

60. Government has completed or brought near completion a number of projects. The first stage of the Laxapana Hydro-Electric Scheme, with an initial capacity of 25,000 kilowatts developing later to 75,000 kilowatts, was completed during the year; the Government Cement Factory with a rated capacity of 100,000 tons, sufficient to supply most of the local demand, commenced production; work on the Gal-Oya multiple-purpose development project, designed to bring under food production an area of 100,000 acres, progressed rapidly during the year.

61. A notable event in the field of Government planning was the issue of the Colombo Plan for Co-operative Economic Development of South and South-East Asia. This plan provides for a six year development programme for Ceylon from mid-1951 involving a capital outlay of Rs. 1,359 million of which Rs. 550 million is the external finance needed to carry out the programme. The execution of the plan is expected to involve a balance of payments deficit of Rs. 800 million out of which Rs. 250 million will be financed by drawing down sterling balances. As explained in a later section, the Sterling Assets Agreement concluded with the U.K. Government secured release of this amount from blocked balances.

VI. Wages and Real Incomes

62. The improvement which has occurred in Ceylon's overall economic position during the last year has, of course, resulted in an increase in real incomes. The difficulty is that some sections of the population have benefited while others have actually lost. Statistics available in Ceylon are not adequate for a complete analysis, but such data as do exist reveal the general trends.

63. Information is available on wages of tea and rubber estate workers to construct series of wage indexes from pre-war years. The following table and chart 9 show the course of money wages of these workers, the cost of living index applicable to them (which differs in some respects from the cost of living index referred to earlier) and the real wages.

Course of wages of Tea and Rubber Estate Workers

			<i>Minimum money wages</i>		<i>Cost of living</i>		<i>Real wages</i>
				(1939=100)			
Annual—							
1939	..	..	100	..	100	..	100
1946	..	..	279	..	228	..	122
1947	..	..	293	..	239	..	123
1948	..	..	313	..	259	..	121
1949	..	..	320	..	264	..	121
1950	..	..	372	..	274	..	137
End of Quarter—							
1st Quarter 1949	..	..	324	..	272	..	119
2nd Quarter ..	..	..	320	..	261	..	123
3rd Quarter ..	..	..	305	..	261	..	117
4th Quarter ..	..	..	349	..	266	..	131
1st Quarter 1950	..	..	366	..	275	..	133
2nd Quarter ..	..	..	366	..	271	..	135
3rd Quarter ..	..	..	375	..	278	..	135
4th Quarter ..	..	..	439	..	268	..	164

This table illustrates the extent to which real wages of tea and rubber estate workers have increased since pre-war. At the end of 1950 their real wages were 64 per cent. higher than at the end of 1939. In the last quarter of 1950 alone they rose by 21½ per cent. Although no reliable data are available on wages of non-estate agricultural workers, there is reason to believe that their real wages too have moved in sympathy with those of estate workers. Urban workers, on the other hand, have fared less well. The figures for such trades as printing, motor transport, match-manufacturing, engineering and cinema reveal a fall of 3 to 5 per cent. in real wages between 1949 and 1950. The real wages of Government workers also suffered a decline until the increase in the cost of living allowance with retrospective effect from October, 1950, restored the real wages of those in clerical grades and below.