

THE DEVELOPMENT PROGRAMME OF CEYLON

Population: 7,300,000

Economic Position: The economic position of the Island is dominated by the fact that two-thirds of the cultivated land is taken up with the production of three main crops - tea, rubber and coconut. This specialization is at the expense of food production: over half Ceylon's annual expenditure on imports goes on food. Tea, rubber and coconut account for 90 per cent by value of the total exports of the Island, which is therefore dangerously dependent on the fluctuations of world prices over a very limited range of commodities. In the past these fluctuations have been great, and this has had grave consequences for Ceylon.

Basis and Objectives of the Programme;

The main objective of the Government's programme is to bring about increased economic stability by reducing Ceylon's precarious dependence upon factors outside its control. To achieve this aim, it is proposed to diversify the economy by some increase in food production and by the creation of other forms of employment.

The programme is analysed in the following table:

	<u>RS.Mil.</u>	<u>£ Mil.</u>	<u>Percentage</u>
Agriculture	503	38	37
Transport and communications-			
Railways	30)		
Roads	100)	22	22
Ports and harbours	167)		8
Power	109	8	6
Industry	75	6	
Social capital			
Housing	47)		
Health	132)	28	27
Education	196)		
Total			
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	1,359	102	100

Salient Facts about the Programme

Agriculture: At present, 3,250,000 acres are under cultivation and it has been estimated an area of equal size is potentially available. Of the area now cultivated over 2,000,000 acres are devoted to the production of tea, rubber, and coconut, leaving only about 1,000,000 acres for food production. By 1957 it is planned to have under food crops another 200,000 to 250,000 acres from which it is expected to get 75,000 tons of rice annually.

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