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# TRIBUNE



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# Letter From The Editor

INCUMBENT PRESIDENT CARTER was defeated in a landslide without parallel in American presidential elections. It is significant that only a little over 50 percent of the voters participated in the election. This is a clear indication that American voters were not only disillusioned with Carter but also appear to be fed up with a system that now seems able only to throw up mentally lop-sided mediocrities like Carter or small-time manipulators with a flair for the spectacular like Nixon. What Reagan will turn out to be is hard to predict, but like the swashbuckling cowboys who conquered the Wild West for the Whites, Reagan wants to conquer the world for America. Reagan may have second thoughts and wiser counsel may prevail and he may modify his election time foreign policy extravaganzas into something more realistic. America has many wise men capable of rising to great heights in all fields, including the conduct of foreign affairs, but the system so heavily dependent on Wall Street and the military-industrial complex is not willing to permit them to guide the destinies of the American nation. And, like the Roman Emperors, in the last days of the Empire, we have Yankee Carters to lay the foundations for the decline and fall of America's global empire with 225 military bases spread over the five continents. Readers will recall that *Tribune* had run a series in June 1980 entitled *Carter Mania*. The first article had begun: "THERE WAS A TIME, not so long ago when people throughout the world had begun to respect new trends in American foreign policy. Kennedy, Johnson, later Nixon and Ford had slowly but surely edged away from Dulles-McCarthy cold war aggressive imperatives of the fifties and moved towards detente. SALT I had been signed and SALT II was in the process of being negotiated. The rights of Third World countries were recognised and the Non-aligned Movement was no longer damned as 'immoral'. Then came Carter, Brzezinski and the cold warriors of the Tri-lateral Commission. And today we have a world that has been thrust right back into the heartland of a new cold war on a nuclear dimensional level. Torn between the need to maintain a facade of detente and peaceableness on the one hand and the Brzezinski madness to encircle, contain and liquidate "communism" for all time, Carter has bungled his way from one mistake to another. And his bungling has become worse after he adopted the Deng Xioping tactic of 'teaching a lesson' to nations that do not toe the Carter line. Carter wanted to teach the Iranians a lesson and moved a Task Force into the Indian Ocean. After the students had captured the US embassy with all its classified secrets and 50 odd hostages, he declared that he would teach the Iranians a lesson even if they released the hostages. Before he taught the Iranians a lesson, he thought he could kill several birds with one stone by punitive action in Afghanistan with the help of Hafizullah Amin, but the Soviets outwitted him. Then he wanted to teach Russians a lesson. He placed a grain embargo and ordered a boycott of the Olympic Summer Games in Moscow. The grain embargo has not been effective and the boycott has not won the support he expected. The French have now told him that the boycott has backfired. IN THE MIDST OF THIS came one of the biggest US faux pas in recent times, namely the vote in Security Council condemning Israeli settlements in Arab lands and then backtracking on it calling it a mistake. 'A remarkable exercise in candor' was how the US Ambassador to the UN, Mr. McCarthy, described Carter's explanations about this 'mistake'. N. Ravi writing for the *Hindu* said: 'But neither politicians here nor the leaders abroad were impressed'.....". It is not necessary to go into the details of Carter's many mistakes, but the all *Tribune* commentators on foreign have repeated the refrain: "Will the USA at the next Presidential Election elect a President who will not bungle in this way?" No one knows whether Reagan can rise to the occasion or help to build a world of peace. Moscow does not expect Reagan to pursue detente and so the Soviets have taken two steps back to "peaceful co-existence" in order to take one step forward towards international peace. But Reagan's red hot brick that the PLO was a "terrorist organisation" came at a time when a Stern Gang terrorist Menachem Begin is the Prime Minister of Israel. One looks forward the future with trepidation.

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## Whither Sri Lanka?

THE PICTURE ON THE COVER this week is not (yet) typical of the Sri Lanka of today. It is still a rare and unusual scene. But unfortunately such scenes are becoming more and more common among a strata of people who have been hit hard by underemployment, inflation and worse still the inefficiency and the corruption in the administration—the real and basic cause, for instance, of the fantastic increase in the price of milk in every form (liquid, powdered and condensed) and the flood-tide of the upward passenger transport fares. It provides no comfort to the commuter to be told that Sri Lanka so far had the cheapest bus and rail fares in the world. This is an unreal comparison, for apart from everything else, bus and rail fares had, in the past, been regulated in terms of the income and wage levels and the social needs of the country—and this had in the context of welfarism and nationalised transport “built-in” a large State subsidy for the maintenance of the transport system.

The economic order adopted in 1977 required the elimination of subsidies—and this could easily have been eliminated in three years if waste, inefficiency, robbery and corruption had been rooted out. Unfortunately, instead of these evils being eliminated, they proliferated in the years after 1977 especially with the mania for globe-trotting to increase imports (and make corruption worse through the further infusion of a system of kick-backs). Administrative costs were increased by having two ministries instead of one and nine CTB boards also instead of one. Under cover of OPEC price hikes and the consequent global inflation, fares were raised two or three times since 1977 without making any effort eliminate waste, inefficiency, theft and corruption. And accidents in bus and rail transport (these too entail vast expenditure, easily avoidable) have increased by leaps and bounds and soon there will be need for a third Ministry (or Sultanate) in Transport—THE MINISTRY OF ACCIDENTS. Today, the situation in transport has reached bursting point. A very large number of those who commuted to and from work will be compelled to either absent themselves or go without at least one meal a day. The Rs. 70 a month from January will be too little and it is already too late.

THE SITUATION ON THE MILK FRONT is more pathetic and heart-rending. Even those sections of the community of ordinary people who had so far maintained a reasonable level of nutrition with liquid milk will soon join the ranks of those afflicted by chronic malnutrition. The future of young generations of children is at stake. Elsewhere in this issue (vide the *Confidentially* on page 32) we have dealt with some of the highlights of the *Milky Mess* which was also the theme of this column last week also.

Milk, like rice, is one of the most sensitive political segments in this country. The problem of rice has been partially eased by increased local production, but so far

as the local production and distribution of milk is concerned, the situation is far worse than even in 1976 at the tail end of the last SLFP regime. And, every day, the situation gets worse. Milk may well become the Achilles Heel of the Jayewardene Government unless steps are taken to remedy matters.

**Why cannot the government follow the Indian example of setting up a National Dairy Development Board under competent management to usher in a White Revolution in this country? There are enough competent, efficient and honest men still left in the country who can handle the job—but they are not yes-men who hang along ministerial corridors or kitchens. If such a Board is set up under proper management, there is hope that the situation can be retrieved.**

To inform the Government (and our readers) we will publish from the next issue some salient points about the structure, scope and functions of Dairy Development in India in the context of Sri Lanka's needs.

It is not enough to import powdered milk and distribute it. It is dangerous to invite Nestles to take over our entire dairy business to help make billions from condensed and powdered milk by ensuring the elimination of liquid milk from our booths. The Government must act in the interests of ordinary people and the nation—before it is too late.

—X— —X—

## EDITOR'S NOTEBOOK

### BUDGET—1

Colombo, November 10.

The Budget presented by the Minister of Finance on November 5 was, under the present circumstances, a clever piece of work. It was the shortest and briefest budget speech of Mr. Ronnie de Mel. Except for vague references to the last regime, he did not indulge in his customary barrage against Mrs. Bandaranaike and the SLFP.

His analysis of the economic situation followed the impeccable IBRD-IMF methodology. He pointed out that agricultural production—plantation and otherwise (except for a marginal increase in paddy)—was disappointing, but he glossed over man-made inadequacies and failures, and made the drought the main culprit of the piece.

Elsewhere in this issue we have published the mechanics of the Fourth Budget of the Government as set out in the government-owned media. Before we critically analyse the details of this budget and interpretatively examine its scope and potential, it would be useful to go back to what we said in an introductory note to the first Budget of the Jayewardene government.

In the Editor's Notebook on November 16, (published in the *Tribune* of November 19, 1977, Vol. 22 No. 22)



we had said: "Tribune has written about, analysed and commented on every budget since 1954 when the paper was founded. The Editor has however been witness to every Budget in Parliament since 1947 because he had covered Parliament as Lobby Correspondent for the *Times of Ceylon* and later as a free-lancer for local and foreign papers until *Tribune* was started. This is the thirtieth budget since Independence, and there is no doubt that it is the most interesting of them all. In more ways than one it is a watershed. All previous budgets could be categorised under one general head, although there were differences between them. Whatever the government—UNP, SLFP or UF—the budgets were shaped by a mix of Fabian, Laskian, Keynesian and London School of Economics logic which had motivated all Finance Ministers and the bureaucrats—whether Left, Right or Centre—until now. Occasionally, there were intrusions from Washington (IMF, IBRD), but their impact was minimal.

"In the years since the fifties there have been changes in London, Washington, Colombo and the world. The old London School of Economics is no more and the new is a dead duck so far countries like Sri Lanka are concerned. Washington is tied up with so many complexities of its own that it has no single credo. The political impact of the third world as a major force in the UN demanding a new international economic order, the economic imperatives of OPEC causing major compulsions, the breakdown of the Bretton Woods International Monetary system and the emergence of the Socialist bloc as a major world trading and economic unit—all seem to have compelled the IMF and IBRD to undergo transformation unthinkable before the oil crisis hit the world.

"The Sri Lanka (when will we again call this country Ceylon?) Budget for 1978 reflects all the changes that have overtaken the capitalist world—and as this island is likely to be in the capitalist sector for a while until at least major upheavals take place in bigger countries of South-east Asia, it is best even for those who see revolution round-the-corner or a socialist millennium overnight (through textbook parliamentary legislation and emergency fiat) to reconcile themselves to the realities that have emerged in the 1978 Budget. The Minister of Finance and Planning, Ronnie de Mel, must be congratulated for the Budget he has presented but there is no doubt that it bears the stamp of the logic, thinking, experience and authority of the Prime Minister, J. R. Jayewardene.

"In this budget one can see (a) lessons from the mistakes made in every budget since 1947 including the budgets presented by J. R. himself in the first and second Parliaments; (b) the avoidance of the many pitfalls into which the so-called 'socialist' (all bogus) budgets of the Bandaranaike (cum LSSP) era had fallen with a thud; (c) the new attempt by the IMF-IBRD combine to help capitalism to survive by winning over third world non-aligned developing countries to a new capitalist order by avoiding the mistakes made by IMF in a large number of under-developed countries like Peru, Zaire, Mexico etc. by permitting the UNP in Sri Lanka to combine

Fabian welfarism, social democratic populism and the free economy of the new capitalism of the post-OPEC era and (d) a bold experiment in trying to evolve a synthesis between the *sui generis* but bogus "socialism" which the SLFP and the LSSP had endeavoured to set up and the 'private enterprise' objectives which the UNP had proclaimed but never fulfilled so far—in order to get a populist mix that will satisfy at least a large majority of the politically sophisticated people who have emerged in Sri Lanka in the years after 1931 when universal adult franchise was introduced.

"There is no doubt that this JR budgetary experiment is a gamble, like everything else in life today. Simply put, the country is virtually bankrupt: one way to pull it out is to borrow to set it up in business and try to pull it out of the mess—like a boutique keeper would; the gamble will work if the people respond and increase production and productivity because of the incentives offered (and plenty has been offered in this budget). If the UNP government is not able to induce and generate production to the level required—then it means that salvation can come only from total regimentation, total nationalisation or socialisation, compulsory labour under state auspices and a completely controlled economic system under a dictatorship of the proletariat, or 'workers and peasants' or a group of adventurers shouting ideological slogans.

"The 1978 budget has many unique features. There were no 'secrets'—to be stolen. All the main features of the Budget were released in inspired 'leaks' over the last four weeks. Everybody knew that the rupee would float at about Rs. 16/- to the US dollar—a 100% devaluation on the official rate, a 35% devaluation of the FEECs rate and parity at the CRA or blackmarket rate. There will be no black market in currency. Exchange Control came into existence in 1948 to check the outflow of large capital remittances, but it was after 1960 that draconian measures were devised to have some kind of 'socialist' control in a 'mixed' economy of public and private capital recklessly introduced—enabling the biggest blackmarket to flourish!

"A free economy will be a new experience for several generations of our youth. The Rs. 16/- to the US \$, is high, but if we increase our production of rice, tea rubber and coconut the value of the rupee will appreciate. It is not a straight path but though zig-zagging, the objectives are attainable.

"The question is whether the gamble will work. Apart from inducing the people to work with all the material incentives, with prospects of more production increases, the most important question is to prevent waste and corruption. Under the pretext of making the economy work, there has already been an attempt to bolster purchases for the CTB and the CGR. The Minister of Finance in a press briefing had said that the Minister of Transport wanted 1000 new buses to bring the CTB to 1970 standards. Those who know say that there are 1000 more buses on the road than there were in 1970—in fact it must be recalled that even the end of the Sugathadasa era, the CTB was a terrible mess.



The fact is that there are already 1000 buses more than in 1970, and that orders have already been placed for 640 new buses with another 140 on the line. *Tribune* will comment on this and about the proposed purchases for the CGR next week. The Prime Minister, the Minister, the Minister of Finance and Planning and the entire Cabinet must look into these purchases in the light of what qualified technocrats have to say...."

The point we had stressed in 1977 was that the IBRD-IMF budget was a "gamble" and we had wondered "whether the gamble will work...."

Three years later we are afraid that the gamble has not worked and that it has started wobbling badly. Whatever grandiose pictures are still drawn by UNP leaders about the vast development works in hand the simple fact is that (i) all the development and welfare work has been cut 25% to 30% directly and up to 50% indirectly; (ii) that inflation is running over 50% and may soon touch 65% or more; (iii) the value of the Sri Lanka rupee has devalued itself in the international market—one pound Sterling which cost Rs. 30 odd in 1977 is now well over Rs. 40 and may soon touch Rs. 50. All other currencies have moved up proportionately—this means that the Sri Lanka Rupee is going down the precipice into worthlessness very fast; (iv) the cost of living has gone up in a way that it is causing great hardship to large segments of the people; (v) our debts especially domestic borrowings mainly based on printing more and more currency notes is increasing by leaps and bounds; and (vi) there is little prospect of any improvement in the immediate future—everything points to a worsening of living conditions of ordinary people.

No wonder there is an increased rush for passports. Providing (slave) labour to the oil Sheikhs is no way of solving our economic problems.

THE FOURTH BUDGET is only intended to satisfy IBRD-IMF hierarchy and conform to their *diktat*—it has certainly not satisfied any section of the people of the country many of whom are literally face to face with creeping semi-starvation and permanent malnutrition. It is no consolation for the hungry to know that many years hence (may be twenty) Mahaveli will usher in an economic miracle or to be told that there was no alternative to the present policies except communist regimentation or the SLFP system of controls and restrictions.

It has been *Tribune's* view from 1977 that the "gamble" could only work if local production increased—then the value of rupee would have gone up and there would have been less need for foreign and local borrowing. While there has been a marginal increase in industrial production, tourism and the export of minor crops and non-traditional commodities, agricultural production has slipped badly. Sri Lanka is basically an agricultural country and its economic well-being and future depends totally and completely on agriculture.

The weather has, no doubt, been tricky with bouts of drought, but it cannot be made the excuse (and scapegoat) for the colossal failure of certain ministries, departments, government organisations and corporations to ensure production.

It would be pertinent, before dealing with the Finance Minister's speech to refer to the Central Bank's Review of the Economy for 1979 on the question of agriculture: "Agricultural production in 1979 recorded a marginal growth of 2 per cent compared with the 4 per cent growth recorded in 1978 and 7 per cent in 1977. Considering the need of increased agricultural production both for export and local consumption, this seems a very disappointing performance. In the export crops sector, tea production increased marginally, while coconut production increased by 8 per cent. Rubber production declined by about 6 per cent despite improvement in prices. Minor export crop production too performed unevenly recording increases in cinnamon, cloves, coffee and cardamoms, while recording decreases in cocoa, pepper and papain. In the annual crops sector, paddy production has been estimated to have increased marginally, while the production of minor food crops such as chillies, onions, groundnuts, cowpea and indigenous-cereals declined. The production of potatoes and sesame seed (gingelly) increased substantially. Cane sugar production declined sharply. In the fisheries and livestock sector, increases were recorded in fish and egg production while milk production recorded a decline...."

Statistics published by the Ministry of Plan Implementation recently reveal that agricultural production in the first of 1980 has gone down still further.

Unless the government is able to restore agricultural production at least to 1976-1977 levels, the Government's budgetary gamble with IBRD-IMF formulae will continue to falter and flounder.

Does Ronnie de Mel's Fourth Budget, which has placed so much stress on "financial discipline", offer any hope that the gamble will be put back on the rails?

(To Be Continued)

FILM CORPORATION

## An Answer To Anura

By James N. Benedict

I have made a very detailed study of the speech that was made by the Second Member for Nuwara-Eliya during the debate in Parliament on 2.9.1980 on some amendments to the State Film Corporation Act No. 47 of 1971. The contribution made by Mr. Anura Bandaranaike was given prominence in the *Tribune* dated 4/10/80 and 11/10/80 respectively. That it was a thorough speech, there is no doubt, but a closer look revealed that it was mainly intended to score political debating points.

There was no doubt that Anura had done his homework well before the debate, but there were vulnerable points in his arguments.



Before I get down to the speech in question, I would like to ask Anura's views on three matters that should lay the base before we analyse his arguments. Is it not a fact that prior to 1977 the people in this country were resigned to a "dole" in cinematic entertainment, and there was a virtual shut-out of some of the best film productions that were acclaimed universally and had kept picturegoers enthralled all over the world. A rather poor studio output—I believe it was the EMI—was substituted to lullaby the English picturegoers and drop a thick curtain on the best from Hollywood. Some continental films came our way, however, and they proved more excruciating in the entertainment that these were supposed to provide. While local Sinhalese films hugged the formula line, being churned out cheaper by the dozen, the Tamil picturegoers looked in vain for a good Tamil production to come their way. This calculated policy of restriction had been insisted on until mid-1977. If this policy was continued, we would have missed the film greats like *Wuthering Heights*, *Red Beard*, *Exorcist-1*, *Cassandra Crossing*, *Seven Nights in Japan*, *The Towering Inferno*, *The Pink Nest*, *Omen I and II*, *The Odessa File*, *A Star is Born*, *Reincarnation of Peter Proud*, *All The President's Men*, *Airport Series*, *Black Sunday*, *Star Wars* and *Now Doctor Zhivago*. Even the much spoken of *Jaws* and *Close Encounter of The Third Kind* are now around the corner. To move on further, should not Anura take note that hardly any new Cinemas were built prior to 1977, while he had his accusing finger pointed at the present SFC Administration in this respect. Finally the brick that he dropped in the Parliament then the film "Star Wars" was trash, was unforgivable, as this release was box office record holder that has thrilled millions both old and young, on its popular course, around the world.

To diagnose the more sensitive areas of Anura's criticism which had a constructive mirage about it, I had no alternative but to make an appointment with the present SFC Chairman, Mr. Anton Wickremasinghe, for the first time, as a film critic, and quiz not only him, but even cross examine his General Manager and the Executive Staff. Well, here are the results point by point, and without expressing an opinion, leave it to *Tribune* readers to tot up the findings and pass judgement.

**Divesting of Power in Chairman**—The point was made that the Chairman of a Corporation, controlling a mass media effectively, had always to be Number One in the set-up. The General Manager, who was present, agreed with this contention in toto and in all humility admitted that he was more eye to eye with the Chairman in this setup and in fact owed him his confirmation in the present office, as he had been in an acting capacity under the previous administration for nearly two years. I might add, that no love appeared lost by this divesting, which rather than retarding the wheels of administration had set in on a smoother course.

**Discrimination in Distribution**—No serious complaints had been received as every step taken was to take the SFC away from the rut it had got into, without

surveying the vibrant needs of the people who after all maintained the cinema. An example was given that while in the case of Tamil films, where only three copies of a new film were imported to serve Colombo and Jaffna, a glaring omission came to light in that the Eastern Province had to wait for the second release of this particular film. This is to be rectified by importing five copies from 1981. At this stage I pointed out the discrimination that existed in *Kandy* (*Tribune* 8.11.80) and the promise was made that these too would be rectified without delay.

**Private Sector Control and Abrogation of SFC Powers**: True to some extent, and if picturegoers did get a raw deal, this would have been the best policy, from a financial point of view, as would be seen by the expensive films that have come into the country. Yet it was denied that there was a total abrogation of powers to the private sector, over which a overly strict control was being maintained, SFC coffers remaining unaffected by this unavoidable change.

**Ganga Addara—Star Wars change**—It was explained that the main cinema circuits were committed to exhibiting particular films from major Hollywood combines like Warner Brothers, 20th Century Fox M.G.M., Columbia, Universal studios and had to willy nilly keep to their agreements. It was a random "push in" that affected this smooth flow and the SFC took a hand when outstanding films like *Ganga Addara* were released to alter this schedule which had however to be for a limited period only. Thus it was that *Ganga Addara* had to make way and maintain its popular run in a cinema close by—both cinemas (*Majestic* and *Roxy*) being in the Ceylon Theatres circuit.

**Advisory Boards**—had to be thrown overboard as they were functioning in fits and starts and creating fresh problems. Select Committees in all three media appeared to have been substituted and are functioning smoothly.

**Raw Films**—Kodak and Gaevent, who were big names in this business, proved too exorbitant and the SFC had to switch over to Chemi from East Germany, thus saving nearly three and half millions. This problem however is a temporary one as colour films were emerging locally and this need would be non-existent before long.

**Hold-over Figures**—did not look as gloomy as painted in the Parliament as the figure of Rs. 17,000 affected the Air Conditioned cinemas only, while it varied with other cinemas in relation to the milieu in which they were situated. This hold-over base is not peculiar to Sri Lanka and remains an universally accepted practice which based its points on the consecutive Friday, Saturday, Sunday and Monday collections. The local films *Dr. Susantha* and *Danda Monara* were quoted as significant failures in their efforts to meet this point, but every case was being considered sympathetically on their prescribed turnovers over a period of time.

**Promise of More Cinemas**—no promise had ever been made—only the need was emphasised and was to be encouraged. These are gradually leaving



fruit and an escalation in this field is anticipated in the foreseeable future.

**Damaged Films and Rural Cinemas**—more a projector problem, as the city cinemas had the better equipment, while those on the outskirts and village tended to damage the films while on the run. This problem kept snowballing even as an excellent film kept moving on. The SFC is however extending assistance to purchase projectors wherever genuine requests are made.

**Legal Immunity of Act**—this teeth in the legislation in hand was not peculiar to any corporation and officials had to be protected. There were other administrative procedures to deal with abuse of office, at any stage of its operation.

**100% financing of Films**—continues on a larger scale than before—roughly 10 millions being already set apart for this purpose in 1981 with the advent of colour films.

**Decline in Profits**—the revamping of the Corporation to its elevated standard and the expenses therefrom had led to a decline, but this appeared only a temporary one as I examined the figures minus taxation from 1977 onwards. If proof for this is necessary, the 1980 figures indicated a profit of 7.5 million at the half year stage and the doubling of this figure is being anticipated at the end of the year.

**New Studios**—emphasis is being laid on the modernising of the studios in hand as at Kelaniya. Others will be constructed as the finances improve.

**Colour processing**—equipment has already come in and would be assembled at Dalugama within a short period of time.

**Loans for Producers**—not being withheld—*Muwan Pelessa, Parthyagaya, Beddegama* already released and *Hima Katara* and *Situ Diyaniya* awaiting release are examples.

**National Film Complex**—with eight acres at its disposal, the plans are ready and awaiting release of state sanction to get off the ground. It should be borne in mind by critics that His Excellency the President has affirmed at the last film festival that funds for such projects would be on a system of priorities decided at Cabinet level. It is expected that 3 cinemas would be housed in this complex with one mainly for children.

I took leave of the Chairman—the maker of *Gamperaliya* which won the Indian Peacock award in 1965—that things were not black as envisaged by Anura Bandaranaike in the Parliament.

All persons interested in the Film Corporation should endeavour to get a true picture of what actually goes on in the SFC. I for one felt that sincere efforts are under way to keep the public happy in the field of entertainment, with the finance resources available at the moment.

## Food And Nutrition

The Food & Nutrition Policy Planning Division has been involved in a wide range of activities in the field of Food and Nutrition. A notable feature has been the emphasis given to the food sector. In the past, this Division was oriented towards nutrition activities and it virtually lost contact with other important sectors associated with the discipline of nutrition. This situation has been corrected. The Division's programme is implemented at the central level by a Food & Nutrition Co-ordinating Committee, which is composed of representatives from different line Ministries, Departments and other agencies. This Committee consists of policy makers, planners, experts, administrators from both Government and Non-Governmental Organisations. The Committee by virtue of its broad-based approach is able to rationalise problems pertaining to Food and Nutrition. The central committee is serviced by 7 specialised panels (Nutrition, Nutrition Education, Research, Food Quality Control, Pricing, Ayurveda and Non-Governmental Agencies). The Panels examine and study in depth, specific problems referred to by the Central Committee and also reports emerging problems to the Central Committee for necessary action.

At the District level, the Food and Nutrition Policy Planning is taking action to establish Nutrition Committees under the Chairmanship of the Government Agent. The Nutrition Committees will be linked to the present Population Committees that are already functioning. In this manner, it will be possible to co-ordinate sectoral agencies associated with the Food and Nutrition and Population activities at the District Regional level. The most important area of activity of the Division is to enunciate a Food and Nutrition Policy Plan for the country. It is proposed to submit an interim statement to Government by September 1980 on the Food and Nutrition situation. In order to achieve this objective, Nutrition Status Surveys and Socio-economic Surveys have been conducted in 8-District Integrated Development Projects, the entire Mahaweli Project area and select Districts of the wet zone based on the CDC findings of 1975/76. *This is the first time that an attempt is being made to relate socio-economic indicators with nutrition indicators. The survey work in these Districts have been completed and the data is being analysed.*

Another objective of these surveys is to introduce nutrition components into the District Integrated Development Projects. This has already been done in respect of Hambartota and Matara. Action is being taken in respect of the other districts to formulate nutrition plans. The Division has also taken steps to establish a monitoring and reporting system to assess critical indicators in relation to the food, nutrition and socio-economic sectors. The Nuwara Eliya District has been selected as a model for this purpose. The



ultimate objective of this exercise is to establish a kind of Data Bank, where surveillance in respect of the above indicators could be stored for each district and retrieved when necessary for policy planning and decision making.

**RESEARCH AND LIBRARY DEVELOPMENT.** Recognising the role of research in policy planning, the Division has taken steps to promote applied research in the areas of nutrition, sociology and economics. Four research proposals pertaining to food grain storage at village level, mental stimulation in relation to nutrition and development of low cost weaning food have been selected for implementation. The work in those projects are in progress. A Library to service the Division has been established with the assistance of foreign agencies. Nutrition Education Intervention has been accorded high priority. Under this Programme, 40 school farms have been established to educate students on nutritive value of food crops and village level processing and storage of these crops. Several non-Governmental agencies will be associated in providing financial assistance to expand the scope of this programme.

An Adult Education Project is being implemented on a pilot basis provide Nutrition Education to vulnerable groups, such as lactating and pregnant mothers and malnourished adults of select villages. The programme is being implemented in the following Districts: Kegalle, Kurunegala, Moneragala, Nuwara Eliya, Puttalam and Matale.

The Food & Nutrition Policy Planning Division in consultation with the Education Ministry is taking steps to strengthen Nutrition Education in the School Curricula. The School Nutrition and Health Education Programme has been examined and guidelines have been given to improve the quality and content of this programme. At the same time steps are being taken to put out a supplementary reader on Nutrition Education for grades 9 and 10. Similarly, a methodology being developed for providing Nutrition Education to Primary School Children below Grade 6.

**FOOD SURVEILLANCE AND QUALITY CONTROL.** The Food and Nutrition Policy Planning Division has initiated action on surveillance and quality control by establishing a Panel to review work in this area. A Technical Committee was appointed to review the existing Food and Drugs Law and their recommendations have now been approved by Cabinet. The same Committee studied the infrastructure needs to improve the food surveillance system and on their recommendations action is being taken to establish Regional Food Quality Testing Laboratories, initially in Kandy, Galle and Jaffna. The Food and Nutrition Policy Planning Division is taking action with the UNDP to obtain the necessary equipment and funds to establish those units. The Committee is also looking into question of improving Port/Food surveillance in view of the large volume of food imports and also the increase in percentage of substandard foods that have reached out markets.

**SOYA FORTIFICATION AND FOOD TECHNOLOGY.** The Division has taken action to co-ordinate the different sectors associated with low cost food technologies pertaining to vulnerable groups. At the present time, several low cost weaning foods are being test marketed and their acceptance is being studied. The Division is funding 2 weaning projects, that have been initiated by the CISIR and Soya Bean Research Centre at Gannoruwa. These preparations will be tested in select children's clinics. The University Paediatrics Unit has been assisting the Division in this line of work.

A project to fortify wheat/rice flour with soya flour is being considered by the Soya Fortification Panel of the Division. Action is being taken to establish a 6000 ton capacity Soya Rice Fortification Unit. The Division is taking steps to obtain the services of a Consultant to work out the feasibility of such a project. The objective of this is to provide a soya fortified product to the target groups of the population to enhance their nutritional status.

**COMMUNICATION SUPPORT PROGRAMME.** The broad objective of this programme is to disseminate the nutrition message to reach a variety of audience. Articles on the these of nutrition are being sponsored by the Division and about 20 articles so far have appeared in the daily press. The Division also publishes a quarterly journal called "Poshana Puwath" which discusses various aspects of nutrition, such as breast feeding, weaning foods, primary health care, sanitation, food quality control surveillance etc.

Essay and short-story competitions on the nutrition theme have been organised among schools. These competitions are now being completed. Twenty five cross-ward puzzles have been organised in the popular Sunday issue of Silumina. A school oratorical contest on nutrition is being organised on an island wide basis. Nutrition jingles composed on various aspects of malnutrition are being broadcast in the Sinhala and Tamil services. Action has been taken to show films in schools on nutrition. Ten films have being shown in seven schools.

**AYURVEDIC PROJECT.** The Division has established a dialogue with the Ayurvedic Physicians in order to rationalise thinking on nutrition problems. A seminar was held with the Ayurvedic Physicians in February 1980. The seminar proceedings consisting of 15 specific proposals are being published. A Panel has been appointed to study these proposals and make recommendations to Cabinet.

The Division has just initiated a studies on 3 major intervention programmes (Food Stamp Scheme, Triposha and the School Biscuit Feeding Programme). A thorough evaluation will be done on these Intervention Programmes. An interim report will be made available to Government by September 1980. When the activities of the Division are considered, it will be necessary to mention specific policy changes that have occurred during the period under review. From the inception of this Division until recently the activities have centered around nutrition. Apparently, the



other key sectors, such as food, agriculture, sociology and economics have been neglected. The above outlook has been considerably changed and this is evident by the activities that are now being conducted by the Division. The Food and Nutrition Policy Planning is working in close liaison with the National Food Policy Committee and the Market Assessment and research unit of the ARTI. In fact, the Food and Nutrition Policy Planning Division with the assistance of the FAO undertook a study on the re-structure of the Food Grain Information and Management System and the findings are now before the National Food Policy Committee.

The Division is also monitoring certain aspects of food policy, such as Food Consumption, Food Expenditure, Pricing, Import Policies, Food Distribution and Security. A new policy approach is the incorporation of a nutrition component and design in the major development projects, such as the District Integrated Development Projects, Mahaweli Project, etc. These policy approaches have been endorsed by International agencies, such as the FAO, UNICEF and US AID who have provided valuable assistance such as computer equipment, consultants and finance. The divisions also examining the nutritional impact in some of the major development schemes that are now being implemented. The broad programme of Nutrition Education and the Communication Support Project is promoting knowledge and awareness about the locally available nutritious foods, breast feeding, a nutrition oriented local weaning practice. The promotion of low cost weaning foods would make it possible to promote indigenous nutritious foods and discourage the dependence on foreign products.

The linking up of population and nutrition activities will certainly bring about a better policy orientation towards the Food and Nutrition integration of some of the important disciplines in the area of food, nutrition and population planning will be done through the District Committees.

In addition to the policy changes noted above some of the policy objectives of the Food & Nutrition Policy Planning Division are summarised below— (i) Development of a Food and Nutrition Policy for Sri Lanka in concurrence with the National Food Policy Committee (NFPC); (ii) Service the NFPC together with the Market Assessment and Research Unit and other relevant agencies in respect of food commodities, prices, production, buffer stocks, early warning system etc; (iii) Ensure that all National Food Policies are formulated to include a nutritional component; (iv) Implementation of Cabinet decisions relating to food and nutrition policies; (v) Identify major programme and projects of the public and private sectors in terms of food and nutrition; (vi) Co-ordination and effective implementation of activities undertaken (v) above with a view to achieve common objectives and strengthen on-going programmes; (vii) Strengthen food control needs and means to ensure safe quality and nutrition foods to the consumer; (viii) Monitor progress and performance of sectoral programmes on food and nutrition; (ix) Implementation of the UNICEFs programme directed

towards the improvement of the nutritional status and primary health care of the population; (x) Implementation of applied food and nutrition projects through a special projects unit to be established in the Division; (xi) Work in liaison and collaboration with international agencies dealing with food and nutrition policy planning.

(To be Continued)



A QUERY

## Livestock Board

Sir,

Your normally up to date journal has not commented on the resignation of de Saram from the Livestock Board. This startling and unexpected move from a man who has contributed so much for livestock development has been the talking point in Kandy for the past week. There appears to be something deeper in all this than seen at first.....

VOX POPULI

Kandy,  
10.11.80.

Tribune offers no comment, editorially or confidentially on the de Saram fiasco but mainly quotes, in sequence a few of the points contained in a flood of similar letters received this week from all parts of the country.

1. De Saram did more for livestock than anybody else over the past 30 years.
2. It is patently clear that the progress shown by his Board over a short period of 3 years illustrated that it could be done — and many wonder why others have failed so abjectly.
3. By doing so, he made enemies.
4. Minister Thondaman leant heavily on the officials who resented de Saram's work.
5. De Saram had to go — he did.
6. The country has adequate replacement of his calibre, motivation and drive—QED.

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HELD OVER

FOR NEXT WEEK

- AIR FORCE MYSTIQUE  
—Investigated
  - JOURNEY TO INDIA—3  
—S. P. Amarasingam
-



## Any F.T.Z. Complicity?

A Tribune Investigator

A READER FROM HONGKONG sent Tribune a copy of the paper *Asian Wall Street Journal* of July 19, 1980 drawing attention to an article by James Leung under the headline HONGKONG-MADE GARMENTS EVADE CURBS WITH FALSE LABELS AND ROUNDABOUT VOYAGES. The report read:

"British customs officials boarded the M. V. Norbeth after it docked in England in November 1978 for a routine inspection. It turned out to be not-so-routine. The officials seized HK \$ 25 million (US \$ 5 million) of blue jeans and other garments made in Hong-kong but falsely stated as goods from other Southeast Asian countries. The subsequent Hong Kong trial of manufacturers of the Norbeth's cargo provided a rare glimpse of how manufacturers here evade overseas quotas. In doing so, they fake documents to show that their goods come from nations that aren't subject to trade restrictions. Cracking down on the practice of quota dodging is a serious matter for governments and Asian textiles makers because they fear that if this isn't done, importing countries will further tighten their restrictions. Court records in Hong Kong show the Norbeth case began in early July 1978 when Lo's Mee Kwong Garment Factory Ltd. received an order from a British buyer for the shipment of 220,792 pieces of cotton denim jeans to Britain. The FOB (free on board) value of the merchandise totaled HK \$ 4 million.

"Lo' Mee Kwong is described in government records as 'a leading exporter and manufacturer of garments.' The Company's paid-up capital in 1978 totalled HK \$ 9.2 million with sales of HK \$ 140 million. Lo's Mee Kwong apparently didn't have the quota to export jeans to Britain. The high price for such quotas at that time could have wiped out any profit the company might make on the order. The company appeared to be in a jam. It found a way out, however. According to government documents, Lo's Mee Kwong took out 10 export licenses from the Hong Kong government to cover shipment of the jeans to Indonesia. Hong Kong's textile exports to Indonesia aren't restricted. The jeans were put on board the M. V. Norbeth, which sailed from Hong Kong Oct. 5, 1978. The ship made stops in Singapore and Indonesia but never unloaded Lo's Mee Kwong's consignment, the records show. It arrived in Britain with Lo' Mee Kwong's jeans about a month after it left Hong Kong.

"The shipping company that operated the M. V. Norbeth confirmed to the colony's government that Lo's Mee Kwong had paid freight charges in full for the Hong Kong to Britain journey, records say. But its goods entered Britain under a claim of Indonesian origin so that they wouldn't be subject to Hong Kong quota restrictions. To arrange the necessary documents, Lo's Mee Kwong paid the Hong Kong agent of an Indonesian company, P. T. Interland (Indonesia) Ltd., HK

\$ 25 for each dozen pairs of jeans it shipped—a total of HK \$ 460,000, government records show. The arrangement included: (1) the issue by an unidentified Indonesian company of fictitious commercial contracts and invoices to give an impression the goods were made in and consigned from Indonesia. P.T. Interland declined to comment on its role. The company explained in a telex message that its management has since been changed twice. (2) the issue by the shipping company of two sets of bills of lading; one set covered the voyage from Hongkong to Indonesia via Singapore, and the other from Indonesia to Britain also via Singapore. The shipping company isn't identified in government records. A government source said there isn't any indication the shipping company broke any law.

"Government records here show that Lo's Mee Kwong, under a similar arrangement shipped another consignment of cotton denim jeans to Britain on the M. V. Zelzate. That consignment also was seized by British customs officials. Yu Hok-chung, Lo's Mee Kwong's shipping manager, claimed his company had chosen to ship the goods to Britain in this manner for want of export quotas according to government records.

"A government source here said Lo's Mee Kwong's plan went wrong mainly because it was used too many times before by Hong Kong exporters. A suspiciously sharp increase in shipments of denim jeans from Indonesia to Britain during 1978 had aroused British customs officials to possible irregularities. The seizure on board the M. V. Norbeth was among the first that alerted customs officials made on jeans claimed to be imported from Indonesia. From the Norbeth's records, British customs officials also found that a consignment of knitted briefs under claim of Malaysian origin had been discharged in Rotterdam for delivery to Ingolstar, West Germany, before the ship arrived in Britain.

"Investigations by Hong Kong trade officials showed the knitted briefs were made in Hong Kong and shipped from here. Government records show that in early 1978 a buying agent for several West German importers came to Hong Kong to purchase knitted briefs. He discussed the matter with his relative, Wo Lai Ying, proprietor of ABC & Co. They agreed to evade the export quota restriction in Hong Kong textiles to West Germany by first shipping the goods to Singapore for onward transportation to West Germany under a false claim of Malaysian origin, government records show.

"They faked commercial contracts and invoices to make it look like the goods were made in Malaysia and consigned from Singapore, according to government documents. They also arranged the issue by the shipping company of bills of lading covering the voyage from Hong Kong to Singapore and from Singapore to West Germany. Ms. Wu then asked her employees to take out six export licenses to cover various shipments of 565,000 pieces of knitted briefs to Singapore, where imports of Hong Kong textile products aren't



restricted by quota. Hong Kong government documents stated that some of the goods weren't discharged in Singapore. Others were discharged but reloaded on another ship for delivery to West Germany. The c.i.f. (cost, insurance and freight) value of Ms. Wu's various consignments totaled HK \$ 1.2 million. According to official records Ms. Wu claimed she had made a profit of HK \$ 29,188 in this transaction. She also said the arrangements to ship the goods under false claim of origin was proposed by her relative and that she had agreed for want of export quotas. Both Ms. Wu and Lo's Mee Kwong were prosecuted by the colony's government. Ms. Wu was fined a total of HK \$ 150,000 and Lo's Mee Kwong, HK \$ 44,000.

"The Norbeth affair marked the beginning of active investigation by the Hong Kong government of quota-dodging schemes. Thus far, eight companies have been prosecuted, convicted and fined. The cases of Lo's Mee Kwong and Ms. Wu are the biggest. The disclosure of quota dodging by Hong Kong manufacturers has already triggered protests from advocates of protectionism in Britain and other major markets. These groups have charged that the colony's government has failed in its system of controlling textile exports. The rest of the problem is that for some categories of textiles, too many exporters don't have enough quotas to cover their orders. For instance many knitting factories now are fighting for export quotas because overseas demand for their products is keen. Sources said the price of quotas for woollen knit blouses has reached up to HK \$ 100 (US \$ 20) a dozen. The market for these quotas is very tight, the sources said. This problem is similar to that Lo's Mee Kwong and other quota dodgers faced in 1978. Investigation of quota dodging is an important function of the Trade Investigation Branch of the government."

*So much for what happened in Hong Kong.*

*Tribune* asked a *Quidnunc* from the FTZ to comment on this article—to see if Sri Lanka was being used by some foreign collaborators in the garment industry for similar evasions which might have adverse repercussions on the island's export quota and trade. WITHOUT MENTIONING NAMES (though he has furnished *Tribune* with them) he has reported that a Hongkong firm said to be a subsidiary of the Hongkong firm which figured in the court case mentioned in *Asian Wall Street Journal* has an operation in the Zone with a prestigious Sri Lanka Company. In regard to this operation the *Quidnunc* has pointed out that "whilst the *Asian Wall Street Journal* serves to reveal some of the practices being indulged in by zone industries it may interest you to note that the Sri Lanka FTZ operation mentioned which was commenced on a 60:40 equity structure showed a loss of Rs. 12 million in one year of operation. Despite this loss the Hongkong collaborator requested the local firm to expand the business which of course the local firm was not prepared to do because they did not want to throw good money after bad. The question which arises is why should the Hongkong firm want to expand the business if it is not a profitable one. The fact of the matter is

that the loss was not an actual loss but a manipulated loss through under invoicing and over-invoicing. This Sri Lankan FTZ company has also indulged in an interesting business practice where they exported goods to US markets but the Letter of Credit was opened by the collaborator in Hong Kong and the American buyer opened a separate Letter of Credit in favour of the Hong Kong company. The prices of course vary for the same consignment. This is one known method of syphoning foreign exchange.

"This Hong Kong company, it is said, has learned the art of dealing with Sri Lankans and it is known that the workers at this real sweat shop (which incidentally was built for air conditioning and has not been air conditioned even though the General Manager has ensured that his room is air conditioned) are intimidated by a Police Officer who, it is alleged, was most recently gifted with two tickets to Singapore and back (for him and his wife) with all expenses."

**Shouldn't the FTZ and other appropriate Sri Lankan authorities look into this matter. If sharp-shooting firms from Hong Kong are permitted to indulge in such practices and lead Sri Lankan firms up the garden path, it is the country that will suffer because it will be penalised by importing countries with quota cuts?**

## SRI LANKA CHRONICLE

### Oct. 30 – Nov. 5

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; SO—Sunday  
Observer; DM—Dinamina; LD—Lankadipa; VK—Virak-  
sari; ATH—Aththa; SM—Silumina; SLDP—Sri Lanka-  
dipa; JD—Janadina; SU—Sun; DV—Davasa; DP—Dina-  
pathi; CM—Chinthamani; WK—Weekend; RR—Riviera  
DK—Dinakara; EN—Eelanadu; IDPR—Information Dept.  
Press Release.

**THURSDAY, OCTOBER 30:** The Randenigala Project of the Accelerated Mahaweli Program which was to be started in 1980 has been put off one year and the height of the Kotmale Dam will be reduced with provision for increase later; the Randenigala Project which was to be funded by the Federal Republic of Germany was one of the major regulation reservoirs of the Mahaweli ganga; it is situated 13 miles below the Victoria Reservoir and four miles above the existing Minipe Anicut; the dam was to be 277 feet high and 1,740 feet long; the spillway will be equipped with three radial gates 75 feet wide and 25 feet high which would be able to discharge a flood flow of storage capacity of 629,999 acre-feet; the Kotmale Dam according to plans was to rise 352 feet above the river bed and 1927



feet long; it was to be funded by the Swedish Government and completed by 1983; the decision to reduce the height was to cut down the cost of construction which has escalated and will result in the reduction of power generation by 15 megawatts; this step will enable the Ministry to keep within the original sum estimated for this project; the original estimate on 1978 prices was Rs. 2,090 million with the installed electricity generating capacity of 150 megawatts. The production capacity of Kankasanturai Cement Factory will be increased by the installation of an additional process line; the expansion will be in two stages as suggested by the Minister of Industries and Scientific Affairs Cyril Mathew. The masoor dhal ration for November has been reduced to 500 grams per family from one kilogram; this step has been taken as the Marketing Department has a large stock of local dhal (cowpea) in hand which it wants to dispose of—CDN. The Cabinet yesterday approved a proposal by the Minister of Trade and Shipping, Mr. Lalith Athulathmudali to develop Sri Lanka as an important centre for trading in tea; this is to be achieved by permitting the imports of tea for bulk blending, packeting or tea-bagging provided the imported teas are used exclusively for the export market; import duty on teas imported for this purpose will be completely waived. The Cabinet yesterday approved a draft Bill presented by the President Mr. J. R. Jayawardene to amend the regulations under the Registration of Persons Act to enable the registration of persons when they attain the age of 16; at present only those who attain the age of 18 are liable for registration under the Act. Air Lanka will operate 66 flights for a week to 17 cities in 14 countries with the introduction of the Lockheed Tri Star 1011 widebodied aircraft to its Boeing fleet during the winter season starting from November 1. Air fares from Colombo to Middle East, India, Pakistan and Maldives will be increased by nine per cent from November 1—CDM. The European Economic Commission (EEC) yesterday made its biggest aid commitment to a single country in South-Asian region donating 22 million US dollars for down stream development in the settlement areas of the Mahaveli programme—SU. Direct dialling system between Colombo and Batticaloa was installed on Tuesday; this services will be officially declared open by the Minister of Post & Telecommunications D. P. Wijetunga on 23rd November—DP.

**FRIDAY, OCTOBER 31:** The railway has decided to engage a private agency to help it to tackle the problem of ticketless travel, General Manager, L. A. A. Peiris said yesterday; the problem was growing fast and the railway's present cadre of 95 ticket examiners was not adequate to tackle the problem effectively, he said; the railway has already called for quotations from private agencies for this service, he said. Imported Continental flour will cost 82 cents less per kilo from Monday; this price cut will be in force for 3 months, the Food Ministry said yesterday—CDN. President J. R. Jayawardene has recommended to the Cabinet that the loans to university students be increased by

Rs. 750 a year. The Bala Mandalayas of the Sri Lanka Freedom Party will meet in Colombo on November 6 to elect a candidate for the Attanagalla seat, according to influential SLFP sources—CDM. The Government is to issue petrol, diesel and kerosene ration coupons immediately to consumers; they will be required to retain them for use when a fuel rationing scheme is introduced. Railway commuters too will have to face a hundred percent fare increase before the end of the year. State sector employees are to receive a seventy rupee pay rise; this is to be announced in Government's fourth budget that will be presented in Parliament on November 5. Three hundred rounds of ammunition and over twenty thousand rupees worth of hashish were found by Police hidden in a house at Station Passage in Slave Island, last morning—SU. Once again coal will be imported to be used by large factories in place of furnace fuel etc; large quantities of coal were imported earlier for use by the Department of Railways—DP. The UNP did not spell out till last evening as to who will be appointed as the second M.P. for Pottuvil, the Executive Committee of the party met on Wednesday and discussed this matter for a long and even though a secret ballot was taken, the result was not announced—VK.

**SATURDAY, NOVEMBER 1:** The Petroleum Corporation Chairman Daham Wimalasena yesterday said that petroleum products would not be rationed this year; the corporation had ample stocks to last till the end of this year, he said; "what we are worried about is the first quarter of next year", he added; "if the Gulf war is prolonged we may not be able to get the required stocks next year". Rail and bus fares will go up by 30 to 40 percent from November 10; however, big concessions will be given to school children bus fares, which now vary from route to route will be standardised in February next year; this may result in a reduction of fares in some areas. A lorry and a CTB bus travelling along the Horowpathana road from Vavuniya were stopped by six youths between the 5th and 6th mileposts on Thursday and the passengers and crew were robbed of their belonging and cash amounting to Rs. 15,000; the gang, armed with shotguns and kris knives was lying in ambush in the jungle; the Vavuniya Police are investigating and no arrests have been made so far—CDN. A new State-owned company is to be established shortly for the blending of tea mainly for export; this was stated by Mr. Lalith Athulathmudali Minister of Trade and Shipping in a radio interview; he said that quality Sri Lanka tea would be properly blended with other varieties of imported tea to meet the tastes of foreigners—CDM. The Special Presidential Commission said yesterday that the Supreme Court had no jurisdiction to question in any manner or exercise supervisory jurisdiction over the findings and recommendations by the Commission in respect of the inquiry against former Prime Minister Sirimavo Bandaranaike; the three-member Commission made this assertion in an affidavit filed in the Supreme Court by State Attorney U. R. Wijetunge. The Sri Lanka Freedom Party yesterday called on the Government



of Iran to respect the Security Council resolution and agree to a ceasefire in the Gulf area with Iraq; it called upon both countries, specially Iran to co-operate with the six-nation team appointed by the Non-aligned Movement and agree to lay down their arms immediately; it has said that the SLFP highly appreciated the reasonable and responsible attitude shown by the Saddam Hussein government in agreeing to abide the UN Security Council resolution calling for a cease-fire and expressing its willingness to negotiate a fair and honourable solution to the conflict—SU. While in the North the price of onions has decreased the price of rice has sharply increased; a measure of rice in the Jaffna market is Rs. 7/50 while it is possible to buy a pound of onions at 75 or 80 cents this has resulted in difficulties buying good quality rice; rice is mixed with sand and husk—DP. The Central Committee of the Japanese Trade Unions has appealed to President J. R. Jayewardene to reinstate unconditionally all those people who lost their jobs resulting from the July strike and also to release all leaders arrested and to have direct negotiations with the trade unions concerned with a view to bringing about a fair settlement—VK.

**SUNDAY, NOVEMBER 2:** There are clear indications that the fourth budget of the J. R. Jayewardene government, Finance and Planning Minister Ronnie de Mel will present to parliament next Wednesday will announce the rephrasing of some of the country's development programmes and the reordering of priorities; with public expenditure now gobbling up 40 percent of the country's gross national product (GNP) and with revenue accounting for 26 percent of GNP, there is no other way—SO. How will the Minister of Finance and Planning Mr. Ronnie de Mel bridge the huge gap of Rs. 15 billion between government's estimated revenue and expenditure for 1981 when he presents his proposals with his Budget speech on Wednesday, November 5; this is the million-dollar question on the lips of everyone who has been studying the Appropriation accounts which Mr. de Mel tabled in Parliament. Prices of certain essential commodity items have been brought down with immediate effect by the Ministry of Trade and shipping; the price of dried chillies has been reduced from Rs. 23.15 to Rs. 19.80 per kilo while another variety of chillies will be sold at Rs. 13.30 per kilo; the new prices of garlic is Rs. 3 per kilo and barley Rs. 7.80 per kilo while the controlled price of imported bulbs will be Rs. 5.50 each; Sultanas have come down from Rs. 32 to Rs. 20 per kilo and rasins from Rs. 31 to Rs. 22 per kilo—ST. A six member official Committee has been called upon to spell out the guidelines for the smoother working of Development Councils—Government's top priority programme for next year; Prime Minister R. Premadasa will, in January next year, introduce legislation in Parliament for the conduct of elections to these Councils; their establishment now awaits the passage of this legislation. Sri Lanka possesses one unique and untapped energy resource which if developed will not only produce all her energy require-

ments but sufficient to export either in the form of electricity or synthetic fuels—to the Indian sub continent, claimed eminent space scientist Arthur C. Clarke when he addressed members of the International Institute of Technology in Madras last week: Mr. Clarke told the Institute that experiments were now under way in Sri Lanka to "mine" the ocean's inexhaustible thermal energy; Trincomalee, the great port on the East Coast of Sri Lanka could provide an ideal site for such an installation, he said. CID and Railway officials rushed to Magalegoda on Friday night to carry out an on the spot inquiry into the circumstances that had led to two compartments of the Colombo bound train being destroyed by fire. A series of stringent measures to clamp down on haphazard tourist development along the coast of Sri Lanka will shortly be implemented by the Urban Development Authority; these measures include that the Tourist Board obtain approval from the UDA prior to the setting up of hotels or guest houses along the coast; all proposed hotels will have to meet the specifications of the UDA which will include coast and road reservations of a minimum of 50 feet, continuous public access along the beach behind the hotels with access points to the beaches from the main road at every quarter mile interval, an official from the UDA told yesterday—WK.

**MONDAY, NOVEMBER 3:** Trade and Shipping Minister Lalith Athulathmudali ushers in a new dimension and a third mode of transport in Sri Lanka when he inaugurated the nation's first Coastal Shipping Service at 5.30 p.m. on Thursday November 6 at the Queen Elizabeth Quay, Port of Colombo—CDN. In a bid to stave off an impending oil crisis, President J. R. Jayewardene is sending Transport Minister M. H. Mohamed as his special envoy to Saudi Arabia to negotiate an enhanced oil quota for the first quarter of 1981; under contractual arrangements entered into early this year Saudi Arabia is to make available to Sri Lanka 250,000 tons for January, February and March next year, constituting fifty percent of the country's requirements; the remaining fifty per cent was to have come from Iran and Iraq; escalating hostilities between the two countries have now definitely ruled out any future supplies; hence Mr. Mohamed's mission according to authoritative government sources, will be to ask for an additional quota of 180,000 tons for the first quarter of next year; this is apart from the stock of 250,000 tons that is due; besides Mr. Mohamed's crucial mission, the Ceylon Petroleum Corporation is also making desperate contacts with other sources to ascertain the possibility of obtaining supplies; the introduction of a fuel rationing scheme will bring on the outcome admissions to the Dental Institute in Colombo, will be limited until the work-to-rule campaign by dentists is called off; the authorities admitted only 100 patients on Saturday—the first day of the campaign launched by dentists in protest against their non-inclusion in the extra-duty payment scheme for doctors: dentists who examine around 600 patients on normal days, on Saturday saw only a few patients, hospital authorities



said; angry patients later stormed the office of the head of the Institute, they said—SU.

**TUESDAY, NOVEMBER 4:** The price of a pint of pasteurised milk goes up from Rs. 1/40 to Rs. 2/- from tomorrow; Ministry of Rural Industrial Development announced yesterday; this increase will help milk producers to get an additional 20 cents for every pint of milk they supply the Milk Board—CDN. Four persons died at the Kalubowila hospital following consuming methyl alcohol on Sunday evening; all four according to police were residing at Niyadagala, Pannipitiya, police said the victims had first complained, after consuming the spirits, of blurrednes and later started vomiting and few hours after admission to hospital had died. For a country like Sri Lanka prosperity depended on high per capita imports and exports; so observed the Minister of Trade and Shipping Mr. Lalith Athulathmudali yesterday—CDM. Teaching appointments will be granted only to those get through the G.C.E. Advanced Level; on this basis 11,000 people will be appointed to the teaching profession next January—DP.

**WEDNESDAY, NOVEMBER 5:** Finance and Planning Minister Ronnie de Mel has informed all Ministers that he is not providing for any subsidy for the public corporations in 1981 and they should manage their own affairs, Finance Ministry sources said yesterday; the Finance Minister has told the other Ministers that they should run the corporations under them as commercial organisations and should not expect to be subsidised by the government in future. Finance Minister Ronnie de Mel will present the Government's fourth budget in Parliament today. The total estimated expenditure for 1981 is Rs. 30,543 million; he will also tell the country how he proposes to meet the estimated gap of Rs. 15,598 billion. The SLFP politbureau meets tomorrow to consider nominations to the Attanagalla seat, Mrs. Sirimavo Bandaranaike it is expected will preside at the meeting; representatives of all Attanagalla Balamandalayas (Party Branches) will be present. Political observers have questioned the wisdom of Mrs. Bandaranaike presiding at this meeting in view of the provisions of clause 67 (1) of the Parliamentary Elections Amendment Bill. Transport and Transport Board Minister M. H. Mohamed yesterday announced bus and train fare increases of 50 and 60 percent respectively; the new fares will be effective from Friday midnight; the students will enjoy concessions of 75 to 85 percent on bus and train season tickets; the concession has been extended to students from the universities, pirivenas, Arabic religious schools, Hindu priestly institutions and vocational and training institutes; of these only university students had this concession before—CDN. A large number of essential foodstuffs have been found to be below the standards laid down in the Food and Drugs Act according to the Colombo city analyst; it has been found that in the tea sweepings and tea dust sold in the public as much as 20 percent sand has been found; the grains of sand are so fine that the public cannot discover it—CDM. Finance and Planning Minister, Ronnie de Mel who presents Government's fourth

budget today will spell out proposals to bridge a deficit of just over ten billion rupees; the original deficit of Rs. 15.5 billion has been pruned down by five billion rupees in a bid to ensure a balanced budget; a one third cut in the budget deficit was effected after President J. R. Jayewardene, Prime Minister, R. Premadasa and Finance Minister, Ronnie de Mel, together reviewed capital expenditure allocations to the various ministries; Ministers were individually summoned during the course of last week and this week and told of the amounts of cuts they were to effect in their respective ministries; they were, however given the discretion of deciding from which areas in their ministries should the cuts be made; among the areas that have suffered some of the biggest cuts, are Mahaveli, Education and Housing; revision of the food stamps too was affected; according to highly placed government sources the pruning down of capital expenditure for ministries has been necessitated by government's commitment to ensure today's budget did not retrograde the policy of free market economy; President Jayewardene explained to Government MPs yesterday that there was no going back to the era of a closed economy where there existed rationing, controls, permits and other restrictions; people reject the Communist system and the controls and restrictions imposed by the former Government; those controls neither brought development nor employment nor even brought the cost of living down; admitting numerous faults in the present system, President Jayewardene told it was still the best in the long run. Price Control Officers came down heavily on pre-budget speculators with a number of raids being mounted in various parts of the country; this came after the Commissioner of Internal Trade N. Ramalingam ordered a pre-budget flush out of places suspected to be hoarding consumer items; their most successful detection was the recovery of 93 television sets valued at Rs. 1 million hoarded by a premier TV dealer in the city; the sets comprising 52 colour receivers and 42 black and white sets were confiscated and handed over to Sri Lanka State Trading (General) Corporation; the Price Control men have also charged a prominent cigarette dealer for a denial of sale. Dentists of the Dental Institute Colombo end their four day work-to-rule campaign this morning, following an assurance by Health Minister Gamani Jayasuriya to take up their demand with the Cabinet, shortly—SU.

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PAKISTAN'S ZIA

## In Search Of New Masks

BACK HOME after a high-powered journey abroad which took the Pakistani President to half a dozen countries, in the course of which he called on such Western dignitaries as President Carter, Mrs. Thatcher, Chancellor Helmut Schmidt and President Vallery d'Estaing the army ruler is counting a great deal on the



elevated status he seems to have acquired as a result of the sojourn abroad.

The hard reality however is that General Zia has been busy refurbishing image at home with the help of foreign props, it has become necessary to do so because of the rapid changes that have been taking place in the international arena, as a consequence of the Iran-Iraq war, as also on the domestic scene. The General wants to cash in too on the plaudits he has won from the Western leaders and avail of this for regrouping his base at home.

The Iran-Iraq war is a source of great worry for the Pakistani caucus whose mainstay has been the Islamic bloc and the tenets of Islamic fundamentalism, both of which are getting immensely weakened by the Gulf-fight between two Islamic countries. Not only is the danger to general Zia's doctrines very great as a result of the new cracks in the concepts spread by the army junta, but there is a real possibility that the popular disenchantment that is spreading will make further inroads on the slender base at home on the army regime.

It was therefore, understandable that the army ruler was seeking to buttress his image before the audience at home. The Western world has been too willing to oblige since the value of General Zia is still considerable in their eyes. There is also another reason why the Pakistani President needs to refurbish his image. The kudos he had won from various quarters on account of the support the regime under him had extended to the Afghan rebel groups, all based in Pakistan, was beginning to wear out because of the internecine quarrels that the rebel groups were engaged in. Wisdom dictated the need for a quick change of postures, and one of the objectives of General Zia in undertaking the trip abroad was to acquire the status of a respected international figure able to hold his own with world leaders of the Western camp.

WHEN THE ARMY REGIME, some 14 months ago, announced the indefinite putting off of the elections in Pakistan soon after the hanging of Z. A. Bhutto, its name was in the mud both inside Pakistan as well as abroad. The experiment of holding a local bodies' election showed that the regime was in no position of launch on the venture of a national election since the result was a forgone conclusion—a total victory for the forces ranged against the army junta. It was in this setting that the army junta desperately sought some means for salvaging their hold on the country. The Afghanistan crisis came in handy.

By focussing attention on the Afghanistan issue, General Zia was able to get at least temporary reprieve since neither domestic nor foreign interest would judge the army ruler so harshly as to seek his exit from the scene immediately. The incoming of Afghan refugees and setting up bases for relief as well as military training in Pakistan for the Afghan rebels also provided a good source of additional funds for Pakistan and middle interests seeking lucrative jobs to make quick money. Circles connected with the army junta were specially able to profit from the new enterprises a great deal

since the massive resources and military aid that flowed in from different sources—Chinese, American, Egyptian—all were clandestine in nature not accountable for.

The situation is however now changing. One of the reasons is the quarrels among the Afghan rebel groups whose headquarters are in Pakistani territory. There are at least six main groups, all quarrelling for money and a greater share of arms aid, while none of them is prepared to accept a common leader who can co-ordinate their operations. These identified six main Afghan rebel groups are the Hezbe Islami, National Front, National Front for Islamic Revolution, Hezbe Islami Afghanistan, Jamat-i-Islami, Afghanistan and Harakate Islami Afghanistan.

Mr. Gulbuddin Hikmatyar, the Hezbe Islami boss has been claiming to be the leader of the Afghan rebel groups, but his claims are not acceptable to the others, with the result that the quarrelling groups have been killing each other's men in the field. The situation has reached such a pass that their internecine war is driving out what sympathy they had etched out for themselves. Inside Pakistan, in particular, the rebel groups are arousing ever greater anger from the local population of Pakistan. Their effectivity in Afghanistan is not only being reduced but is drawing resistance from the people in rural areas.

In these circumstances, General Zia and the army junta has realised the need for donning a new costume, since the Afghan issue is fast losing its value as a prop for their stay as the country's government. In this situation there has also been a new posture towards the Soviet Union in relation to the Afghanistan question. The Pakistan delegation which recently visited Moscow took a mellow stand and gave the impression that it was willing to discuss the Soviet standpoint with an open mind, and a political solution was considered desirable. —/PA

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## SHANWAR BHUTTO INTERVIEWED

—about present situation in Pakistan—

On September 19, *Executive Intelligence Review* correspondents Thierry Le Marc and Edith Hassman interviewed Shanwar Bhutto, the youngest son of the late Pakistani Premier Zulfikar Ali Bhutto, in Germany. Since the execution of his father by the military regime of General Ziaul Haq in April 1978, the younger Bhutto has lived outside of Pakistan. He is currently touring Western Europe speaking to the overseas Pakistani community and others in his capacity as a leader-in-exile of the Pakistan People's Party (PPP).

EIR: What is your assessment of the present situation in Pakistan?



*Bhutto:* The situation inside Pakistan has come to such a point that it seems like dynamite just waiting for a match to light it for it to explode. People are being terrorized into obedience, they are being flogged, they are given the worst sort of treatment in jails, being tortured in jails. Basically, it is terrorism. It is not the rule of the government, it is the rule of terrorists. The will of the majority is being ignored, and a small minority clique is using terrorist tactics against the majority of people. The people are fed up, they are tired and they want a change.

We have used every avenue, every method possible to achieve this through democratic and electoral manners, but we have failed because of the stubbornness of the military government of General Zia. For these reasons we have come to the conclusion that we have to use limited means of armed struggle. I am not saying armed struggle, because armed struggle is used by the minority against the majority, in certain cases. There are cases, of course, where armed struggle is used by the majority against minorities. But a lot of people say if you use armed struggle you'll be showing that you are a minority, that you cannot use any other methods, you're using terrorist tactics, that you're not better than the enemy. We tried to explain to them that we have tried every other tactic, we have tried every other means, but now we have come to the level the military understands. They don't understand the meaning of a discussion, the meaning of a conference table. They are military men. They only understand the meaning of a bullet, the meaning of a war, and we are going to confront them in that way from now on.

As you know, as everybody knows, nobody can stand in front of the will of the people. Nothing can stand in front of that, no one, no obstacles. Obviously, there are foreign agencies supporting this government, very large foreign agencies. Intelligence agencies have been ruling and influencing our country for the last 200 years. But we are going to bring about a change with the will of the people, to give the people rights to advance technologically, to build the nation, to educate the people not to move them back to the 14th century.

*EIR:* How will you deal with the mullahs, with the Jamat-i-Islami (the Pakistani branch of the Muslim Brotherhood)?

*Bhutto:* Well, the Jamat-i-Islami of Mawdoodi, now dead, of Mufti Mahood.....the people are fed up with them also. The people have seen their real characters, their role in Pakistan. They fully support the military junta. They are part of the military junta. They are involved in the government of the military junta. The people have seen their real face, they cannot hide behind their beards any longer. The people have understood their real meaning. The people are not going to be fooled by them any longer. The problem is not a religious problem in Pakistan, we are all Muslims. It is not a religious problem. Our problems are socio-economic ones, not a problem of who is a Muslim and who is not a

Muslim, we are all Muslims. Islam in Pakistan was not created on the 5th of July, 1977. It is much older than that. I do not see the mullahs, the Jamat-i-Islami and these groups being much of a problem because people know the real facts about them in the last three years.

*EIR:* Could you just elaborate a bit further on how the government of Zia is dealing with political prisoners, and your people?

*Bhutto:* The military government, as you know, is supported by the Jamaat-i-Islami, itself supported by other groups. It is a whole process, a whole line of people who are ruling Pakistan, not only from within but from outside Pakistan. As you know in China there was the opium trade a long time ago, and they used opium to feed the people that they would have no time to worry about political problems because they would be trounced. The same thing is being used in Pakistan, in jails in Pakistan. The government is feeding the people with drugs so they would not have the time or the consciousness to think about the real problems inside Pakistan. They are released from jail, and they go around in a trance, like zombies, because of the influence of drugs in the jails. It is a problem of Amnesty International, but A.I. has not brought this up. They have ignored this problem. They must bring it up. There are no human rights in Pakistan, but nobody talks about that. Carter and Brzezinski and all say, "Human right! We depend on human rights. Our policy is human rights.....But there are no human rights in Pakistan and they forget about those things.

*EIR:* What is the strength of your party?

*Bhutto:* Our support inside Pakistan, as it is outside, is very great. If the elections would be held today, we would sweep the vote. There is no doubt about that. If there was any doubt about it Zia would hold elections, but he knows we are going to win, therefore he doesn't hold elections. Regarding international policy, I am not a policy-maker. The policy line comes from the Pakistani People's Party within Pakistan. We are not going to deviate from the policies of the People's Party of 1970. It is going to be the policy. We have a mission! We say we have to complete that mission, we have to make Pakistan into a progressive nation, we have to give it technology, we want it to advance technologically, we want to industrialize the nation, we want to build dams, we want to build schools, we want to get nuclear reactors for peaceful purposes, not to make a bomb.

We have to worry about our people first, we have to worry about our industrialization program. We want to educate the people. The Jamat-i-Islami doesn't want to educate the people. Of course they have their own reasons, because they don't want the people to become conscious, they don't want the people to realize the farce behind which the Jamaati is hiding.

*EIR:* How would a government led by the PPP approach regional problems such as the Afghanistan crisis?



**Bhutto:** We say that if democracy is established, we would do everything in the power of the people to solve the crisis.....In a democratic government, you have a parliament, the parliament sits and decides. There is a structure, a proper channel. We will go through such channels to solve the regional problems, not through the gun and the bullet. That is not our method!

**EIR:** What is your view of the Afghan developments over recent years?

**Bhutto:** The man who made the coup against King Zahir Shah (king of Afghanistan, overthrown in 1973, e.d.) was a Khalqi (a member of the Khalq, or People's Party faction of the currently ruling Afghan People's Democratic Party). They had been able to make a coup of their own and take over five years earlier but they didn't, for their own reasons. They had their own reasons and we do not know them, but they were capable of doing it. I do not think that it is the Soviet Union which forced them make the coup, because in any case they had the capabilities, they worked from within the military. They still had the capabilities five years later, and they decided this time to do it. They did it when they thought the time was ripe. **The problem of the intervention of the Soviet Union came two years later. It was not immediate. When Afghanistan was in complete danger of being occupied by reactionary forces supported by Pakistan and the Jamat-i-Islam—that's when the Afghan government asked for help from the Soviet Union.**

Egypt has asked for help from America, why doesn't anybody shout about that? Why doesn't anybody cry out and say, "Egypt has been invaded"? Egypt is giving bases to America, Somalia is giving bases to America, but nobody shouts and cries about that. The Chinese are in Pakistan. Whether they are there for construction work or what, nobody shouts about that, although they are also a communist country! The Americans are not Muslims, the British are not Muslims. It is propaganda from certain channels through certain radio stations to create internal problems so that the people cannot progress technologically, cannot advance, cannot be educated. They remain fourteen hundred years behind, to be under the influence of small clique of people determined not to let them progress, to keep them in poverty, to make them dependent on certain nations so that these nations can control them.

The Afghan Government wanted to change that, but the Jamat-i-Islami is not letting them do it. Each time a nation wants to progress, wants to educate its people, wants to create industries, wants to create technology, the Jamat-i-Islami has had a hand in stopping it. They stopped it in Pakistan, now they are stopping it in Afghanistan, they are trying to create problems in the Middle East, Syria is a very famous example because right now it is in the press (Syrian Government suppression of the Muslim Brotherhood—ed), but it is all over the Middle East!

**EIR:** What is your review of the Afghan rebels, what do they represent really?

**Bhutto:** If you take ordinary Afghans from the mountains who have been fighting for two years, and ask him: "Why are you fighting? What is your reason?", he will not give you a social reason, or an economic reason. He will say, "The Jamaat-i-Islami, the leader of the Jamaat-i-Islami told me to fight." "Why do you listen to him"? you ask him, but he will not answer.

You say, "You don't have food, the Afghan government is giving you food, you should support this government," He answers, "No, no, the leader of my area of the Jamaat-i-Islami says that this government is bad, you have to fight against this government, so I listened to him.....".

This is a special kind of opium. It is not the drug opium, but a different kind of opium where the man does not think for himself. He depends on other people. He doesn't think logically. He doesn't think about his own social and economic problems. He is under the influence of this drug and he will just go according to it.

The Afghan people are very poor people. Why are they poor people? There is not a single industry in Afghanistan. The agricultural system is two or three hundred years old. The Afghan government wants to change that, they want to build industries, to modernize the agricultural sector and to educate the people. The Jamaat-i-Islami says this is "un-Islamic" so this poor man tries to get educated, tries to get his land cultivated, but he will not because this madman of the Jamat-i-Islami or whatever their special group is called, will say, "No! This is un-Islamic!"

That is not correct. They abuse the name of Islam. They use the name of Islam to move towards their own ends. They themselves are not independent people, they are the puppets of intelligence agencies of the Western world.

**EIR:** How do these people act?

**Bhutto:** Any person who even has a moustache, which is slightly thick, is considered by the so-called Mujaheddin to be a Communist. He is taken and either they use that man to defuse mines, or if he survives that, he will be put into another mine. That is when they are feeling generous. That is when they are in a generous mood they do that.

Under normal circumstances they cut every part of the human body off, they take the eyes out. It is a fact that we have seen with our own eyes, we have seen the bodies. They mutilate the body completely, they cut people's hands and legs off and leave them on the mountains, barren mountains. They cannot walk, they cannot do anything, they are not dead, they die very slowly. They skin people alive completely. They hang people upside down from barges and they put them into the ice cold water of the Kabul River in the months of December or January. These are just a few examples of the ways they torture. They do not take any prisoners, they kill them all. Whether they kill them by skinning them or other means, they do not shoot them.



**EIR:** What message would you give to the Western countries?

**Bhutto:** The Western European countries must realize that Zia is not the alternative. Zia is going to make the Pakistani people move further and further away from the Western European nations. We do not want that!

Pakistani People's Party has got a certain policy, a certain foreign policy which was made by our late chairman and martyr, Ali Bhutto, and we want to follow the same policy. We do not want to go off the tracks. But, if Western countries continue supporting Zia the way they are giving him economic and military aid, the people of Pakistan will have to look for another alternative.

It is in the hands of the Western powers whether the people of Pakistan will continue to look to them, continue to ask them for support in the future in a democratic manner, or whether they want them to move away from Western democracy. It is in their hands.

It is not up to me to decide this, it is up to the people of Pakistan to decide, and the way things are moving at the moment, they are moving in the wrong direction.

They are moving away from the Western democracies, and this is going to be very harmful for the Western European countries.

Executive Intelligence Review,  
October 7, 1980.



ZIA—UL HAQ

## Flops At The U.N.

New York, October 5,

As theatre, the United Nations debut of Pakistan's President Gen. Zia-ul Haq was a textbook example of showmanship staged against a backdrop of political opportunity. It had nearly all the elements of an award-winning performance. However, his audience sat on its hands the diplomatic reviews were devastating and overall the extravaganza was a crushing flop.

With near unanimity, UN delegates agreed that the Pakistani strongman was simply too flawed a character to play credibly the role assigned him by his impresario, Foreign Minister Agha Shahi. As explained privately by Pakistani diplomats here and in Zia's entourage Shahi thought the president had an opportunity to improve his poor image both at home and abroad. Shahi persuaded Zia to capitalize on his current chairmanship of the Islamic Conference (which goes automatically to the chief of state whose country hosts a session of the 42-nation bloc, as Pakistan did at Islamabad in May).

The opening of the UN's 35th General Assembly

session provided the world stage Zia needed for his performance, and the UN Secretariat was notified that he would address the 154-nation body on October 1. It was made clear he would speak as chairman of the Islamic Conference and the 800 million Muslims it represents. In that capacity, he was cushioned against any overt hostility he might otherwise attract from diplomats offended by his personal record as a military dictator.

As Zia prepared to fly to New York, the flare-up in the Iran-Iraq war sparked a flurry of consultations among statesmen already assembled at the UN. Sensing an unexpected chance, Shahi intervened to delay other peace making efforts so that the Islamic Conference's hastily orchestrated "Zia mission" to Teheran and Baghdad could be thrust into the spotlight.

Pakistan's UN Ambassador Niaz Naik urged the Security Council to withhold any ceasefire appeal because it might interfere with Zia's intervention. Meanwhile, non-aligned ambassadors reported, Shahi personally interrupted their strategy meeting to demand that the neutral bloc keep its hands off until Zia had met President Abolhassan Bani-Sadr in Teheran and President Saddam Hussein in Baghdad.

Diplomatic courtesy prevailed, and the non-aligned nations yielded, though, as an Asian ambassador remarked, "We knew it was a public relations ploy for Gen. Zia, with no chance of success." The assessment was borne out by events, encapsulated in the frontpage assessment in the *New York Times*: "Zia's peace trip to Persian Gulf ends in failure."

Zia flew into New York in pre-dawn darkness, trailed by an entourage of 103 Pakistani officials, Muslim clergymen, servants and members of his family including an infant grandson. The president, his top aides and his family occupied a wing of US \$ 1,500-a-night suites in Manhattan's Waldorf Towers. Lesser aides checked in at the more modest Roosevelt Hotel.

A few hours later, Zia's motorcade, escorted by city police, United States Secret Service men and the Pakistani president's own security agents, swept through the UN's wrought-iron gates and wheeled up to the entrance of the 40-storeyed Secretariat building. In the lobby, where Secretary-General Kurt Waldheim greeted, Zia, a polite ripple of applause broke out among the handful of UN employees who had gathered behind the security barriers. In a break with protocol, the general strode to the barricade to shake hands with half a dozen spectators.

But across the street from the closely guarded international centre, a knot of Pakistani demonstrators chanted and carried signs assailing Zia as the "murderer of Bhutto" and the murderer of democracy in Pakistan"—references to the execution of former prime minister Zulfikar Ali Bhutto under the Zia military regime that seized power from Bhutto's civilian government. The rally was organised by the US-Canadian branch of Bhutto's Pakistan People's Party.

Shortly afterwards, UN chief of protocol Aly Teymour escorted Zia to the elevated stage of the great



green-and-gold General Assembly hall. Applause pattered through the audience of delegates and VIP guests, most enthusiastically from the dozens of seats reserved in advance by Pakistan's UN mission for the general's entourage.

As the delegates settled back for Zia's speech, they were stunned to hear the keening cry of a mullah through their earphones and from the hall's public address system, first in Arabic and then in translation: "In the name of Allah, the beneficent, the merciful...". The Koranic recitation continued for nearly five minutes, while Zia stood rigid at the lectern and delegates squirmed uncomfortably or sat in embarrassed silence. It is considered bad form to invoke sectarian religion at the UN.

Nevertheless, the first half-hour of Zia's speech was a recital of the history of Islam, up to the modern Muslim-Jewish conflict in the Middle East. Long before the president reached the 20th century, the hall was rustling with the restlessness that usually greets speeches by government representatives of lower rank and from countries less important than Pakistan. Not once was the speech interrupted by delegates' applause, though at one point, a Pakistani protester in the gallery shouted "death to Zia" before UN security guards hustled him out.

The remainder of the speech was characterised by a dozen quotations from the Koran and the Prophet with passing references to Afghanistan, the Indian Ocean military build-up, Kampuchea, Southern Africa and the New International Economic Order. Overall, diplomats agreed, it was uninspired and lacking in originality. Some ambassadors were seen leaving the hall during the first half hour of the 85-minute speech—"not in protest", as one of them explained; "but out of boredom."

Still, anti-Zia protests as one kind or another were at the root of the diplomatic chill amounting almost to a snub that greeted the Pakistani president here. Few governments including those of the Islamic bloc, or Waldheim had forgotten that Zia spurned their appeals for clemency for Bhutto. The Palestinian Liberation Organisation and its supporters continue to bear a grudge against Zia for commanding the Pakistani troops that massacred Palestinian guerillas during an expedition to Jordan to protect King Hussein in 1970. Zia, always an unlikely mediator, was particularly ill-cast in his self-appointed role as peacemaker between Iraq and Iran countries whose leaders hold him in little respect (as their representatives made clear in private).

—Ted Morello in the *Far Eastern Economic Review*,  
10/10/80



## INTERNATIONAL NOTES

# Reagan's Foreign Policy

By Omega

THERE IS a general impression that foreign policy issues, because of their very complexities, secrecy and restrictions, do not influence as average American at the time of voting: that all that concerns him is the immediate and current economic problems he faces at home. This appears to be a misconceived notion. Of the seven presidential elections held before the recent one, five were decided on foreign policy issues. And the latest one, more than any other election, was determined by foreign policy considerations.

There is no doubt that the international image, credibility and prestige of America suffered under Carter's administration. Carter who assumed power in the decade of detente—when America wanted breathing space to recuperate from the wounds of the Indo-China war, the Watergate scandal etc. etc.—and neither Carter nor the US could offer a strong foreign policy platform. And Carter (with Brzezinski) made matters worse than they might have been—with his "peanuts" superman critics and "human rights" humbug. In a way it can be said that Carter contributed to the steady deterioration and disintegration of American prestige and credibility. Very few people accepted Carter's claims that he has led the nation through a global transition from super power domination to interdependence among nations."

The fall of the Shah—a surrogate of America in the Persian Gulf—and the hostage issue, the inability to prevent Soviet Union intervention in Afghanistan, the hostage rescue mission fiasco—all nullified whatever gains Carter wanted to score on the Camp David agreement. Pollsters had long ago indicated that Carter was losing but Carter pinned his hopes on the hostage issue which he felt might dramatically change opinion in his favour. But the election results is ample proof that even if Carter succeeded in the hostage issue, he would have still lost the election. The main weakness of Carter's foreign policy stance in the latter part of his administration was due to the ghost of Reagan's foreign policy pronouncements. As the election propaganda ran parallel to certain key negotiations that were being held Carter was compelled to be tough without committing too much or success in anything he attempted.

IN THIS CONTEXT it will be useful to analyse Reagan's foreign policy. It is undoubtedly too early to forecast anything with certitude until he makes his official pronouncement on January 20 next year. However, certain attitudes that might emerge as his policy could be gleaned from his electioneering and post-election speeches.

IRAN—this issue will of course engage his immediate attention. The hostage issue appears to have entered a period of stalemate. Carter was anxious to solve it before the polling day but the Iranian parliament



by its dilly dallying to strike a hard bargain has spoiled the whole issue. The hostages were Carter's problem and hence his anxiety to solve it—both on humanitarian grounds and as a moral booster to his sagging popularity before the polling day.

Reagan though equally anxious to solve the hostage issue may not be in a haste for an immediate negotiation. Reagan may opt to consider them to be prisoners of war and postpone the issue until Iran realise that she has no options left. The Carter administration cannot now commit Reagan's administration to any disadvantageous deal and Reagan's advisers have already indicated that Iranian demand except the demand not to interfere in Iranian internal affairs are not acceptable.

ON THE OTHER HAND Iranians are in a cleft-stick dilemma. Iran is pre-occupied with Iraq and had already incurred heavy losses. Iran has already spurned offers of assistance from Soviet Union. Though Iran continues to maintain trade relations with the Soviets, she does not hide her fears of Moscow. Iran has been accusing both America and Soviet Union, the latter particularly, in recent times for helping Iraq with spares and ammunition. Iran has protested vigorously about the Soviet intervention in Afghanistan. Iran has a long border with Soviet Union and owing to the presence of Soviet troops in Afghanistan, Teheran has unilaterally abrogated clauses five and six of the Soviet-Persian Friendship Treaty of February 26, 1971. Soviets have not agreed to this as yet. These sections granted the right to Soviet Union to send troops in to Iran if she was attacked. Iran however fears that Soviet Union may, as in the case of Afghanistan, move into help the Tudeh party in Iran to topple Khomeini's government.

Reagan and his advisers are well aware of Iranian fears of the Soviet Union and Iran's difficult and desperate position vis-a-vis Iraq. Iran's economy appears to be taking a severe beating by the economic embargo imposed by America and her European allies. The need for military ware and spares is urgent. There appears to be no end in sight for the Persian Gulf war and Reagan may be pinning hopes of scoring peace with honour making use of Iranian vulnerability. Strategically and otherwise Iran forms a part of America global policy, and Reagan would be the last person to alienate Iran.

**NATO**—Carter's administration also made exacting demands on his European partners. He demands for an unswerving loyalty—on the Iranian issue, Afghanistan, the economic embargo against Iran, the grain embargo against Soviet Union, the Olympics boycott etc.—were accommodated with dissatisfaction and grumbling. But they felt assured when Carter signed the SALT II. But they were disappointed when Senate postponed ratification of SALT II. Any imagined fear or otherwise of the Soviet Union poses immediate threat to these West European states. Hence their anxiety to secure any type of limitations on the production of weapons. But they are worried about the

implications of Republican foreign policy postures. Reagan and his advisers have completely ignored the earlier Republican stand enunciated by Nixon-Kissinger and continued through Ford years the detente policy and "essential equivalence" doctrine. Reagan wants military superiority over Soviet Union and hence the desire for increased military spending—a manned intercontinental bombers to the abandoned B-1, new type of missile, air-cover and a large fleet of ships and planes. The defence spending would be increased to \$ 40 billion per year.

**SECONDLY**, the idea of re-negotiating of SALT II has annoyed NATO powers. Reagan claims SALT II agreement was a sell-out to Soviet Union and in a re-negotiation US should obtain all benefits. For Reagan it is not merely SALT II, but the whole gamut of issues ranging from Soviet intervention in Afghanistan, Kampuchea, to the Polish strike as well. As the *Newsweek* stated a few months before the election: "Reagan and the hawkish men from whom he takes counsel reject the arguments that they are courting confrontation with the Soviets. They contend instead that it was vastly more dangerous to shrink from confrontation and from the cost of backing America's hand with military might. To do so Reagan argues, is only to invite further adventuring by the Russians and their Cuban surrogates to a point where the last choice left is to 'surrender or die'.....".

Reagan would draw his own line in the sands in Saudi Arabia, a declaration ready by his critics as conceding Iran to Moscow should they choose to take it (but this was before the outbreak of war in the Persian Gulf). Towards the end of his administration Carter accepted the vital role that the Non-aligned Movement could play in ensuring a peaceful world. Earlier administrations, including Carter's, at the early stages either ignored the importance of the Movement or tried to destroy it through its surrogates. This was clearly evidenced during the summit held in Havana in 1979. Critics of America may say that the feigned friendship posture towards the Non-aligned Movement was designed to push Yugoslavia against Cuba which is the current Chairman of the Movement.

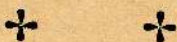
**DESPITE ITS VACILLATION** on some current issues, the Non-aligned Movement can still occupy the centre stage in the super-power competition. Whether the new American administration will accept this new trend or not, the movement has a vital role to play. It is likely that India may emerge as a leader of the Movement at this juncture.

Reagan's reaction to India's role is yet to be known. *If America were to move away from Iran, the other alternative for the US is India. Pakistan is not stable and her internal problems are more acute. The pro-Israeli lobby in the US appears to be dominant and Reagan may upset whatever limited success Carter achieved in the PLO issue. Reagan has already described the PLO as a "terrorist organisation" and this is bound to drive a shock wave of anti-US hatred in the Middle East. Reagan appears to show that he is less dependent on the Middle East oil as he hopes to exploit American oil reserves and release big oil restrictions on the continent.*



Reagan has entered the world stage without much international sympathy, support, and admiration for him. It cannot be denied that there was a lurking desire among many world leaders that Carter—whom they considered to be a lesser evil—should win the Presidential election. How Reagan's policy-makers would be able to convince and assure the world, including America's friends, that Reagan does not really mean war—is hard to say. Some of Reagan's propositions made in the heat of the election battle do not appear to be realistic or practical in the context of current world situation.

8.11.80



CHINA'S OIL

## Boom Or Bubble?

By Igor Nadezhin

Moscow, October 30,

Although the "fabulous" Chinese oil reserves are still turning the heads in the business communities in some countries, it appears that the hopes of massive oil purchases have collapsed. The figures revealed at the 3rd Session of the National People's Congress of the 5th Convocation of the Chinese oil industry have proved utterly discouraging. Thus, in the next two years China's oil production will barely top 100 million tons. Moreover, Chinese vice premier Yao Yilin, who reported on the Chinese economy at the session, told the Japanese Minister for Foreign Trade and Industry, Toshihiko Yano that Chinese oil production may be falling until 1987. Apparently, the Chinese leader had a good reason to admit this to the representative of the Japanese business community. You may know that Japan is the major importer of Chinese oil and, naturally, is the first to feel the effects of the troubled Chinese industry. Already last year China under-supplied Japan with about 130,000 tons of oil. Throughout this year China has never failed to get through to her neighbour that in the current year and the more so in 1981 and 1982, China will find it extremely difficult to fulfil her obligations.

Experts are rather pessimistic about these prospects. The Chinese oil industry, now a bottleneck of the national economy, was to play the leading role in implementing the much advertised by abortive programme of a 10-year economic development in 1975-1985. Quite a few interesting details about China's oil industry have leaked through in the Chinese daily press as a result of the notorious Bonai affair. I mean the last year's catastrophe on the drilling platform in the Yellow Sea, which took the lives of 72 workers. The investigations showed that in the department of oil they did not pay the due attention to the technical side, disregarded the scientific recommendations, rules and instructions, and misused the obtaining forces and potentials of this industry.

Voluntarism, adventurism and red tape prospered in the ministry of oil industry. In the period between 1975 and 1979, as many as 1,043 serious accidents occurred under the department of shelf oil prospecting and 105 people died and 114 were maimed. In May of last year alone 7-8 major accidents took place there...

Of course, in such conditions Chinese oil production could not even show a zero growth, but there are grounds to believe that the situation will become still more difficult. Thus, grave technical difficulties are hampering the work of the Daqing oil province, accounting for about 40 percent of China's oil production. According to the *Financial Times*, Daqing will find it difficult to maintain even the current extraction rates. Well pressure is down falling at the Dagang major oil fields. In early September *Renmin Ribao* reported that the Yumen oil field reserves are becoming exhausted.

The failure of the ambitious plan of creating "10 Daquings" by 1985 has meant a tremendous material loss. The nine artificial fibre plants purchased from abroad in view of a tempestuous growth of oil extraction are experiencing an acute shortage of raw materials. The Nanking chemical combine to process several million tons of oil annually is actually standing idle. The Lanzhou oil refinery, one of country's most updated, is underloaded. The list can be continued, but the cited examples can abundantly prove that Peking's adventurism costs the nation extremely dear.

The oil industry troubles are aggravated still more by the extremely low prospecting activities over the last few years. Vice Premier Yao Yilin said that China would hardly start exploiting new deposits until 1987. At the session he explained the reasons of the lowering oil-extraction rates by the need to equalise extraction and the prospected reserves. Putting it plain, the old deposits are almost exhausted and no new ones have been found so far. Paradoxical as it may seem, the country, whose oil resources were ever-optimistically estimated almost as the Mid-East's, is now expected to experience.....an energy crisis. This opinion was recently expressed, particularly, by the *Guangming Ribao* newspaper, which wrote that relatively high energy production will hardly be reached even at the end of this century.

Obviously, the "grandiose Chinese oil program" has turned out to be a well-orchestrated mystification. For its scale it may go down into the history of international trade-economic relations. At the same time, this is a classical embodiment of the economic voluntarism of the current Chinese leaders, whom blindfolded, are searching for ways towards an "economic miracle", like they did in Mao's times. —APN





## Empire Of Bases

By Igor Bulai

AT TIMES one tends to think that certain groups in the United States aren't aware that we are approaching the end of the 20th, and not the end of the 19th century. Empires are now history, and the colonial system of imperialism has collapsed. But, Washington has declared various areas tens of thousands of kilometres removed from North America to be "spheres of vital American interests", and is increasing its military presence in faraway regions. Today, the United States has over 400 large military bases and 2,500 military projects beyond its borders. It has about 500,000 servicemen abroad, i.e., every fourth American in uniform. These bases and troops make up the modern "empire" of the United States.

Aware that the old colonial empires—British, French, Dutch and Belgian—were doomed to collapse, American ideologists had come up, as early as in the 1940s, with the theory of the "vacuum" which would appear once the empires fell. Of course, this vacuum, in their opinion, had to be filled by the United States, which took advantage of the decline of the other powers to satisfy its own imperial ambitions.

It would seem that following the defeat of German nazism and Japanese militarism, there was no longer any need for the global network of US military bases. But instead of decreasing its military presence abroad, the United States moved to expand its "empire of bases." The Pentagon bolstered its positions in Western Europe, Asia, and the Far East (Japan and South Korea), in Australia, New Zealand and the Pacific Islands. The USA built hundreds of airfields, naval and land bases, electronic intelligence projects, and depots of conventional and then nuclear weapons thousands of kilometres away from its shores.

There were strongholds and powerful symbols of Pax Americana—the old imperial dream of the American chauvinists.

To justify this network of bases, a strategy of "forward bases" was elaborated which in essence was the creation of American military strongpoints along the perimeter of the USSR and the other socialist countries. But the geography itself—right next to the USSR—made it clear that American intentions were not defensive, but aggressive. The objective of the overseas military bases and Washington's "atomic diplomacy" was not only to undermine or even destroy the USSR, but equally to subjugate its own allies in the capitalist countries, as well as the developing world, to its will. The bases were increasingly used as a lever of pressure on the governments concerned whose political course was not to Washington's liking, and for interfering in the affairs of those countries which could not stand up for themselves.

The unrealistic idea of world domination is also behind the present eruption of militarism in the United States.

The USA is accustomed to being shielded from conflicts and wars by two oceans, and Washington strategists still cherish hopes that if a "limited nuclear war" does break out, they could win it, and divert a retaliatory strike away from the USA to other countries. This is one specific aim of the "new nuclear strategy" outlined in presidential Directive No. 59. Within the context of this strategy the American military bases abroad are assigned a large role, which explains why many nuclear weapons have been redeployed at "forward-based" projects. It has been estimated that the United States has 7,000 nuclear warheads in Western Europe, 1,700 in South Korea, the Philippines and on Guam Island, and 2,500 aboard American warships sailing in the Atlantic, Indian and Pacific Oceans.

Washington is stubbornly trying to attain old objectives, using new means. It is a course based on that same old refusal to admit that the world is rapidly changing, and on nostalgia for the days of bullying and coercion.

—APN

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### WEST GERMAN REPORT

## Military Bases Of The U.S.

Below are Excerpts from the FRG magazine "Blätter für deutsche and Internationale Politik", vol. 2/1980

In 1933 U.S. troops were stationed in three foreign countries. When NATO was founded in 1949, U.S. forces were present in 39 countries. Today, approximately 500,000 American military personnel are outside the United States, i.e., a quarter of the forces' total strength. They are stationed in 114 states of the world, in U.S. overseas territories or at sea. There are about 2,200 military bases, 225 of which are big ones, in more than 30 countries. Half of the United States nuclear capability, which comprises at least 22,000 tactical nuclear weapons, lies abroad.

IT IS WESTERN EUROPE where the bulk of the United States foreign-based forces are concentrated. They account for 10 percent of NATO's land forces and 25 percent of its air force. In all, there are some 330,000 U.S. soldiers in Western Europe, of which 238,500 are stationed in the FRG, 22,300 in Britain, 12,100 in Italy, 8,800 in Spain, 4,800 in Turkey, 3,700 in Greece, 2,800 in Iceland, 2,200 in the Netherlands, 2,000 in Belgium, 1,400 in Portugal and 800 in other countries. The warships of the Sixth Fleet in the Mediterranean carry another 34,800 U.S. soldiers. Again, it is Europe where the majority of U.S. bases are located. Over 7,000 nuclear weapons are stocked in more than 100 arms depots. Around 600 U.S. planes in Europe are capable of carrying nuclear weapons. Americans are using dozens of air bases. Under the program to establish so-called "joint operative bases", negotiations have begun to include another 53 bases as



landing sites for additional aircraft from overseas in an effort to treble tactical air force strength.

The greater part of American troops and headquarters is concentrated in the **SOUTH OF THE FRG**. The number of soldiers (U.S. Army: 204,000, U.S. Air Force: 34,500) has even grown in the last few years, and it is scheduled to increase further according to the decisions made at the recent NATO Council meeting. The 108 Pershing-2 missiles slated for deployment in the FRG can be used for nuclear strikes against the Soviet Union. By no means smaller is the danger that emanates from the '96 Tomahawk cruise missiles to be deployed. There are 3,000 American tanks in the FRG. Stockpiles and depots are so full that by 1982 it will be possible to double the number of American land forces within 10 days. *The FRG is the most important military staging area for the United States in Europe.*

There exist over 20 different U.S. bases in Britain among them air bases on which 156 F-111 fighter bombers with the enormous range of 4,500 kilometres are stationed. Just as Bonn, London okayed the stationing of cruise missile launchers, which will increase the strategic importance of American military bases even further. In Holy Loch, there is a naval base for rocket-equipped nuclear submarines that are in a position, virtually minutes after leaving harbor, to launch nuclear strikes against the USSR. (There are always three submarines at that base.) A host of American bases and facilities, 52 in all, are located in Italy including the Sixth Fleet's main base (approx. 50 ships) in Naples. Italy has approved the stationing of launchers for the new American Pershing-2 missiles. It is in Spain, which is not a member of NATO, where the 16th American Air Force Division is headquartered and where Europe's largest base for KS-135 refueling aircraft is situated. Spain has a total of three U.S. air bases. Portugal has made available to the United States 22 bases, including the strategically highly important Lajes base on the Azores. This is the stopping place for Europe-bound U.S. planes. During the Arab-Israeli war, 42 aircraft landed on that base every day. Most of them were transports. Also reconnaissance aircraft are stationed on the Azores. Greece has more than 20 military bases of the Pentagon, including nuclear weapon depots.

There exist 60 bases and military installations of the United States in Turkey. They are used primarily for reconnaissance purposes such as the Pirinçlik and Sinop electronic monitoring stations and the bases for reconnaissance aircraft. There is a strategic air base at Incirli in the country's South. Right now, the United States is attaching special importance to its military bases in Turkey (The new Turkish-American defense co-operation treaty was initiated on January 10). From Akrotiri Air Base on Cyprus, American U-2 and SR-71 spy planes fly missions over the Near and Middle East. In Iceland, there is an American base at Keflavik, out of which aircraft of the airborne AWACS spy system have been undertaking reconnaissance flights along the borders of socialist states since 1978. Hence,

the military bases in Europe permit the United States to conduct military operations of any type and scope against the USSR and its allies.

**EAST AND SOUTHEAST ASIA** Roughly 140,000 American military personnel are stationed in the Far East and in Southeast Asia: 45,900 in Japan, 41,600 in South Korea, 14,400 in the Philippines, 8,400 on Guam, 700 in Australia, 600 in other countries and 25,900 aboard the **Seventh Fleet**.

More than 200 military bases and installations are located in Japan, including facilities for strategic nuclear weapons (Okinawa). Two big bases exist in the Philippines: Clark Field Air Base and Subic Bay Naval Base. The latter is the Seventh Fleet's main base west of Pearl Harbor, with 6,000 soldiers stationed there. Clark Field Air Base has been assigned the task of making possible American Air Force operations in Southeast Asia. A total of 3,200 nuclear weapons are in the Far East and on the ships of the Seventh Fleet. Large air and naval bases exist on Guam and the other Mariana islands. On Kwajalein Atoll, which forms part of the Marshall Islands, the United States maintains a missile testing range, where MX missiles are to be tried out, for instance.

**MIDDLE EAST AND INDIAN OCEAN.** Let us briefly turn to the Middle East and the Indian Ocean, where dramatic events are currently unfolding. There are comparatively few American soldiers and seamen in that region: their number is rapidly growing though. The most important aspect is the constant increase of naval forces in the **Persian Gulf** and the **Arabian Sea**. At the moment, 25 American warships are concentrated there. (This was in February 1980—now it is many times more!). They include the nuclear-powered aircraft carrier "Nimitz", the aircraft carriers "Midway" and "Kitty Hawk" plus probably two more aircraft carriers. As it were, a new fleet, the **Fifth Fleet** has been created. Also, it is at that area that the bulk of the 110,000 men "rapid deployment force", which is in the process of being set up, will be directed. The operation of ferrying two airborne divisions from the United States to the Near and Middle East region is expected to take three days.

The most important base of the United States in the Indian Ocean lies right in its middle on the island of **Diego Garcia**. Nuclear submarines carrying missiles of a range of 4,500 kilometres can enter its harbor. In other words, their missiles could reach the Middle East, the South of the Asian continent and the Eastern part of Africa. The island's airport is equipped to handle strategic B-52 bombers, F-111 fighter bombers and other long-range aircraft. At the present time, reconnaissance and ship combat planes are stationed at the airport. The United States is using a naval base in the sheikdom of **Bahrain**.

The search for new bases in **Oman**, **Somalia** and **Kenya** has been intensified. U.S. patrol planes fly missions out of the Omani island of **Masirah** and make reconnaissance flights from a large base in **Upper Egypt** to co-ordinate the activities of the U.S. forces



concentrated in the vicinity of the Iranian coast. The United States intend to use military bases on Sinai Peninsula under the Camp David Agreement. Military transports carrying military hardware for the American rapid deployment force from the United States have begun to land in Israel.

**LATIN AMERICA.** Some 15,000 U.S. military personnel are stationed in Latin American countries, with the major contingent in the Caribbean. There are 14 bases in the Panama Canal Zone, others in Puerto Rico and on the islands of St. David and Trinidad. Against the will of the Cuban government, the United States is still maintaining the Guantanamo base in Cuba.

Further bases are located in Northeast Brazil. Bases and military installations exist in Argentina, Paraguay, Uruguay and Colombia. There are U.S. military bases also in Australia, Canada and other countries:

Hence, the United States "bases strategy" is global in character. In 1979, \$ 8.438 billion were available to maintain American troops and bases abroad. Of this sum, \$ 4.154 billion were earmarked for the soldiers and installations in the FRG.

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PRESIDENT CARTER

## Abandons "Human Rights"

By Gennady Gerasimov

Moscow, October 25,

The death knell of US "human rights" policy have come from the White House. US News & World Report of September 22 did a new fashionable analysis of just how Jimmy Carter has kept his election promises citing the "Administration comment" on human rights. "As for human rights, the President's aides say that US strategic considerations took precedence in some areas."

This order of priorities contradicts what the President said in his inaugural address: "Our commitment to human rights must be absolute". The word "absolute" suggests that all other considerations, including one might think "strategic" considerations should be lower on the list. Speaking about the same issue later, the President was equally emphatic: "I've worked day and night to make sure that a concern for human rights is woven through everything our government does" (December 15, 1977): "As long as I am President, the government of the United States will continue throughout the world, to enhance human rights" (December 6, 1978). In his assessment of Carter's record in the magazine *Foreign Affairs*, the very conservative American journalist William F. Buckley Jr. wrote: "Of course, everyone knows that Mr. Carter's human rights policy is now in shambles."

Perhaps people are aware of how the Cheshire

Cat would disappear in *Alice's Adventures in Wonderland*: first the end of the tail would fade away and then the rest of him, leaving only the grin which remained some time after the cat itself had vanished. A similar metamorphosis has happened with the USA's human rights policy. The "grin" is still there—Secretary of State Edmund Muskie did refer to human rights when he spoke during the general discussion at the UN General Assembly in New York. But what is left of this policy? First, the "end of the tail" vanished in Iran, where the USA gave "100 per cent" support to the tyrannical Shah. Then a "paw" vanished in the Senate, where ratification of the main human covenants was torpedoed. Another "paw" vanished when the American native people began crying out against the government's policy of genocide against them. Then came the bloody events in Miami. If one is to go by the formula the Senate worked out to determine, which countries would receive US aid depending on how well they observed human rights, the United States itself would not qualify.

PRESIDENT CARTER has often admitted that a lot has to be done to ensure human rights in the United States itself. The danger for others arises not from the American's desire to clean their own house (and a rather dirty one it is), but from their claims to "clean" the rest of the world. Human rights is the new banner under which the post-Vietnam and post-Watergate United States is reasserting its post-war claims to "world leadership" which Carter has begun speaking about. The only difference now is the arguments used. Previously the claims to world leadership seemed to stem "naturally" from the right of the strong-from American's might and world influence. Now that a military strategic balance has been achieved, the USA is turning to the "moral" field for additional weight that could tip the scales in its favour—which has not prevented the Pentagon from continuing to dream about "military supremacy". But the "banner" of human rights was drowned in the pragmatism of American diplomacy. The same Buckley states: "Of course (please note this 'of course'—G.G.) we continued our alliances with random dictators."

In every concrete instance American policy has been shaped by "strategic considerations" as the White House understands them today and not by moral "absolutes". And words about these considerations taking precedence "in some areas" can be better formulated as "in cases when the situation comes into conflict with the real aims of American policy." When there was no conflict human rights served as quite a useful lever in something like a diplomatic offensive against the USSR. The "third basket" of the Helsinki agreements seemed to be a good duelling pistol in a fancy box.

It might be pointed out that Carter initially criticized the Helsinki agreements, and began to champion them only after he learned about the "third basket."

Another convincing example illustrates the pragmatism of American human rights policy. On April 21, 1978, President Carter called the then existing Pol



Pol regime in Kampuchea, the worst violator of human rights in the modern world. But today, because of "strategic considerations", the United States opposes the unseating of the representative of the now non-existent regime at the UN. There is no American human rights policy—only an attempt to use nice sounding words to achieve foreign policy objectives. This is immediately obvious when one compares words with deeds.

—Moscow News—APN

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FOR THE RECORD

## Government Media On The Budget

SUNDAY OBSERVER 2. 11. 80

### Programs Being Rephased Priorities Being Recorded Strong Bid To Bridge Deficit

By Manik de Silva

There are clear indications that the fourth budget of the J. R. Jayewardene government Finance and Planning Minister Ronnie de Mel will present to parliament next Wednesday will announce the re-phasing of some of the country's development programmes and the reordering of priorities. With public expenditure now gobbling up 40 percent of the country's gross national product (GNP) and with revenue accounting for 26 per cent of GNP, there is no other way. The thick greenbound revenue and expenditure estimates Mr. de Mel tabled in parliament last week gave the grim message loud and clear. The projected budgetary deficit, on the figures that are now public, is an unprecedentedly whopping Rs. 15.5 million. Inflation-fuelled cost escalations have played havoc with this year's budget which was way off track. The Kotmale project under the Mahaweli diversion illustrates the magnitude of the task the Finance Minister is faced with. An estimated cost of Rs. 2 billion for this scheme in 1978 is now hovering around Rs. 7 billion—up 350 percent.

Cost escalation is not the only reason for the problems the economy faces. This year's budget had to carry the burdens of un-financed losses in several state-owned corporations whose figures were in the red often due to no fault of theirs. Public transport is one such example. The CTB and the CGR carried the weight of fuel price hikes in the year that is ending. There has also been a very large number of supplementary estimates this year despite government decision that no supplementary votes would be passed except under very special circumstances like natural calamities.

According to the estimates the revenue is Rs. 14 billion. The expenditure is Rs. 30 billion. The 40 percent of GNP that expenditure swallows is perhaps the highest in the world—certainly the highest in the region. The comparative figures are: India 13 percent, Pakistan 16 per cent, Singapore 20 per cent, Malaysia 23 per cent, South Korea 19 percent. As a senior government economist put it, "Our expenditure is of an order that our resources simply cannot afford." But revenue, at 26 percent of GNP is also higher than any other country in the region. India raises 10 percent of GNP in revenues, Pakistan 13 per cent, Malaysia 16 per cent, South Korea 20 per cent and Singapore 23 per cent. With the Sri Lanka government borrowing 5 per cent of the GNP financing the deficit involves a gargantuan budgetary exercise. As Mr. Ronnie de Mel knows very well raising revenue on the needed scale is difficult business. Tax adjustments, certainly can bring in some money into the kitty. But in term of the broad brush picture, such revenues are never very much.

In the final reckoning, therefore, cutting down of expenditure is inevitable. Senior official sources admit that there is no way of trimming the budgetary deficit except by cutting down government expenditure. The early signals have already been made with the government announcing that Randenigala has been pushed back an year and the height of the Kotmale Dam is being reduced. Economies are also being made in the construction of Maduru Oya. Sri Lanka has long carried an expensive welfare programme that has given its people much that the country's neighbours lack. Education costs Rs. 2.3 billion, health Rs. 1.2 billion, food stamps Rs. 1.6 billion consumer subsidies including public transport Rs. 2.8 billion, produce subsidies (fertiliser included, Rs. 1.8 billion.) The list could go on.

The foreign aid record is impressive. We have received more foreign aid per capita than any other country in the world with the current figure recorded a \$ 65. This pays for 65 per cent of the development programmes. The world economic situation precludes the possibility of getting any more aid. So top officials connected with budget making both in the Finance Ministry and other development ministries are making valiant efforts to bridge this year's huge deficit by re-phasing the programs and restructuring the priorities.

CEYLON DAILY NEWS 5. 11. 80

### They Must Manage Their Own Affairs. No Subsidies For Corp., In Future, Says Ronnie

by T. Sabaratnam

Finance and Planning Minister Ronnie de Mel has informed all Ministers that he is not providing for any subsidy for the public corporations in 1981 and they should manage their own affairs, Finance Ministry sources said yesterday. The Finance Minister has told the other Ministers that



they should run the corporations under them as commercial organisations and should not expect to be subsidised by the government in future. Transport and Transport Boards Minister M. H. Mohamed, who confirmed the Finance Minister's decision, said he was making immediate steps to run the Ceylon Transport Board and the Ceylon Government Railway — the two sectors which run on heavy subsidies — on a commercial basis. He said the CTB was expected to incur a loss of Rs. 1,107 million this year and the railway was losing Rs. 350 million. He intended to meet these massive losses partly by fare hikes and partly by effecting economies. "I have already set up a section in the Ministry to keep a strict check on the expenditure of the CTB and the railway", he said. Mr. Mohamed said the CTB's actual running costs per kilometer is Rs. 4.74, while the income is Rs. 2.80, thus resulting in a loss of Rs. 1.94. The fare increase will help to offset the loss by Rs. 600 million.

The Minister has already initiated action to cut down waste, prevent large-scale thefts, limit unnecessary overtime, cut down unnecessary travel by top officials and contain ticketless travel. "Ticket travel is robbing a good share of the income of the CTB and CGR" the Minister said. Mr. Mohamed has requested President J. R. Jayawardene that all corporations and Government departments be instructed to transport their goods by rail, "A rail-truck can transport four times the goods transported by lorries with the same amount of fuel. Transporting by rail is the best way to save fuel", he said. The Railway will soon announce attractive rebates to induce corporations and government departments to transport their goods by rail.

CEYLON DAILY NEWS 6. 11. 80

## Rs. 70 Allowance For Public Servants From January. Higher Postal, Phone Rates From '81, 10% Surcharge On Income Tax

Finance Minister Ronnie de Mel yesterday announced a Rs. 70 a month cost of living allowance for public servants and pensioners from January 1981 and an increase in the guaranteed price of paddy from Rs. 40 Rs. 50 a bushel in the budget he presented in Parliament. The cost of living allowance will cost the government an additional Rs. 700 million a year, he said. The Finance Minister also increased Employees' Provident Fund contributions by employers from 9 to 12 per cent and by employees from 6 to 8 per cent.

Mr. de Mel closed the yawning deficit of Rs. 15,173 million with additional revenue from 10 percent surcharge on income tax for the year of assessment 1980/81, business turnover tax on bank receipts, local manufacture of cement, shipchangers and airline caterers, 3 cent increase on a cigarette, Rs. 3.80 and Rs. 6.20 increase on special and coconut arrack, increases in foreign and local postal rates and telephone traffics from January and increased duty on foreign liquor.

These proposals will bring in Rs. 605 million and from domestic borrowings the Minister hopes to raise Rs. 3,750 million. Mr. de Mel said that 65 per cent of the government investment was financed through foreign aid and added that Sri Lanka would be able to raise around Rs. 8,100 millions, the bulk of which would be either on concessionary terms or outright grant. Mr. de Mel said that the gap he had to fill was Rs. 14,923 million plus Rs. 700 million which he had to incur to give the Rs. 70 allowance. This would make Rs. 15,623 million. Of this Rs. 605 million will come from taxation, Rs. 3,750 from domestic borrowings and Rs. 8,100 million from foreign sources. And so he would be left with an unfinanced gap of Rs. 3,168 million. Of this Rs. 2,722 million would be reduced by cutting down the capital expenditure of large spending Ministries. The highest reduction was from the Ministries of Mahaveli Development (Rs. 3,000 million) Local Government, Housing and Construction (Rs. 1,880 million) Agriculture (Rs. 741 million) Plan Implementation (Rs. 647 million) Lands and Land Development (Rs. 552 million) Power and Energy (Rs. 501 million) Defence (Rs. 346 million) Ministries of Education, Higher Education, Fisheries, Rural Industrial Development, Posts and Communication, Health, Regional Development, Highways and Cultural Development too were subjected to pruning.

Allowing for Rs. 450 million under-expenditure the budget was balanced leaving Rs. 4 million excess. The Finance Minister summarised his budget position thus:

	Millions Rs.
Deficit	.. 14,923
Allowance to Public servants	+ 700
Less under-expenditure	— 450
	<hr/> 15,173 <hr/>
To be met from :	
Additional revenue	.. 605
Domestic borrowings	.. 3,750
Foreign sources	.. 8,100
Reduction in expenditure	.. 2,722
	<hr/> 15,177 <hr/>

The Finance Minister in his concluding remarks said, "I am happy to state that after a tremendous effort and cooperation of my colleagues I am able to present a balanced budget". He also expressed the hope that the Ministers would not present supplementary estimates. "They have given me that undertaking", he said.

While announcing the Rs. 70 allowance government servants the Minister said the government had decided to bring public services' remuneration in line with those sectors which pay cost of living or special



allowances to compensate for increase in living costs. The monthly allowance to be paid will be a fixed sum and will be based on the increase in the cost of living index in 1980, he said. Mr. de Mel said he expected the statutory boards and private sector employers who do not already pay cost of living or special allowances geared to the cost of living index or have not made any salary and wage adjustments in 1980 to make the necessary adjustments.

**Substantial Pruning of Government Expenditure**—There will be substantial pruning of government expenditure published in the 1981 budget estimates presented to parliament last week, the *Observer* reliably understands. The Mahaweli votes are expected to be considerably reduced—perhaps by as much as Rs. 1 billion. Elsewhere the economies will generally be in the scale of 25 per cent of estimated expenditure with the ministries themselves assuming responsibilities for deciding areas where the economies are to be effected. A series of meetings where these economies were discussed and agreed upon has been going on for the past few days under the chairmanship of President Jayewardene.

CEYLON DAILY NEWS 6. 11. 80

## The Budget At A Glance

- \* Increase in GPS price of paddy from Rs. 40 to Rs. 50 a bushel.
- \* Allowance of Rs. 70 per month from January 1981 to all Government employees and Pensioners (additional Rs. 700 million).
- \* Increase in minimum rates of EPF contributions by employers from 9 percent to 12 percent and by employees from 6 per cent to 8 per cent.
- \* Increase in Cess on rubber exports by 15 cents per kilo and a corresponding reduction in export duty.
- \* Reduction in export duty on "Camel Batch". Same export duty to apply to "Master Batch" (Technically specified grades of rubber).
- \* 10 percent surcharge on income tax for the year of assessment 1980/81 (additional income P.s. 150 million).
- \* 2 per cent BTT on gross receipts of banks (excluding foreign currency banking units) (additional income Rs. 35 million).
- \* Increase in BTT from 1 percent to 10 percent on local manufacture of cement. No change in selling price (additional revenue Rs. 50 million).
- \* Increase in price of cigarettes by 3 cents per cigarette (additional revenue Rs. 110 million).
- \* Increase in BTT from 2 per cent to 5 per cent on ship chandlers and airline caterers (additional revenue Rs. 25 million).

TRIBUNE, November 15, 1980

- \* Withholding tax of 2 per cent on contracts exceeding Rs. 500,000—to be set off against BTT payable by contractor.
- \* Increase in price of special arrack by Rs. 3.80 per bottle.
- \* Increase in price of coconut arrack by Rs. 6.20 per bottle.
- \* Increase in excise duty on processed arrack, beer and country-made liquor. Corresponding increase in import duty on foreign liquor (total additional revenue Rs. 85 million).
- \* Increase in foreign and local postal rates and telephone traffics from 1.1.81 (additional revenue Rs. 160 million).

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LETTERS

## Rent Act Amendments

Sir,

Our very progressive and dynamic Prime Minister should be heartily congratulated for introducing the very wise and far-seeing amendment to the RENT ACT, which removes all rent-control on all NEW HOUSES built on and after the 1st of January 1980. As an immediate and consequential result of this new Amendment, (which should have been introduced decades ago) many landowners will now start building new houses which they could rent out to would-be tenants at any rental the tenant is willing to pay without any interference or control under the RENT ACT. The cost of building NEW HOUSES under the present sky-rocketting costs of building materials and ever-increasing labour charges being fantastically high, the rentals charged by the builders of new houses on and after the 1st of January 1980, are bound to be very high at the initial stages, but will gradually come down on a "supply and demand basis" when plenty of new houses have been built, and the present acute housing shortage is gradually and systematically reduced and eased. The rentals charged thereafter will have to come down to very reasonable and realistic, competitive rents, which the average tenants could afford to pay. A stage may thereafter be reached when surplus new houses built after 1st January 1980, may go abegging for tenants! In the meantime, on behalf of the thousands of poverty-stricken lower middle-class tenants who are undergoing unbearable hardships and suffering, due to the present extremely high cost of living and the very high costs of medical drugs, medical and surgical treatment and hospitalisation expenses incurred when they and their dependant fall ill, I would like to plead and appeal to our very reasonable Prime Minister who is also the Minister of Local Government, Housing and Construction, to continue to protect their tenancy-rights by extending tenancy-protection under the proposed New RENT (AMENDMENT) ACT, No: ...of 1980, by amending Section 22 of the principal enactment so as to enable a single house owner of premises with a rent of over Rs. 200/-



per month (and NOT Rs. 100/- per month as laid down in the proposed NEW RENT (AMENDMENT) ACT, No. .... of 1980), to recover possession of the house on the payment of 10 years' rent to the tenant (and NOT 5 years rent as now laid down in the proposed New RENT (AMENDMENT) ACT, No. .... of 1980, where the premises are required for occupation as a residence by the land-lord or any member of his family.

I would also like to appeal to our Prime Minister to amend the RENT ACT in the following manner, in order to provide the maximum possible, reasonable, just and fair protection, to all longstanding, old tenants, who will otherwise find it almost impossible to have a roof over their heads in their old age, if they are dislodged and thrown out on the streets, for no fault of theirs:—

(1) Whenever a NEW LANDLORD has bought an OLD HOUSE over the HEAD of an OCCUPYING OLD TENANT, such a NEW LANDLORD should have absolutely NO LEGAL OR MORAL RIGHT to seek to EJECT the OLD OCCUPYING TENANT and his helpless FAMILY, on the most unfair and anti-social grounds that the aforesaid NEW LANDLORD by virtue of such a deliberate and premeditated purchase, had become a "SINGLE HOUSE OWNER!"

An Amendment to the RENT ACT should be immediately introduced in Parliament and passed into LAW, providing that such a NEW LANDLORD who had bought a house over the HEAD of the TENANT:

- (i) Cannot file any ejection-action in any Court of Law to eject the occupying OLD TENANT, on the grounds that he is a single-house owner, and therefore, wants the house for his own use and occupation as a residence, or for any member of his family.
- (ii) Where the OLD TENANT has been in continuous OCCUPATION of such an OLD HOUSE for more than 30 years, the Government should VEST such houses in the NATIONAL HOUSING DEPARTMENT if they had been bought over the HEADS of the OLD TENANTS, and thereafter get the GOVERNMENT VALUATION DEPARTMENT to CORRECTLY VALUE each such house as on the date of purchase over the HEAD of the OCCUPYING OLD TENANT and thereafter offer the house to the OLD TENANT for purchase at the GOVERNMENT VALUATION DEPARTMENT'S VALUATION PRICE 10% or even 15% added on to defray Govt. Expenses. After a LEGAL TRANSFER of the HOUSE to the OLD TENANT has been effected, the NATIONAL HOUSING DEPARTMENT can pay back to the NEW LAND- LORD the Government's Valuation Price, which it receives from the OLD TENANT when the house is transferred to the OLD TENANT. This would be the most satisfactory and realistic, practical way of settling and resolving the indefinitely prolonged problems created by the so-called "ONE HOUSE OWNERS" who had selfishly bought their "ONE HOUSE" over the HEADS of the occupying, longstanding OLD TENANTS.

I am sure this righteous and DHARMISHTA GOVERNMENT of PRESIDENT J. R. JAYEWARDENA and PRIME MINISTER R. PREMADASA, will continue to PROTECT the TENANCY-RIGHTS of OLD TENANTS, and WILL NOT PERMIT any LOOPHOLES in the NEW AMENDMENTS TO THE RENT ACT, which will enable NEW LANDLORDS to throw out OLD TENANTS on the streets.

R. Wijaya Indra.

10, Jaya Road,  
Colombo 4.

( + )

## The Farr Inn At Horton Plains

Sir,

Mr. W. de Alwis, the Superintendent of Kotiyagalla Estate and I, stayed a night at the Farr Inn on the Horton Plains last weekend. The following morning we walked down through the jungle to my North division, which incidentally was an estate of its own in the days of yore and owned by Thomas Farr—after whom the Inn on the plains has been named.

The service at Farr Inn, which is now run by Hotels Corporation, leaves much to be desired. A letter enclosing a cheque for an advance booking and also a reminder calling attention to this letter both went unanswered. Not that Farr Inn had not received these letters—both were produced when we inquired about them and we had the cheque returned to us saying we must pay cash. This was quite in order, but does not the Corporation answer letters—and particularly for bookings. It's the off season for tourists they told us—and looked to be so for the staff as well. Service otherwise too was poor—and not a patch on what it used to be during private ownership.

What dismayed and disheartened us most was the rape of the Inn's immediate surroundings. This little Inn is placed in an idyllic setting—or 'was' would may be a better word. The jungle and natural shrubbery at the entrance to the Inn has been ruthlessly cut down and is now an ugly brown scar on the otherwise beautiful countryside. We were told that the land is being cleared for purposes of planting out a garden. It would surely be better to 'pretty' the already existing little garden, which is in a miserable state, before clearing extents of jungle for the purpose. What we wondered was whether the wanton destruction was for gardening or for firewood!! We watched the pitiful sight of 10 to 15 ft. trunks of beautiful young trees being carried to the firewood shed behind the Inn. The landed cost of firewood, which has to be brought from Nuwara Eliya, we were told is Rs. 150/- a yard. The loss to the country in the felling of one tree cannot be measured in monetary terms. When this Inn was privately run the arrangement was to obtain its requirements of firewood from Udaveria Estate, Ohiya, which is but 6 miles from the



Inn. How much easier it would be now to once again go back to this arrangement, since both institutions are Government owned and Government run. Udaveria used to get its firewood through the Forest Department of the windblown trees from the Ohiya forests. We saw firewood at the Udaveria factory — and presume therefore that they still have some source for their requirements, for the estate does not have fuel reserves of its own.

What is the Wild Life Department doing in these parts? The Game Rangers bungalow is but a stone's throw from the Inn. May be they have not been told that jungle is a part and parcel of wildlife.

Talking of the Wild Life Department — what are they doing to stop the extensive gemming that goes on in the Hortons Nature reserve — or is it that they are unaware of it. If they would but walk the three miles along the path to Bogawantalawa from Big World's End, and up to the final stretch of jungle that has to be traversed before getting into tea they will find the open plains like the country one would expect to see on one of the planets — craters, pits with earth thrown up around them and even Jaffna type 'well-sweeps' to scoop the water out of these pits. We came across five separate gangs of gemmers who ran away on sighting us. I know for a fact that the Bogawantalawa Police conduct raids up into the plains, for I provide the transport for them and their 'catch' back to the Police Station after these raids. How very much easier for the Wildlife Department itself to put a stop to this, since they have their staff already stationed up here.

Every prospect pleases — 'it is only man that's vile' and apt description for the goings on in the Horton Plains Natural Reserves.

Loinorn State Plantation,  
Bogawantalawa,  
13.10.80.

R. J. Dobbs.

X X X

## University Education

Sir,

Recently I entered into a serious (private) discussion on a subject which is dear to my heart — the University Education in Sri Lanka. I have had the privilege of studying under very senior lecturers who are now professors in their respective fields both in Sri Lanka and abroad. I also enjoyed the company of the Island's cream at Peradeniya. Since I left the University in the 60s I have always had the feeling that there is a missing gap in University Education. This was confirmed by a Professor and a senior lecturer of one of our Universities.

First point taken up for discussion was the question of regional universities. While they welcomed the concept of regional universities, they decried the fact that it had narrowed down to the last syllable. There is no opportunity provided for an exchange of ideas

knowledge of various aspects of our society and problems among the students. The concept of exclusiveness is so marked that even the lecturers themselves have been mostly selected with a territorial bias. This adds to the confusion further. The students have been deprived of the opportunity of having in their midst a cross-section of local talent. Some universities are mostly manned by very junior lecturers. A post-graduate qualification is no passport for university teaching.

Secondly, as the junior lecturers are mostly Swabasha educated and inclined to remain so no attempt is being made to qualify them in a foreign language. English can easily fill this gap but most of them appear to prefer to remain where they stand.

Thirdly, if an attempt is made to provide courses in English, Sri Lanka can easily attract students from the South Asian region as well as from African countries. These professors also pointed out that in other countries, especially in Indian Universities there is quota of foreign students who help to widen the scope and horizon of the Indian students. They pointed out the case of Jaffna College, which in the past drew students from all parts of the Island and from African countries, it also boasted teachers from various parts of the globe.

The standard of education in Sri Lanka despite the mismanagement of successive governments, is very high. Therefore Sri Lanka could draw students from abroad not only for University education but even for other professional studies. It will not only help to develop a high standard of education, but will also bring hard-pressed foreign exchange to us. A non-aligned educational pool with third world perspectives would yield good harvest. Now that the education in the West has become so expensive our government should view this matter with serious concern.

Politics should be kept faraway from the universities and if there is a dearth for teachers the government should not hesitate to invite teachers from universities abroad, at least temporarily. Finding a stop-gap measure locally would ruin the education of successive generations.

Colombo,  
30.10.80

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## FILM FOCUS

### Jaws

The trailer of "JAWS", that jaw-breaker of a film which created panic among those who sought the sea waters for their baths, was shown at the Liberty Cinema recently and the indications, therefore are that this film would be around soon. The story was so realistically conceived and projected on the screen without deviation, that everyone on the beaches started seeing man-eating sharks, with every "wave" and for some time the sea shores became deserted. Having taken a dose of the



shape of things that will enthrall our picture-goers soon. I was struck deeply by an insertion that caught my eye in an Indian weekly concerning sharks all over again, but in another context and so pregnant with meaning for our times. Titled "Nature abounds in those qualities, we seek in ourselves, it set out its lessons so firmly, that it should have been taken up by a cartoonist's imagination in Walt Disney style.

Well, here is the little aquatic drama — "The 3 week old Dolphin raised his bottle nose and once again tried a deep dive. Then the unexpected happened. A large Muko shark came in from the rear. The youngster gave a frightened cry. Within seconds his anxious mother arrived. His "nanny" mother's companion since pregnancy came rushing too. The elders whistled to summon help. Soon four others joined them. As the shark prepared to move in on his prey, the dolphins without warning went in for a torpedo-like attack, punching the intruder behind the gills and in the stomach. In less than five minutes, the shark had collapsed, sinking to the bottom. The encounter ended suddenly as it had begun. Together we attain his mother whispered softly 'what we cannot alone'. Quite an elevating and thought-provoking utterance I thought when applied to our present political problems.

**PARA DIGE (Along the Road)** Sinhalese: Dharmasena Pathiraja in his own inimitable style has directed this film, the story of which draws its immense strength from its simple approach to a problem that permeates our permissive society. Rather deftly directed and with every minute and meaningful move of the camera, the story portrays a middle-class couple (Vijaya Kumaranatunga and Indira Abeysena) who attempt to do away an unborn, but lively blob of protoplasm, conceived off a casual affair. Rs. 3,000/- is the tall order for the abortion, and the story meanders on a trek to collect this murderous lucre for a foul deed. While opportunity taps on the young "beau" at every stop on the road, he remains faithful to the "belle" he has wronged, and with the bloody target slipping through his hands, with just Rs. 400/- short, he relieves his tensions at the marriage registrar's office, with the promise that he will love, cherish and obey, come what may. Pretty Vasanthi Chaturani roles rather innocuously, a temptress without wiles, in the triangle and disappears around the bend, but after an excellent performance. The camera work was captivating in the hands of Donald Karunaratne, and for lovers of good cinema, here is a film that stimulates in its artistry. I wish that Pathiraja is recognised adequately for surfacing smoothly that "abortion" need not be the answer to an unforeseen expectation.

**BUGSY MALONE (English)**: This film could well be the answer to those who raise their voices at a paucity of children's films. A Carlo Ponnampalam production released with the Arthur Rank signature and directed by Alan Parker, the story is in lighter vein, but in "Godfather" style, where a couple of teenage gangs go for each other with "Splurge Guns", that spit more puddings than bullets. It's done in juvenile taste, with a few musical scores that elevate it above the ordinary. I

noticed many children sitting around me enjoying it to their hearts content — so take them along and they will love you for it. Watch Cinema Concord for similar clean releases that they have stacked up to keep everyone happy.

**FEAR IS THE KEY (English)**: Among the many novels written by Alistair Maclean, "Guns of Navarone", "Caravan to Vaccares" and "Where Eagles Dare" proved irresistibly attractive to film makers in Hollywood, for the cliff hanging tension that they packed on an explosive climax. This EMI presentation holds the same promise in the first few moments as a furious car chase gets under way, but brakes suddenly to a faulty pitch in the dialogue, the sound track failing perhaps, to peter out tamely. That tough as nails actor, Barry Newman, rides rough through the story, on the trail of those who killed his wife and son, and is "winked" on by the law to a suffocating climax in the deep of the ocean. Quite unlike the productions I have mentioned above, this film excels in patches only, although the relevant novel could perhaps have sustained the characteristic Maclean tempo. It would appear that Director Michael Tuckner has taken on more than what he could chew — although the "meat" was available in plenty!

**MAN AROUND THE HOUSE (English)**: An EMI comedy that has tripped badly while going for laughs in a big way. It could not make it even half way through, and if this film reaches your cinema, it would be more profitable in time and money to stay around your house!

James N. Benedict

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IRAQ — IRAN WAR

## No Winners

KHORRAMSHAHR, the city of joy, has become "khunishahr" the city of blood, and senseless mutual destruction of lives and precious wealth continues in Iran and Iraq. It is estimated that the damage to oil installations in both countries amounts to about 9,000 million dollars and the loss of oil revenue is equally big, while the dead have not yet been counted. It is irrelevant to trace the origin of the war because it never helps in bringing about peace. What the leaders of warring countries need to think over is how to end the war of annihilation. Neither side can bring about the downfall of the rival regimes, which they proclaimed as their main objective. It was expected that the war will grind to a halt as the armies possess limited amounts of arms and ammunition, but a month has passed and there is no abatement in the fierce fighting. The war will inevitably end one day, as all wars do, but the longer it is fought the heavier will be the cost for the two countries.

The only beneficiary till now has been the US, which has strengthened its stranglehold over the Gulf region and the Indian Ocean as a whole. It has brought



near the Gulf no less than 32 war ships, while its allies France and Australia have provided 28 in addition. Its proclaimed neutrality in the war has thus been militarily gainful—in Saudi Arabia also, where spyplanes and a few thousand airmen and other personnel have been stationed. These are meant to safeguard the interest of the host country and its allies, but obviously Saudi Arabia will have no effective control over them and the data collected by the unit can always be used by the US for purposes other than stated in the agreement. The US leaders have also taken advantage of the war situation to seek release of the hostages held by Teheran. Not that there is anything wrong in the attempt to get the hostages back home, but Secretary of State Edmund Muskie used the occasion to throw a bait to Iran about supply of spare parts. True, Prime Minister Rajai spurned the offer and Mr. Muskie hastened to reaffirm US neutrality, but the operation indicated that the US is far from concerned over prolongation of the war. It may become good business for it later after when reconstruction is taken up by the warring nations.

The friends of Iran and Iraq are, however, greatly concerned over what has become a war of attrition. So far all attempts have failed; the United Nations is

almost out of the picture and Secretary-General Kurt Waldheim has confessed its helplessness in the matter. The Islamic Conference envoys have visited Baghdad and Teheran without any success. India has been holding consultations with various countries in order to seek the best way to take initiative. It is trusted by both the countries and thousands of Indians have been doing good work and have won Iraqi and Iranian appreciation. As one of the most important non-aligned countries it can undoubtedly play an important role, provided an opportunity is available. The only silver lining in the dark cloud is the latest report that the Iranian and Iraqi representatives in the UN met in New York for the first time since the war began. There is no confirmation of the report but it is attributed to the PLO sources who have been trying to set up a non-aligned committee to help resolve the conflict. Non-aligned movement may emerge as a powerful factor of peace.

—Editorial, *Patriot*, New Delhi, October 23, 1980.

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## TENDER NOTICE

### MINISTRY OF FISHERIES

NORTH WEST COAST FISHERIES DEVELOPMENT PROJECT FUNDED BY  
 ABU DHABI FUND FOR ARAB ECONOMIC DEVELOPMENT  
 SUPPLY OF EQUIPMENT FOR OUTFITTING OF FISHING VESSELS

Reference Tender Notice which appeared in the *Tribune* on 11th October, 1980.

The scope of the Project has been revised and consequently the amended quantities required of each item were conveyed to all purchasers of the Tender documents by Circular letter dated 09-10-1980. If any purchasers of the Tender documents has not received the above letter please contact the Director/Development of this Ministry.

Closing date of the Tender on 3rd December 1980 remains unchanged.

**ANURA WEERARATNE**  
 Secretary/Ministry of Fisheries and  
 Chairman/Tender Board.

Ministry of Fisheries,  
 P. O. Box 1707  
 Sir Mohamed Macan Markar Mawatta,  
 Galle Face,  
 Colombo-03.  
 3rd November, 1980.



## U.S. Presidential Campaign

Moscow, October 16,

"Many American politicians believe in their conscious or unconscious imperial way of thinking that the world can, and even must, wait till America elects its President and that the world must get used to this intermediate period," Stanislav Kondrashov, political observer of *Izvestia*, writes today. "But from the point of view of peace, the year-long American political show looks like a true international anomaly which seriously deranges and distorts international life."

Noting that the White House started demonstrating "firmness" and "toughness" as far back as last autumn, the observer cites by way of example the story of "Soviet troops" in Cuba fanned up by the US Administration, which ended in a confusion, Washington's nervous reaction to Afghanistan, the senseless boycott of the Moscow Olympics and economic sanctions against the USSR which struck at American farmers in the Midwest but which have been practically withdrawn now by the US Senate.

"A certain strain in America's current relations with its main West European allies," the article says, "is in particular due to their unwillingness to yield to the American pre-election hysteria, adjust their policy to it and sacrifice European detente for its sake."

The conduct of both the main presidential candidates gives grounds to believe according to the observer that whoever wins in the November 4 election, America will continue boosting its military spending, building up its military muscle and flexing it now in one, now in another region of the world. "It is not only the personalities of Carter or Reagan that matter," the observer continues. "They might not be so rabid champions of militarism if they knew that the public was unprepared for it. But, deplorably enough, it is prepared, because for several years now there has been an intensive and rather successfully co-ordinated campaign in which the militarists themselves, and the masters and servants of the military-industrial complex, referred to the "Soviet menace" to shape the public opinion and then present it as the starting point of their calls for greater militance.

Explaining that the powerful wave of militarism in the United States is due to the fact that "many people in America have failed to give up the memory of military superiority and still dream of regaining it," the observer concludes: "All efforts are made to subject the new state of international affairs to the backward chauvinistic and imperial way of thinking. The question now is: how much time will it take them overseas to see that nothing good can come out of the attempt."

—*Izvestia* - APN.

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## In Iran—Iraq War

Moscow, October 25,

It has now become clear that the Iranian-Iraqi conflict has developed not in the way envisaged by those interested in unleashing it. It is not secret that outright armed clash suited American aims which was always anxious to control oil sources of the region. The reserves of oil in Iran is estimated to be 7.9 billion tons and in Iraq 4.2 billion tons, 10.5 and 5.6 percent respectively of the world reserves. Iran held the second place and Iraq the third place for the export of oil and oil products, in the capitalist world. Saudi Arabia situated in the same region has even larger reserves of oil with a higher level of oil extraction and volume of export. Other states of the Persian Gulf, such as Kuwait, the United Arab Emirates, Bahrain are also important oil suppliers.

The primary aim of Washington's policy in the region is to use every means, including armed force, to establish control over oil extraction, the distribution and prices of oil of the Persian Gulf. The second aim, to establish a constant US military presence in this strategically important oil-rich area, which is relatively close to the southern borders of the USSR. The proclamation of the Persian Gulf area as the sphere of the "vital interest" of the United States by White House underlined these aims.

Washington has also other objectives in addition to these main aims: to 'punish' Iran for the overthrow of the Shah's regime and for the refusal to play the role of a gendarme in the region, to disunite the Arab peoples whose growing unity is an obstacle to the implementation of the plans of imperialist reaction and bars the road to the expansion of Israel, the United States' main accomplice in the Middle East, to weaken simultaneously both Iran and Iraq which are important factors in the anti-imperialist struggle to undermine the national liberation movements, above all the Palestinian resistance movement.

Krasnyia Zvezda—APN

### OFFICIAL EXCHANGE RATES

Official Exchange Rates of Commercial Banks to their customers for Telegraphic Transfers fixed on Tuesday this week were as follows:—

CURRENCY	PER 100 UNITS	
	Buying Rate	Selling Rate
U.S. Dollar	Rs. 1770.50	Rs. 1773.50
Sterling Pound	Rs. 4320.00	Rs. 4326.00
Deutsche Mark	Rs. 940.00	Rs. 941.60
French Franc	Rs. 407.95	Rs. 408.65
Japanese Yen	Rs. 8.4485	Rs. 8.4635
Indian Rupees	Rs. 229.15	Rs. 229.55



# Confidentially

## Below The Belt

IS IT NOT TRUE that the "common man" has been hit hardest not by the Finance Minister but by two other Ministers who have hiked (or hijacked) prices outside the Budgetary proposals though perhaps in anticipation of elimination of subsidies for all State Corporations? That even the price and fare increase will not cover the subsidy that could have been met only by eliminating waste, theft and corruption? The price increases announced by Minister Thondaman and Minister Mohamed for milk products and passenger transport respectively have hit the housewife and commuter below the belt in a way that has knocked into smithereens the delicate budgetary balancing of all working peoples? That the Rs. 70 pay increase does not even cover a part of the money to find their way to work or to keep the minimum of health which milk alone can provide? That in regard to transport, *Tribune* has been overwhelmed with statistical facts about difficulties working people at all levels will have to reach their offices — even after getting the Rs. 70 increase at the end of January—without foregoing one major meal a day and also starving the children of milk? That one heart-broken person from the Gampha area has told *Tribune* that it would cost him Rs. 9 odd every day to reach his place of work and return home — and this was by walking two miles on the home stretch? That for 30 days of travelling the bus fare would be very nearly his basic salary? That he stays in Gampha because he cannot get housing at a reasonable price nearer his workplace? That the wife who works in Colombo and is paid less cannot afford the bus fare anymore and that she will have to find work nearer home (if she can)? That until she does this, her husband, her old mother (who looks after the house), their two children she herself will be on a starvation diet every day?

That milk is already a luxury people cannot afford? That the price of condensed milk and milk powder — now that our dairy industry has been "sold" to the multinational Nestles' — has already been pushed up to levels few can afford? That liquid milk — Minister Thondaman has several times promised a glass of milk for every person (or child) every day — is no longer available even at the enhanced prices which only gem merchants and drug smugglers can really afford? That Nestles' has already been given contractual rights that has already sounded the death knell of liquid milk in Sri Lanka (in favour of higher priced condensed milk and powdered milk)? That because of the inefficiency and corruption that had been permitted and condoned by the Minister, his bureaucrats and in the last analysis the government, the people have been thrown to the ruthless wolves of the Nestles' International with its motto that liquid milk is difficult to handle and that it is more up to date

to use powdered milk? That the people and especially the younger generation (it will not take them long to realise the truth) will not forgive the Minister, the Government and the UNP for this sell-out? That the first shock will come when the 160 presently employed at the Polonnaruwa Condensary are thrown out by Nestles — and the Ministerial junta seems to think that it can salve its conscience by ordering a transfer of these workers (rooted for many years at Polonnaruwa) to other Milk Board centres? That incidentally, it is whispered, that Nestles have refused to take over any other Milk Board unit because of the rampant corruption in every one of them "right up to the top"? That *Tribune* can safely predict the Government and the UNP will pay a heavy price in the coming years on account of this sell out to Nestles' unless remedial measures are taken almost immediately?

That liquid milk will soon become a total rarity like maldive fish? That people, especially children can do without maldive fish but it will be suicide if they have to go without milk? That India kept Nestles out because she wanted the people to get liquid milk and other milk products at reasonable prices? That India provides liquid milk in adequate quantities in all big cities? That it is a great tragedy that Sri Lanka cannot do what India has done? That the operation here will be on an infinitesimally smaller scale? That it will not be long — a year or two at the most — before there is an universal demand for a separate Presidential Commission to investigate the mess in the Milk Board and the sell-out to Nestles? That what has angered ordinary people is that whilst no effort has been made to eliminate corruption and waste in the Milk Board, prices were hijacked to dizzy heights? That even with this there is no liquid milk in the booths? That the situation will soon be worse because all the milk presently collected by the Milk Board in the Coconut Triangle has been contractually promised to Nestles for a milk powder plant in the Katugampola electorate? That if the Government wants to save its reputation it should not permit SLAS officials who have so far been in overall charge of the Milk Board to be appointed as Directors to the 60:40 Nestles—Sri Lanka Company? That with 40% Sri Lanka will have little or no say in the running of this Company? That if the interests of the country and its people is to be salvaged in this 60: 40 company the Government nominees should be persons who have so far had nothing to do with the Milk Board or the negotiations with Nestles?





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