latter district a promising industry, conducted by Tamils, is growing up, and a distinct improvement in the quality of the cured leaf is to be recorded. Improved methods of cultivation and curing have been experimented on by private enterprise in the Northern Province, and the results of these experiments will be of use when the market value of the cured leaf is known.

Camphor has been planted out in various up-country estates, and in suitable climates will prove a useful additional cultivation to tea.

Cacao has been throughout the Island producing very good crops, and where the rules for the extermination of the canker, as published by the Department, have been carried out, the freedom from this dangerous fungus is most encouraging. The amount of crop harvested for the half-year is larger than any previous cacao crop.

Pepper has been doing well, but care should be taken that a disease of this plant, which is causing much loss in South India, if noticed should be at once brought to the notice of the Department, so that prompt measures may be taken for its suppression.

Citronella is being investigated with a view to raising the quality of the Ceylon samples, which have unfortunately earned a bad name owing to continual adulteration with kerosine oil and other foreign materials. Investigations are also being carried out with the Ceylon guttapercha-yielding plants, with a view to these being experimented upon economically.

The Laboratory has been used by various experts engaged in research, some specially important work being done by Dr. H. Uzel, of Vienna, who has been collecting and studying the Thrips, a group of insects which are of great economic importance owing to the damage they do to plant life in many parts of the world.

An investigation is being made of native fibres employed in mat making, and the Government Chemist is experimenting with a view to rendering the brilliant colours of some of the native dyes permanent.

HOSPITALS.

The chief administrative changes in the Civil Medical Department during the year have been the departure on leave of absence of the Principal Civil Medical Officer, Dr. Perry, in April, Dr. Griffin being appointed Acting Principal Civil Medical Officer; the well-earned retirement of Dr. Keith, Colonial Surgeon, after thirty-two years' service; and the resignation of Dr. J. S. de Silva of the post of Director of the Bacteriological Institute, on obtaining the appointment of Assistant Sanitary Officer to the Colombo Municipality.

The medical administration of the Prisoners of War Camps has been continued by this Department. The general health of the several camps has been good, though there has been a second outbreak of enteric fever in the Camp at Diyatalawa, introduced by some prisoners who had partaken of impure water while on parole. This second epidemic did not assume large proportions. The late year's experience of these camps has proved them to be well adapted to their purpose, and has amply justified the selection of the sites.

Three new hospitals (Pussellawa, December, 1901; Maturata, March, 1902; and Dimbula, December, 1901) and eight new dispensaries have been opened during the year, and two dispensaries have been closed. Two new wards, giving accommodation for 90 patients, have been added to the Colombo Hospital, and minor additions and improvements have been effected at several other hospitals and dispensaries.

It is satisfactory to note some signs of willingness on the part of the public to contribute to the cost of medical aid provided for them. The Government Agent of the North-Western Province has been able to collect funds for building several dispensaries. A dispensary is being provided at Balapitiya by public subscription, and it is the intention of the people of Kosgoda to build a dispensary for their town.

Much has been done during the year towards the improvement and development of the Medical College. The old lecture halls have been fitted with improved apparatus for practical teaching, a new building with rooms for anatomical and pathological preparations has been erected, and an expenditure of Rs. 8,528 for obtaining modern scientific instruments and teaching appliances has been sanctioned. The College Regulations have been revised, bringing the scheme of teaching in line with that of other Medical Schools and in conformity with the requirements of the General Medical Council, which recognizes the License of the College and admits the holders of it to registration under the British Medical Acts, thereby giving them the right to practise in any of the British Dominions. The students now number 122, of whom 87 are Medical and 35 Apothecary Students.

The movement initiated by Lady Ridgeway to build a hospital for the treatment of diseases of the eye, as a memorial to the late Queen Victoria, has been successful, and Rs. 60,681 have already been collected.

GENERAL HEALTH AND SANITATION.

The public health has on the whole been good. There has been no serious outbreak of malarial fever. Cholera has occurred in several parts of the Island, but the outbreaks were not severe. Smallpox has prevailed to some extent in Colombo, but never assumed grave dimensions.

The prevalence of enteric fever, which appears to be always with us, points to the necessity for more attention to sanitation, especially as regards the disposal of sewage, and for improvement in personal and domestic sanitation generally.

Plague has not occurred in the Island, and only one suspected case was dealt with at the Southern Plague Hospital. This was one of the crew of the Messageries mail steamer "Polynesian," which arrived from Hongkong and Singapore in September last; the man was landed from the mail steamer at Galle, where he quickly recovered.

The new Ordinance making segregation of lepers compulsory came into force on 1st January, and consequently it has been found necessary to enlarge the Asylum at Hendala, where it is proposed to provide accommodation for 150 more inmates. It is likely that still further extension will be necessary, as it is probable that many cases of the disease have hitherto escaped detection.

SANITATION.

An improved method of disposal of sewage I regard as one of Colombo's most urgent needs ; and, indeed, the prosperity of the Island is materially dependent on the sanitation of its principal seaport. A water-carriage scheme submitted by Mr. Mansergh has been sanctioned by Government, and a Resident Engineer has been sent out from home to carry it into effect. The Municipal Council have also appointed a committee to report on the best method for disposal of the night soil of that portion of the town which is not included in the Mansergh scheme. In other parts of the Island the various local bodies appear to be wakening to the necessity for providing pure water, disposing of sewage, and effective drainage.

The scheme for the duplication of the water main from Labugama, which will ensure an adequate water supply for Colombo, is being vigorously prosecuted.

POST OFFICE AND TELEGRAPHS.

Since I addressed the Legislative Council last year, the advance of business in the Post and Telegraph Department has been steadily maintained. The total revenue of 1901 exceeded that of 1900 by Rs. 34,500, and the excess of expenditure over revenue in 1901 was only Rs. 13,000, as compared with Rs. 102,000 in 1900 and Rs. 58,000 in 1899. Eliminating capital expenditure on telegraph and telephone construction, the surplus revenue in 1901 was only Rs. 4,750, against Rs. 30,600 in 1900, but of this difference Rs. 13,300 was due to the transfer to revenue in 1900 of the balance on a special account in the hands, prior to the re-organization, of the Postmaster-General ; and it must always be remembered that the Post Office every year does more and more work for official departments, the value of which, moderately estimated for 1901 at Rs. 200,000, is not received, though the cost of its performance swells the expenditure.

In the year 1901, 21,400,000 articles passed through the Post Office. The weight of mails rose in the year 11 per cent. Parcels increased 13 per cent., and 30,000 more parcels passed through the General Post Office in 1901 than in 1900. There was a drop of 1 per cent. in the value of money orders, but this is accounted for by the abnormal increase of telegraphic orders in 1900, to which I made reference last year. The average increase per annum for ten years is 10 per cent., and 1901 was 20 per cent. in advance of 1899. The number of money orders dealt with in 1901 was 365,000, and their value Rs. 9,341,000. The number of depositors in the Post Office Savings Bank showed steady increase, and Rs. 11,000 was added to the reserve fund.

The Telegraph Branch showed a balance in favour of Ceylon of Rs. 215,000, as against Rs. 198,000 in 1900. The number of telegrams despatched rose from 467,000 to 510,000. In March this year the telegraph rates to Europe were reduced from Rs. 3.12 to Re. 1.95 a word, and the reduction has been accompanied by a slight increase in the number of words used.

New Post Offices have been opened at Horana and Galaha, and telegraph business has been added at Teldeniya, Deltota, and Henaratgoda. It is hoped that Neboda will also have a telegraph line before the close of this year.

The telegraph system has been materially improved by a re-arrangement of the lines between Colombo, Kandy, and Nuwara Eliya, and by the introduction of duplex and Wheatstone automatic instruments at Colombo and Nuwara Eliya. The completion of this improvement at Kandy is awaiting the transfer of the Post Office to the recently acquired Grand Hotel. The other construction work undertaken, with the exception of the lines to Teldeniya and Deltota, has been in connection with the new railways and an additional railway wire between Colombo and Galle. On these works 120 miles of posts have been erected and 253 miles of wire.

The metallic return circuit on the telephone system in Colombo, so much delayed by the occurrence of unforeseen difficulties, is now nearing completion.

FORESTS.

There is every prospect of a continuance of the successful working of this Department. The administration of the Department devolved on Mr. Alfred Clark since the date of Mr. Broun's leaving the Island, and since the 16th June on Mr. H. F. C. Fyers.

The revenue of the Department for the past year, including value of timber on lands sold or granted free, amounted to no less a sum than Rs. 445,806, and the expenditure to Rs. 286,732, showing a handsome surplus of Rs. 159,074.

The revenue for the first six months of the year, exclusive of the value of free grants of timber and of timber on lands sold, came to Rs. 143,874, and the expenditure to Rs. 97,446, leaving a surplus of Rs. 46,427.

There is reason to believe that the estimated revenue for the current year, viz., Rs. 419,625, which is considerably more than was estimated for 1901, will be nearly realized. A large quantity of

ebony and satin has been cut from released land, but the same good prices cannot be expected to be realized as for first class quality.

The Central Timber Depôt is worked satisfactorily and to much advantage. Timber of the value of Rs. 62,764 was disposed of during the first seven months of this year, as compared with Rs. 54,205 for the same period last year, showing an increase of Rs. 8,559. In 1901 timber of the value of Rs. 129,291 was sold at the depôt.

The quarters formerly occupied by my bodyguard were given over to the Department for the purpose of enlarging the depôt premises, as previously much inconvenience was experienced for want of stacking room.

The year so far has proved an uneventful one. It is pleasing, however, to note that native traders are now sufficiently educated to appreciate the advantage of buying standing trees.

For the first time in the history of the Forest Department the right to collect latex from rubber trees was sold. Mr. Harrison paid Rs. 1,000 for such right in the Edangoda and Yatipowe rubber plantations, which together consist of only 64 acres.

The work of demarcation is not being carried on as extensively as previously, but is being done more systematically. Five blocks of the proposed Kelani Valley reserve, consisting of 2,798 acres, have been demarcated for purposes of final proclamation.

The land in Hunasgiriya, of the Matale District, known as Campbell's Land, and the Kantalai forest in the Eastern Province, have been proclaimed reserved forests.

Forest Settlement Officers have been appointed to deal with the forests which it is proposed to constitute reserves, viz., the Pedro Kurundu-oya and Meepilimane forests in the Central Province, the Chundankadu forest in the Eastern Province, and a proposed game sanctuary in the Puttalam District.

RAILWAY ADMINISTRATION.

The revenue from the open lines for the first nine months of the year amounts to Rs. 5,929,864, or a decrease of Rs. 977 as compared with the corresponding period of last year. The traffic has fluctuated greatly month by month, the falling off at the end of January being Rs. 48,227, at the end of April Rs. 80,744, and at the end of July Rs. 10,799. The figures for September show an increase for the month of Rs. 32,883, as compared with September, 1901. The traffic returns for October are also likely to be satisfactory, and this small deficiency will probably be converted into a substantial increase. The additional receipts from the opening of the Kelani Valley and Northern Railways will assist in increasing the Railway revenue, but against this the reduced receipts owing to the reduction and ultimate closing of the camps for the Prisoners of War must be borne in mind.

The passenger traffic, which decreased during the first two months of the year, and also in April, showed signs of improvement in May and June, but there was a considerable falling off again in August, probably greatly due to fewer passengers coming down for the August festivities, as they had originally come in for the Coronation celebrations, and also to the fact that they were given reduced fares for the August race meeting.

In goods and live stock traffic there was a falling off of Rs. 11,627 for the first six months of the year (though at the end of May there was actually an increase of Rs. 3,219), but at the end of August this deficit had been replaced by an increase of Rs. 12,808 as compared with 1901, and it is hoped that this improvement will be maintained for the remainder of the year.

For the first eight months of the year there was an increase in tea of 4,311 tons, and of 3,764 and 1,289 tons in 6th class manure and 6th class plumbago, respectively.

The principal decreases were 1,626 tons in Other 3rd Class Goods, 3,031 tons in Other 6th Class Goods, 3,915 tons in Railway Material, and 9,981 tons in Breakwater Material.

The first section of the Northern Railway, 21 miles in length, between Kankesanturai and Chavakachcheri, was opened for traffic on 11th March, and a further section from Chavakachcheri to Pallai, 14 miles further, was opened on 15th September. With a view to encouraging traffic by the Railway, a temporary reduction in rates has been sanctioned until the line is opened throughout for traffic. The receipts of the section from date of opening to 31st August amounted to Rs. 15,080.

The first section of the Kelani Valley Railway, from Maradana Junction to Avisawella, a distance of $36\frac{3}{4}$ miles, was opened on 15th September, and there are prospects of good traffic on it, though really satisfactory returns cannot be expected until the line is opened throughout. The receipts on the line up to the 24th October were approximately Rs. 24,000, being an average of over Rs. 4,000 a week.

The new works sanctioned for 1902 are making steady progress, and should nearly all be finished to the extent of the amount voted, by the end of the year. In consequence of the desirability of reducing expenditure this year, the interlocking of points and signals at Nawalapitiya and the erection of the new engine shed at the same place have been postponed. This represents a temporary saving of Rs. 60,000, but provision will have to be made for this work before long.

The improvements to Slave Island Station, which provide for a new up platform and a foot-bridge connecting it with the existing platform, will, I trust, result in greatly improving the working on this overcrowded section of the line.

The land for the proposed quarters for Drivers and Guards in Colombo is being acquired, the site at Mount Mary having been selected. This land will have sufficient accommodation for the erection of nineteen four-roomed bungalows, whilst the existing offices of the Chief Resident Engineer, Kelani Valley Railway, will provide reading and recreation rooms for the staff. Specifications have been issued for the erection of the bungalows by contract.

With a view to getting an independent expert opinion on the suitability of Tyler's electric tablet instruments for use in the Island, Mr. Franklin, of the Bombay, Baroda, and Central India Railway, was in March last invited to inspect the present installation. He reported in favour of the instruments, and as the makers have sent out fresh parts to replace a portion of the instruments that did not work satisfactorily, I trust we shall have no trouble with them in future. Ten additional sets have been ordered for this year, and when installed the system will be complete between Ragama and Panadure.

The interlocking of points and signals at Veyangoda, Panadure, and Angulana is in hand in connection with this year's vote.

Good progress is being made with the rolling stock, for which funds were voted on account this year, and a large proportion is in traffic. The arrival of the new wood-working machinery, which was erected in August, is already having an excellent result as regards increased output, but there is still so much rolling stock to be completed, including that ordered in lieu of stock supplied for the Northern Railway, that it is anticipated it will take at least until the end of 1903 to complete it.

Good progress is also being made with the minor works, for which a sum of Rs. 20,000 has been allowed.

The Railway Store Department was separated from the Government Stores and handed over to the Railway on 1st January, and since that time a complete scheme of re-organization has been sanctioned by Government experimentally. The new scheme involves extra expenditure, but this will be repaid by increased efficiency.

A scheme for preliminary re-organization of the Locomotive Department has also been sanctioned, which should result in greater efficiency and a greatly reduced expenditure. It is necessary that further structural alterations should be carried out in the Railway works, including the enclosing of the workshops.

Up to the present time there has been no loss of life or injury to passengers or the public owing to the negligence on the part of the Railway staff, although there were two or three serious accidents.

The only important landslip this year took place about half a mile north of Alagalla on the evening of 1st May, when a considerable quantity of loose soil and rock fell on the line, blocking it until 10 A.M. on the 4th. In addition to this, several slight slips and washaways have recently occurred owing to the exceptionally severe weather, but nothing of a serious nature.

The new Train Service was brought into force on 1st May, and, generally speaking, appears to have given satisfaction. This Service naturally involves a greatly increased expenditure, whilst it unfortunately does not mean much increased revenue, as the extra mileage was chiefly put on to relieve the overcrowding of the suburban trains on the Coast Line.

IRRIGATION.

In addition to the Director and the Irrigation Assistant, there are now employed in the Department eighteen Irrigation Engineers, four Irrigation Surveyors, five Assistant Irrigation Surveyors, five Irrigation Inspectors, one Head Overseer, and five Sub-Inspectors. There are also employed in charge of works under the Government Agents five Chief Irrigation Inspectors, two Irrigation Inspectors, and twenty-five Sub-Inspectors.

During the year two Irrigation Engineers resigned, and one was transferred to the Public Works Department. Three more have been indented for from the Crown Agents.

The total expenditure during 1901 was Rs. 766,594, of which over Rs. 390,000 was on work of construction under the Director of Irrigation. During the first seven months of this year the expenditure was Rs. 449,711, divided as follows: works of construction or improvement under the Director of Irrigation Rs. 206,080; works of construction or improvement under the Government Agents, Rs. 12,723; repairs Rs. 32,493; maintenance Rs. 46,834; surveys Rs. 19,054; establishment and miscellaneous Rs. 132,527.

During the year the works at the Giant's tank, in the Northern Province, have been practically completed, the tank has been filled, and from it over fifty minor tanks have been supplied and about 13,000 acres of land irrigated.

The construction of the works at Kanukkeni, Rugam, Sakamam, Minneri, Maha Illuppallama, Kalawewa, Yoda-ela, Deduru-oya, Vakaneri, Walawe-ganga, and on the Kirindi-oya have made good progress, although delayed owing to the scarcity of labour.

About 250 coolies have been brought from India to Vakaneri this year, and the coolies employed at the Giant's tank are now being transferred to the works at Karachchi. Labour generally, however, is scarce, and it is proposed to offer the works at Unichchai for construction on contract.

The works at Kanukkeni and at Minneri are approaching completion.

Estimates for works at Karachchi, Pattipolai-ar, Mahagalkadawala, and Nachchaduwa have been prepared and sanctioned by the Central Irrigation Board, and preliminary works on the first of these have been begun. These works will provide water for the irrigation of 65,000 acres.

Estimates for works at Koggala in the Southern Province, and on the Mi-oya in the North-Western Province, are being prepared.

Surveys at Akattimurippu and Vavunikulam in the Northern Province, and at Maha Kandarawa in the North-Central Province, are in progress.

At Akattimurippu it is proposed to restore an ancient tank similar to the Giant's tank, and on the opposite side of the Aruvi-ar from it. This tank is expected to irrigate about 6,000 acres.

At Mahakanadarawa, near Mihintale, an ancient tank, which appears to be larger than any so far undertaken, is being investigated, and it appears that in former times a line of connected irrigation works, starting from this point, extended towards the centre of the Island.

It is obviously of great importance in cases such as this to explore fully the traces and scope of the ancient scheme before deciding on the most useful works to be taken in hand.

LABOUR.

The arrivals of estate coolies during 1900 were 137,041, and during 1901 amounted to 48,711. During the first nine months of 1902 the number was 26,262, making a total of 212,014. The departures of estate coolies during 1900 amounted to 51,581, and during 1901 to 47,930, while for the first nine months of 1902 the number was 36,025, making a total of 135,536. There was thus an excess of arrivals over departures of 76,478. The Planting community was therefore well supplied with labour during the period under review, especially as there has been little opening up of fresh land under tea.

It must be remembered that 1900 was a year of distress in many of the districts of the Madras Presidency, hence the abnormal number of arrivals for that year.

The Camp of Observation at Ragama is very efficiently managed, and the coolies fully appreciate the manner in which they are cared for. A new Camp has been completed, which enables the Superintendent to effectually segregate all quarantined or suspected gangs.

The Camp was free from disease up to the end of June, since when there have been at different times three attacks of cholera, that which occurred on 16th July being the most serious, when thirteen cases occurred in a gang from Ammapatam, of which nine ended fatally. Altogether there were eighteen cases, of which thirteen were fatal.

The value of the detention at Ragama is shown by the fact that there has been no case of cholera among immigrants outside the Camp, and that when it has broken out inside the Camp the disease has been confined to the gang in which the first case occurred. 23,673 coolies have passed through the Camp up to the end of August; 879 persons have been quarantined.

The working of the Emigration depôt at Tataparai—situated on the South Indian Railway, 10 miles from Tuticorin—has also been entirely satisfactory. Although plague has been epidemic in several of the cooly districts of South India during the year, and although epidemics of cholera have occurred in Tuticorin and the surrounding districts, by careful segregation of arrivals from infected areas the depôt has been kept free from any outbreak of epidemic disease, and no deaths have occurred at the depôt during the year.

The importation of labour into Ceylon has been greatly facilitated by the introduction of what is known as the "tin ticket system." The system was devised to meet the common case of a cooly arriving at the depôt or at Ragama without sufficient funds to carry him to his destination. The detention of such destitute coolies, pending receipt of funds, resulted in grave inconvenience and delay. The system secures the forwarding of the coolies direct to the estates from the Tataparai depôt by Government, and with the least possible delay. The estates are registered at the Kachcheries, a number being allotted to each estate, and a supply of tin tickets, each bearing the estate number, is issued to the Superintendent. When a kangani is sent to India to recruit labour, tickets corresponding to the number of the coolies required are given to him. On production of the ticket at the Tataparai depôt or at Ragama, the cooly is fed, taken care of, and despatched by train to his destination, the money expended being subsequently recovered from the estate

The system, which was originally intended for the benefit only of coolies who were unable to proceed owing to lack of funds, has been extended to all coolies belonging to registered estates, and it has proved so satisfactory that over 10,000 coolies have been forwarded to their destination in this manner between January and the end of September.

HARBOUR ADMINISTRATION.

The revenue derived from the Colombo Harbour in 1901 exceeded the expenditure by Rs. 260,387. Harbour Dues amounted to Rs. 1,123,428, and showed a decrease of Rs. 23,341 on the figures for 1900. Harbour Dues to 30th September, 1902, amounted to Rs. 841,682 as compared with Rs. 847,732 for the first nine months of 1901, also showing a slight decrease. On the other hand, the number and tonnage of the vessels entering the port continues to increase. During 1901, 2,347 vessels with an aggregate tonnage of 4,159,145 tons visited the port as against 2,296 vessels, 3,832,744 tons, in 1900. And during the first nine months of 1902, 1,900 vessels with a tonnage of 3,545,289 tons visited the port as compared with 1,779 vessels, aggregating 3,000,409 tons, during the corresponding period in 1901.

Of the improvements sanctioned for the Port of Colombo, to which I drew your attention at the opening of last Session, the lengthening of the Kochchikada jetties, the building of the two new jetties within the Wharfage Company's premises, and the erection of another warehouse for transhipment goods, also in the Wharfage Company's premises, have now been completed. It has also been decided to build an additional closed shed. The work of building a quay wall in front of the two large grain sheds in the Wharfage Company's premises is well in hand. It is necessarily a slow work, as so much sinking of cylinders has to be done, but good progress has been made. The new roadway behind the Wharfage Company's premises leading into Commissariat street is nearing completion, and the improvement to the approach road to the Kochchikada grain sheds has been effected. The electric cranes have arrived, and are being erected; and the extension of the Export Warehouses along the sea line is nearing completion.

The alteration in the Customs Ordinance, by which importers have been compelled to remove their goods more speedily from the premises, has worked most beneficially, having, in the opinion of those best able to judge, increased the capacity of the grain sheds by 50 per cent.

The reclamation at Kochchikada for coal grounds makes steady progress; the design for the necessary jetties has been approved, and the work will shortly be taken in hand.

In addition to the above, the removal of the old Master Attendant's jetty and its replacement by a very commodious jetty is now being taken in hand.

THE CENSUS.

The process of abstracting, tabulating, and compiling the figures of the Census schedules, which for many months engaged a staff of about a hundred clerks under the able direction of Mr. Arunachalam, has been completed.

A population larger by about one-fifth than in 1891 has been dealt with on this occasion, and the information collected is more varied and, owing to improved methods, more accurate. In addition to the usual statistics as to population, houses, sex, race, religion, occupation, education, and infirmity, the Kandyan Sinhalese have been distinguished from the Maritime or Low-country Sinhalese. This was deemed necessary, as the former are subject to customs and laws peculiar to themselves, and have of recent years been allowed a representative in the Legislative Council. The conjugal condition of the people, ignored at previous Censuses, has been ascertained. As to occupations or means of subsistence, an improved classification has been adopted; while earners have been distinguished from dependents, so as to show not only the actual number of persons of each sex who follow a profession in each administrative division, but also the supporting power of each profession. The absence of this distinction detracted from the value and usefulness of previous Census statistics. Principal occupations have also been distinguished from subsidiary occupations. Information is given of the ability to read and write English as well as the vernacular languages. The Christians are shown according to their principal denominations. Interesting statistics are given for each of the towns and villages of the Island as to the number of houses and inhabitants in each, their races and religions, ages, occupations, and education: information which should be useful to District Officers in their administrative work, and to Government in its schemes for the improvement of the country.

The total population returned at the Census of 1901, including the military, the shipping, and the prisoners of war, amounted to 3,578,333; exclusive of the military, the shipping, and the prisoners of war, the population was 3,565,954, and was distributed over 28 towns, 12,870 villages, 598,076 occupied houses, and 664,311 families. The increase of population in the decade has been at the rate of 18.6 per cent., which is double the rate (9.0) of the previous decade, four times the rate (4.5) of growth of the population of the neighbouring continent of India in the decade 1891-1901, and double the increase

Out of every 10,000 persons of the population, 6,537 were Sinhalese, 2,669 Tamils, 639 Moors, 66 Burghers and Eurasians, 33 Malays, 18 Europeans, 11 Veddahs, and 27 others. Of the 6,537 Sinhalese, 2,447 were Kandyan and 4,090 Low-country. The highest increase of population in the decade was among the Tamils (31·5 per cent.). It was 5·3 in 1881-1891 and 27·8 in 1871-1881, and reflects the fluctuations of the planting industry, which is carried on almost entirely by immigrant labour. Excluding the immigrants, the increase of the Tamil population is reduced to 12·4, or less than that of the Sinhalese (14·2).

Almost every Province shows a substantial increase of population in the decade. The highest rate (31·3 per cent.) was in the Central Province, in which during the preceding decade the population was almost stationary, showing only an increase of ·2 per cent. The difference is a measure of the change caused by the development of tea in place of coffee, which was overwhelmed with disaster in the decade 1881-1891. Excluding Provinces which are more or less dependent on tea, the most satisfactory increase (20·7) was in the Western Province; in the Eastern Province it was 16·9, the result of the development of irrigation works during the last half century; and in the Southern Province 15·7. The Northern Province, being densely populated in its habitable parts, increased its population only by 6·8 per cent.

One of its districts, Mannar, is the only district in the Island which shows a decline of population (by 2 per cent.), due probably to the want of wholesome water and food and consequent prevalence of fever, and also to the fact that during many decades this malaria-stricken district has had to bear the terrible visitations of cholera imported with the immigrant cooly. Happily, the northern immigration route was closed in 1899, and there has been no cholera since. The completion of the Giant's tank and the expected opening at no distant date of the Northern Railway should result in a great increase of population and prosperity in this district and in the Northern Province at the next Census.

The North-Central Province has shown an increase of population less than was anticipated (5 per cent.). It is, however, only at the threshold of its prosperous career, which is now assured with the influx of population which will be brought by the Northern Railway, and with the increasing benefits of the grand system of irrigation works in the Province.

THE PRISONERS OF WAR.

There are at present 2,851 Prisoners of War in Ceylon. The average strength during the past twelve months has been 4,539.

The health of the Diyatalawa Camp continued to be good. The total number of deaths during the year ended 31st October, 1902, was 24; one of these deaths occurred suddenly, from apoplexy, in the Camp, the rest in hospital, eight being due to enteric, and the others to non-epidemic diseases. The death-rate was extremely small, viz., 5·8 per thousand.

The epidemic of enteric terminated in December, 1901, the last case having been admitted on the 29th November, 1901, and proving fatal on the 15th December, 1901. Since then up to the 9th April, 1902, enteric had disappeared from the Camp. A small outbreak then occurred, as a result of infection from partaking of water off a polluted stream in Haputale by Prisoners of War on parole. Up to the 31st October, 1902, 40 cases were treated. Altogether a total of 751 cases of enteric have occurred, with 68 deaths, *i.e.*, a mortality of 9·05 per cent. up to the 31st October, 1902. There were no other epidemics.

Dysentery, which prevailed to a slighter extent than in the previous year, was responsible for five deaths, the mortality rate to the total treated (85) being 5·8 per cent.

Malarial fevers were less than in the previous year, and caused no mortality, and the general improvement in the health of the Camp on that of the year 1901 was very marked.

The general health of the prisoners in the Camps at Ragama, Urugasmanhandiya, and Hambantota has been excellent, and the convalescents sent to Mount Lavinia have derived great benefit from the change.

The Camp schools at Diyatalawa supported by the Netherlands fund, and the Government school in the Loyalist Camp at Urugasmanhandiya, have been well attended. In addition, voluntary classes in English were started at Diyatalawa, and with a view to further encourage the study of English, a good supply of English literature was obtained for the use of the prisoners. The Acting Director of Public Instruction held examinations at Urugasmanhandiya and Diyatalawa early in the year, and was on the whole pleased, though he considered the progress in English at the Diyatalawa school somewhat disappointing.

A new Parole Camp was opened at Hambantota on the 19th September, 1901, when 32 Boer Officers and 25 invalid Burgher Prisoners of War were despatched from Diyatalawa. The prisoners were housed in the disused jail, where accommodation was provided for 60. In January, 1902, two temporary huts were erected, giving accommodation for 40 additional prisoners. The Camp was finally broken up on the 22nd July.

The strength of the new-formed Parole Camp for loyalist Prisoners of War at Urugasmanhandiya rose during the year from 176 to 369.

This Camp was practically broken up on the 5th July, owing to the departure by the transport "Templemore" of 363 Prisoners of War for South Africa, and re-opened on the 20th July as an Embarkation Camp for Prisoners of War who had declared allegiance and were awaiting repatriation. It was finally closed on 31st October.

Considering the large number of Prisoners of War in the Island and the length of time they have been in captivity, the discipline in the various camps has been good, though disturbances have occurred at both Ragama and Diyatalawa.

Six Prisoners of War escaped from the Camp at Diyatalawa and one from Ragama. All were recaptured within a few hours.

Games of all kinds are encouraged in the various camps, and cricket, football, lawn tennis, quoits, and gymnastics are freely indulged in. During the last two months there have been several football matches between the Prisoners of War and the British Troops.

During the year ending 31st October 32 deaths took place amongst the Prisoners of War. Of these, twenty-four occurred at Diyatalawa, four in the General Hospital, Colombo, one in the Lunatic Asylum, one at Mount Lavinia, one at Kandy, and one at Veyangoda.

Twenty-one Prisoners of War were released on parole, chiefly owing to ill-health. All of them (with the exception of four) were foreigners. One Prisoner of War,—a Greek,—who had been bitten by a dog believed to be mad, was sent to the Pasteur Institute, Kasauli, and on his recovery transferred to Dagshai Parole Camp and struck off our strength.

Of the 5,127 Prisoners of War who have been interned in Ceylon, 2,051 have already been repatriated, two—an Africander and a Hollander—have been permitted to reside in Ceylon, and it is hoped that the remainder who have declared allegiance will be repatriated before the end of the year. Up to the 31st October, 4,370 *ex-Burghers* had declared allegiance to His Majesty, and had thus become British subjects.

For a considerable time after the declaration of peace there was marked reluctance to comply with the conditions of repatriation. This reluctance was due to a variety of causes, but probably the delay which occurred in sending back those who did comply—a delay which was unavoidable, in view of the difficulty of receiving in the new Colonies large numbers of repatriated prisoners at one time—was one of the chief factors which militated against a speedy acceptance of the new order of things. Another reason for hesitation which was also frequently put forward was the absence of any direct communication from the Boer Generals, and there can be no doubt that the prisoners would have resigned themselves to the situation much more readily if the leaders had sent them an authoritative account of the peace conditions.

Early in October letters were received at Diyatalawa from General Delarey, and at Ragama from General Botha, and at the same time the transport "Lake Manitoba" arrived from India. The effect was instantaneous, practically the whole body of Prisoners of War giving in their names as anxious to sign the declaration of allegiance.

THE VOLUNTEER FORCE.

The general progress of the Volunteer Force during the year has been satisfactory, both as regards efficiency at drill and musketry, and also as regards numbers.

The total strength of the enrolled Volunteers (*i.e.*, exclusive of the recently formed Cadet Battalion, Ceylon Light Infantry) on 22nd October was 2,436, as against 2,023 on the 31st December, 1901, or an increase of 413.

The Ceylon Mounted Infantry have during the year been re-armed with magazine carbines, and is in a satisfactory state of efficiency; they will hold a route march, to be carried out strictly under Service conditions, in place of attending the Urugasmanhandiya Camp. Good results from this course of instruction may be looked for.

A Coast Camp was formed for the Ceylon Artillery Volunteers in April at the Flagstaff Battery, and was held for ten days, instead of a week as in previous years. The steady training for this period with the guns that the Volunteers would serve on mobilization has had an excellent effect. Another Coast Artillery Camp was formed early in November at Mutwal Battery, in place of attendance at the Annual Camp of Exercise at Urugasmanhandiya.

The Ceylon Light Infantry has been re-armed with the magazine Lee-Enfield rifle, and both drill and musketry are satisfactory. The attendance at Camp this year was good, and the men worked willingly and well, considerable progress being made with the new drill, which many of the outstation companies have not previously had an opportunity of practising.

The Ceylon Planters' Rifle Corps has increased in strength from 538 on 31st December, 1901, to 790 on 22nd October, 1902; the musketry of this branch of the Force is distinctly good. A small camp of exercise was held in March on the Agrapatanas, which was fairly attended. They also provided a Contingent for service in South Africa, which embarked on the 22nd April, and was attached on arrival as a Volunteer Company to the 2nd Battalion Gloucester Regiment. Peace, however, having been concluded shortly after their arrival, they returned to Ceylon in July. With the consent of His Majesty the King, I have had great pleasure in accepting the Honorary Colonelcy of this Corps.

In March of this year a movement was initiated to set on foot a Cadet Battalion, recruited from schools, to be attached to the Ceylon Light Infantry, and it is expected that it will prove a valuable source of recruiting for the Volunteer Force. It has been taken up by the various Colleges with considerable enthusiasm, and companies have been formed at each of the following: Royal, St. Thomas's, Wesley, Kingswood, Trinity, and Richmond Colleges. These companies are under the command of honorary officers appointed from the masters and senior students of each College. The Battalion is under the command of Lieutenant S. M. Burrows of the Ceylon Light Infantry, who has been granted the honorary rank of Major while holding this appointment.

A Contingent representative of all arms of the Force proceeded to London in May as the Military deputation of the Colony on the occasion of the Coronation. They served under the command of Major A. J. Farquharson and acquitted themselves most creditably. They returned to Ceylon in September.

THE PUBLIC SERVICE.

There have been notable changes in the Supreme Court. Chief Justice Sir Winfield Bonser retired on appointment to be Member of the Judicial Committee of the Privy Council, and was succeeded, to the satisfaction of the Colony, by the Attorney-General, Mr. C. P. Layard. The Hon. F. C. Moncreiff succeeded Sir Archibald Lawrie as Senior Puisne Justice, and Mr. H. L. Wendt, recently a Member of this Council, was appointed to the junior vacancy on the same Bench. The increase of work necessitated the addition of a fourth Judge, and Mr. J. P. Middleton was appointed to the post thus created. Major L. F. Knollys has retired after a service of eleven years in the Colony, and his place has been taken as Inspector-General of Police and Prisons by Major A. W. de Wilton. Mr. J. D. Mason has been appointed to the District Judgeship of Galle, rendered vacant by the retirement of Mr. F. J. de Livera, one of the senior and most experienced Judicial Officers of the Service, and Mr. G. A. Baumgartner has taken Mr. Mason's place as District Judge, Kurunegala, being succeeded in the Government Agency of Uva by Mr. F. H. Price. Mr. W. E. Davidson and Mr. W. H. Moor have left the Ceylon Service to fill the important posts of Colonial Secretary and Assistant Colonial Secretary, respectively, in the newly-organized Service of the new Colonies in South Africa. Mr. G. C. Roosmalecocq and Mr. E. T. Noyes have both retired from the Service. The Colony has suffered a loss in the retirement of Captain J. Donnan, Master Attendant, who was appointed in 1863, and whose ripe experience rendered his advice and assistance invaluable in all matters connected with the Port of Colombo and with the Pearl Fisheries. Mr. G. P. Greene has taken over the management of the Railway Department.

It is with great regret that I have to record the death of the late Mr. J. C. Molamure, the able and experienced Police Magistrate of Gampola, and also the death in England of the late Mr. C. E. D. Pennycuik, who only retired from the post of Treasurer in 1900. By the recent death of L. B. Kobbekaduwa, Ratemahatmaya of Yatinuwara and Tumpane, Government has been deprived of the services of a Kandyan Chief of the highest family and of conspicuous ability.

The translation of Dr. Copleston to be Bishop of Calcutta and Metropolitan of India and Ceylon has closed for Ceylon a long and useful public career. His learning and piety, his liberal mind, and the ready sympathy with which he encouraged every project tending to the welfare of the Island and its people, had won him universal respect and admiration, and his loss will be felt by all classes of the community.

MISCELLANEOUS.

The presence of gold in Ceylon in paying quantities has long been a debated question. Mining experts among the Prisoners of War having expressed their belief that gold existed here in large quantities, I instructed Mr. Hunter, Inspector of Mines, to make an examination with the assistance of a Prisoner of War who had had long experience of gold mining in South Africa. Their report was so favourable that I decided upon a thorough investigation by an independent expert from home, and the services of Mr. G. G. Dixon, an eminent Consulting Mining Engineer, were obtained for the purpose. Mr. Dixon arrived in Ceylon on 21st May, and from that date to 30th October he has been engaged in making a general examination for gold throughout the Island, having travelled, for the most part on foot, over some 2,000 miles of country. Gold was found in the flat land between the Kelani-ganga and the Sitawaka-ganga at Malwana; in the bed of the Kelani-ganga, Sitawaka-ganga, and Getaheta-ela near

Avisawella; in the Katugas-ela, a small stream which joins the Kalu-ganga at Ratnapura; in the gravel deposit in the Peradeniya Gardens; and in the streams that run into the head of the lake at Nuwara Eliya; and samples of quartz reefs taken from all parts of the country traversed by Mr. Dixon have been assayed for gold.

The positive results of the investigation up to the present are not encouraging, but it must be remembered that no detailed work has yet been undertaken, and that owing to the floods prevailing in the low-country a thorough examination of some of the most promising localities has not yet been possible. With the advent of fine weather Mr. Dixon will complete his investigations, and his final report will then be submitted.

I had previously realized the great want of a Mineralogical Survey of the Island, and the facts stated above prove how little is really known of the mineral potentialities of Ceylon. Accordingly, when I was in England, I consulted with Professor Dunstan, of the Royal Imperial Institute, who has promised to select a qualified expert to undertake such a survey. This is the more necessary, as the Geological Survey is indefinitely postponed pending the release of the staff employed on the Geological Survey of Egypt.

Soon after I assumed the administration of this Colony I felt the need of an Official Manual for Ceylon, which should give information regarding the different branches of the Public Service, and be, as it were, a key to the often complicated parts of the administrative machine. I have accordingly instructed Mr. H. White to prepare such a Manual. It will be for official use, and it should prove of great value to subsequent Administrators.

During the last hundred years it is estimated that over one million sterling nett revenue has accrued to the Colony from the Pearl Fisheries in the Gulf of Mannar, representing an average annual income of some one and a half lac of rupees. From 1796, the first year of British occupation, to 1837, twenty-three fisheries resulted in £946,000 gross receipts, or £585,000 nett revenue. Between 1837 and 1855 no fisheries took place; but the latter year witnessed the first of a series of fisheries occurring more or less regularly up to 1891, if we except the ten years from 1864 to 1873. During the whole of this period the expenditure on Pearl Fisheries amounted to £130,316, some expenditure being always incurred even in barren years, while the gross receipts from the fisheries were £614,597, resulting in a nett revenue for the period of £474,281. The average value of a fishery during this period was some £34,000. The smallest fisheries realized £10,000, and the last, which was also the largest, brought in £96,000 in 1891. For the last ten years there has been no fishery. There has frequently been promise of a fishery, and the Master Attendant after inspection has reported an abundance of young and apparently flourishing oysters on the banks. But the oysters have not come to maturity. The causes of this mortality or disappearance were unknown. We had no scientific data to go upon. Nothing was known regarding the oyster, its habits, and natural enemies, or of the reasons for its appearance and disappearance at particular localities, and without such knowledge it seemed impossible to count upon the Pearl Fisheries with any certainty. Accordingly, I decided to have a scientific investigation, and was fortunate enough to secure the services of Professor W. A. Herdman.

Professor Herdman, accompanied by his Assistant, Mr. J. Hornell, arrived in Ceylon on 20th January. The steamer "Lady Havelock" was placed at his disposal by Government, and he at once started on a preliminary visit to the principal pearl banks in the Gulf of Mannar. A more extended cruise was then made round the Island, and from 24th February to 20th March Professor Herdman accompanied Captain Donnan on his annual inspection of the banks. On these voyages, besides studying the condition of the banks on which the oysters were found, much useful information was collected by means of dredge and trawl in regard to the marine zoology of the Ceylon seas generally. And before Professor Herdman left for England on the 7th April, he established a marine laboratory at Galle, where Mr. Hornell will, under his instructions from home, continue to carry on the necessary experiments. The objects of Professor Herdman's investigation are briefly as follows:—

(a) To ascertain the causes of the past discontinuity of fisheries in the pearling industry, by means of a Biological Survey of the Pearl Banks, and of observations upon the habits and life-history of pearl oysters kept under observation in aquaria. From the results obtained, to formulate a scheme of remedial measures.

(b) To search for suitable unoccupied ground whereon an extended culture of pearl oysters may be carried on.

(c) To investigate the cause and manner of pearl formation; the anatomy of the pearl oyster; and to report upon the flora and fauna characteristic of the Pearl Banks.

(d) To report upon the suitability of Ceylon territorial waters for fish-trawling operations, together with suggestions as to safeguards to be enforced.

(e) In passing, to give attention to the possibilities of development (or creation) of other fishing industries, e.g., culture of edible oysters, of the commercial sponge, and especially of the pearl-bearing Tamblegam Window-oyster (*Placuna placenta*).

LEGISLATION.

During the first nine months of the current year the expectations that were entertained last year of the good results that would ensue from improved methods of administering the Waste Lands Ordinances have been fully realized. The Office of the Special Officer has been transferred to more commodious and better furnished quarters; the staff has increased not only in numbers, but in efficiency; new registers have been introduced, and particulars of all settlement work effected in the Southern Province and in Uva duly entered therein; an additional staff has also been provided to arrange the records of the Hambantota District bearing on waste lands, and satisfactory progress has been made in the preparation of notices and in the settlement of claims.

Despite the amount of time devoted to bringing the office into systematic working order and to tabulating the results of past years, it is expected that the working of the current year will be a considerable improvement on that of 1901. The improvement would undoubtedly have been much more marked had a larger supply of Block Survey Plans been available.

Frequent circuits have been made by the Special Officer for the purpose of preparing notices and of holding inquiries. About 134 claims have been preferred, and almost all have been inquired into and decided. The change in the attitude of the people is shown in the large number of settlements made and in the paucity of reference cases, as also by the receipt of petitions from the villagers asking that the provisions of the Ordinance may be applied to lands claimed by them. There is now an entire absence of animosity with regard to this enactment, which appears to be generally considered as a fair, cheap, and practical means of settlement of claims to land.

The system of noticing all the waste lands in a village at one and the same time has been adhered to, and is giving excellent results. As each village is completed statements of the settlements effected are furnished to the Revenue Officers and to the Surveyor-General for their information.

The Survey Department has now completed the Block Survey of considerable areas in the Island, and it is expected that the plans will soon be available. It will then probably be found advisable to appoint additional Settlement Officers, and to push on the work of settlement as rapidly as possible on the lines that have now been found by experience to be the best.

Many important Legislative Enactments were passed during the Session 1901-1902 of this Legislative Council.

There has indeed been so much legislation during the last few years that the list of our requirements has been almost exhausted, and consequently there will be little for you to do in that direction during the Session now opening. You will be invited to consider the following useful measures, namely, Bills for—

Further amending the Inventions Ordinance, No. 16 of 1892.

For further amending the Trade Marks Ordinance, No. 14 of 1888.

For the Registration of Designs.

For the Regulation of Printing Presses and of Books and Papers printed in Ceylon.

For consolidating and amending the Ordinances relating to the Repression of Crime.

For amending "The Customs Duties Amendment Ordinance, 1896," and

For limiting the number of Strokes or Lashes which may be inflicted in Cases where Corporal Punishment is awarded.

CONCLUSION.

Gentlemen, I think that you will agree with me that the retrospect of the year, especially from a financial point of view, has been quite satisfactory. Much progress has also been made in all our important undertakings, and the efficiency of the Public Service has been well maintained. The twelve months in question have been eventful, but two occurrences stand out conspicuously and eclipse all others. I refer to the Coronation of His Majesty and the termination of the War in South Africa.

I need not review the history of these two happy events. They are fresh in your memory. The Coronation gave all classes and races in this Colony another opportunity of demonstrating their loyalty and of showing their sympathy with the Royal Family in their sorrows as well as their joys. In London, Ceylon was worthily represented on this historic occasion by certain Members of this Council and other distinguished men, and also by a contingent representing all branches of our Volunteer Forces. I am proud to know that these men, under the command of Major Farquharson, by their soldierlike appearance and excellent conduct, did great credit to the Colony and earned high praise from eminent soldiers. A compliment was also paid to Ceylon in the selection of its Governor to represent the Eastern Colonies on this occasion. Here in Ceylon, and more especially in Colombo, the same auspicious event was celebrated with suitable display and great manifestations of loyalty. At the same time the statue of Her late Majesty Queen Victoria, the Colony's memorial of the Diamond Jubilee, was unveiled by the Lieutenant-Governor with becoming ceremony.

The conclusion of peace relieves us of the custody of 5,000 Prisoners of War, who have been with us since August, 1900, and I hope that by the end of the year all will have returned to their homes. Their presence here has been a great responsibility, but the fact that, with only 143 exceptions, all these prisoners, nearly 5,000 in number, return to South Africa in excellent health, and I hope with kindly feelings towards us, is due to the admirable management of Lieutenant-Colonel Vincent—who has shown rare qualities of command and organization—and his staff, and to the excellent and successful labours of the Medical Department under the direction of Dr. Perry, the Principal Civil Medical Officer, and of Dr. Garvin, the officer in local medical charge. If the epidemic of enteric fever introduced by the prisoners, and which raged with such fury for some months after their arrival, had not been so skilfully and promptly met, the results might have been disastrous. As it was, although the outbreak was, in the beginning at least, of a peculiarly malignant type, there were only 68 deaths out of a total of 760 cases, that is to say, a percentage of 9. Excluding casualties from enteric, accidents, &c., there were only 38 deaths from ordinary causes. This fact proves the exceptional salubrity of the climate of Diyatalawa, a fact which has been long recognized by those who know the uplands of Uva. Of malarial fever there has been very little. Nevertheless, the War Office has decided to establish, or rather to develop, the sanitarium at Nuwara Eliya in preference to Diyatalawa, and however you may question the wisdom of this decision I hope that you will not object to finding the necessary funds, especially as I intend to use Diyatalawa as a Camp of Exercise for the Volunteers, for which purpose it is admirably suited; to make it the headquarters, while they are engaged in plotting work during the recess, of those of the Survey staff who have been employed in malarious districts; and, as an experiment, to establish a small hospital for consumptives. The Military also propose, I understand, to use Diyatalawa as a standing musketry camp.

In this connection the labours of the Public Works Department under the direction of Mr. Cooper must not be overlooked. The creation of what was practically a town, the supply of water and electric light, and the construction of excellent roads with extraordinary rapidity in the uninhabited *patanas*, was a remarkable feat, and very efficiently was it accomplished. Indeed, the strain and labour involved by the internment of these prisoners on many Departments and Branches of the Public Service, notably the Railway Department, has been great, and I am glad to know that His Majesty's Government fully realize their obligation to the Colony. I need not say that if it had not been for the cordial co-operation of the Military Authorities, the task which I undertook would have been impossible.

Thus happily ends a unique experience in the history of Ceylon, and it is pleasant to think that the gloomy anticipations so freely expressed when I agreed to accept charge of the prisoners have not been realized, and that, on the contrary, the Colony, besides rendering a great service at a time of difficulty to the Imperial Government, has in more ways than one been materially benefited.

GENTLEMEN OF THE LEGISLATIVE COUNCIL,

With complete confidence that your deliberations and proceedings during this the last Session of my Administration will be animated by the same wisdom, loyalty, and devotion to the public interests, which have never failed to characterize them in the past, I now, in His Majesty's name, declare this Session of the Legislative Council to be duly opened.