

## THE BIRTH OF THE JANAWASAMA

Land Reform of 1972 and 1975 paved the way for new patterns of management in plantation and agricultural lands. The Sri Lanka State Plantations Corporation of 1958 was the first state-owned plantation management agency in Sri Lanka. It now manages 75 estates comprising 100,000 acres. The 1972 Land Reform vested 38,000 acres in the State Plantations Corporation. The 1975 Land Reform is expected to give the Sri Lanka State Plantations Corporation 100,000 acres making it the biggest estate managing agency in Sri Lanka with about 200,000 acres. It has already taken steps to decentralize its establishment with regional managers and regional offices. The Sri Lanka State Plantations Corporation was the only state estate management institution that could compete with the private sector Agency Houses.

Other estate management institutions include Janawasams (45,000 acres), Land Reform Electoral Level Co-operatives (120,000 acres), Usawasamas (87,216 acres), Livestock Development Board (6000 acres), Coconut Cultivation Board (4000 acres) M.P.C.S., D.D.Cs, A.P.Cs, C.R.I R.R.I etc. Until October 1975, 415,508 acres were owned and managed by all the Agency Houses.

Under the Land Reform (Amendment) Law, No. 2 of 1975, these lands were vested in the Land Reform Commission and the Agency Houses managed them as statutory trustees on behalf of the Land Reform Commission until the statutory trusteeship was terminated on 6th February, 1976 when a new institution *Janawasama* (The Janata Estate Development Board) was established under the State Agricultural Corporations Act No. 11 of 1972. With an initial capital of Rs. 10 million it will manage 250,000 acres of estate lands that were nationalized in the second phase of land reform in October 1975. The Janawasama will have regional offices in Matugama (Kalutara District), Avissawella (Colombo District), Ratnapura (Ratnapura District) Badulla (Badulla District), Nuwara Eliya (Nuwara Eliya District), Hatton

and Kandy (Kandy District). These regional offices will cover estate supplies, administration, welfare, labour relations, training, and engineering including transport. The head office in Colombo would deal with policy matters. Regional offices would be managed by Regional officers who would have the status of Deputy General Managers with wide powers to run their estates in the respective areas. Thus, Janawasama would replace Agency Houses; but with decentralized controls so that regional planning and development can be implemented within the overall policy.

The long historical association of Agency Houses with foreign domination of Sri Lanka has had an influence on the attitudes of the public towards them. All parties were generally insistent on the need for controlling the Agency Houses. As far back as 1970, the Governor General in his address to Parliament on June 14, 1970 made reference to the Agency Houses. An Agency House and Brokering Firm Inquiry Commission appointed in 1971 forwarded its final report in December 1974. It recommended the take-over of Agency Houses and the replacement of its functions by a Plantation Management and Services Board which would be a policy formulating planning, co-ordinating and policy body. Instead the Land Reform (Amendment) Law of 1975 brought in indirect control of Agency Houses which finally resulted in replacing Agency Houses as estate managing agencies.

The 415,000 acres of estate lands would now be allocated to Janawasama (250,000), Sri Lanka State Plantations Corporation (100,000), small projects (10,000), village expansion (50,000 - 60,000 acres). The four to five Agency Houses which controlled 90% of the estates, 62.1% of tea production, 27.3% of the rubber production and 3.9% of the coconut production will be replaced by the Sri Lanka State Plantations Corporation and the Janawasama.

The first agencies of the plantation industry in Sri Lanka were coastal

agents residing and operating in Colombo, who performed various services required for the developing plantations, which the pioneer planter in the Kandyan country could not attend to on his own: the processing of coffee sales, the arranging of shipping facilities, procurement of supplies and the provisions of credit. With the accretion of larger functions around these coastal agents in Sri Lanka, as in Malaya, and with the development of a closer identification of agents with the planting interests there came into being the firms and the corporate bodies, the Agency Houses. The oldest agency houses known are George Steuart & Co. Ltd. (1862), Shaw Wallace & Hedges Ltd. (1857), Gordon Frazer & Co. Ltd. (1885), Harrison & Crossfield Ltd. (1895), James Finlay & Co. Ltd. (1893), Scottish Tea & Land Co. of Ceylon Ltd. (1878), Galaha Tea Estates Co. Ltd. (1896), Carson Cumberbatch & Co. Ltd. and Leechman & Co. Ltd. (1870).

The Agency Houses managed the cultivation, production and marketing of estate produce on behalf of the companies and proprietorships within the Agency. Their functions which are described as "agency functions" were very broadly two-fold—those directly tied up with the management of the agricultural asset and the provision of necessary services and those connected with the management of the companies affairs in relation to policy making, finances, accounting, maintenance of books and records and other like matters. All these will now be replaced by the Sri Lanka State Plantations Corporation and the Janawasama.

The Agency Houses together with the Sterling Companies were considered the principal economic institutions by which the capitalist transformation of Sri Lanka's economy was effected for the advantage of imperialism. This had to go with Land Reform. The Minister of Agriculture and Lands summing up the situation said that the "fight with imperialism is over", in the course of his recent speech in the National State Assembly when he announced the government's decision to replace the Agency Houses with the Janawasama.