PRESENTED TO THE INDIAN INSTITUTE OF ADVANCED STUDY, SIMLA

BY

CEYLON

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Report of a lecture delivered to the Royal Central Asian Society on Wesdnesday, May 27, 1959, Sir Hugh Dow, G.C.I.E., K.C.S.I., in the chair.

The CHAIRMAN: Ladies and Gentlemen, It is my pleasant task to introduce Mr. Farmer who, so to speak, became friendly with Ceylon when he was an Officer in the Royal Engineers and found it a most fascinating country. He particularly interested himself in land questions with the result that later he wrote a book entitled *Pioneer Peasant Colonization in Ceylon*. Presumably it was largely due to the impression made on the Government of Ceylon by Mr. Farmer's book that he was invited in 1955 to become a member of the Land Commission. Mr. Farmer had returned to Ceylon in 1951, and during the year 1955-56 he spent some time studying questions referred to him by the Commission.

The report of the Land Commission has recently been published. Since 1956 Mr. Farmer has been again in Ceylon for a considerable period and so the information he is about to give us is up to date.

I HOPE, ladies and gentlemen, you will not feel offended if I commence by reminding you that Ceylon is by no means a small island. It is elliptical in shape, and the east-west distance is a little over that from Bristol to London; the north-south distance almost exactly that from Southampton to Newcastle-upon-Tyne. A journey across the whole island is similar to a journey across the whole of England. The total area is about 25,000 sq. miles.

The Four Main Areas of Ceylon

Ceylon may be divided into two contrasting climatic Zones. The south-western quadrant is the "Wet Zone," wet in the sense that it is liable to receive rain from both monsoons and therefore to have rain at most times of the year. The northern and eastern parts of the island contain what is called the Dry Zone, not because it is dry like Sind or the Sahara but because it has a marked dry season. During each summer the Dry Zone of Ceylon is dry, with very intense searing heat which dessicates everything, but during the winter months of October to February it receives rain. In other words, there is in the Dry Zone marked alternation of wet and dry seasons. The lowland Dry Zone covers up to two-thirds of the island.

The central part of Ceylon, "Up Country" as they say, is highland, part of it modified Wet Zone, part of it modified Dry Zone. The country can, then, be described in terms of four main areas: (1) Lowland Wet Zone; (2) Up-Country Wet Zone; (3) Up-Country Dry Zone; (4) Lowland Wet Zone.

(1) *Lowland Wet Zone*

In the lowland Wet Zone there is great pressure on the land. The villages are thickly populated and many of the peasants have either very small holdings or no land at all. A characteristic of the Wet Zone is that the peasants are no longer on a purely subsistence basis and many of them grow crops to sell. The landscape is made up of valley-bottom paddy fields, and mixed village garden, or rubber, or coconut on the intervening hills. One of the interesting facts about the lowland Wet Zone is that pressure on the land has, on the whole, taken place so recently. Until the 1890's or later much land not ten miles from Colombo would have been jungle or scrub, with very scattered cultivation. It was only in the nineteenth century and the first decade of the twentieth century that people began to buy up or to lease land and to plant it in rubber or coconuts. The present pressure on the land has come about partly because of this use of land providing space to produce commercial crops, and partly as a result of the rapid growth of the population of the villages. The little remaining unused land almost belies the name "lowland Wet Zone" because it is mainly on very steep slopes on the margin of the Up-Country. Because there is so little spare land in the Wet Zone, the improvement of yields here, and the colonization of undeveloped land elsewhere, are major aims of Government policy.

Although Ceylon is a rural and agricultural country it has the one big city of Colombo with a population in and around it of nearly half a million. An air photograph shows the nucleus of the place to be a little rocky hill which was fortified by the Portuguese and Dutch. To the east stretches the "Pettah," the bazaar area, and to the south the residential area, fairly near to the coast; in the hook of the rocky hill lies the harbour.

(2) *The Up-Country Wet Zone*

We move on to the "Up-Country," an area with great beauty, but about whose landscape there is an economic story to be told. Below a certain contour the whole landscape is either light or dark green, the light green being terraced paddy with, in between, coconut and mixed village tree cultivation. Here there are crowded up-country villages with every scrap of land used up. Above the level of the green colouring there are pinks and greys in the landscape, and finally bear rock often in great cliffs. The pink and grey area is land that until about the 1840's or later was jungle or grassland or scrub; then that land was planted by estate companies and individuals, first, in coffee and, when that failed, in tea.

In the valleys on the outskirts of the hill capital of Kandy the peasants' cultivation tends to be cribbed, cabined and confined by the estates, so that feeling hostile to the estates tends to be generated, sometimes spontaneously, sometimes stimulated by politicians. It is said that estate land would have been cultivable by the peasants, who could thus have eased their present overcrowding. Some of the Kandyan hill villages certainly present the worst examples of landlessness and overcrowding in the island. Under these conditions, the Sinhalese peasants, who in early days were independent and would not work for hire, now provide as much as 50 per

cent. of the labour on some estates, the remainder being provided by Indian Tamils. In this, as in indirect ways (as by providing revenue to be spent on social services and development schemes), the estates benefit the peasantry on whose fields they press.

I must not give the impression that all tea grown in Ceylon is cheek-by-jowl with the peasant villages and thus contributory to agrarian pressure and political feeling. Above 2,000 or 3,000 ft. the Sinhalese village never went, and in pre-British days the higher areas were nothing but jungle. But up here, up to 5,000 ft. or higher, there now grows some of the finest tea in the world; the higher it is grown the better the flavour. This tea is grown on land never occupied by Sinhalese peasants and certainly not impinging on their villages.

(3) *The Up-Country Dry Zone*

Going to the eastern side of the hills, the drier Uva Basin, the agrarian picture is much the same; many of the peasant villages are overcrowded; and there are many tea estates. There is, however, a large area of rough, hilly grassland known as *patana* and it might be thought that a solution to agrarian pressure could be found by putting the villagers on to this land. It is, however, very poor; there is hardly any soil, and erosion has done much damage. Many think it is formerly forested land which has degraded into grassland as a result of erosion, and reafforestation is a possible solution.

In a typical part of the eastern side of the hills one can see the characteristic landscape of a dual economy: on the one hand, terraced paddy and village gardens, and on the other, at the limit of the cultivation of the paddy, tea estates. Beyond, there is the bare grassland with rock protruding.

(4) *The Lowland Dry Zone*

It is most interesting to look down on the lowland Dry Zone from a hill-top like that at Mihintale, where Mahinda, the disciple of the Buddha, is supposed to have landed and brought Buddhism to Ceylon, 2,500 years ago. From such a vantage point one appreciates the jungle-covered character of the lowland Dry Zone, as one looks over trees and still more trees, spreading away as far as the eye can see. Occasional areas of lighter colour represent the irrigation tanks and the paddy fields of the villages. But, though the area is still largely in jungle, there is much less jungle than when I first knew it 15 or so years ago.

The lowland Dry Zone was once the centre of a great civilization. I realize that the Royal Central Asian Society is concerned with contemporary matters, but one would not do justice to Ceylon if one did not mention its ancient civilization, which produced splendid Buddhist shrines such as those at Anuradhapura and Polonnaruwa, the ancient capitals. The ancient civilization is thought to have broken down and disappeared, because of invasion from South India which disrupted the political system that had maintained the great irrigation works. Some also believe that malaria came in almost simultaneously; certainly malaria hung like a pall

over the area right up to 1945, when D.D.T. spraying began to be carried out. Now it can be said that malaria has been conquered.

Irrigation was, and is for the most part, by storage in reservoirs or tanks, as in any country that has seasonal rainfall, the rain being stored in the wet season to be used later in that season and in the ensuing dry season. An aspect of the climate of the Dry Zone is its dangerous variability. In 1955-56 the rain-bringing north-east monsoon virtually failed altogether, so that by January, when the tanks should have been brim-full, they were almost empty, and large acres of crops failed altogether. In December, 1957, and January, 1958, on the other hand, the rainfall was excessive; great damage was caused by floods, storage tanks being broken down and bridges destroyed. Apart, then, from the difficulty of *average* conditions (liability towards drought during the dry season, liability to excessive rain during the wet season) there is also the chance of great variability from year to year. On the whole, it is a singularly difficult environment for man.

Characteristic of the Dry Zone is a little village tank nourishing a small area of paddy field; then, at one end of the bund of the tank there are coconut trees sheltering the village, the point being that coconut trees are really Wet Zone vegetation which will not in general grow in the Dry Zone except when they are near surface water.

Apart from the paddy field and the little, water-nourished patch of trees, most Dry Zone villages have a *hena* or *chena*, a small patch cultivated by shifting cultivation; many people call this primitive, some call it pernicious, but it really is for many parts of the Dry Zone, and for areas which cannot be irrigated or which will not grow tree-tops, about the only method of land use so far known that is likely to produce a yield without doing irrevocable damage to the land.

I have indicated that much of the Dry Zone is jungle; but for some time efforts have been made by the Government to settle peasants there. Land is cleared and houses are built by the Government, who also select colonists and move them in. Most colonization schemes are centred on paddy, and by and large grow it successfully. The yield is not as high as is technically possible, the techniques of cultivation being haphazard and slipshod. If the peasants transplanted and used manures they could obtain better crops. But many colonization schemes do manage to produce a surplus of paddy, and there is no danger of damage to the soil. But each peasant has, in addition to paddy land, a patch of unirrigated land or "high land"; unless he is near surface water or unless conditions are otherwise unusually favourable, it is found difficult to grow crops on this land without damaging the soil or losing fertility.

This high-land problem is really the same problem as that of replacing shifting or *chena* cultivation. The problem is being tackled by the Dry Farming Research Station at Maha Illuppallama, whose findings will vitally affect the 2,000,000 acres or so of Dry Zone land which cannot be irrigated. If it were possible to provide irrigation by some means or other, paddy (and perhaps sugar-cane) could be grown. If it is not possible to irrigate but if there is water near the surface, coconut can be grown as well as other tree-crops. But to try to grow on such land maize, millet or any

such field-crop, is apt, with present knowledge, to end in disaster. The reason for this lie in the climate, soils and relief of the Dry Zone, so at Maha Illuppallama research is being done on these factors and on possible ways of using Dry Zone "high land" without losing the soil or destroying its fertility.

Economy

The economy of Ceylon is very narrowly based. The country has no great diversity of natural wealth, and is essentially agricultural. Ninety per cent. or more of the national income comes from agriculture direct (from paddy, from rubber, from tea, from coconuts), or from the simple processing of such crops (fermenting and drying tea, compressing oil from coconuts and so on). It is not only a narrow-based economy in the sense that it is almost entirely agricultural but also because it is based on so few commodities.

Ceylon now produces something like half its requirements of rice and could produce more given fairly simple technical improvements. Apart from rice, there are only tea, rubber and coconuts of any importance, and these three make up 90 per cent. of the exports in an average year. In other words, Ceylon can only import what she needs in the way of rice, raw materials and manufactures if she can sell tea, rubber and coconuts. Of those three, rubber fluctuates up and down in price, and very violently. Tea is a little more stable, but subject to over-production, and subject also to loss when a manufacturing country like Britain is forced to cut down its imports. Coconuts also are not completely stable in spite of the fact that they are so often called "the Consols of the East."

There is not much scope for diversification. There are other crops which might be grown. It is physically possible, perhaps, to grow cotton in some parts of the Dry Zone, although the difficulty is that, dry as it is during the dry season, one cannot rely with sufficient certainty on dry weather at the right time for ripening. Cocoa might be grown, but there is not much possibility of expansion of the area under existing crops, at least under existing *commercial* crops, because there is little land in the Wet Zone that is not used; and, by and large, tea, rubber and, to a lesser extent, coconuts are confined to the Wet Zone country. There is, as will be clear by now, some possibility for the extension of paddy, the cultivation of sugar and one or two other crops by irrigation in the Dry Zone.

That is the sombre background. What are the problems that have to be faced by Ceylon against this background, economically speaking? In the first place, there is the population problem, Ceylon having one of the highest rates of increase of population recorded anywhere in the world—2·6 or 2·8 per cent. per annum during the last few years. It is quite clear that population is increasing at a faster rate than national income. It is always difficult to measure or forecast national income accurately, but it seems fairly certain that the national income of Ceylon is increasing at something like 2 per cent. per annum, certainly according to the last figures available; that is, much less than the rate of increase of population. In other words, the standard of living in Ceylon is gradually tending to lower. One of the assets of Ceylon, however, is that living standards,

although low by Western standards, are high by Asian standards. It is rare in Ceylon to find that terrible, hopeless grinding poverty so characteristic of the villages of Madras, or the Central Provinces, or Bengal, or many other parts of India. The people of Ceylon have a little more and in most of the villages they are well fed. Nevertheless, many of the people, in spite of these appearances, are living on the edge of disaster. It only needs a father of a household or one of the working sons to be ill or to be killed, or for a drought to come, for one to see poverty as in Madras. The point is, then, that there is some leeway, some tightening of the belt possible before Ceylon is reduced to Indian or Middle Eastern standards, but not very much leeway. All the time the population is increasing, and it looks as though the economy is losing in the race to catch up with population.

Ceylon's Assets

The problem, then, is how to increase living standards faster than the population grows, how to get some kind of increase *per capita*. In Ceylon, fortunately, there is some spare land. In India as a whole most of the spare land is useless, more so than any of the land in Ceylon, with some exceptions. In Ceylon there are, perhaps, nearly a million acres of Dry Zone land which could be irrigated and grow crops, though increasing capital cost per acre as times goes on. There are some 2 million acres which cannot be irrigated under present conditions, but which may yield to the research of the agriculturists and grow something in due course.

Another asset of Ceylon in this connection is that people are more commercially minded than in, say, India. If one wishes to stimulate the growing of a particular crop in Ceylon a system of guaranteed prices has been shown to be effective; in other words, the simple working of the market economy tends to stimulate the peasants and others to produce. That is not always so in most under-developed countries where a cash economy has not gone as far as it has in Ceylon.

Another important asset of Ceylon is its efficient public service. I am always filled with admiration for the Civil Service, the technical services and the Public Works Department. When the disastrous floods hit Ceylon around about Christmas time in 1957 and continued into January, 1958, all the roads that were cut were restored to traffic within ten days of the disaster—an astonishing piece of work.

Ceylon's Liabilities

The liabilities of Ceylon are the population problem, the limited agricultural potential (the latter being complicated by the politics) and also limited industrial potential. The fact of the matter is that Ceylon has few resources for industry: no coal or oil, a certain amount of hydro-electric power; no particular mineral wealth such as iron ore. The people of Ceylon are, it is true, surprisingly adaptable to new manual skills, but that does not mean anything in the absence of the other requisites and, above all, in the absence of capital. Foreign capital is likely to be affected

by the political situation, and so may I add a word about politics as a factor that is likely to limit economic development in the island.

Politics

Probably to most people in Great Britain what has happened in Ceylon since 1956 must have come as something of a shock, for Ceylon was always being held up as a model colonial territory that passed by slow and ordered degrees towards independence; a model of communal harmony, it was also said, with Sinhalese and two groups of Tamils (those who had lived in Ceylon for generations, the Ceylon Tamils, and the Indian Tamils) living together in apparent accord. But since 1956 there has been the astonishing election result, followed by communal strife which rightly shocked the whole world; there has also been trouble over British bases and, during the last few days, a strange Cabinet crisis.

What has happened to bring this about? In the first place, those who were in power and who really ensured orderly progress up to 1956, those who were not only in power but almost the only people politically active, were the English-speaking *élite*; people who had been educated in the language of a colonial power, people acquainted with Western ideas on Parliamentary government and political thought through reading in English. The United National Party (U.N.P.), which Mr. Senanayake formed, was composed mainly of such persons, and probably it was because they were so English that people in Britain liked them so much. But in the General Election of April 1956 the United National Party suddenly almost vanished; it only had eight seats in the new House.

Why was the United National Party defeated? In the first place, it must be recognized that there was in Ceylon a great deal of legitimate dissatisfaction with the Party. It had become ineffective and corrupt, slack, out-of-touch with what the people were thinking, and, like so many parties too long in power, determined to stay in power without any clear aims or policies.

There were various politicians, including Mr. Bandaranaike, who had fallen out with the U.N.P. and who had decided to have done with them and to go all out to get into power. Bandaranaike formed, first of all, a coalition of a number of diverse elements, including a Trotskyist group, and called them the M.E.P. In addition to forming a coalition he made an electoral pact with certain other groups in Opposition, the parties to which agreed that they would not put up candidates against each other in the same constituency. Even given the dissatisfaction with the U.N.P. and even given this artificial arrangement of the situation, I doubt whether the U.N.P. would have been defeated, were it not for important social changes. The English-educated *élite* were by 1956 now the only politically conscious people; other groups in the population had become thirsty for political power. The new arrivals on the scene were not so much the workers or the peasants, but a sort of village middle-class, people who spoke Sinhalese and not English; they included Buddhist priests, schoolmasters teaching in Sinhalese, village merchants, and others. This sort of person has, during the last ten years or so, become extremely powerful in

the villages, able to mould village opinion through the vernacular, through religion, and through economic pressure, and altogether far more in touch with the people than the English-educated *élite*. It seems true to say that, apart from dissastisfaction and electoral arrangements, it was the recognition of the shift of influence to this particular group that put the M.E.P. into power. Whether the M.E.P. can repeat the performance is another matter. It may be that social change will go further and leave the village middle-class behind.

It is largely because of this shift of power that the language issue and communal issue have come so much to the fore. The particular Sinhalese group that has become politically active was often a frustrated group, made up of people who, because they only spoke Sinhalese, found themselves unable to get the best jobs and who, moreover, felt that the Tamil people were getting more posts in Government service than they themselves were. Because this group was frustrated economically, and because the M.E.P. leant so heavily on it, the communal situation became aggravated with disastrous consequences for the Ceylon Tamils. The Cabinet crisis of the past two days is another matter; it is a mixture of ideological and personal feuding between very different elements inside the Cabinet.

It need hardly be said, in conclusion, that the communal rioting, Sinhalese nationalism, labour indiscipline and general uncertainty that now hang over Ceylon politics have distracted attention inside Ceylon away from vital economic issues, and have also engendered suspicion in the world at large about the stability of the country.

Discussion

The Chairman: My knowedge of Ceylon is limited to a very pleasant three months' holiday spent there some 18 years ago. Ceylon is such a pleasant country in which to spend a holiday that I would like to ask Mr. Farmer whether anything is being done to develop the tourist industry. It occurred to me that it probably may have developed downwards now there are fewer British in India.

Also I would like to ask whether anything has been done in recent years to re-start the cultivation of coffee. Ceylon used to be a great coffee-growing country, and then the whole crop was wiped out in a very short time as a result of disease. I am not sure whether anything has been done to re-establish the growing of coffee as a money-earning crop.

Mr. Farmer: The answer to the question whether tourism is developing up or down is "Yes and "No." It is true that there are fewer British in India, but certainly during 1956 it was noticeable that Indians themselves were coming to Ceylon for their holidays; also Australians were coming to the island, as well as people in commercial or public service in Hong Kong or Singapore and many Americans from Kuwait and the other oilfields in the Middle East. Efforts have been made to attract tourists to Ceylon, both by the Government and by private enterprise interested in hotels, in coach tours, motor-car tours and so on. The Government took over some of the bigger and better-paying rest houses in the island and brought them up to a very good standard indeed. Naturally,

the political events I have described dealt a severe blow to the tourist trade: people did not want to visit the island when it was in disorder.

It is curious at first sight that so little has been done to bring coffee back to Ceylon. The reason is primarily that growers became so scared at the time of the great disaster to the crop to which the Chairman referred, that the land which could grow either coffee or tea was mainly planted in tea. Then tea became so successful and coffee was forgotten. Some villages do grow coffee; Ceylon coffee is delightful and quite distinctive. And only about a month ago I received news from Colombo that in one of the attempts to redress the balance of the economy the Government is trying to introduce peasant coffee-growing in one of the few remaining wet zone jungle areas. Coffee-growing can only be extended to any significant extent at the expense of some other crops, and whilst the other crops are so successful there is no incentive to plant coffee.

Mr. RIND: What is the intention of the Government in regard to spreading the tea industry of Ceylon?

Mr. FARMER: Many would like to know the answer to that question. It has become very much caught up in the general feud inside the Cabinet. My own impression for what it is worth is that the nationalization of tea was introduced, like many other things, into the election manifesto of Mr. Bandaranaike's party in the hope that it would bring in a few more votes. Mr. Bandaranaike so desperately desired to get into power that he formed his Coalition and made his electoral pacts and then nailed every conceivable plank to his platform in the hope of catching votes; and this was one of the planks. The person really pressing for the nationalization of the tea industry was the Minister of Agriculture, Mr. Gunewardena, a Trotskyist and something of an extremist, who has now been sacked from the Cabinet. My suggestion is that the intentions of the Government at the moment are to leave the estates very much as they are. Mr. Bandaranaike is in a very strange position. If all the Opposition and all the nominated members of the House of Representatives vote together, he will be defeated. He obviously does not want to be defeated, so he will avoid any issue which would be likely to unite the Opposition. However, if he tries to woo at least some of the very mixed group who make up the Opposition by introducing measures which will interest them, he may have to woo the left wing group who include nationalization in their programme.

Mr. BAXTER: Is it possible for Dry Zone reafforestation to take place in order to hold water in the wet season?

Mr. FARMER: When I referred to re-afforestation I had in mind the *patana* grassland on the drier side of the hills. In such areas there is some attempt at re-afforestation, and success in retaining the water, and so on. The dry hill-tops in the *lowland* Dry Zone present quite another problem. There *are* forestry plantations of teak, satinwood and other trees, but not always where they are most needed if they are to conserve water and soil. The need seems to be to grow trees on the steep slopes.

Mr. BEAVER: Is there any possibility of growing sisal in Ceylon?

Mr. FARMER: I do not know much about sisal but I believe I am right in saying that it would not grow in the Dry Zone, the snag being that

though the climate is very dry in the dry season, it is very wet in the wet season. There can be up to 10 inches of rain in 24 hours. Many crops which can be grown with or without irrigation in dry regions, and other crops needing rain all the year round, are alike ruled out by the great seasonal swing.

The CHAIRMAN: I am sure, ladies and gentlemen, you all wish me to thank Mr. Farmer on your behalf for a most interesting lecture. Our *Journal* in which these lectures are printed has a very wide circulation, and I am sure this lecture will be read with great interest by many of our members who have not been able to be with us now. We thank you very much, Mr. Farmer. (*Applause.*)