

Agriculture

THE BUDGET AND THE AGRICULTURE SECTOR

The Budget of November 5th, 1975 proposed a 50% subsidy on fertilizer for paddy and plantation crops, thereby bringing about a uniform subsidy scheme. This would assist farmers and would minimize leakages of fertilizer from the subsidized to non-subsidized sector. To the farmer it will be a reduction from Rs. 134/- to Rs. 57/15. It is this balance that will be subsidised by the government. This subsidy will extend to all other crops. Not only paddy, but also tea, rubber, coconut and even vegetables. With the soaring prices of fertilizer many cultivators had given up using fertilizer which in turn led to a sharp drop in their productivity. The Wet Zone areas were the most affected in this regard. Subsidised fertilizers should reverse this trend.

Control on tractor hires to farmers and the taking away of import duty on two wheel tractors would undoubtedly reduce the cost of inputs and give some relief to the peasantry. Rebates for increased production has also been proposed through crop diversification. An additional sum of Rs. 100 million over and above the Rs. 250 million that has already been provided for in the 1976 estimates in respect of the decentralised Capital Budget would give a fillip to the food drive.

LAND REFORM (AMENDMENT) LAW No. 39 of 1975

The nationalization of all public company estates took place with the enactment of the Land Reform (Amendment) Law No. 39 of 1975 on October 17th, 1975. The Law vested in the Commission 415,508 acres of cultivated tea, rubber and coconut and other tree crop lands, belonging to 232 public companies, both rupee and sterling. The total number of estates numbered 396. Of the 232 public companies, 87 were Sterling Companies owning 191 estates and 145 were Rupee Companies owning 205 estates. There are 20 owning companies managing 20 estates. The

total acreage vested in the Land Reform Commission consists of 292,126 acres of tea, 110,021 acres of rubber, 8,036 acres of coconut and 5,325 acres of minor crops like cinnamon, cardamom, etc. Nearly 136,345 acres of tea of the 292,126 acres were owned by Sterling interests. 63,201 acres out of 110,021 acres of rubber and 2,433 acres of coconut out of 8,036 acres of coconut were also owned by Sterling companies. Thus a total of 201,979 acres out of 415,508 acres of the cultivated lands nationalized, belonged to Sterling Companies. Of the 396 estates, 376 estates were managed by 22 Agency Houses. Six Agency Houses controlled 70% of the estates or 13 Agency Houses 86% of the company estates.

Agency Houses controlled 62.1% of the total tea production, 27.3% of the rubber production and 3.9% of the total coconut production.

The total acreage vested was distributed in the following districts: Nuwara Eliya (82,171 acres), Kandy (76,963 acres), Badulla (77,837 acres), Ratnapura (50,352 acres), Kegalle (42,764 acres), Colombo (9,418 acres), Kalutara (27,756 acres), Galle (21,288 acres), Matara (4,819 acres), Puttalam (911 acres), Kurunegala (6,021 acres), Matale (13,161 acres), and Moneragala (2,031 acres). The former agents, managers will act as statutory trustees on behalf of the Land Reform Commission for a period of one year. These lands, according to the law, can be alienated to the State Plantations Corporation, any State Corporation established under the Agricultural Corporations Act, Usawasamas, Janawasas, collective farms, DDC's, electoral level Land Reform Co-operatives, the Coconut Cultivation Board, the Rubber Research Board or alienated for village expansion and for human settlements. Compensation will be paid and the mode, means and method will be decided on by the Minister of Agriculture and Lands. Powers have been given to the Minister of Agriculture and Lands to acquire any Agency House and change any director, if the need arises.