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# TRIBUNE





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## Letter From The Editor

AS WE MENTIONED in this column last week, the two contributions on the Budget that stand toweringly over all others are the speeches made by the Prime Minister at the Plantation Seminar on November 23 and in the National State Assembly on November 28. These two speeches explain the objectives, motivation and *raison d'etre* for the 1978 Budget and the logic behind it—much more clearly than any other speech or statement made in the NSA or outside. One may agree or disagree with what the Prime Minister wants to achieve, but in the two speeches he has left nothing in doubt about what he proposes to do. Last week we cited a small extract from his speech at the Plantation Seminar but his entire argument merits attention. Speaking about “*democratic socialism*” in Sri Lanka he said, “..... the means of production, distribution and exchange (in Sri Lanka) belong to the people through the State. They are not in the hands of a few who accumulate wealth, to use the people to work for them as slaves and to enjoy the benefits of their work while thousands are in a less favoured position. That too is a society that cannot be created in a short time. The Soviet Union has now struggled for 60 years but still they are far away from the communism which they hoped to establish after the revolution in 1917. I do not think that there is any country in the world which is still completely socialist and had attained the ideal of its founders; not in Cuba, not in Yugoslavia, not in China, or anywhere else in the world. So it will take a long time and we are only following the footsteps of those who follow the unbridged versions of Socialism preached by Karl Marx and Engels. But we accept that principle of Socialism as being a genuine goal. We have therefore a very difficult task for this government to perform: how to combine the benefits, the advantages and the justness of a Socialist Society with the freedom of a Democratic Society? We will try our best. I hope before the end of our term it could be said that we have at least laid the foundation of such a society.” Then he proceeded to show how he proposed to translate the objectives he had often outlined into actual practice: “You will see in our budget some attempt to achieve that because we have while maintaining the socialist aspect of our economy, the ownership of the means of production, distribution and exchange which previous governments, not only the previous government, but previous governments, gave to the people. While maintaining that we are trying to allow the private individual also to help in the development of our land. Today in our country, the means of production as far as land is concerned, over a million acres—not only of tea, rubber and coconut but every thing else—is in the hands of the people, small people, persons who own 50 acres and less and the rest are in the hands of the State. There are no big capitalists who now own land more than 50 acres. This was not done by the previous government alone.” Developing this theme further he said that present “*democratic socialist*” base in Sri Lanka stemmed from two trends of populism associated with D. S. Senanayake and S. W. R. D. Bandaranaike. “Over 40 years ago Mr. D. S. Senanayake introduced Land Development laws which for the first time said no State land could be owned by big land owners. They were preserved for the people, for the peasants, for the men who own less than 50 acres. That covered almost 3 million acres. Land which other wise should be given to the big land owners. The British and Ceylonese land owners were able to obtain land during the British regime. That is how the big coconut land owners, the tea, rubber and other land owners were created. But Mr. D. S. Senanayake stopped that. So he was the first Agrarian Reformer. The next one is Mr. Bandaranaike who took over the lands that had been given. Now we are the inheritors of both those great principles and we intend to preserve the ownership of land, the small farmer, the small land owner and in the State. That is the basis of our socialism. The ownership of houses is also restricted. The ownership of some important manufacturing establishments such as cement and paper, and various other institutions also belong to the State. Cement and Paper were started by the United National Party government. But governments since then have gradually introduced socialism. I want to emphasise that in this Budget and in the future our government does not intend to change that and the socialist concept may grow.....” Politically, Mr. Jayawardene is hoping to synthesise in the new UNP the best of the old UNP and the old (SWRD) SLFP to make a *democratic socialist* party of a new kind. Next week, we will examine other significant features of the JR outlook which, without doubt, will prevail in this country during the immediate and foreseeable future.

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## EDITOR'S NOTEBOOK

Budget Debate —  
Disappointing!

Colombo, December 2,

The second reading of the Appropriation Bill was concluded last night. The Budget was passed by a majority of 107 votes—131 members for and 24 against.

The TULF member for Pottuvil Mr. M. Canagaratnam, voted with the Government when division was called by name. This did not come as a surprise to those who were aware of the under-currents in the TULF. Many more startling surprises of this kind cannot be ruled out. Readers will recall that *Tribune* had stated that the rigidly inflexible and emotionally intransigent attitude of the TULF leadership to the question of Eelam immediately before and after the July elections (and which had contributed in no small way to the August communal disturbances) had undermined the rather fragile "unity" in the TULF.

The persistent rhetoric of some TULF leaders about utilising foreign-help, including arms, to set up Eelam, and the inevitable repercussions in the Sinhalese areas to such intimidatory political threats had led to the disintegration of the TULF. The CWC led by Thondaman, though proclaiming formal allegiance to the TULF programme—bar Eelam—has gone its own way and now collaborates with the Government and the UNP in practically everything. For all practical purposes the single CWC MP in the NSA can be regarded as part of the Government Parliamentary group. The TULF leader Amirthalingam's aggressive strategy and abrasive speechifying vis a vis the Sinhalese drove the Eastern Province TULF MPs to enter into an invisible collaboration with the Government on "economic matters." There is also no doubt that Eastern Province TULF MPs have virtually disowned Eelam as impractical, premature and untimely, and the only thing they have not done is to quit the TULF and join the UNP. The second MP for Pottuvil, however, is the first to break the "formal" discipline of the TULF by voting for the Budget. In the course of the debate, most of the TULF MPs from the Eastern Province praised the Budget, but listed a few cri-

ticisms to maintain their TULF identity.

When Thondaman, after reiterating that the CWC had always opposed Eelam (but how the CWC had thought it possible to remain in the TULF after the Eelam resolution is a political mystery for which no satisfactory answer has yet been furnished), and went over to the government by voting in favour of the Second Amendment, the TULF leadership indulged in unconvincing casuistry that Thondaman and the CWC were still part of the TULF and that he had voted with the Government with prior TULF approval. What will Amirthalingam (and what is left of the TULF) do about Mr. Canagaratnam, the second MP for Pottuvil? Will it be possible to find a formula to explain his voting for the Budget—in the way an excuse was found for Thondaman when he voted with the Government? Or, will the Jaffna-dominated TULF leadership decide that the time has come to cry halt to creeping defectionism and sack the second MP for Pottuvil? If this is done, what will the other TULF MPs from the Eastern Province or from the Wannai in the Northern Province do? To save face, the TULF has "suspended" Canagaratnam and called for an "explanation", but what next?

The Budget Debate itself which stretched for nearly 14

days, was an uninspiring one because there was really no serious examination of it in the NSA. What is worse is that there was no critical or serious analysis of any significance by any Opposition MP. It was a one-way run all along the way for the Government. The SLFP was thrown on the defensive at every turn by the massive exposure of the many acts of commission and omission of the Sirima Bandaranaike government during 1970-77.

Much of what may be termed "debate" centred around these "exposés." On the last day of the debate on 1.11.77 Minister Premadasa who is a specialist on the affairs of the Bandaranaike family, listed 28 charges against Mrs. Bandaranaike—charges not of personal conduct but sad defaults which were attributable to her government—and this made her postpone her scheduled speech on the Budget. Mr. Maithripala Senanayake explained that she would speak on a subsequent occasion—after preparing an answer to the charge made by E.L. Senanayake about some LR returns she had made. In the NSA the SLFP speakers were mainly concerned with meeting these diversionary charges and indulging in polemical

## TOURISM AND TOURISTS

ON THE COVER we have an aerial view of Mount Lavinia Hotel. We have used the picture to draw attention to the question of tourism and tourists. In the last days of the SLFP, Sri Lanka was filled with wild shouting and boasting that tourism had brought plenty and prosperity to the island. Newspapers which earned good advertising revenue from Hoteliers and Travel Agents filled their pages with banner headlines about the economic miracle tourism had brought the country. *Tribune*, however, disputed the statistics and the inferences. Our position was that a developing country like Sri Lanka, which had to import the bulk of what tourists used, did not get much of the tourist business. *Tribune* referred to studies which showed that tourism did not give Sri Lanka an adequate return for the investment and the effort. It was our contention that the money, energy and effort expended on tourism could more profitably have been spent on agriculture. But the Neros of the SLFP era went on helping hoteliers, travel agents and CRA types. They bestowed tax holidays on these easy money tycoons whilst private sector agriculture (even those producing food items—except paddy) were among the most heavily taxed. All this has been ended by the new Budget. Farmers are entitled to a five-year tax holiday if they institutionalise their activities. But the Government must now examine the economics of the tourist industry very carefully. It is not enough to keep nude hippies and narcotic smugglers out of the country. Money and effort must be put to better use than tourism.



## SLFP On The Defensive

counter-attacks, often in anticipation of possible exposures.

The only interesting revelation made by SLFP MP came when Mr. S. D. Bandaranaike said that the SLFP was once again seeking to secure a "unity of progressive forces" by coming to terms with the LSSP, CP, the JVP and others. No other SLFP leader or any of its party journals have indicated any desire on the part of the SLFP leadership to seek a new United Front. What S. D. stated may have been wishful thinking on his part, or he may have been flying kites for a small section of SLFP leaders. The tragedy is that SLFP members in the NSA had nothing to say about the Budget of any serious consequence.

The SLFP line on the Budget was not very different from what the LSSP and CP set out in party statements and speeches. The Budget was: (a) a pro-capitalist one; (b) it was surrender to foreign investors; (c) a sell out to the IMF; (d) that it was a blow at the stomach of the "poor" man; (e) that the cost of living will go up. And so on and so forth. Most of the criticisms was mere rhetorical sloganising. No Party got down to the task of evaluating the Budget in terms of the development programme and to weigh this against the hardships some sections of the population have to undergo as a result of the Budget proposals.

None of the United Front parties had thought it necessary to meet the criticisms against the economic policies they had sought to implement between 1970-77—whether it be Land Reform, or CRA or the Public Sector undertakings. Their statements and speeches denounced the Budget proposals in strong agitational terms.

Ordinary people, as we have mentioned in recent issues of *Tribune*, entertain many confused ideas about the Budget. What they fear most is the increased cost of living—and is no doubt that the prices of certain essentials have gone up. If the Government is able to keep the price line down and progressively offer employment to the unemployed, the United Front parties in the present state of disunited disarray will be left hanging on their slogans and rhetoric. But, if the government fails to bring prices down, or ensure regular supplies of essentials or provide employment—then the old United Front Parties will have a field day making capital of the cut in the subsidies and the issue of free rations.

Whilst the SLFP MPs in the NSA, thrown completely on the defensive, struggled to maintain their identity and indulged in frantic threats that Doomsday was round the corner because of the Budget—and that in six months UNP MPs will not be able to face their electorates etc., etc. etc.

Mr. Thondaman of the CWC was critical of the Budget because it did not deal adequately with the problems of the plantation workers. The "true" TULF MPs did not have a uniform policy or stand. Mr. Amirthalingam, as leader of the Opposition, thought it was his duty to "objectively" praise and denounce every aspect of the Budget and also Budgets of the past. In this exhibition of tight-rope walking, he kept falling between different stools and tied himself up in contradictions. For instance, he praised NM's CRA (Amirthalingam probably believed that he had to say something "good" as well as "bad" of NM and the LSSP) Other TULF MPs like Trincomalee's Sambandan, unhesitatingly, condemned the CRA and praised the Budget, though for the sake of party discipline he said he would "oppose" the Budget. All other Eastern Province MPs praised the Budget for its developmental programme, but mentioned a few criticisms to show why the TULF had to vote against—but Pottuvil's Kanagaratnam voted for it.

One of the best contributions to the Budget debate came from TULF's Mullativu MP Sellathamboo. He listed a few reasons as to why he should vote against the Budget (including the fact that books would cost more). He too did not evaluate the impact of the Budget as a whole, but he pointed out the dangers of placing confidence in bureaucrats. He also pointed out that all statistics on paddy production were more notional than real. He also made the point that self-sufficiency in rice was a mirage, and stressed that what the government should seek to achieve is self-sufficiency in grains and not merely in rice.

Most UNP MPs devoted a great deal of attention to polemical sallies on the SLFP regime from 1970-77. A few Ministers however did endeavour to explain what the Budget was all about. The honours of the Debate so far as constructive argumentation was concerned, must

go to the Prime Minister, the Finance Minister, the Minister of Power, Irrigation and Highways, and Minister Lalith Athulathmudali Minister Premadasa and other Ministers debunked the old SLFP regime so furiously and comprehensively that people talk more about these exposures than anything else.

*Tribune* has stated that the 1978 Budget is a gamble which might come off if there was increased production and productivity. The Prime Minister has stressed that hard work and discipline were essential to make the country prosperous. The compulsory National Service Scheme is certainly a step in the right direction.

## Budget—3 Employment, Capital Budget, The Public Sector, Textiles, Co-operatives And DDCs

CONTINUING his analysis of the developments in the 1970-77 period, the Minister of Finance and Planning pointed out: "The slow growth of the economy has meant that the last government was unable to resolve the economic and social problems affecting the great mass of the people, the gravest of them being unemployment. The Socio-Economic Survey of 1969-70 estimated unemployment then at 550,000. Under the five year plan of the last government, it was anticipated that 810,000 employment opportunities would be created through the development projects envisaged therein, but only a little more than half of the expected figure was realised because of the inability of the government to ensure that the growth of the economy progressed at the rate anticipated. While the growth of employment during the period 1972-76 was approximately 85,000 per year, the annual addition to the work force seeking employment was approximately 125,000 per year. Accordingly about 40,000 were being added to the number unemployed every year. Estimates indicate that at the end of 1976, 1.2 million persons or



nearly 20 percent of the total work force was unemployed."

He also drew attention to the fact that "the last government took certain steps to provide employment, largely of an unproductive nature, under such schemes as the Graduate Trainee Scheme and the DDC Scheme, and on the eve of the General Elections, by appointing a large number of teachers, clerks etc. Very little employment, that really contributed to increased production was provided in the last seven years, essentially because the economic policies followed by the last government were not designed to bring about investment in the economy on such a scale as to provide productive employment to the increasing number of people entering the labour market each year."

Very correctly he stressed that "the sluggish growth of the economy and the substantial rise in the prices of essential commodities that had to be imported in order to maintain consumption levels caused a steady decline in savings. The savings rate declined from a level of 18 percent of GDP in 1970 to a level of 10.5 percent in 1975. As a direct outcome, investment in the economy fell from 18.4 percent of GDP in 1970 to 15.5 percent in 1975, despite substantial in flows of foreign assistance, decline was more marked in Public Sector investment, which stood at 6.4 percent of GDP in 1975 as compared with 8.0 percent in 1970. Private investment declined from 10.4 percent to 9.1 percent in the same period."

Even more important for the economy in any country is the Capital Budget. Mr. de Mel summarised the developments from 1970-77 very precisely and very correctly: "The capital expenditure of the Government, in money terms, has shown a significant increase in the last seven years, rising from 25.4 percent of total expenditure in 1970/71 to 37 percent in 1976, and an increasing proportion of such expenditure has been devoted to investment in industry. The increased outlays in public sector industry, however, reflect mainly the escalation of capital costs, arising from undue delays in the implementation of many of the projects. Inefficiency, corruption, and waste have reigned supreme and a considerable pro-

portion of budgetary allocations to the public sector industries have literally and metaphorically gone down the drain."

The Finance Minister illustrated the point he was making by reference to concrete instances: "To mention a few cases, the Paper Mill at Embilipitiya which commenced in 1972 with a capital cost of Rs. 110 million has still not been commissioned after five years and its investment cost on completion is estimated to be of the order of Rs. 385 million. The Urea Fertilizer Project prepared by the UNP in 1969 at an estimated cost of Rs. 340 million is still in a very preliminary stage of implementation and its capital cost is now of the order of Rs. 1,168 million due to the complete bungling by the last government. A project of the Mineral Sands Corporation at Pulmoddai, which commenced in 1973 at an estimated cost of Rs. 48 million is still under implementation and its investment cost has reached Rs. 97 million. Stage II of the Steel Mill at Oruwela which commenced in 1973 with an estimated cost of Rs. 112 million has made little headway. Although

not directly funded through voted expenditure, a sum of Rs. 90 million has been expended by the Petroleum Corporation on an oil exploration project in Pesalai and Mannar with no positive results whatsoever. Meanwhile, although early during the Plan period the existence of an extensive deposit of rock phosphate was known, nothing substantial has been done to develop this into an industrial possibility while the country continues to import phosphate fertilizers. In the area of the development of the country's hydro energy resources the development of projects and their execution have lagged very considerably behind requirements, with a crisis situation facing the country from 1980 onwards."

He concluded his remarks on this aspect with a homily with which no one can have any quarrel: "These are illustrative examples, Mr. Speaker, to underline that the process of formulation of the capital budget, the determination of its components, the mechanisms for project development and appraisal as well as the monitoring of the implementation should be pursued by us with a vigi-

## BOUQUETS

\*MINISTER OF FINANCE, Ronnie de Mel, deserves a bouquet for the marvellous performance in producing a Budget in less than three months and for piloting it through the NSA with deftness that has evoked admiration in all quarters. His final winding up and reply showed maturity and moderation, and he was restrained so far as polemical outbursts against the SLFP were concerned. He was flexible and reasonable in "selling" his proposals to remove the subsidies by stages. The SLFP horse has been flogged dead and Ministers like Ronnie de Mel should now turn their attention to constructive work (rather than waste time in further debunking of the SLFP). A big bouquet to Minister Ronnie de Mel for the Budget: a stupendous task well done.

\*COMPULSORY NATIONAL SERVICE. The *Sunday Times* of November 27 says that the PM is soon to introduce a Bill in the NSA which will make national service compulsory. A Bouquet must be offered to the PM for this. It is essential that this is done if we want all our youth who hang around street corners to do something constructive. It is a common enough sight to see loitering youth in almost every street corner of every town in the country. Youths with no employment are forced to indulge in all kinds of social evils— theft, pickpocketing, highway and bank robbery etc. It is essential that something rather stringent is done to bring a sense of national awareness and a sense of duty into several generations, of our youth (brought up on free rice, free education and free many things) if we want our country to progress in any way. It is to be hoped that this Compulsory National Service is the first step in this direction. And may we go a step further in suggesting that compulsory military service, even for women, be brought in so that discipline may become part and parcel of life in this country. What this country needs is discipline. Self-discipline is the best, but in this country such self-discipline cannot come into being until discipline is first inculcated through Compulsory National and Military Service.



lance and a sense of thoroughness which have been seriously lacking in the past period, Organisational changes necessary towards this end must be quickly brought about and a sense of purpose infused throughout the administrative machinery involved in this process."

From this, he went on to an examination of the Public Sector Corporations. "The last seven years witnessed a rapid expansion in the role of the public sector in direct production and distribution. In the agricultural sector, through the implementation of the Land Reform Act of 1972 and its subsequent amendment in 1975 the public sector now accounts for 63 per cent of the ownership of the acreage under tea, 32 percent under rubber and 10.5 percent of the coconut acreage. In manufacturing the public sector accounts for 54 percent of the value of production. State agencies also occupy a dominant place in wholesale, retail and foreign trade and in banking and insurance. With such a major share of direct involvement in the economy, the responsibility of the public sector for ensuring efficient management of its enterprises cannot be over-emphasised. The performance of public sector enterprise has a direct bearing not only on future prospects for development and growth but more immediately on the living standards of the people of this country."

After examining the statistics, Mr. Ronnie de Mel, very justifiably pointed out: "The overall performance of public sector enterprises in Sri Lanka has however, been extremely disappointing. With a few notable exceptions, capacity utilisation in several state manufacturing activities was much below acceptable norms, traceable to factors other than market constraints or foreign exchange difficulties. In distribution activities the policy of the Government to control what was referred to as the commanding heights of the economy through several state ventures set up for this purpose led to a virtual strangulation of this important economic activity. The poor consumer suffered all along the line and he suffered in silence. In all corporations there was the depressing phenomenon of a steady deterioration in the standards of management discipline and an erosion of enterprise autonomy. Even if we leave aside

considerations of the low return on capital, several corporations have failed even in the mundane tasks of maintaining adequate supplies of goods and services essential to the community. For instance, when the country's demand for cement was of the order of 500,000 tons, the Cement Corporation was able to produce only about 387,000 tons in 1975 and 419,000 tons in 1976, less than 60 percent of the installed capacity of 710,000 tons. The position in 1977 was even worse. When our government took office our cement factories were operating below 40 percent capacity. The repercussions of the supply deficiency in this essential commodity on construction activity and employment were very damaging indeed. Again, at a time when consumers were spending long hours in textile queues, the Textile Corporation's biggest mill at Thulhiriya was producing at only 20 percent of installed capacity. While the output of fish during the period remained static and fish prices were rising to levels beyond the reach of the consumer, the Fisheries Corporation's principal activity turned out to be that of monopoly importer and supplier of fishing nets at substantial profit and with considerable corruption. At a time when the bus travelling public had to undergo severe hardships the Ceylon Transport Board operated an average of 4,469 vehicles only out of its fleet of 7,164."

It is surprising that neither the SLFP nor the LSSP/CP in their statements of the UNP Budget had anything to say about what Mr. de Mel had said about economic deve-

lopments in the 1970-77 period. In their statements these parties have only bemoaned the fact the UNP budget was rushing headlong into capitalist developmental growth economy under the auspices of the IMF—but they have made no effort to defend the economic, fiscal and administrative policies they had followed. We shall deal with this more carefully when we finally sum up our analysis of the Budget.

The Finance Minister, then went to examine, "the performance of the public sector in the production of textiles, which in terms of essentiality comes next only to food and in the total production of which in this country, the public sector occupies a dominant place."

Mr. de Mel also pointed out that "During the period 1970-76, there was an appreciable expansion of installed capacity in cotton spinning, weaving and finishing. The number of spindles increased from 67,680 to 269,740 while the number of installed power looms increased from about 5,000 to 8,110. The spinning capacity increased from 10.7 million pounds to 29.8 million pounds while the cotton weaving capacity inclusive of hand-loom increased from about 200 million yards to about 226 million yards. Throughout the greater part of this period, therefore, there was sufficient installed capacity to produce all the cotton yarn and textiles the country needed and more, though this cannot of course be said of non-cotton textiles where the installed capacity has remained almost static."

#### **BRICKBAT**

MERCHANTS, TRADERS AND THE LIKE who have unconscionably raised the prices of essential goods without reason or have not reduced prices of many goods proportionate to the reliefs given by Government in (BTT, Customs Duties etc.) should be pelted with brickbats. Booksellers who imported books and magazines on the old official rates (without FEECs) have raised prices to the new parity rates. A large number of other big industrialists and operators who made millions in CRA time under the excuse of high BTT have reduced prices in the most meagre fashion—nowhere near the reduction that must be given. These unscrupulous persons and firms must be exposed by name and Product. The *Sunday Observer*, 27.11.77, in a very genteel way had a front page banner headline lead story: ARE LOCAL INDUSTRIALISTS DRAGGING THEIR FEET? BUDGET RELIEF—NOT YET; CUTS ARE MEAGRE. The *Sunday Observer* must learn to throw brickbats at those who deserve them. The government must act even against the big guns and the big sharks—even if they had supported the UNP at the elections!



Unfortunately, however, "the expansion of spinning and weaving capacity of cotton textiles did not result in any significant increase in output as most of the large mills in the public sector, from which the increments in output were to come, worked well below capacity. The following figures would serve to illustrate this point:

Capacity utilisation in cotton spinning—

Year	State and Private Sectors.		%
	Capacity Million lbs.	Actual production Million lbs.	
1972	24.90	12.51	50.2
1973	26.80	14.84	55.3
1974	28.90	15.23	50.9
1975	29.80	16.76	56.2
1976	29.80	14.10	47.3

Cotton spinning was bad enough, but textile production was worse. "In the National Textile Corporation which accounts for the greater share of the production facilities, installed capacity ranged from 19.4 million pounds in 1972 to 22.4 million pounds in 1976. As against this the actual production was 8.8 million pounds in 1972 and 4.6 million pounds for the first half of 1977, reflecting a capacity utilisation of 4.5 percent and 40.7 percent respectively. The largest mill under the National Textile Corporation at Thuhiriya which was to produce the bulk of the country's yarn requirements had not achieved even 50 percent of capacity utilisation during this whole period. The performance in respect of textile production was equally poor as would be seen from the following data:

Cotton and non-cotton textile production 1972-77

Year	Capacity		Actual production %
	Million yards	Million yards	
1972	241.16	90.68	37.6
1973	241.16	96.32	39.9
1974	254.36	104.08	40.9
1975	258.36	111.16	43.9
1976	258.36	117.49	45.4

The Finance Minister was, therefore justified in concluding, "Except in 1974 and 1975 when, due to the sharp decline in demand, local production was adequate to meet the country's requirements of textiles without resort to imports, it has not been possible to eliminate imports despite the availability of sufficient installed capacity for textile production. In 1976/77 alone, over Rs. 150 million had to be spent on textile imports, after having invested over Rs. 600 million in the industry."

He also referred to a few other shortcomings: "Among other shortcomings in the textile sector were poor quality of material produced, poor quality of printing and finishing, mal-distribution resulting in periodic shortages and non-availability and deficiencies in arrangements for servicing the industry. These shortcomings and poor performance can be attributed to a number of factors such as managerial and organisational deficiencies, imbalances and bottlenecks in production facilities, intermittent shortages of inputs, centralised state imports and attendant rigidities and inefficiencies in supply and distribution of raw materials, marketing difficulties due to poor quality (particularly in handloom textiles) and unnecessary and undesirable restrictions in regard to production, marketing and distribution of textiles. In regard to synthetic textiles, inadequacy of capacity itself was the main factor responsible for the shortages, while standardization of varieties permitted to be produced resulted in lowering of quality."

And he concluded the examination of the textile industry with a homily on nationalisation. "It is this Government's firm resolve, Mr. Speaker, to arrest further this alarming decline in the standards of management performance in our public sector enterprises and to infuse a new orientation into their outlook, together with the introduction of a degree of competition where necessary in the interests of the common people of this country. Nationalisation is not an end in itself, but only a means to an end, the welfare of the broad mass of the people of the country not a few friends and relations of those in power."

After examining some of the public sector corporations to illustrate the point that nationalised and state ventures had not functioned efficiently he went on to review the distribution system—which was another major factor for the defeat of the SLFP. This is what he said. "The network of co-operatives, a misnomer for state shops, has been the chosen vehicle for the distribution of essential goods in the country. The basic rations for 85 percent of the population are served by the co-operative system. The system, which in its genesis arose as a mechanism of

self-help, has now become a conduct for carrying out state policies particularly in respect of food distribution. More seriously, it is riddled with bribery and corruption which are traceable to the political patronage and political interference of the last government. People had to wait long hours and even several days in queues for goods which were simply not there and had already found their way into the blackmarket."

After setting out the main features of the corrupt and inefficient state distribution system—it would be wrong to call it a co-operative system—he made a passing reference to what he thought was the accepted objectives of a co-operative movement. "The Rochdale pioneers, Robert Owen, John Bright and William Cobdee, and all those who pioneered the movement in Sri Lanka would be turning in their graves if they knew what a den of thieves the co-operative movement had become under the Sirimavo Bandaranaike regime. To me, personally, who played a part in the inauguration of the MPCS movement in the 1957-58 period, it is a matter of deep personal sorrow. The great hopes we had then have not been fulfilled. I do not for a moment deny that the co-operative sector still has a very important role to play in this country. It must, however, be a real Co-operative Movement and not a state imposed one, a movement of the people, by the people, and for the people. The Government has already taken steps to reform and review the older system of distribution, allowing both the co-operatives and the private authorised retailers to handle the essential food, clothing and other consumer goods of the people. It is our hope that with this system of dual outlets for distribution, long queues will be a thing of the past before long."

Before coming on to the problems of external trade and payments, and fiscal and monetary trends between 1970-75, he devoted a little attention to the District Development Councils. The DDCs were hailed, in 1970, as the SLFP's answer to the "nationalisation" policies of the LSSP and CP. Prof. H. A. de Gunasekera, assisted by a team of "experts" who were enamoured of the Maoist experiments in rural small-scale "industries" had launched the DDC scheme.



It must be recalled that Chou had evaded supporting them, and if he had "opposed" them he would have suffered the fate of Liu Shao Chi, Lin Piao and others. Now the "radicals" have been thrown into the dust heap by Hua and Teng.

Prof. Gunasekera and Co. had shouted from the house tops that the DDC scheme was a panacea for all Ceylon's economic ills.

The DDC scheme was a colossal failure. *Tribune*, at the time the scheme was announced, had declared that it was impractical, unworkable and ill-advised—and that it would fail *ab initio* as a national scheme. This was proved true within a short time, but the SLFP pretended it was doing well.

Mr. Ronnie de Mel with a sense of objective fairness seeks to see some virtue in the DDC concept ("small is beautiful" is also a Yankee IMF panacea for backward, poor, developing countries). This is what he said: "Mr. Speaker, the socio-economic logic behind the DDC programme is undoubtedly the decentralization of the planning process and the harnessing of the active participation of the people in development projects. This new approach to development where plans are formulated at the grass-roots level and not in air-conditioned rooms at the top, is widely recognised as a salutary feature in planning and development, especially in the developing world. We therefore, support fully the DDC concept as such. In a situation of shortage of investible resources, both local and foreign it is obvious that there should be a shift of emphasis towards projects which are labour intensive in character, and which make greater use of domestic resources with an appropriate technology."

After supporting a "concept" which had failed not only in China under socialist auspices, but had also failed under neo-capitalist conditions in developing countries under IMF auspices, Mr. de Mel examined the functioning of the DDC system in Sri Lanka: "The total investment in DDC projects during the period 1971 to 1976 was Rs. 127 million and the total number of jobs created was said to have been 33,271 according to the Ministry of Planning. It is, however, necessary to examine critically the performance of the DDC

programme in terms of its total cost and benefits to the country and evaluate its efficiency. I now propose to do so. The total number of DDC projects approved by Mrs. Sirimavo Bandaranaike's Ministry of Planning and Plan Implementation was 2,619. Of them 666 never got off the ground. They remained only on paper in the air-conditioned offices of Mrs. Bandaranaike's Ministry of Planning in Cojombo. Of the balance 1,953 so-called "Projects", 700 had closed down by 1976, and a further 500 since then. Of the remaining 700 only about 5 percent are viable. Such was the performance of Mrs. Bandaranaike's much publicised Ministry of Planning under her personal control and supervision. Although it was claimed that over 33,000 jobs had been created, this was also only on paper and in files. It is doubtful as to how many of these were really new jobs and how many jobs could be sustained on a continuing basis by the various projects. A Central Bank survey has revealed that 55 percent of the persons reported to have been employed in the DDC Programme were in fact traditional workers who had been employed earlier and were merely absorbed and adopted in the DDC projects. A considerable number of the original 33,000 have now left these jobs or have been thrown out of employment as the DDC Projects themselves collapsed."

Mr. de Mel thus showed that the DDC schemes had failed so far as "workers" and "industries" were concerned. Then, he referred to the failure of the agricultural projects under the DDCs. "Yet another survey conducted by the Department of Plan Implementation has shown that over 72 percent of the agricultural projects have failed. It is reported that these projects could not generate even an income of Rs. 1000 per month per person and consequently the participants had deserted these projects and the projects have already collapsed or are on the verge of collapse."

And he summed up the failure of the DDC system thus: "Surveys conducted in respect of the industrial projects have shown that projects had been indiscriminately established all over the country without proper assessment of demand for finished pro-

ducts, capital costs, costs of production, technical feasibility and marketing arrangements. Almost all the industrial projects are faced with the problem of marketing their products because of poor quality and, therefore, face total collapse."

Mr. de Mel before concluding his comments on the DDCs referred to the experience of "private investors" said: "It will be interesting to compare this experience with that of the efforts made by private investors who set up projects in the same areas with low capital labour ratio and similar technology. The People's Bank has worked out a scheme to finance these projects and it is reported that in 1976 the People's Bank had released loans for investment purposes amounting to Rs. 90 million. The institutions covered by this scheme are not only private enterprises but also co-operative societies. Statistics collected by the Bank have shown that these projects numbering over 24,000 were able to create productive employment to nearly 46,000 people. It would be seen that in this joint venture the banking system and the private sector were able to create more jobs in one year than what has been achieved by the Planning Ministry during the last six years at higher cost of Rs. 127 million."

But the DDC system with millions invested is a reality and Mr. de Mel stated: "In conclusion, Mr. Speaker, it would seem that the entire DDC programme in the way it was formulated and implemented was a white elephant. It was a total and complete failure under Mrs. Sirimavo Bandaranaike. The programme as it stands today calls for an overall re-assessment in regard to its financial viability and operational efficiency in initiating development. The whole scheme will have to be closely re-examined along with the District Ministers, District Development Councils and Electoral Development Councils which we hope to create shortly".

(To be Continued)

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## BETWEEN THE LINES

BY SERENDIB

### Police And The Public

One of the top stories of the year was unfolded in the NSA on Tuesday, November 29, by Mr. Montague Jayawickrema, Minister of Public Administration and Home Affairs. The *Daily News* of Wednesday, November 30 reported this in a front-page box under the heading **MONTY DESCRIBED AS AN INSURGENT.**

The report read as follows: "The Minister of Public Administration and Home Affairs, Major Montague Jayawickrema, sprang a surprise in the NSA yesterday when he read a police report marked highly confidential which described him as an insurgent. The police officer who had submitted the report to the last government had signed his name as 'S23' but he had now been identified as Police Inspector P. S. M. Fernando. The source of S23's information was code-named 'Primrose'. When the report was submitted recently for comment to the Director of Intelligence (CID) Mr. Cyril Herat, he had stated that the author of the report, Inspector Fernando, was a man who would sell the service and the country for his own personal benefit. Major Jayawickrema said that the most shocking part of this matter was that today the *Daily News* in a front page story had announced that this very inspector had been promoted an Assistant Superintendent of Police. The Minister said that he had brought this to the notice of the Prime Minister for immediate action, because such persons who not only sold their service to gain narrow political ends but also put innocent people in trouble should not be allowed to hold important positions or serve in any State service at all."

The *Daily Mirror*, 30.11.77 also gave this story front page prominence under the heading **MAN WHO MADE FALSE COMPLAINT PROMOTED ASP.** The report was fuller than the *Daily News* report: "The Minister of Public Administration and Home Affairs, Major Montague Jayawickrema,

said in the National State Assembly yesterday that a police report in 1971 had branded him as an 'insurgent'. He was horrified to see in yesterday's newspapers that the police officer who gave this false report about him had been promoted as an ASP. 'I think the insurgents who were killed would turn in their graves if they knew that I too was an insurgent', the Minister said. Reading the extract of the police report dated 6.1.71 which had been submitted by S23 (the code name of the policeman) the informant was one Primrose. Under the heading 'Reliability of the source' there was an entry 'Usually reliable'. According to the report the Inspector had received the information during a discussion he had with a Buddhist monk who had been named 'Yahala-bedda Priest.' The monk had received information from Montague Jayawickrema that JVP cells at two places were working well. The Minister said the police officer concerned is P. S. M. Fernando. When the Minister received this extract of the report he passed it on to the Deputy Minister of Defence, Mr. T. B. Werapitiya, who called for a report from the DIG, Mr. Herat. The DIG had replied that that police officer would sacrifice the interests of the country for personal gain. In spite of this police officer being condemned by the DIG he had been promoted as an ASP. The Minister said that the Government should be cautious of policemen who tried to pay pooja. Some officers who paid pooja to the previous regime were now trying to woo us."

"Mr. K. Thuraiatnam TULF—Point Pedro: 'Will you get the police reports about us too, I was one of those who was kept at Paget Road.' The Minister said that people were taken into custody for unknown reasons. Fortunately they now had a Prime Minister who was fair by all and no one need entertain any fears."

The *Sun* which revels in sensational stories played down this story and there was only a vague and hazy reference to it in the report of the proceedings of the NSA. Journalistic circles know that the *Sun-Dawasa* group maintains excellent relations with sections of the Police, CID and ISD and their papers often carried "leaks"—inspired and otherwise—

from these sources. Analysts who read between the lines are able to "guess" the correct political motivation and undercurrent of police thinking by carefully reading the police-inspired or police-leaked stories in the *Sun-Dawasa* group. For instance, the stories and reports in the *Sun-Dawasa* papers in the period after the elections made it clear that the ISD and certain other police circles were opposed to the repeal of the CJC Act or the release of the JVP political prisoners. There was a press build-up trying to connect all robberies and even "crime" with the JVP.

But the PM, Mr. J. R. Jayewardene, and the government did not fall for this attempt on the part of the Police to fashion the policies of the government after their own police heart.

The Police from colonial times had always succeeded in having their way. Political intelligence was done by the British-dominated and trained CID and their reports were the last word in administrative decision making. To tarnish a person at that time, it was only necessary to label him "anti-British and the person was as good as "finished". Then, in the thirties, one more bogey was added: "communism" and "commie". They were good enough labels to hang anyone.

After Independence, the "commie" was, for sometime, the CID's chief target. From 1956, however, the "commie" gained respectability and was not openly hounded but those whom the Police and the Establishment did not like were labelled by various "dirty" names i.e. CIA agent, Catholic Actionist, Federalist, UNPite, anti-national saboteur etc. etc. Then in 1970-71, came the insurgents, Che Guevarists, etc. etc.

Though S. W. R. D. Bandaranaike had campaigned against police rule and had promised to end secret police surveillance, he soon fell victim to police "reports" as to what he should do or should not do. He introduced a Public Security Act of the most rigorous kind.

Every Prime Minister since that time has been "managed" cleverly by the Police and it would seem that Emergencies were contrived or triggered so that Prime Ministers and



## Why Monty "Apologised" ?

the Governments were compelled to lean heavily on the Police to maintain "law and order". Even the LSSP and CP, whilst in the United Front coalition, could not transform the Police Department. And, the Police thus continued to exercise a sinister influence on policy-making. The police were adept at keeping ruling parties happy and they kept even the LSSP and CP in good humour by occasional stories that they were after the CIA. And if some conservatives became restive there were headline leaks about the KGB.

But the bogey man of the seventies in Sri Lanka was not the "Commie" or the "CIA" or the "KGB", but the "insurgent" and to a lesser degree the "separatist" or "Eelamite". From 1970-76, a UNPite also carried a bad name and was a hunted animal. Policemen got promotions during the period 1970-76 by harassing UNPites. They blackmailed others by threatening to expose their political sympathies.

Major Montague Jayawickrema is an old UNP stalwart. To have him locked up even for a few hours, it was not enough to brand him a UNPite. For this reason, an enterprising CID ISD operator hit upon the idea of branding Monty an "insurgent."

Victim "Z" of the political CID was usually "fixed" by confidential "reports" stating that "X", a domestic in the house, or "Y", a clerk in the office, had told the CID under-cover agent that "Z" was with the insurgents, or with the CIA or with the KGB etc. etc. The under-cover agent drew money on vouchers allegedly to fee "X" and "Y"—which he never did because they were fictitious. There were no "X" or "Y". He also drew money for travelling allegedly to trail the victim "Z". But this was another fictitious operation to make pocket money.

Minister Montague Jayawickrema has done a great service to the nation by exposing this method of secret police blackmail and intimidation. This exposure has come at a time when the PM, J. R. Jayewardena has refused to fall for the intrigues and machinations the Police have always used to keep the Government and the Executive in their clutches.

The sequel to Jayawickrema's sensational exposure came the

next day in the NSA. The *Daily News* of 1.12.77 recorded it under the headline MINISTER TENDERS APOLOGY TO PM OVER STATEMENT: "The Minister of Public Administration and Home Affairs, Major Montague Jayawickrema, referred to remarks he made on Tuesday in the NSA with regard to a police officer who had submitted a report calling him an insurgent and who had now been promoted as an ASP, said that he wished to make a personal statement with regard to this matter. As a senior Minister of this government major Montague Jayawickrema said that he felt it was improper to make the statement on the floor of the house without first having brought this matter to the notice of the Prime Minister under whom the Police Department functioned. Major Jayawickrema said he was making this apology to the Prime Minister because his statement was given prominence in the national press. It was however not correct that before he made the statement he had informed the Prime Minister about the matter. He intended to inform the Prime Minister of this matter. The Minister said that he was tendering an apology to the Prime Minister because he personally felt that he had transgressed his authority by making such a statement on a subject that came directly under the purview of the Prime Minister without first informing him."

The *Daily Mirror*, 1.12.77 had a front-page report MONTY APOLOGISES and stated: "Major Montague Jayawickrema, Minister of Public Administration and Home Affairs, referring to a report appearing in the *Ceylon Daily News* said that in the course of his speech in the Assembly he had mentioned about a police officer and a confidential report that that officer had made. He said that at no time did he say that he had brought the matter to the notice of the Prime Minister. All he said was that he would bring it to the notice of the Prime Minister. He said he should not have raised such matters in the Assembly before he informed the Prime Minister as all police matters came within the purview of the Prime Minister and as it was a wrong thing he had done he was extremely sorry about it and he apologised to the Prime Minister for that."

The *Sun* 1.12.77 also suddenly woke up to the importance of the news and drew the attention of its readers with a prominent front-page box MONTY APOLOGISES TO NSA AND PM.. But more interesting was a news item: NEW POLICE APPOINTMENT. "Mr. Edward Gunawardena, SP has been appointed Director, Intelligence Service Division, with immediate effect. Mr. Gunawardena replaces SP Mr. Cyril Herat. It is reliably understood that the DIG Mr. Herbert Weerasinghe has taken charge of the CID which had previously been under the Inspector General of Police."

Inquiries reveal that the order to relieve Mr. Cyril Herat, SP of his duties as Director of the ISD, had come as a surprise even to the top echelons of the Police. The question that is being asked is whether the decision to move him out came as a result of Montague Jayawickrema's exposure or whether it had been in the offing for sometime. At any rate, after his comment on Mr. P. S. M. Fernando's report on Mr. Jayawickrema—that Fernando would sell the service or the nation for personal benefit—it was difficult for any government to keep him as head of the ISD. The head of any Department should stand by his men and take the rap for what they do, or he should have kicked out such unsatisfactory personnel without any compensation as soon as their misdemeanours were discovered. The ISD cannot afford to have blackmailers who file bogus reports in its ranks.

In the *Tribune*, last week, Mr. Nihal Jayawickrema, former Secretary to the Ministry of Justice gave an insight into the way the Police used the Exchange Control Act of 1972, in conjunction with the CJC Act and the Emergency Regulations, to violate the law and inflict bestial and cruel treatment on ordinary citizens.

But even more interesting was the revelation that when he wanted the Police to be withdrawn from the Paget Road "prison" and had demanded humane treatment, the then PM was furnished with a police report that he was "involved" with the exchange control violators. Over the years, the police have sought to silence, neutralise or denigrate, critics and po-



tential critics by concocting such bogus reports.

Fortunately, no action seems to have been taken on this report (ISD) or Cif) about Mr. Nihal Jayawickrema. Not everybody has the VIP connections Mr. Nihal Jayawickrema had with the SLFP Establishment. Persons who were not so well connected could easily have been detained at Paget Road as long as the police wanted on "suspicion" based on a fictitious report of a CID or ISD undercover agent who was willing to sell his service or his country for personal benefit.

It is high time that this kind of cloak and dagger intimidation is ended. From the actions taken so far, there is every reason to hope that J. R. Jayewardene will be the first PM (soon President) to tell the Police where they get off.

A country needs a Police Force. It needs a CID and an ISD. Law and order must be maintained, Vigilance must be maintained not only against political subversives but against all criminal elements. For a long time now, especially after 1971, the Police had concentrated on political insurgents so much that they have neglected to keep in check the criminal and anti-social elements.

This is the time not only for cleaning up operations, but also effecting a real transformation of the Police Force.

There are a very large number of honest and hard working officers in the Police who are dissatisfied and discontented because dishonest "catchers", who cotton on to political VIPs, have got all the plums. In the recent promotions, many deserving cases have been overlooked, and many, who had danced the SLFP tune not so long ago, now seem to have persuaded important people that they have always been green. The case pinpointed by Minister Montague Jayawickrema is only one of many. In police circles, there is talk that rapists, retainers of stolen goods, and others guilty of serious misdemeanours have been promoted over the heads of honest-to-goodness policemen who do not know

the art of "survival" and self-promotion in the current era.

*The Prime Minister and others at the top cannot look into every case: the middle ranking officers who are responsible for the personal file of officers seem to be going along in the same old way: writing confidential reports in the same style and manner that P. S. M. Fernando had written about Mr. Montague Jayawickrema. This is why a large number of police officers are wanting to get away to other countries like Oman that want trained police personnel. To make them feel differently, and want to stay on, they want a square deal.*

The CID and ISD are specialised elite branches of the Police. The law and order routine depends on the ordinary run-of-the-mill policeman. It is time some attention is paid to them and care must also be taken to see that they are not victimised by concocted "confidential" reports written by men like P. S. M. Fernando of Montague Jayawickrema fame.

The Daily News of 2.12.77 under the heading PM ORDERS TOP RANK POLICE CHANGES reported: that the IGP Mr. Stanley Senanayake had told the paper (Geoff Wijesinghe reporting) that the PM had ordered immediate top level changes in the Police Force and that "radical reformative measures were being taken with regard to the Police force. He emphasised that security throughout the country would be heightened. He has been instructed to make every use of his resources—both men and machinery—to combat the problems caused by organised gangs of criminals, some of whom, are posing as insurgents.....".

It is interesting to note that for the first time the Police are concentrating of fighting organised crime and "gangs of criminals, some of whom are posing as insurgents." Until very recently, the Police always connected all crime with insurgents. For this happy change in attitude, the country must thank the Prime Minister.

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## INTERNATIONAL AFFAIRS

by Kautiliya

### Sadat's Coup-2

At the conclusion of Sadat's visit to Jerusalem, a joint statement was issued on November 22: "In response to the sincere and courageous move by President Sadat and believing in the need to continue the dialogue along the lines proposed by both sides during their exchanges and the presentation of their positions in this historic meeting in Jerusalem and of a fruitful consummation of this in order to enhance the prospect significant visit, the Government of Israel expressing the will of the people of Israel proposes that this hopeful step is further pursued through dialogue between the two parties concerned thereby paving the way towards successful negotiations leading to the signing of peace treaties in Geneva with all the neighbouring States."

But what was awaited by the world public was how Sadat's visit would be received (a) in Egypt; (b) in the Arab countries; (c) in the non-aligned movement and (d) in the rest of the world.

President Sadat himself was undoubtedly very anxious about the global reactions to his visit to Israel. He resorted to every public relations gimmick to sell the adventure he had embarked on mainly to the people of Egypt and the Arabs. In a press briefing to journalists on the plane in which he returned from Jerusalem he said: "We are now preparing to reconvene the Geneva conference...there is a working committee and that is what I call real preparations for the conference. All windows have been opened..In the 30 hours which our visit lasted there was a major change in the political understanding of Israel. We were able to remove the residences of the 2,000 years that the Israelis lived in hostility with the Arabs since they left the Arab peninsula. The visit was 100 per cent successful. And the land shall return to its owners. May God speed us." The official Middle East Agency quoting the spokesman who accompanied President Sadat during his three-day visit to Israel said, "the purpose of the visit was to



make real preparations for the Geneva conference and this has been completed." The official did not give a date, and did not explain how the main problem to reconvening the conference so far—representation of the Palestine Liberation Organisation (PLO)—has been overcome. The official said, "The visit was 100 percent successful. The Israelis have tried since the first day of the visit to settle all problems between Egypt and Israel and sign a (separate) peace treaty but President Sadat refused the offer." The semi-official *Al-Ahram* newspaper said today that Egypt was ready to "place all the facts" before all Arab leaders at an Arab summit which could be called in Cairo.

But Sadat took no chances within Egypt: "meanwhile Egyptian authorities have taken a tough line on Palestinian critics. Today they deported to an undisclosed destination 15 Palestinians, including five women, arrested earlier this week while distributing leaflets attacking Mr. Sadat's visit to Israel. Last week, Egypt closed the PLO radio, the Voice of Palestine, which is based in Cairo, after it had broadcast bitter attacks. All Palestinian organisations were placed under close surveillance."

As indicated last week, very surprisingly to the rest of the world, the people of Egypt—at least an overwhelming majority of them—seemed to back Sadat to the hilt. Reporters from neutral sources showed that even elements inside Egypt which had been anti-Sadat earlier—even inside the Army—backed Sadat's move for a separate peace. This only showed that the rather-over-simplified beliefs that have prevailed for a long time regarding the impossibility of a separate peace and about the invulnerability of Arab unity, were incorrect. "Three of the 22 members of the Arab league have so far come out with unequivocal statements of support for Mr. Sadat's initiative—Morocco, Sudan and Oman—while Tunisia has always advocated talks with Israel. Cairo analysts believed some other members might yet join in open support of the move and that more of the remainder would choose

**a neutral course, leaving Iraq, Syria, Algeria, Libya, South Yemen and the PLO totally opposed."**

Whilst the reactions inside Egypt were highly favourable to Sadat (showing the deep-seated desire for peace even on the basis of a separate peace treaty), the reactions in the Arab countries were mixed. There were sharp divisions: active support from some, total opposition from others: and caution on the part of a few. Opinion in the non-aligned and the third world has not yet begun to crystallise, but even countries like India did not rush in to criticise Sadat. Up to the time of writing Yugoslavia has been silent.

In the rest of the world there is also division of opinion, but the differences were not sharp. The US backed Sadat, the UN undertook to help both parties, the Soviet Union backed the Arab Rejection Front and countries like China maintained a sphinx-like silence. West European and EEC countries also backed the Cairo-Jerusalem initiatives for a settlement. But the most important support for Sadat came from Saudi Arabia, which had showed initial reluctance (may have been a temporary diplomatic move to see other Arab reactions)

Sadat and Menachem Begin both attempted to "sell" a new Geneva Conference, even without Syria, to the world. A report from New York on November 15, stated that Israel and Egypt had agreed to reconvene the Geneva peace talks with or without the participation of Syria by the end of the year, according to the American Broadcasting Company (ABC).

ABC's Tel Aviv correspondent quoted Israeli officials as saying the target date for the reconvened talks is December 21. He also reported that Israeli Foreign Minister Moshe in the near future to set up plans for reconvening the talks. The meeting will take place in a neutral country, probably Rumania, he said.

No country, however, from the Arab, or the non-aligned world, came forward to underwrite the proposed Geneva Conference. The US understandably was anxious to see the early reconvention of the Geneva Conference.

Hindu's Easwar Sagar from Washington stated: "Washington,

whose stake in a West Asian settlement is almost equal to that of the principal parties to that dispute, has been watching with the closest interest the Sadat-Begin talks, which concluded today. At least some of its initial anxiety has been relieved by the easy camaraderie that the Egyptian President and the Israeli Premier have been able to establish, and publicly exhibit for all the world to see via television signalling that at least a psychological barrier has been broken between two countries which have been mortal enemies for almost three decades. But the US is also realistic enough to acknowledge that apart from Mr. Sadat's public admission of Israel's right to exist, there have been no substantive concessions by either side. It is widely realised that when Mr. Sadat and Mr. Begin addressed the Israeli Knesset yesterday, they were in reality speaking to their own constituencies and audiences, and telling them only what they wanted to hear. So the US is hoping that the lengthy private talks the two men have held will have yielded much more by way of concessions on basic issues that separate them. The Carter Administration likes to believe that the Sadat-Begin meeting has advanced the prospect of an early Geneva conference. But not all observers agree with this estimate, or that it is even really relevant. The former Secretary of State, Dr. Kissinger, who not long ago had the reputation of being the foremost American expert as well as strategist on West Asia said yesterday that he had high hopes for the Sadat-Begin talks. But he cautioned that if the visit failed 'Mr. Sadat's position in the Arab world can be salvaged only by his taking an extremely radical course.' Dr. Kissinger also thought that in the event of failure, 'Israel will go back into isolation and the tendency towards radicalisation of the whole situation will accelerate.' As for the common man in the US the Egyptian President's weekend in Israel has been something of a television extravaganza; the major networks and the newspapers in the north-east had tried to elevate the event to something comparable to the moon-landing or Mr. Nixon's first visit to China. But despite its historic significance some viewers and readers were understandably annoyed that the media had almost smothered



the event by over-coverage, especially as it encroached on their favourite Sunday pastime—watching football on television.”

Batuk Gathani from London, had summed up: “As the Egyptian President, Mr. Anwar Sadat, returned home to a hero's welcome in Cairo, the initial euphoria over his pilgrimage to Jerusalem was yielding place to doubts about what his mission has actually achieved. It was agreed all round that what looked impossible a few days ago had happened—old enemies embracing and exchanging gifts, everyone swearing never to go to war again. But has peace gained in the bargain? The Israelis have given away little by way of concessions and some of Mr. Sadat's own friends feel that the Israelis could have been more magnanimous to compensate for the personal and political risk that the Egyptian President took in setting foot on the Jewish soil. The Arabs and more so the Palestinians will want to know soon how honourably could a permanent solution be initiated. Officials in Cairo have spoken of preparations for a Geneva peace conference having been completed. But how could they be without Syria and the Palestinians? What is to be done about the Palestine Liberation Organisation which Egypt in the past had recognised as the only organisation representing the interests of the Palestinian people? (President Sadat did not make even a mention of the PLO in his historic speech before the Israeli Parliament). Apart from direct abuse in the Syrian, Libyan, Iraqi and Palestinian media, the consensus in the anti-Sadat Arab Press is that the Egyptian leader has come back from Israel with nothing. The first moves towards forming a widened ‘rejection’ front in reaction against the visit are already visible. To counter this propaganda, President Sadat will have to prove in the next few days that there is much more to his visit than merely breaking the psychological barrier through the dialogue he had initiated with the Israelis. Also, if the Sadat mission is to have any credibility in the Arab capitals, the Israelis will have to do much more. How far are they prepared to go in their quest for peace?”

The Madras Hindu in an editorial on November 23 on SADAT'S INITIATIVE extended qualified sup-

port to the Egyptian President and appealed to the Soviet Union to help these moves along: “How much has Egyptian President Anwar Sadat's 30-hour visit to Jerusalem contributed to reducing the intensity of a 30 year confrontation which triggered four wars? His highly statesmanlike act certainly can be hailed as a big break in the diplomatic jargon that had so far prevented the contending parties from undertaking a face to face bilateral dialogue. The Egyptian President went to Israel without the support of any of the Arab countries involved in the conflict, directly or indirectly. Syria, Libya and Iraq were opposed to any conciliatory move. Even in Cairo disagreement within the Cabinet had led to the resignation of Foreign Minister and his deputy. The Soviet Union has been sharply critical both before and after the historic event. Even the Americans, who have been promoting proposals for a new peace conference in Geneva, were a little taken aback at the speed with which Mr. Sadat went ahead, because they wondered whether his gamble as a loner would jeopardise the prospects of a comprehensive accord. It is an amusing turn of history that the first great peace initiative in West Asia took place when the Israeli Government has as its head Mr. Menachem Begin who is reckoned as a hawkish extremist. Will the Sadat-Begin meeting provide the psychological impetus for the Arabs and the Israelis to liberate themselves from the totally hostile attitudes into which history had imprisoned them? As the beginning of a healthy response, the world would expect Mr. Begin to reciprocate by withdrawals of some troops from occupied Egyptian territory. With Egypt, the strongest Arab country, opting out of a military choice, the other neighbours will be no match for Israel's armed might. The Soviet Union which was co-chairman along with the US, at the last abortive Geneva conference, should lend a helping hand to restart negotiations and not succumb to the temptation of fanning the fires of inter-Arab discord. The end of the affair may still be a long distance away, but the direct dialogue cannot but be taken as a good beginning.”

But the Soviet Union backed the Arab Rejection Front. Alex-

ander Lavrentiev an APN commentator, commenting on Sadat's Visit to Israel stated: “As was only to be expected, Sadat's visit to Israeli-occupied Jerusalem has produced no results to speak of to promote the Arab cause. The only thing one finds in the communique issued at the end of the Egyptian President's talks with Prime Minister Begin of Israel was a re-stated intention of both sides to continue the search for ways to peace in the Middle East. But neither this document nor the public statements made by the two leaders after their meeting made any mention of the major issues involved—those of vacating the Israeli-occupied land or granting the Palestinians their sovereignty. Did Sadat have any chance at all of

#### Long-term Effects of Defoliants

From July 20 to 25, 1977, 300 Vietnamese biologists from all over the country held a conference in Ho Chi Minh City, the first of its kind, to study many questions, including the biological effect of defoliants within the framework of a wide-ranging survey of animal and vegetable life, the microbiological characteristics of the natural surroundings, and the biological features of the Vietnamese.

A study of 50 species made in a region where defoliants were sprayed liberally by the USA between 1967 and 1970 has revealed very clear chromosomal alterations caused thereby. The botanists conducting the study confirmed that in place of former forests of high ecological and economic value, now defoliated, secondary forests made up of trees of little value which catch fire easily in the dry season have appeared. On the mountain slopes which are thus bared, erosion by heavy tropical rains has frequently, caused irreparable damage to the soil.

The Conference stressed the responsibility of the US Government for this damage and its duty to help overcome the harmful effects of its chemical war.



## Middle East Puzzle

achieving any positive shifts? Practically none. Tel-Aviv had never so much as mentioned nor intimated to Cairo in any way that it viewed with understanding the top priority preoccupations of the Arabs. On the contrary, Begin had stood pat in all his public statements on his point that Israel would under no circumstances withdraw from the Golan Heights or the West Bank of the Jordan, and kept turning a deaf ear to all pleas about the Palestine Liberation Organisation and its legitimate demands. And still Sadat did undertake what he had himself admitted was a risky step. It was dangerous if only because this show of deference to the aggressor was accompanied by the thunder of Israel's guns and the roar of its fighter planes dropping their deadly load on the women and children of Tyre and the rattle of Israeli tanks over-running the villages of Southern Lebanon. It was accompanied by malicious rejoicing in Israel and wrathful protests of Arab opinion. Practically the whole of the Arab world found Sadat's separatist initiative to run counter to the joint decisions taken by Arab nations at their top level conferences and consequently to defy the national rights of the Arab states. The French *L'Aurore* has drawn a meaningful conclusion from this ejaculation which was reported by the world press. The main concern which brought the heads of the two states together at their talks in Jerusalem, it stated, was to oppose the revolutionary process in the Middle East and secure a balance of forces with the backing of advanced Western capitalist countries. Begin dotted the i's by calling on President Sadat to join with him in a united front against the 'danger from the north', which was a clear reference to the consistent support given by the Soviet Union and other socialist countries to the struggle of the Arab peoples for their independence and freedom."

Laurentiev concluded his comment with a customary Marxist homily: "Arab anxiety looks particularly well founded against the background of the collusion of imperialism, aggression and reaction. For indeed, Sadat has been acting in this case as a tool of the West seeking to create a reactionary bloc with Israel's participation to buttress the imperialist interests

in the Middle East. The Jerusalem meeting will not, by any account, make any contribution at all to Middle East settlement. On the contrary, as the statement by the General Secretariat of the International Confederation of Arab Trade Unions has rightfully said, this collusion will have the effect of perpetuating Israeli occupation of Arab lands and reinforcing the aggressor's intransigence. The step taken by Sadat, as the National Progressive Front of Iraq has pointed out in its statements, is a dangerous challenge to the will of the Arab nation, an affront to the peoples and an insult to the memory of the fallen fighters. What we have just seen is a deal behind the backs of the Arabs and at the expense of the Arab liberation movement."

Whilst the Soviet Union blasted away at Sadat, Western European EEC countries supported Sadat. The *Financial Times* of November 23, summed it up: "Praising President Sadat's 'courageous initiative' in going to Jerusalem, EEC Foreign Ministers today, called on the Arab and Israeli's to seize the opportunity which the visit offered to further prospects for a Middle East peace settlement. Noting that mistrust was one of the main obstacles to a solution of the conflict, the Ministers said they hoped that 'the unprecedented dialogue begun in Jerusalem will open the way to comprehensive negotiations leading to a just and lasting overall settlement taking account of the rights and concerns of all interested parties.' Their official statement, issued after a meeting here, said it was urgent that a genuine peace be established for all peoples in the region, and called for an early reconvening of the Geneva peace talks. The UK Foreign Secretary, Dr. David Owen, said after the meeting that he shared the view of a number of his colleagues that the onus was now on Israel to respond to the Sadat initiative. But he emphasised that future progress must be aimed at securing a comprehensive agreement and not bilateral treaties between Israel and its Arab neighbours. He said it was implicit in the statement that ways must be found to ensure that the Palestinian voice was heard at Geneva and peace talks could not be resumed until the problem of representation had been tackled.

"There appears to be no agreement among the Nine as to precisely how this difficult question should be dealt with though they have already acknowledged that an eventual settlement must take account of Palestinian demands for a homeland. Today's statement passed through several different drafts and its publication follow moves by France at the end of last week to prevent the Nine from taking a public stand earlier in support of the Sadat visit. France's argument which was backed in varying degrees by several other governments, was that the EEC would be unwise to commit itself until the outcome of the Jerusalem meeting was clearer, for fear that it might result in total failure."

One of the best analysis from a Western source came from Anthony McDermott in the *Financial Times*: "The immediate prospects for reconvening the Geneva peace conference on the Middle East have receded rather than improved as a result of Arab reactions to President Anwar Sadat's visit to Israel. This view, generally held among diplomats, contrasts sharply with Mr. Sadat's optimism as expressed in a statement to the official Middle

### McNamara: 'Balance Birth Rate With Death Rate'

In his speech to the IMF conference, World Bank President Robert McNamara said: "That birth rates must come more rapidly into balance with death rates is an urgent imperative in our era. We in the Bank are still in the early stages of launching an increased effort to finance labor-intensive activities—activity that can provide productive employment at low unit capital costs. By 1980 we intend to increase our annual financial commitments to these types of operations to roughly \$ 300 million. This is already being done in projects in Tanzania, India, and Indonesia. In Madras, for example' an urban development project will create 5,000 jobs in cottage industry activities in slum areas at an average investment cost of \$ 225 per job. Thus, the earning capacity of the urban poor will be increased with only a modest investment of scarce capital."



FROM THE WEEKLIES

● The Nation  
● The Independent

by The Archivist

The *Nation*, the English weekly of the SLFP, has begun to show a great deal of punch and vivacious vivacity. The issues of 12th and 19th November have not only a number of readable articles but also present a point of view from a SLFP "socialist" angle.

On the front page of the issue of November 12, the paper has an excellent piece FOOD PRICES UP BY 60 PER CENT. An even more scintillating piece is on N. U. JAYEWARDENE'S AGENDA FOR A JUST SOCIETY—a sharp critical analysis of NUJ's tract (Vide *Tribune*, November 12). On page two there is a translation of an open letter written to a columnist in the *Riviresa* (30.10.77) who writes a letter to a mythical MP on what he should do and should not do. The letter in *The Nation* points out many acts of commission and omission—and tells the UNP that a pound of dhal was selling at Rs. 12/- at the Mahajana Pola and that all other essentials like dry fish had shot up in price. Columnist *Guru* writes on TROUSERS AND BELL BOTTOMS and states that with the near universal adoption of the trousers, the old division of the "trouser clad" and "sarong clad" is no more. Further he stresses, "in fact the bell-bottom unites all men and women in one gart. Cheers for the younger generation in building a United Sri Lanka, Dharmista and all that.. "The secret of the emergence of the common dress by non-English speaking Sri Lankans lies elsewhere. It is the power of the young women who have brought this sartorial and national unity. A look at the marriage advertisement in the Sinhala newspapers will show that all rural brides want their young men in 'European dress'. The true secret of sartorial emancipation and even national liberation is not found in the language of colonial domination, but in the language of love and union. The young girls in Sri Lanka, true to their superior education, have created a near revolution in sweet words written and spoken."

East news agency in Cairo yesterday. 'The purpose of the visit was to make real preparations for Geneva and this has been completed,' he said. *Misr* news paper of the ruling centrist party in Cairo, quoted Mr. Sadat as telling Egyptian editors on the way back from Jerusalem that a working committee was already preparing to reconvene the conference. The newspaper also quoted Mr. Sadat as saying that 'all windows have been opened. In the 30 hours which our visit lasted there was a major change in the political understanding of Isreal. the visit was 100 percent successful and the land shall return to its owners.' However, no explanations of how the working committee was made up or which Arab lands would be returned have been given.

"Indeed, very little of substance has emerged of the details of the direct Begin-Sadat talks, and diplomats and observers are evenly divided between those who maintain that President Sadat is being optimistic to be able to present his visit as a success for all Arabs and those who believe Mr. Sadat and Mr. Mehaem Begin, Israeli Prime Minister, reached a genuine agreement which would make Geneva possible. For this agreement to be acceptable in the Arab world they argue it must contain some concession to the Palestinians. One of the main obstacles preventing smooth progress towards a Geneva conference is the disarray in the Arab world. At present, President Sadat can count on open support only from Sudan, Morocco and Oman. In a second group come Jordan and Saudi Arabia, who could be classed as "waverers" although the Jordanians are moving increasingly towards support of the Sadat initiative. While Jordan has released no official reaction, its Information Minister yesterday said that President Sadat's visit had 'broken the ice and removed the psychological barriers (between Arabs and Israelis).' In the third group are Syria and the Palestinian Liberation Organisation (PLO) which have been vehemently critical of the visit although, significantly, neither President Assad of Syria, nor Mr. Yasser Arafat, the PLO leader have personally and publicly criticised the Egyptian Presidents. Fourthly there are the outright "rejectionists", Iraq, Libya and

some factions of the PLO joined more recently by Algeria. Diplomacy at present seems to be aimed at preventing Jordan (or Saudi Arabia) from becoming more critical, and at attempting to persuade Syria (and the PLO) to resist efforts led by Libya to set up a firm and broadened 'rejectionist' front.

The arrival of Mr. Mudar Badran, Jordan's Prime Minister, in Damascus was thought to be evidence of further efforts to persuade Syria to moderate its stand over Sadat. Syria is believed to be concerned that Jordan might be tempted to stand by President Sadat over Geneva having it in isolation. In Isreal, it is being realised that President Sadat scored a notable, propaganda success which would have to be met by the softening of some headline politics. For the Arabs, such concessions, which would rehabilitate Sadat and make reconvening of Geneva possible, would have to concern the representation of the Palestinians and a commitment to considerable withdrawals from occupied Arab territory. Unless these concessions had already been made secretly, most observers were finding it hard yesterday to provide grounds for President Sadat's optimism."

*It was in this state of confusion that Sadat announced a pre-Geneva Conference in Cairo. The tentative date is December 13. He invited all the parties scheduled to attend the Geneva Conference including the PLO. Isreal was the first to accept. The US decided that it would send a representative. So also the UN. The Soviet Union however declined to attend the Cairo Conference as did Syria and the PLO.*

*In the meantime, the Arab Rejectionist Front have convened a meeting at Tripoli on December 3 and later another meeting at Baghdad. The Arab Rejectionists are determined to organise a powerful anti-Sadat Front, but whether they will succeed is problematic especially in view of the support Sadat has received from other Arabs states.*

What next?

+ +



## Old Days Again ?

On page 3, Gnana Moonesinghe sets out the wrongs done by the UNP in the three months of its existence, and ME writing on the *World Scene* deals briefly with "The Spectre of Henry Kissinger." In page 4, columnist *Brahma* deals in his Colombo Diary with the recent developments at the Bandaranaike International airport. "The latest civil aviation news is that the Prime Minister has hijacked the Bandaranaike International Airport and given it over to the Sri Lanka Air Force. I know that previous attempts to do this did not succeed for one reason or another. It is an Air Marshall's dream come true, though the man himself has been 'shot down'..." *Brahma* has an acidic style and details the valiant efforts of the Minister of Shipping, Aviation and Tourism, the formidable Vimala Kannangara, to clean up the BIA. "Her brain is certainly working overtime—to go by what she has told the press—but I suspect that survival is the purpose of these frantic efforts. Good luck to this most remarkable woman of whom the best story I have heard is how she went as a guest to an annual general meeting of a trade union within her Ministry and ordered the Chairman to shut up and sit down so that she may exercise her own tongue. Ironically, she is now hoping that the unions should pay the 'ransom' to get back the BIA. I fear though, that the fair Minister is having a foretaste of the inscrutable and iron will of the President-elect."

The editorial is on the increase of 3 cents on the price of a cigarette. "This means that by the time you smoke the seventh cigarette, the twenty cents reduction in the price of bread has vanished. What Mr. de Mel gives with the right hand he takes away with the left hand. We suppose that this massive increase in the price of cigarettes, hitherto unprecedented, is justified on the basis that in Dharmista Society men and women must not smoke. We wonder what lies in store for a lot of arrack. Those who complained bitterly about the prices by gazette notification are now even excelling their predecessors in the performance of this art..."

The editorial then pointed out some of the basic facts about the recent strike in the Tobacco company—that the workers wanted a cash bonus and not the gift of

an oil lamp to mark the 50th anniversary of the Ceylon Tobacco Company (CTC). The editorial concluded: "It must be pointed out that there were many cigarette companies in the old days, but they were all either swallowed up or driven out of business by the Ceylon Tobacco Company. A tradition had been set by the workers at the CTC and we suspect that other companies which are reaching some kind of a jubilee celebration must be thinking of the problems to come. The mind boggles when we think of the birthday boys of tomorrow—Lever Brothers, Elephant House, Shaw Wallace, Brooke Bond, Cave and Co. and so on. Will the workers in these companies also get their piece of birthday cake? The CTC is a subsidiary of the combined effort of the American Tobacco Company and the British Tobacco Company. Despite its local sporting image and its penchant for national cricketers, it remains an imperialist corporation, exploiting the people of our country. The imperialist companies that are waiting in the wings to descend on the Free Trade Zone please take note that the workers of Sri Lanka love to celebrate birthdays."

For the record, what is significant is about the increase in prices: "A survey conducted by the Economic Intelligence Unit of the 'Nation' has revealed that at the end of the first hundred days of the UNP administration, food prices have recorded an average increase of sixty per cent. It will be recalled that, at the last general election, the UNP severely indicted the then government for failure to take adequate steps to reduce food prices, and held out a firm pledge to slash the cost of living within weeks of its coming back to power. But, apart from the reduction in the open market price of sugar by one rupee and the subsidised price of flour by fifteen cents, the new government has failed to arrest the steadily rising prices of food; on the contrary, the prices of some essential food items have risen by as much as 200 percent during the last three months! The following table shows a cross section of food prices during the first week of July—two weeks prior to the general election—and their current prices. The table clearly indicates that the average price of the identical commodi-

ties have gone up by 60 per cent during the last one hundred days:

Commodity	Price in July (per lb.) Rs. c.	Current price (per lb.) Rs. c.	Percentage increase
Fish tuna)	4.00	6.00	50
Fish (seer)	5.00	9.00	44
Beef	3.00	4.00	33
Beans	1.20	1.80	40
Potatoes	2.20	2.50	14
Ash plantains	80	1.20	50
Karawia	1.00	1.40	40
Lime	70	1.20	71
Tomatoes	2.00	5.00	200
Red onions	3.00	6.00	100
Brinjas	1.20	1.70	50
Wetakolu	80	1.20	50
Chillies (dried)	7.00	9.50	36
Coconuts	80	1.20	50

"The Prime Minister, Mr. J. R. Jayewardene, in his very first address to the nation from the historic Octagon of the Dalada Maligawa in Kandy, after the electoral victory, renewed his pledge to bring immediate relief to the people by making available to them their essential food items at reasonable prices. Following his speech, some scarce goods which the pro-UNP Pettah merchants had hoarded were released to the market; this Lakpray and Condensed Milk were available in plenty for about two weeks. The pavement hawkers in the Fort and Pettah areas of the city 'flooded' the market with sarees and shirts which the big dealers had got rid of quickly anticipating a sharp reduction in their prices. Apart from these gimmicks for which the UNP leadership is well known, the only 'meaningful' step taken by the government so far to reduce the cost of living is the recent opening of the Night Bazaar on the Galle Face Green!"

The Nation of November 19 has on its first page BUDGET—THE UGLY FACE OF CAPITALISM with

a skit WELCOME SIR OLIVER about the old times coming back with the Budget—racing, cars, foreign travel. "There are going to be Free Zones and free imports. The time for ending the free rice, you will be happy to know, has come. Do not bring a car with you. You can soon buy a Colt Lancer, Fiat 128 or a Renault. Like in the old days, you may be able to go home in the rain. OH. GFH, GOH and the Mount are no more. We now have Oberoi and the



intercontinental. Can you bring a Sheraton? With luck, this Christmas there will be Black and white Courvoisier, Moët & Chandon and also sultanas, orange peel, glazed cherries, toys from Hamleys and candy floss. Please come on the 25th of December and you could be Father Christmas. Since 1956 a great many of the natives have been educated in the vernacular Sinhala, and they think no end of themselves. But English has now been given its due place. So, welcome, Sir Oliver. The new Society for you and your friends is about to be born. Hark the Herald Angels sing....."

On page two columnist Guru writing with Shakespearean eloquence BLESSED ISLE. "This abode of kings, 'This scepted isle'. Obviously Shakespeare had on his mind this resplendent island of Sri Lanka. We are justifiably proud. Our island home is thrice hallowed by three visits of Buddha in person. Therefore our homeland is thrice blessed. This land was destined to be the abode of Buddhism. Its manifest destiny was to uphold the pristine doctrine of Theravada Buddhism. The Devas have given this land their protection for this holy venture." But says the columnist, "In reality our ancestors have gone further, "in their manifest destiny. We wanted to be the centre of all world's religions. Hinduism was here before the advent of Buddhism. From the time of Polonnaruwa up to the present Buddhism and Hinduism coexist in amity and mutual reciprocity. Sanskrit, the language of Hinduism, was one of our classical languages. The coexistence of Buddhism is seen in the Buddhist temples where Hindu gods are so readily propitiated." Then came Islam and Christianity, "Islam too, came to Sri Lanka quite early with Arab traders. When Muslims were later persecuted by the Portuguese and the Dutch the Kings of Kandy gave them refuge and protection. The Portuguese fire and thunder impressed our people. However their religion was not as attractive as their cannon. Nestorian Christianity by this time had lost its adherents in Sri Lanka, though the Christian church in south India is older than the Vatican. Sword and bible made of our people 'Rice Christians.' Yet when the Dutch persecuted the Catholics again the Kings of Kandy gave refuge to them in Wahacotte

as they had done for the Muslims driven out by the Portuguese. Of course, the British made the grandest spectacle when the whole island came under their rule. Now our religious martix was complete historically. In recent times we have done even better. We have a fair number of the 400 odd Christian denominations: B'hai, Sai Baba, Jews, Maharisi Subud and other followers are with us. We have a veritable museum of all religions. The final paragraph is a penetrating piece. "JR in his political wisdom has seen this abode of all religions and has given credence and connoissance to this moral aspect of our nation. We are now a righteous and just society where the Dhamma prevails. All religions can be righteous and moralistic. The base is just set for the great event of developing devout individuals in a pious society. These symbolic rituals are necessary forerunners for the capitalistic base in Sri Lanka. Piety is as essential as greed for capitalist development. Benjamin Franklin was a deeply religious man and he was the archetype of the American Capitalist. Some back room boy has done his home work and read Max Weber, Veblen and Tawney for the guidance of this Dharmista government. We will now witness of a new thesis on Buddhism and the rise of Sri Lankan capitalism in Sri Lanka in this era of space travel."

On page 3, ME writes on the World Scene on the Kampuchee—Thai and the Bnagladesh—India border disputes and about the EEC and Africa. There is also an article in the same style as Guru by Old Timer THREE MINISTERS TO SELL SHIRTS AND BLOUSES IN EUROPE. On the last page, (page 4), the editorial is an open letter to R. de Mel about his plea asking the people to tighten their belts. There is also a new and interesting column ROUND LANKA. This week developments in Dedigama, Bulathsinhala, Galle, Hiriyala, Ratnapura and about Sunday Schools are dealt with. Each para refers to the actions of UNPers who had taken the law into their own hands and violated law and regulations, and also about the victimisation being perpetrated on supporters of the SLFP.

The front page lead article in this issue was the statement on the Budget: "Mr. Ronnie de Mel in his Budget speech has with one

swoop dealt a devastating blow to the poor, exploited and oppressed working people of this country, and at the same time given an elixir to the representatives of international monopoly capitalism. He has truly acted without restraint on behalf of the small, parasitic capitalist class represented by Mr. J. R. Jayewardene's United National Party. The struggle of the working masses of our country to eke out a bare existence out of this very rich earth has been a very difficult and arduous one. Throughout the years, through trade union action, political struggles and above all the social revolution of 1956 led by S. W. R. D. Banarajike, they have managed to achieve a semblance of a dignified life. But much more had to be achieved in the future. Mr. de Mel has turned back the tide by his anti-people measures. We would like to remind him that Metternich said that the clock cannot be turned back on history. The removal of the rice subsidy from persons earning over Rs. 300 a month (which includes the great majority of the workers), the removal of the sugar subsidy and devaluation of the Rupee by nearly 100 percent are three aspects of this monstrous Budget aimed at destroying the slim hold on life of the majority of our people. It is worth recalling that a similar measure was adopted by Mr. J. R. Jayewardene when he was Minister of Finance in 1953. The first attempt was resisted valiantly by the working class in the famous Hartal of 1953. This is the second attempt by the UNP to pauperise the people and sacrifice them in the name of so-called efficiency and modern capitalism. The UNP being beholden to international monopoly capital, has bided its time to introduce these anti-people measures at the behest of the International Monetary Fund and the World Bank. It is well known that these two organisations have demanded these measures from the previous Finance Ministers but failed to obtain their pound of flesh. This time the UNP, under the helm of Yankee Dicky, is toeing the line. The Rs. 50 wage increase is peanuts compared to the increased expenditure that the average man will have to incur. On rice alone a family of five will have to find about Rs. 200 more every month at Rs. 4 a measure. If one adds to this sugar expenditure and the general increases in most



commodities resulting from the devaluation the Rs. 300 workers will be completely bankrupted and his family will starve. Such is the nature of UNP socialism. Such is the ruthless cynicism of the UNP's Dharmista Society. Whilst dealing body blows to the working people this Budget has also brought immense benefits to a small group of already rich men. Those classes, which serve the imperialists faithfully and exploit our people ruthlessly, have now been given many perks. The capital Gains Tax on Death Duties has been removed. These same people have also been allowed to utilise valuable foreign exchange for their trips abroad through the devise of lifting the restrictions in the exchange regulations. For the benefit of a small minority the restrictions on imports has been relaxed. How many people in this country will benefit from the import of luxury goods from the western world? How many people in this country can afford to travel abroad? As if this is not enough, Mr. de Mel is also mortgaging this country which means mortgaging the livelihood of the present and future generations to foreign money lenders, all in the name of development. The full implications of this anti-people budget will be felt within the next six months and the effects will be felt by generations yet unborn. The Budget of 1977 has brought back to life the classes who were laid low in 1956. The whisky drinking, ball room dancing elites of Colombo will worship Mr. de Mel, while the ordinary people of this country have already begun to curse him. These same elites made unsuccessful bids to regain their lost status they tried political assassination; they tried coups d'etats, but all these failed. They continued however to repose their hopes on the one man who had always represented their interests. That man, Prime Minister, J. R. Jayawardene, has redeemed his pledge to the capitalist class after twenty years. He has also redeemed the UNP pledge to the big bourgeoisie and to the interests of Western imperialism. Under the guise of acting in the name of the people the UNP has dealt a body blow to the people."

The issue has a dog-ear on its front-page **WIJEWEERA AND CAPITALISTS!** and it read: "Mr. Rohana Wijeweera who is looking for an office for the JVP is

reported to have said: "There are some benevolent members of the capitalist class, and if anyone is willing to give us a couple of rooms from where we could operate, we will be grateful." Mr. J. R. Jayawardene in the Dehiweja election campaign was reported to have said that he was not afraid of Mr. Wijeweera. Perhaps the 'benevolent capitalist', Mr. Wijeweera is thinking of is that same benevolent capitalist Mr. Jayawardene, who unlocked the room where he was residing for the past few years. Who knows, he may oblige again!"

THE INDEPENDENT of November 18, has an editorial comment on the Budget of November 15. It recounts some of the well known facts about the background to the Budget and leaves the character future and perspectives of the Budget an "open" question—with a few rhetorical flourishes. "For nearly three months now, Ministers and MPs pledged that they would shepherd the people into the pre-election Promised Land, flowing with milk and honey. Fortunately, a realistic Ronnie realizing the shambles the economy was in, deflated the inflated buoyancy in an eve-of-Budget baring of the sad and sorry state of Sri Lanka. This has raised startled eye brows as to why the UNP, with a plentitude of professional politicians did not do its home work while in the Opposition. A vigilant Opposition must needs beam a watchful eye on the government in power. Had this been done the UNP would not have been caught with its pants down. Nevertheless it took courage and confidence to slash subsidies which have recurrently sapped the stability of every government in power since their introduction an even more tragically bankrupted a nation amply dowered with lush natural resources. This is a great leap forward in the titanic task of nation rebuilding. The Budget is partially planned for salvaging the nation from the depths of economic disaster towards which it is perilously plunging. Unfortunately, it is the middle class, eternally steering a storm-tossed course between the shoes of survival and the rocks of high prices, who have once again to face a Budget bash. Budget or no Budget, the rich in this country keep getting richer and the poor, poorer. No Budget, however realistic it looks, could be mean-

ingful or purposeful unless it aids the Common Man to conquer the cost of living."

For the rest, except for a box on the JOLTS IN THE CTB about the expense account of the Chairman, the issue is wholly devoted to the Tamil problem. The lead story is a plea to JR to take the initiative to solve the Tamil problem. The *Hindu* is the text for the service.

The Independent's regular contributor Jagatheswari Nagendra has a lengthy piece entitled **DO WE WANT A MERITOCRACY FOR A MERICRACY?** and also a poem **LANKA'S TOWER OF BABEL**. On Tamil affairs there are articles entitled **A PEEP INTO HISTORY, AN OPEN LETTER TO COMRADE COLVIN** (by S. Sri Kantha) **A LEFT APPROACH TO THE MINORITY PROBLEM** by V. Karalasingham).

LETTER

Green Circle Route No. 1  
Sir,

Green circle route No. 1 which was according to the original plan scheduled to start from Nawala, now starts from Rajagiriya, which is covered by a vast number of different bus routes.

Nawala is a thickly populated area and route No. 169 cannot cope up with the massive task of providing transport to Fort. Further the number of 169 buses also has been reduced recently.

Rumours are now in circulation about this unjust act done by the Dharmishta Government. It is said that a group of Dharmishta boys of Rajagiriya are of the opinion that if route No. 1 starts from Nawala they cannot travel comfortably in the same as the buses would be packed with less fortunate Nawala people.

I request the Hon. Minister of Transport to explain to us why he was unable to carry out his much publicised promise, or else, we too will have sleep on the road very soon.

T. Q. F.

Nawala  
15.11.77



SRI LANKA CHRONICLE

Nov. 24 — Nov. 30

DIARY OF EVENTS IN SRI LANKA AND THE WORLD  
 COMPILED FROM DAILY NEWSPAPERS  
 PUBLISHED IN COLOMBO.

CDN—Ceylon Daily News; CDM—Ceylon Daily Mirror; CO—Ceylon Observer; ST—Sunday Times; DM—Dinamina; LD—Lankadipa; VK—Virakesari; ATH—Aththa; SM—Silumina; SLD—Sri Lankadipa; JD—Janadina; DP—Dinapathi; SU—Sun; DW—Dawasa; CM—Chinthamani; WK—Weekend; RR—Rivirasa; EN—Eelanadu; IDPR—Information Department Press Release; DK—Dinakara.

**THURSDAY, NOVEMBER 24:** Bakers, hoteliers, confectioners and manufacturers of aerated waters yesterday agreed to bring down the prices of their products at a meeting with the controller of prices. More than 23,000 railway workers who went on strike in December last year and January this year will be given their pay for the period they went on strike with immediate effect. On the PM's special instructions to flush out hoarded foodstuffs and textiles, the Price Control Flying Squad at Kollupitiya conducted four successful large textile raids yesterday. 3,005 housing units are expected to be completed by the Department of National Housing before February 1978. The Minister of Trade has been successful in avoiding a situation where Sri Lanka's exports of garments and other textile products to the EEC would have been adversely affected on the terms offered by the EEC authorities. The Bar Council of Sri Lanka has appointed a five member committee to make recommendations for the revision of existing company law in Sri Lanka. The Chief Mechanical Engineer of the Railway workshop Ratmalana yesterday told members of the railway commission that repairs to engines were in many cases held up due to lack of spares. A four member Pakistani trade delegation is scheduled to arrive in Colombo on December 8 to explore the possibilities of further expanding trade between the two countries and to transact on the spot business—CDN. Jubilant crowds cheered the police when they carried out a series of raids in the Pettah yesterday forreting out hoarded stock of sugar, dhall and other foodstuffs worth several thousands of rupees. The PM has accepted in principle that directors of co-operative societies should be elected by the shareholders of their respective co-operatives. The Fisheries Corporation should market at least 200 tons of fish a day throughout the island; this is the target set by the Minister of Fisheries to ensure that fish is sold to the consumers at competitive prices—CDM. H.E. Mr. Dragi Trajanovski who has been appointed by the government of Yugoslavia as Ambassador, presented his letter of credence to the President of Sri Lanka today—IDPR No. 175/77. The Minister of Transport is to undertake an official tour of many areas to inspect CTB depots—IDPR No. 53. A number of public servants will be entitled to higher salary scales and additional increments, following cabinet approval of a series of recommendations in respect of the conversion salaries on promotion. The police have banned the proposed demonstration and rally of the SLFP on November 29. Local industrialists and manufacturers

turning out various items of finished goods for the local market have expressed grave concern at the scant protection given their industries by the government in its budget proposals. Booklets outlining the relief measures afforded by the budget will be distributed in the rural areas shortly. Sri Lanka has received 1,170 metric tons of sugar valued at Rs. 5.4 million from the National Freedom from Hunger Campaign, West Germany. Last night the NSA on a motion moved by the leader of the house adjourned 35 minutes earlier as a protest against the SLFP not taking part in the second reading of the budget which is in progress now—SU. The Indian government has asked the Sri Lanka government to pay compensation to the victims of the recent violence in this country—VK. Land cases will once again be heard in district courts instead of in magistrate's courts. When the Chairman of the Corporation visited the premises of the Fisheries Corporation in Modera he discovered several lakhs of rupees worth of refrigerators, transmitters and generators corroding without being used—DM. The Minister of Finance said that the government will soon be giving employment to over five lakhs of youth under the Free Trade Zone, the Mahaweli Development Project and the National Housing Scheme—DW.

**FRIDAY, NOVEMBER 25:** The Minister of Food and Co-operatives yesterday said that off-ration rice would be made freely available to the people; country rice would be sold at Rs. 2.90 a measure and par-boiled country rice at Rs. 3.10. Local government employees will be entitled to the same concessions that will be available to public servants in terms of the announcement in the budget; this decision has been made by the Minister of Local government. Officials of the cyclone devastated Andhra Pradesh said upto 20,000 people may have died in tidal waves and gales that made complete villages disappear and wiped out the entire populations of others. A joint Air Service Agreement was signed on Wednesday evening between the Sri Lanka government and the Korean government to operate air services between and beyond their respective countries. The National Freedom from Hunger Campaign Board in Sri Lanka will help set up stores to provide storage facilities for paddy at village level—CDN. The government will shortly fix a guaranteed price of Rs. 300 per ton for sugar cane plus an additional Rs. 100 as transport costs in order to promote the sugar cane industry—CDM. The PM spelling out the economic policies of the government said yesterday that the recent budget proposals were development oriented and aimed at obtaining private sector participation introduction and development. The Minister of Trade has been successful in renewing the agreement entered into between Sri Lanka's garment exporters and EEC countries which terminate at the end of this year. With the intensification of price control regulations in which the police will play a leading role, special police units will be set up in Police Stations throughout the country—SU. The Minister of Food and Co-operatives said yesterday that those eligible for the unemployment dole will be those in families earning less than Rs. 500 and who are between 18 and 30 years of age—VK. The deputy Minister of Public Administration and Home Affairs has said that government servants who have served for a period of ten years will be given the option to retire—DP.

**SATURDAY, NOVEMBER 26:** Over 500 errant traders were caught by the police hoarding essential goods. Textiles worth around Rs. 50,000 were unearthed



by officers of the Price Control Flying Squad on Thursday, second day of the anti-hoarding drive campaign launched on the orders of the PM. The PM has appointed a chief co-ordinating authority and a deputy to supervise the importation and distribution of essential food items. The Ministry of Local Government has allocated 3.5 million Rs. to augment the water supply scheme in Matara. 500 plainclothes policemen attached to police stations have been detailed for round-the-clock surveillance duty throughout the island. The Police are enforcing the Move On by law in the city from dusk to dawn, a senior police official said yesterday—CDN. Top grade schools will be established in every electorate in the island next year; the Minister of Education envisages the establishment of about 175 schools of this type, at least one in each electorate. Most of the cafes and restaurants in the city continue to sell a cup of tea ranging from 60 cents to 70 cents despite the drop in the price of sugar to Rs. 3—CDM. All political demonstrations have been banned on the orders of the PM. In what was described as the biggest case of smuggling since the liberalisation of imports, customs officers yesterday nabbed a Ceylonese from Singapore allegedly attempting to smuggle goods to the value of 150,000 Rs. The Minister of Local Government has allocated Rs. 32 million on an electoral basis for the construction of habitable houses for shanty dwellers—SU. The US is soon to grant aid to develop many areas in the Eastern Province; the plans for this scheme have been sent to Washington for approval—VK. A high powered police team is now in Jaffna to investigate into and submit a report on the August disturbances in Jaffna—EN.

**SUNDAY, NOVEMBER 27:** Most local industrialists have yet to pass down to consumers the relief given by the Minister of Finance in the Budget; even the cuts already announced by some manufacturers are very small. The death occurred on Friday of Dr. Noel Bartholomewsz, one of Sri Lanka's most eminent surgeons—SO. The PM will shortly present in the NSA, legislation making it compulsory for all citizens to do a stint of national service. The deliberations of the special committees appointed to re-organise the SLFP have stalled; this is because a formidable section of the party is opposed to any former ministers or MPs being included in the committee. All agencies recruiting people for the Middle East have now to be registered with the Police—ST. The General Assembly tonight condemned Israel's occupation of Arab territories and called for complete Israeli withdrawal from the lands occupied since the outbreak of the 1967 war. Moves are now afoot to compulsorily utilise the services of all unemployed youth over 18 on various major development projects in the country for a period of 2½ years. The members of the NSA will receive an extra large pay packet of nearly Rs. 3,000 in December; this will be made up of the regular monthly allowance plus the attendance allowance of Rs. 100 for each days sittings. The JVP is now said to be seeking financial assistance for the setting up of a printing press for the publication of the party's organ and an office from where the party's activities could be conducted—WK. The Minister of Transport said that those employees who show a great deal of interest and enthusiasm and who do their jobs well, be given a chance to go abroad on scholarship—RR. Plans are under way to allocate one acre each of uncultivated land in each electorate to unemployed youths; they will however have to cultivate the land under the

direction of the Ministry of Agriculture. The Tourist Board will soon be establishing rest houses for pilgrims and tourists in remote parts of the island; the first such will be in Belihuloya—SLDP.

**MONDAY, NOVEMBER 28:** The Food Department will begin issuing special householders supplementary lists to 2.6 million households throughout the country on December 10 to implement the new rationing scheme which comes into operation from January 1 next year. The prices of a number of food items are being controlled; they include flour, sugar, bread, dhal and milk foods. The Board of Governors of the University of Sri Lanka have appointed a committee to study and report whether the University's existing medical facilities could increase the present intake of students. The Ministry of Trade has approved the purchase of 1000 new lorries as part of a programme to bring down the cost of living. The cremation of the Chief Sanghanayake of the North Central and North East Provinces took place amidst a large gathering of bhikkhus and laymen at Anuradhapura yesterday with full state honours. Legislation which will make it compulsory on the part of employers to give permanent status to casual hands employed by them will be presented in the NSA shortly. A leading Norwegian fishing firm is seeking collaboration with a local firm here to set up a joint fisheries project. The exodus of manual workers was bound to have worse effects on the country's development than those caused by the brain drain said the Minister of Education. A revision of salaries for co-operative employees is under consideration by the Ministry of Food and Co-operatives; also all those in this sector who are in temporary service will soon be absorbed into the permanent cadre. The IGP has ordered that no police bail should be given to any persons detected committing price control offences—CDM. The Food Commissioner yesterday warned that anyone making a false declaration about his income so as to entitle his household to the subsidy would face severe penalties. Six more major towns—Anuradhapura, Badulla, Jaffna, Kurunegala, Ratnapura and Trincomalee which are not under the outer Colombo Area Telecommunications Development Scheme will get direct dialling facilities from next year—CDM. The Industries Ministry has assured industrialists engaged in labour intensive production that they would be 'amply safeguarded' in the event of their business declining as a result of the low tariff protection announced in the budget. Israel has promptly accepted Egyptian President Anwar Sadat's invitation to preparatory talks in Cairo on reconvening the Geneva West Asia peace conference. Certain commercial ventures which put out for sale consumer items of day-to-day use, are alleged to be fraudulently using the approved mark of the Bureau of Ceylon standards in an apparent bid to hoodwink the people. Work on the 2.8 million-rupee development plan for Nuwara-Eliya got under way yesterday with the dredging of Lake Gregory. Eleven more drugs have been brought under price control. In a commando style hold up a gang of twelve youths armed with swords and krisknives broke into the Atlanta Club and got away with over Rs. 50,000 in cash, after tying up the employees and manager last afternoon—SU. The leader of the Opposition has declared that the TULF was willing to join hands with the left if they were willing to support their claim for self rule. Mrs. Sirimavo Bandaranaike has condemned the budget as one which was against the people—VK. The Minister of Labour left for Manila during the week.



end to participate in the 17th session of the Asian Advisory Committee of the ILO—IDPR No. 60. Teachers and other officials in the Education Department will be given a chance to work till they are 58 years of age. Three new water supply schemes are to be set up soon in the rural, urban and coastal areas at a cost of nearly 40 million rupees by the Minister of Local Government—DW. It has been discovered that the SLBC has been running at a loss of about thirty lakhs during the last regime—LD.

**TUESDAY, NOVEMBER 29:** A scheme will be implemented to give relief to families who lose their rice and sugar subsidies; relief will come in the form of employment to 18 year olds and above; salary increase will be given to such families the PM told the NSA yesterday. The Minister of Trade yesterday led raids on shops and beef stalls and detected a number of traders selling beef and other items above the controlled price. The Minister of Industries yesterday warned against trade unions attempting to disrupt the programs of the government and said the government was prepared to concede trade union rights but would not be intimidated by tactics or saboteur unions. The need of tapping non-traditional sources of energy such as wind power and solar energy had assumed greater importance in the context of the oil price increase said the Minister of Irrigation. A mission from Swedish International Development Authority is currently engaged in reviewing the progress made so far by the Co-operative Management Service Centre Sri Lanka set up in 1973 with Swedish aid—CDN. The Minister of Shipping announced that Sri Lanka will adopt an 'open skies' policy and earn valuable foreign exchange by the levy of a fee of Rs. 25 from the airlines in respect of each passenger they bring to the country—CDM. A Commission of Inquiry to be appointed by the government will probe into cases where the last regime arrested people and kept them in detention without trial, the PM told the NSA yesterday. There is evidence of 11 MP's of the former government involving themselves in allegedly corrupt practices in cooperatives the Minister of Food and Cooperatives told a conference of co-operative officials. The practice of issuing fishing gear and equipment on the 'chit' of the MP has been abolished and selling points are to be established in fishing areas shortly. The government is to establish a national driving school with the intention of turning out scientifically trained motorists. Stamp duties amounting to about Rs. 150,000—normally paid by the recipients of loans—will be borne for the first time by the Bank of Ceylon itself when it grants loans amounting to about Rs. 90 million to the farmers during the coming 'Maha' season—SU. If the government will find ways and means of solving the problems of the Tamil people, we may even think of re-thinking about our claim for a separate state, so said the TULF MP for Killinochchi—DP. Sri Lanka's Ambassador to the EEC will sign an agreement in Brussels tomorrow which will ensure the continuing viability of this country's growing garment manufacturing industry. The Minister of Industries and Scientific Affairs has told all industrialists to pass on reductions of BTT and other benefits they now enjoy to the consumer. Several private and public sector commercial undertakings have now reduced prices of a number of items they sell following the budget proposals. The Colombo tea trade was not happy at the trend of the tea auction which began at the Chamber of Commerce this morning—CO.

**WEDNESDAY, NOVEMBER 30:** The Minister of Food and Co-operatives has called in the CID to probe a 50 million rupee rice deal involving purchases from Bangkok and Pakistan under the former government. The Minister of Fisheries said that the government would grant an enhanced subsidy of 50% to those who buy fishing vessels, and will also grant a five year tax holiday to those who take to the deep sea fishing industry. Sri Lanka will be among 36 nations that would receive soft loans totalling 385 million dollars from the EEC. A high level team from the world Bank led by Mr. E. B. Waide, Chief Economist is in the island studying in detail Sri Lanka's economy—CDN. Butchers yesterday volunteered to reduce the current selling price of a pound of beef by 25 cents. Over 75,000 candidates will sit the GCE AL examination scheduled for April next year. Sri Lanka's rice consumption level had gone upto 1,380,000 tons per annum; this is revealed by a survey conducted by the Food Commissioner's Department—CDM. A conference of all GA's is to be summoned shortly to finalise the procedure to be adopted in the payment of the 50-rupee allowance to those who are not gainfully employed from January next year. The Colombo Baggage Office and the Preventive office of the Customs Department have detected articles to the value of nearly Rs. 350,000 for the month of October. The SLFP has decided to seek unity with the LSSP, CP, JVP and other progressive; this was revealed by the SLFP MP for Gampaha in the NSA yesterday. The Minister of Plantation Industries will take over 55 acres under the LRC on behalf of the Ceylon Tobacco Company to plant anthuriums. A new Ministry for youth affairs will begin functioning from next year. The government is formulating a scheme under which the PM, Cabinet Ministers and MP's of the area will do a stint of work on the field in major development projects in the country regularly. The petition challenging the election of Mr. Maithripala Senanayake to the Medawachchiya seat in the NSA was yesterday dismissed by the High Court Judge of Ratnapura sitting in Hulstsdorp. The government is considering enacting legislation to confiscate the property of price control offenders, the Trade Minister told the Butcher's Association yesterday. Liberal loans will be given by the Bank of Ceylon and the People's Bank to rice millers to import machinery and spares for rice millers. Teachers who had undergone the suspended sentence of two years in connection with the April 1971 insurgency and who had lost their jobs will be reinstated the Education Minister said in the NSA. Booksellers fear that the new exchange rates will drive the price of imported books beyond the reach of the average person and drive the book trade to the wall—CO. The PM said that 2 lakhs and 37 thousand vacancies existed in the government service and very soon they will be filled—DP. The Minister of Finance said yesterday that no one could topple this government for the next six years; he also said that Mr. Rohana Wijeweera was the only true leftist in the country—VK.

\* \* \* \* \*



LETTERS

## Bureaucratic Enormities

Sir,

At long last a Committee of Inquiry has been appointed to inquire into the many bureaucratic and other excesses in the Ministry of Education during the regime of the previous Administration ending on 23 July 1977.

It has however not been directive indicated as to whether this ministerially-appointed Committee has also been constituted a Commission of Inquiry under the Commissions of Inquiry Act No. 17 of 1948. It would then be in a position to compel the attendance of witnesses especially such as have themselves been privy either personally or vicariously to the incidence of irregularities at times arising from the monstrous misuse of bureaucratic power.

It is confidently expected by such as have due regard for human values that the proceedings to be shortly initiated will not result in a vindictive witch-hunt or ferret out scape-goats to be hoist with their own ignominious petards, an enterprise solemnly eschewed by the present Administration. They should rather be oriented towards the rectification of wrongs and the regularisation wherever possible of procedural deviations which have invariably led to the many untoward situations prevailing today. Appointments, promotions, transfers and dismissals should once more be vested, as an exclusive preserve, in the hands of a statutory body responsible in the exercise of discretionary powers not to the Executive nor to changing politicoes but solely to Conscience and to Parliament.

To man this Committee the Minister has, apparently without much demur, been able to secure the services of two at least of his illustrious seniors in the now superseded Civil Service whose credentials, I would fain add, both public and private, would entitle them to the rewarding control of situations demanding the utmost in integrity, imperturbability and impartiality. Executives of comparable renown in the now regnant CAS could scarcely be numbered on the fingers of one hand.

Misdirected often in the recent past has been the educational endeavour of the bureaucrats sedately ensconced in Malay Street. Their infallible utterances remained far too long overtly unquestioned by the upper and lower echelons of the Service; but any misgivings ventilated in the private Press then hedged and trammelled by narrowing emergency ukases, received scornful castigation as the vapid outpourings of armchair nit-wits seeking recognition in spheres to which they had always remained utter strangers.

Let the dead bury their dead. But if Education is to be geared to the progressive realization of an egalitarian Commonwealth operating under more and more enlightened auspices, the re-establishment of an Advisory Board representative of the best elements in the national life is an indispensability into which no political spanners should ever be allowed even surreptitiously to be introduced in furtherance of sectarian ends. Great and glitteringly satisfying are the rewards to be garnered as the prize of unremitting vigilance in this regard, the hazards to be encountered by any relaxation thereof being too dismal to be recounted. We have scarcely emerged, alas not unscathed, phoenix-like, from the dying flames of a racist holocaust unspangled in modern times, irreconcilable altogether with the inmost tenets of our respective Confessions proclaimed not once or twice in our rough Island story but at sundry times and in diverse manners from the sanctuaries of our gods to whom alas we have so long rendered not lip service only but a whoring service as well.

And now as we move with greater confidence into the future our only wish is that these three men and true will help Nissanka the wizard at the Maligawa, disgorge the Malay Street stables of the accumulated rot, the fetid droppings of seven lean years of an entrenched caliphate, grossly incompetent and searingly scornful, and so shape the destinies of misguided youthful enterprise that not one, but several mighty strides—magni passus—would soon have been taken in the long and arduous march towards the desired realm of righteousness and fulfilment.

Mylambaweli,  
Chenkaladi

E. Seemanpillai

## Mother Tongue Privileges

Sir,

Apropos of the two letters "Trilingual" and "Clarification of Race" which appeared in your issue of 29/10/77, I would like to know by what principle of Justice the Burgher community and those of mixed parentage, whose mother tongue or home language is English were deprived of the privilege of the mother tongue medium of instruction at the Grade I Stage somewhere in 1974/75 in all government schools and even in private schools.

If, as our present Prime Minister has declared, the UNP government regards all citizens of this country, whatever their race, language or religion may be, as entitled to equal rights, it is only fair that the option of the English medium of instruction be restored to the Burghers and those of mixed parentage, and that we adopt three official languages, instead of "Sinhala Only" as at present, a proposal which only the JVP had the courage to declare in their manifesto.

Although all past governments declared that a citizen who writes to a government department in Tamil or English should be replied to with a translation into the language of the applicant, this rule has been more honoured in the breach than in the observance. Local Government authorities are the most unconcerned or callous in this respect, as my experience of communications from the Kandy and Dehiwala Municipalities proves. The electricity and water bills of the former are all in Sinhala without any English or Tamil translation. It was only yesterday I found that the new motor licence application forms for 1978 available at the Kandy Kachcheri were only in Sinhala.

I disagree with the view expressed by your correspondent, Mr. Lionel Wijesiri that those who study neither science nor commerce should be taught all arts subjects only in their mother tongue. On the contrary, subjects like English, Physical Training and the so-called Practical subjects should be taught



to mixed classes in the English medium so as to make it a *lingua franca* to bring all the component races of our country into closer understanding and fellowship with each other, as it was before the "Mother Tongue" cry was raised.

It is to be hoped that the attention of both the Ministers of Justice and Education will be drawn to this letter.

Kandy.  
3.11.77

A Burgher

## Present Disturbances

Sir,

I was very pleased when I read of the part played by the Army to maintain Law and order during these disturbances. Thanks to them for their devotion to duty. I had the pleasure of working with the Army Commander, Major Sepala Attygalle, when I was in charge of the Northern Province in the early sixties. He was then a colonel in charge of the entire illicit immigration set up of the army in the Northern and Eastern provinces.

He was a strict disciplinarian, a hard working officer and a very conscientious officer. He must be admired for the way in which he conducted the affairs of the army during the last regime. He had the uphill task with all the political interference that bound his hands. He was just a figurehead. However, for seven long years he kept his hold on his personnel the majority of his old officers and men had full confidence in him. Thus he was able, when the present disturbances occurred to take full control of the situation and bring it under control.

I will be failing in my duty if I do not mention one other officer who worked with me and the Army Commander and that is the present Secretary of Defence Mr. Jayasinghe. I have yet to meet an unassuming and charming personality in him. He was then the Commissioner of Immigration and Emigration. He could get on even with his worst enemy. These two officers are a great asset to the present government.

The policy of stationing ninety to ninety five percent Sinhalese Police officers in the Northern

and Eastern provinces should be done away with. There must be a balance of power. An equal number of Sinhalese, Tamil, Muslim and Burgher officers should be stationed in these provinces. This will solve one of the problems that the present government is faced with. The Junior Minister of Defence Mr. T. B. Werapitiya was one of my contemporaries in the Police Service. He is fully aware of the short comings in the service. He was one of the victims of the last Government. Mr. Werapitiya was a strict disciplinarian, hard-working and devoted to his duty. He has an Herculean task before him, to reorganise the entire police service. He is capable of doing this and I have full confidence that he will do a good job of it.

J. Van Sanden

18, Seventh Avenue,  
Camprie, N.S.W.,  
Australia.  
30.10.77

## A "Scandal"

Sir,

My attention has been drawn to a commentary in the *Tribune* of November 12th under a column called "Confidentially" in which some alleged facts are referred to as a "scandal" re the grant of a piece of land to me in the New Town of Anuradhapura.

I greatly regret that the *Tribune* has thought fit to refer to the matter as a "scandal" and I wish to state emphatically that at no time have I ever misused the office I ever held for personal gain in the 31 years I have been in politics. As such, the dirty allegation brought before the National State Assembly by the MP for Anuradhapura is false and malicious.

The facts are simply these, and they are on record in the official files.

My sister and I owned residential and commercial property in the Old Town many years ago and when the Old Town was declared a Sacred Town, she and I like others, had their lands acquired and given new lands in the New Town in lieu of what was acquired.

A commercial land was offered to me in the New Town and one of the lands I was allocated in the

heart of the town, had a Bo Tree growing on it. For religious reasons I declined this site. The Anuradhapura Preservation Board then offered me an alternative site which apparently had been allotted to the People's Bank some years ago. As it showed no signs of building for several years, the lease was cancelled. The situation stood as such when this was offered to me. The practice of the Board is to cancel such permits even though deposits may have been made if no construction comes up within a specified time. In fact last week my nieces have received such notices that their permits will be cancelled as they have shown no signs of construction. They too were entitled to land in the New Town as their mother owned both residential and commercial property in the Old Town.

These are the facts which Mr. Herath tried to distort and which the *Tribune* regrettably has thought fit to refer as a "Scandal".

So you will see that there is no savoury flavour in this matter which is perfectly straight forward as I can see it.

There is also a hint in this column of Mahaweli land being allocated to members of the NSA, Ministers and relations of the former government. No such thing has taken place. Land Kachcheries were held, names of prospective owners were given the publicity after which representations against the allottees were entertained by the Government Agent before the selections were finalised.

To my knowledge no such MP, Minister or relative got Mahaweli land.

Maithripala Senanayake, M.P.

4, Galle Face Court (I),  
Colombo 3.  
18th November, 1977.

**Editor's Note.** We do not propose to enter into an argument as to what is or what is not a "scandal" — dictionary definition will be helpful to those interested—but, we are aware, as many others are aware, of innumerable instances of persons whose lands and properties were acquired and who were not treated with the understanding and consideration as the ex-Minister. The "Take It or Leave It" treatment was the only one meted out to ordinary people. And, as for Mahaweli land, what was said in the *Confidentially*.



column referred to lands allotted long before Mahaweli water began to flow, but definitely after 1970—lands through which Mahaweli water later flowed. An examination of some of the lands allotted on agricultural permits (without land kachcheries) and other well-known devices from 1970 along what is now the Diversion Channel past the bridge near Dambulla on the road from Kurunegala (and not far from where the Mahaweli Development Board more recently built its local HQS) will prove instructive to many. What is important is not the names of the permit-holders on paper, but those who really have possession, ownership and cultivate the land through close relatives or loyal henchmen.

## Super-Policeman ?

Sir,

In the book "The Man" written by Irving Wallace, the Secretary of State (fictional) summarises the functions of the United States as follows:

"He is Chief Executive, overseeing the execution of our laws, exercising important powers of appointment and removal. He is chief of state, national host to an endless stream of native and foreign visitors. He is Commander in Chief of the Army and Navy and Marines and Air Force, with the pentagon dangling from his civilian lapel. He is arbiter of both houses on Capitol Hill, able to influence Congressional activity, able to nullify its accomplishments by veto. He is ambassador to the world, making deals with international leaders, ironing out treaties, selecting foreign diplomat puppets using the Department of State as little more than a computer. He runs his political party, he moulds public opinion, he sees that his voice is heard in the United Nations, he acts as a super-policeman in areas ranging from strikes to race riots to big business monopoly."

Are the proposed powers of the President of Sri Lanka more drastic to be branded as "dictatorial"?

"Tiki"

27, North Boundary Road,  
Batticaloa.  
18.11.77

## THEATRE

# Match-Maker

THORNTON WILDER'S  
"MATCHMAKER": PRODUCED BY ROHAN PONNIAH; STAGED AT THE LIONEL WENDT.

It has been a welcome change for the English speaking people in Colombo to be able to witness some plays during the last two or three months. "THE MATCHMAKER", produced by Rohan Ponniah and staged at the Lionel Wendt from November 4-14 is the latest of these ventures. The action takes place in one single day with a great deal of excitement and adventure, 'pudding' as Barnaby Tucker would call it, packed into that short time. Horace Vandergelder, a man who has turned sixty, and put by half a million through hard work is about to embark on a second marriage. He calls all men fools and says that he himself can afford to indulge in a little bit of foolishness since he has money to back him up. Dolly Levi, an inquisitive, managing busybody, is however likeable for she is a sport who does not give the game away when she discovers that Mr. Vandergelders shop assistants are also in town trying to taste adventure. In fact, she displays a remarkable sympathy for her fellow beings despite the outer veneer of meddlesomeness and scheming.

Everything gets into a merry muddle with the niece and her forbidden lover, the shop assistants and the lady of the hat shop and her assistant either running into or away from each other, else evading, eavesdropping and getting into more of a mess than before. It is like the strings of various kites getting entangled. In the end things somehow work themselves out to reach a happy, if somewhat unrealistic ending, especially the total capitulation of Mr. Vandergelder from being an officious autocrat to groveling on the floor asking Dolly Levi to marry him. Yet isn't that what people look for, a happy ending, whatever goes on before?

Anne Buultjens did give a fairly convincing performance as Dolly

Levi, animated, vivacious and lively. And Rohan Ponniah did justice to the part of Horace Vandergelder. Richard de Zoysa certainly excelled as Majachi Stack the clever, and drunken valet with a philosophy all his own. Tammy Flamer Caldera playing Flora Van Husen, managed a portrayal which kept the audience enthralled with its acidic and clever utterances, which even subdued the imperious and domineering Mr. Vandergelder in the end. Mention must be made of Christopher Ponniah's creditable characterisation of Barnaby Tucker, though inexperience he did manage to achieve the necessary effect. And Steve de la Zilwa as Cornelius Hackle also did well.

The same cannot be said of most of the other players. They were too gushing or too suave, that is to say some performances lacked a certain amount of subtlety, while others were stiff or awkward at times, as though they were not fully involved in the characters they portrayed, which is important for any successful representation.

The cast represented rather true-to-life characters who managed to keep the audience amused throughout, which is the general idea behind a comedy of that kind, though it bordered on the ridiculous at times. Although it is a comedy there is an underlying thread of philosophy which is brought out by each of the main characters in the form of soliloquy.

Despite some shortcomings, the production is commendable and should be encouraged, so that there will be improvement with each successive production. There is potential in most of the younger people who took the supporting roles, which should certainly be developed and we wish them all the success and look forward to more and better productions in the future.

Vinodini





# Confidentially

## IMF, UNP & Sri Lanka-2

IS IT NOT TRUE that Esmond Wickremasinghe in his article on the Budget in the *Sunday Observer* of November 27 declared that bureaucrats and officials had let the government down? That last week this column had cited one extract to show that Esmond Wickremasinghe was angry that Treasury officials who dream of lucrative jobs in international finance agencies willingly surrendered to the dictates of the IMF without even registering a protest that some IMF measures would destroy the UNP? That further extracts from his article will show that Esmond Wickremasinghe did not mince his words? "At the moment negotiations and conclusions of economic arrangements with international organisations are handled by officials. Sri Lanka has got a bad deal over the recent IMF negotiations. While negotiation and preparation could be handled by officials, I strongly feel from what I have seen, that conclusions should be done on a political level, preferably by a Minister or a group of Ministers unless the negotiations by officials are entirely satisfactory politically. Finance and Planning Ministry officials, however competent in their own spheres, generally only think and speak in economic terms. They did so for the last government and they will do likewise for the present or any future government, perhaps most conscientiously and diligently in all cases. But in the state of our country, where the search for political stability is fundamental, it is necessary that similar officials in international aid organisations, who do not normally think of political stability be apprised of our political problems. The political implications of all measures discussed must be examined as a first step—and nothing should be agreed to which will imperil our stability. The UNP has pioneered policies for stability in the Third World.

It won an election wiping out Marxists and insurgents at the polls, and on the same occasion overthrowing the most powerful government Sri Lanka had. Sri Lanka must now consolidate the political stability the UNP victory introduced—and not let anyone or anything direct them from that course. If the energies of the UNP government are to be diverted to suppressing strikes and insurgencies, it will necessarily be diverted from its main task of providing opportunities of work for all and satisfying the bare human needs of our people. All international negotiations must be on the basis that Sri Lanka cannot risk its political stability. Western International aid experts are not aware of this political dimension. They often suggest remedies—where long-term effect is to lead to the whole sad story of "body counts" as in Vietnam. Such negotiations can only be handled by skilful politicians of which the UNP has a large number. They will never negotiate away political stability—as they are only too conscious of what's in store for them and the country if they do. Officials do not take this critical dimension into consideration."

That Esmond Wickremasinghe pointed out that a great deal of damage had already been done, "After the implementation of the budget a whole series of gazettes were issued dated 15th November 1977—numbers 291/4, 291/5, 291/7, 291/9, 291/10 and 291/11 in particular. I would in particular, refer to gazettes 291/7 and 291/11. Under them a large number of times are on OGL and goods can be imported in consignment not exceeding a CIF value of 700,000. This means, in practice, the limitation of Rs. 700,000/- could be avoided because goods could be imported in numerous consignments as well as through nominees. Not only raw materials but even machinery could be freely imported except some items specified under column 3 in gazette No. 291/7. All types of machinery, raw materials and finished goods with few exceptions could be imported. Today the only people who have money are by and large the SLFP's new class, not only the SLFP mudalalis and SLFP Politicos who made money out of State enterprises, but also the other mudalalis of different races Sinhalese, Tamils, Sindhis,

Borahs, Muslims etc. who closely collaborated with the SLFP, and many of whom are now bedecked in green. This was a social parasitic class, which was one of the main reasons for the downfall of the SLFP." That relentlessly Esmond Wickremasinghe went on. "The Finance Minister's speech was directed against many representatives of this class. Under the provision of these gazettes, it is this class alone who could take advantage of the free import of machinery and raw materials and to put up new enterprises. They can import the latest sophisticated, cost-reducing and labour-saving machinery and even drive out of employment and out of business a lot of existing enterprises in the Private and Public Sectors, which are working with dilapidated machinery. After all during the period 1970 to 1977 the vast majority of enterprises did not receive any form of equipment except in a few cases. They were starved of raw materials. The effect of these gazettes is to result in this New Rich class becoming much richer and the poor becoming poorer, besides causing unemployment in various fields, and thereby aggravating the unemployment problem." That after giving further examples of the havoc the new regulations and tariffs would create, he declared: "The whole purpose of the UNP Manifesto has been the creation of a large class of small-scale owners of the means of production. It is against the creation of big capitalists except in the FTZ and against State Capitalism. But the provisions in the gazettes referred to will negate the possibility of there being any substantial number of small-scale entrepreneurs. Instead, the Dasas of the Sirima Bandaranaike regime will become Dasa-dasa's many times over under the UNP. When in the countryside there are a large number of small entrepreneurs, or to use the technical term "Kulaks and Nepmen", they constitute a bulwark against insurgency and Marxism and State capitalism. Besides the pre-condition for democracy is, as spelt out at great length in every single UNP manifesto of the last 20 years, the existence on a large scale of small entrepreneurs in all sectors of the economy. UNP policy is not the creation of the Gulag (i.e., concentration camps). A better prescription for political suicide for the UNP could not have been found".



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