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# Letter From The Editor

THE EARNEST ATTEMPT by the UNP government to implementing World Bank (IBRD) cum-International Monetary Fund (IMF) formula to revive and Sri Lanka's economy has already conjured up problems that question the inherent validity of policies and programmes proclaimed in July-November 1977 as fool-proof panaceas to cure under-development without communist regimentation. Among other proposals, the most important was intended to fight poverty in the rural countryside—the habitat of over 80 percent of our population. This magic formula is "rural development with people's participation." *Tribune* has not laboured under any delusion about this shibboleth. A recent FAO study about some rural development schemes confirms the view we have so often propounded that such schemes are presently one of the main causes for the growing mass poverty in most developing countries. The study covering 16 countries of the Third World, suggests that growing mass poverty is simply the result of lack of access to opportunities to participate in development especially because the money earmarked for development goes into the wrong pockets. The report concludes that co-operatives, rurallocal governments, community development, the green revolution and bureaucratic government organisations have not been able to reach the rural poor. Rural organisations are effective only if set up in suitable forms based on the principles of self-help, and run by the members themselves. Surveying the nature of rural organisations, as they exist at present, the report describes this as being mostly elite-oriented and dominated, with the result that the elite benefit more than others. The majority of the poor peasants have been bypassed by rural development schemes. The current productivity-oriented policies of many governments in fact are widening the income gap between rural and urban area and within rural societies. There is evidence to show that between 50 and 90 percent of the rural population in these countries fall into the categories of poor and very poor. In this connection a *Letter-To-The-Editor* received this week from an old *Tribune* reader living in the northern fringe of the Coconut Triangle (and who for good reasons prefers to remain anonymous) is not only pertinent but also appropriate at this juncture:....."Sir, A small sample survey of the post-budget expressions of the rural voter has provided some thought-provoking postmortems. As expected, the rise in transport fares for the many who commute from their homes creates havoc in even the least domestic budget conscious fanatic. The sense of frustration in fighting inflation on the home front has given way to an awakened expression of despair. And this is explosive despite the fact that there is virtually no opposition. But something more important has surfaced. The sudden realisation that there appears to be absolutely no will to correct. The alleged waste and misuse of funds in segments of the Mahaweli is propagated by those working within the organisations—diesel and tyres being spirited away. The ability to get away with misuse of funds are surprisingly the major topics, not the commissions earned by the promoters and agencies. It is the tractor driver and storekeeper now employed by virtue of his card number who expounds the shortcomings in order to entertain an audience at the boutique or village home. The listeners are filled with more despair. Is this what is called development they ask? Is this what we are making sacrifices for? They are unaware of the positive results of the project so far. Similarly, specifically in transport, fisheries, milk etc., and the general government and co-operative departments, the waste (physically and man power wise) and alleged corruption are in evidence. This is the *status quo* at the moment. As said earlier, despair now results. From the feeling that despite exposures, nothing will happen and inquiries will be covered up. There, is in fact, no tangible evidence of the government *wishing to or getting down to tackling the problem* in hand. Is this a mid term *laissez faire*? And so, it comes back to 'where there is a will there is a way' and this will seem to be conspicuous by its absence. This is what the sample survey revealed. Why not the President give us an early X'mas gift in a massive clean up operation for the next six weeks with no holds barred in order to enter 1981 feeling slightly less despondent". This cry comes from the heartland of the rural countryside and its time that something is done.

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## Self-Reliance, Contentment And Happiness

**CAN YOU GUESS** what the picture on the Cover really is? If you know, please ponder all the more on what we say below. To most, if not nearly all, it will appear to be something out of the mysterious unknown. It may even thought to be the face of a being from another world hiding among the foliage of an earthen tree. Before we disclose the riddle of this apparently incomprehensible picture, we invite our readers to pursue a lengthy note our regular contributor R. Kahawita has sent us on "The Fourth Budget".

To most people in this country, Budgets are inapprehensible exercises full of obscure paradoxes, like the picture we have on cover this week. Kahawita has sought to throw a little discerning light on the meaning and implications of the Fourth Budget from the point of view of the ordinary householder. We do not entertain any hopes that Kahawita's penetrating disentanglement of the intricacies of the Budget will help anyone to decipher the picture. But it is worth trying. To those who do not know, Mr. Kahawita is a long standing member of the UNP who has been unswerving in his loyalty. Below we publish his note.

"I AM THE WIZARD OF OZ" is what the Finance Minister did not say at the end of the day after he achieved the Herculean task of closing the colossal gap between income and expenditure. Nevertheless, he said 'I am happy to state that after tremendous effort and co-operation of my colleagues, I am able to present a balanced budget.' More, he ended up with a surplus of four millions. Even though four millions are an insignificant piffle compared to the billions of outlay to keep you and me afloat. He did it. Don't say to keep the tourist trade afloat—it is unkind to throw that kind of mud at a Finance Minister who has saved us from additional taxes.

What we have been asked to cough out directly is only a 10% surcharge on income tax. Who has an income today to be taxed? It does not hurt us. A 2% BTT on Bank Receipts. When we have no income, there is no money to bank. However, instead of Banks stealthily increasing their own wages let the Banks pay something to the Consolidated Fund. It should have been around 10% as long as it is not passed on to the clients. Banks are making enough large profits to create 'an economic society' of their own—reducing all others to pauperdom in contrast. Let the Banks also fall in line with a National Wage scale instead of creating an elite group of their own. That is why we say 2% is too low, if the victim of the BTT is not the depositor.

A 10% BTT on Cement is not going to hurt any one, Government is the biggest builder. She owns the cement factories, so let her pay herself—even though such a move has no financial sense, it will prevent callous waste in a State Corporation. That may be the aim. The man who wants to move from a packing case into a shanty will not feel the BTT as the selling price of cement remains the same, even if he has to buy a few lbs. of cement for the change of his residence. He will not have to starve to move into that kind of luxury.

A BTT on Ship-Chandlers and Airline Caterers, we do not mind. Let those guys who eat a Rs. 200/- a dish in their country for Rs. 50/- in Sri Lanka pay a little more for the wholesome food they enjoy in Sri Lanka. Beggars in their country—we have made them kings in Sri Lanka.

"What is sad, is the three cents Increase Per Cigarette. This is a perennial increase. There need not be a budget for this increase, whenever the Government coffers are empty, up goes the price of cigarettes. We are not affected by it. We never smoked in our life. So we never gave any thought to it. But when the Finance Minister says that he is going to collect 110 million rupees from the three cents on a cigarette, one begins to think. It means, every woman, child, man etc., in Sri Lanka spends Rs. 8/- additional per annum for the smoke. What a waste. But when you are nervous, excited, thinking, or fidgetty, a burning cigarette gives relief to the harassed. If not for this, our asylums would be full of human wrecks. If our conclusions are correct, there must be a stop to this kind of duty to meet ad hoc financial exigencies. The choice is a nation of lunatics or a nation of smokers. We vote for the latter.

"A With-holding Tax of 2% on Contracts Exceeding the Rs. 500,000 Mark will not hurt any one. The client is the government today. The contractors know how to kick this back. Who may be hurt are the large-scale commission Agents who have the strings to pull to land a quick one. The commissions may be reduced to effect the intake of the VIPP.

"The only consolation and the comfort the poor man had to drown his sorrows has got taxed: Arrack, Processed Arrack, Country Liquor, Foreign Liquor. This is the unkindest cut of all. What shall we do when we are worried, tired, harassed, or even to get a bit of dutch courage to join a strike. This is where our Finance Minister has failed to exhibit any kind of understanding of human weaknesses. Of course there is the relief value—Kasippu—but the snag is, it may be a permanent end to one's troubles. No one wants to drown one's sorrows in that way. The amount the Hon. Minister hopes to collect is 85 million—Rs. 6 per head per annum—fifty cents a month; generous—we are thankful to the Minister for this merciful treatment of our citizens who have to bear the burden of a massive cost of living which is running away with the hike of bus and train fares.

"Increase In Postal Rates And Telephone Rates. We do not anticipate any one to suffer by these. There



is no point in writing letters. They never reach the addresses unless they are informed to collect them from Hendale Canal. What is the use of a telephone today—they never work, and if once-a-while they work, try to contact an official! If the connection is got the formula is, "not in his seat", "just gone out", "at a conference", "gone to the Ministry" and so the litany goes on. In exasperation you give up—so no one is hurt if the postal rates are going up. It is meant to finance a corrupt and ineffective service. After all they are singhala, we have to maintain them.

The total additional revenue collection from all sources is Rs. 555 million. But the Government is going to pay the Government employees Rs. 70 per month which adds up to 700 million, leaving a gap of 195 millions still to pay the 70/- per month to the employees—this may be covered by borrowings from the increased rates of EPF. This is no guess. It is included in the "Internal Borrowings". So we collect from one end to pay the 400 million at the other end. This is the real feat in balancing the budget.

"The other handout is the price support to the Paddy Farmer. It is in line with the current prices in the open market. It may not be an incentive for greater production. Anyway it is better than importing rice and allowing the Food Department to burn, the rice and flour because of bad storage and not fit even as animal feed.

*If the Minister took immediate steps to wipe out the entire Food Department and to pay the savings in wages and salaries and pay the consumer as a subsidy, the results both political and economic would be far-reaching.*

We have to wait till the middle of next year to see the results. The two significant hand-out Rs. 10 per bushel of paddy extra to the farmer and Rs. 70 allowance to the employee are the only relief available to the people. But the former is in line with the open market price for paddy so it is not a significant incentive to a greater production effort. The latter—a Rs. 70/- allowance to the employee is already being collected by the CTB and railway in increased fares, even before the employees can feel it in 'the take-home pay packet'. So all of us are still stuck in the same hole as we were before 5.11.80. But what is important in the whole budgetary process that is the Government was hard put to collect a miserable 555 millions as additional Revenue. Just 0.09 cents a day from every living being in Sri Lanka—if you gave that to a beggar, today he would throw it in your face and spat you. So what the Finance Minister is asking is just that so let us give that with a generous will.

"Two significant conclusions emerge from the Minister's efforts: (a) we are taxed to the hilt today, so the tax payer cannot be asked to cough out any more; (b) our economic growth got stuck and is not moving forward—How can it, when we are borrowing 12,000 millions to build monuments to ourselves. So the financial year to come will be riddled with *ad hoc* increases from day to day, month to month to harrass the consumer and to increase the cost of his food and thereby

*reducing his intake. We pray that we do not starve to death before 5.11.1981, the next budget day.*

And now, back again to the picture on the Cover.

Even if Mr. Kahawita's article has not helped the reader to discover what the riddle is in the picture and also what is store for the people in the Fourth Budget—with fiscal somersaults and price increases every week through gazette notifications and rapidly changing *ad hoc* pronouncements—we will not keep readers any longer in suspense about the picture on the cover.

It is a mud and leaf homestead of the humble but fiercely independent and self-reliant ant. It is a zoomed photographic view of an ant's nest in the branches of a tree. Every ant has a Budget whether living in a nest on a tree, or underground in protected shelters or in a glorious ant-hill. And the ant does not want imports either to build its house or satisfy its hunger. It does well with its own manpower and what nature around provides. There are many lessons human can learn from the ant. True contentment and happiness can come only on self-reliance and the proper use of what nature provides. When ant or man outsteps these limits, it means discontent, unhappiness and dislocation of harmonious living.

We glorify in an interdependent world of import and export, of grab and trade, of conquest and exploitation of power and war. The Fourth Budget is based on such interdependence. In the short as well as long run, it means increasing poverty, misery and unhappiness for the many and a super-duper world, of plenty and ease for an ever-decreasing few.

There does not appear to be any way of reaching back to the primeval happiness of self-reliant contentment. Only a world-wide nuclear holocaust and the Armageddon can probably bring samty to the few who may survive.

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## EDITOR'S NOTEBOOK

### BUDGET-2

THE FINANCE MINISTER'S speech on November 6 when he presented the Budget is an interesting document. Understandably, he set out the plus points first: the Government had achieved political stability, given more employment, initiated gigantic development schemes, secured increased production and better returns to producers, brought in foreign investment into the FTZ and elsewhere, enlarged tourism, pushed up industrial exports and obtained an excellent rating in world capital markets with Sri Lanka fast becoming an off-shore banking centre and thereafter an international financial centre. He summed up this sun-



shine aspect thus: "These are only a small fraction of our achievements of which we can be surely proud. All of them flowed from the economic and financial reforms outlined in my Budgets of 1977-78. Without the courageous and imaginative steps we took then, nothing would have moved, nothing would have happened. We would still be in the thrall of economic stagnation, with rice barriers, shortages, queues and acute unemployment continuing to be the order of the day. The people of this country would still be living in misery, in darkness and in despair.

After saying this, he could not resist the temptation of having a swipe at the SLFP and Mrs. Bandaranaike. In his three earlier Budgets speeches he had always devoted several many pages to vituperative and aggressive attacks on the SLFP—it was really flogging a dead horse and this part of his speech had begun to weary not only his listeners but all those who read his speech. This time he had confined his "onslaught" to a few lines: "The dramatic success that we achieved has brought with it many consequences not the least of which was to make the confusion of our opponents worse confounded.

Not even the shock waves of political disenfranchisement nor the hypocritical garb of political martyrdom has been able to resuscitate their flagging fortunes. There is nothing to invigorating in the life of a nation as a rapidly reviewing economy. This is a lesson which some have still to learn." After taking stock of the situation after three years of the government rule, he said that everything would be done to push ahead with the ongoing endeavour "to eliminate weaknesses, rectify shortcomings and to go forward with renewed strength and determination to reach our goals."

Then he went on to elaborate on minus points as he saw them. First, he painted a gloomy picture of the international economic and monetary situation: ".....The international atmosphere continues to be gloomy. The world has been suffering from high inflation, recession soaring energy costs, unemployment and low productivity. The sharp increase in oil prices has contributed in no small degree to the difficulties we have been experiencing on the price front, and on the balance of payments. Inflation in the developed countries has also led to a sharp escalation of costs. This has thrown our development programme out of gear. The outlook for foreign aid is becoming bleaker every day. Many donor countries are themselves experiencing serious economic difficulties. It is a tragedy that external factors outside our control threaten to jeopardise some parts of our development programme, which are vital to solving the pressing problems of our people. Any curtailment of our development programme would mean less employment. Going ahead without counting the cost would mean more inflation. Most Third World countries face similar hardships. How do you curb inflation without causing unemployment? How do you achieve full employment without unleashing further inflation? We are caught between Scylla and Charybids, we are like the proverbial reed shaken by the wind. If we curtail development and

growth, we lose the fight against inflation. It is the classic damned if you do, damned if you don't situation, to which economists, political scientists and practical politicians all over the world have still to find a satisfactory answer.

"It is on this difficult economic background that our Government had to implement its economic policies and its development programmes in the last 3 years. Nevertheless, it is heartening to note that the overall performance of the economy has been very impressive. This is due entirely to the bold economic reforms introduced by us in 1977, and the measures taken subsequently from time to time to deal with emerging problems. The J.R. Jayewardene Government has not hesitated to take unpopular decisions in the interests of economic development and growth. The measures taken by the Government have no doubt brought hardships on the people. They are however, transient and unavoidable in the interests of long-term and lasting economic prosperity." **Whether these hardships will bring prosperity to ordinary people even at some distant future, is problematic, according to knowledgeable observers. The era of austerity may be never-ending for the have-nots with policies that have so far only made the rich richer and the poor poorer—with the middle class in towns and villages being pauperised faster than anyone else.**

HAVING DRAWN THE BACKDROP in the perspective needed to the present of his austerity Budget, Ronnie de Mel referred to some basic statistical data to boost morale. "What have we achieved? Speaking in broad terms the economy recorded a spectacular growth rate of 8.2 per cent in 1978. The following year 1979 was the year of economic consolidation. It was a year in which the significant economic gains of 1979 were continued and stabilised. We achieved a growth rate of 6.2 per cent. The growth rate is expected to be a little lower in 1980, at 5.6 per cent. This is a mid-year estimate made by the Central Bank. The growth rates since 1978 have been somewhat higher than we conservatively anticipated in our original projections taking both domestic and international factors into account. Nevertheless, the growth rates for 1979 and 1980 would in fact have been higher but for the unfavourable weather conditions which adversely affected agricultural production. Agricultural output rose, by only 2 per cent in 1979, as against 5 per cent in the year before. The estimated growth in agricultural output in 1980 is still lower at 1.7 per cent. Moreover, the very high rate of growth achieved in 1979 reflected to some extent the sudden increase from a low level of economic activity and capacity utilisation in the previous years. Hence, it would not be realistic to expect such a high rate to be sustained in the following years."

The data on agricultural production is depressing—but the Finance Minister glossed over the disastrous nature of the decline not only in the plantation sector but also the primary rural sector—mainly by blaming the weather for



the shortfalls. He then endeavoured to bring a touch of hope for the future by drawing attention to developments that were slowly making the country less dependent on plantations or any one source of revenue. "Mr. Speaker, in the past, economic growth in Sri Lanka was inextricably linked with the fortunes of the agricultural sector, the growth rate fluctuating with fluctuations in agricultural output. Our Government's economic strategy has enabled the country to move away from the precarious situation where the performance of a single sector determined the performance of the economy as a whole. For the first time in 1978, a pattern of balanced growth became evident. Construction emerged as the most vibrant sector, contributing 12 per cent to the total increase in GNP. Its contribution rose further to 15 percent in 1980. The manufacturing sector also showed impressive gains in 1978 with a contribution of 14 per cent to the increase in GNP.

"This was essentially due to an increase in capacity utilisation made possible by the liberalisation of imports. Its contribution in 1979 was 11 per cent and in 1980 an estimated 4.5 per cent. Other sectors of the economy like trade, transport banking, tourism and other services have also recorded impressive gains since 1977. On the other hand, the contribution of the agricultural sector to the growth of GNP has steadily declined from 13 percent in 1978 to an estimated 7.5 percent in 1980. While this is to some extent due to the unsatisfactory performance of certain agricultural and plantation crops, it also reflects the improved performance of the other sectors which has brought down the share of the agricultural sector in the increase in total output."

And with a touch of self-assured complacence he added: "Mr. Speaker, the overall performance of the economy since this Government came into power has thus been quite impressive....."

A Finance Minister is entitled to pat himself on the back, but it must be remembered that the constant endeavour of every government since Independence has been to make the country less and less dependent on one or two sources of income (e.g. plantation export crops). There is no doubt that some of the policies of this government have accelerated the process in some direction (as Dr. N. M. Perera's CRA for gem and other exports had brought diversification in many sectors). But this is no reason for Government to permit the continued decrease in production in tea, rubber and coconut plantations. The losses from such declining production are not offset by gains in the export of non-traditional goods. One bird in the plantation sector is worth two in the jungle of non-traditional exports.

BUT THE FINANCE MINISTER, thought it necessary to explain: "We have, however, encountered various problems in our development efforts, with which we are still grappling. The developments on the price front and in the balance of payments are matters of

grave concern to us. They are in a sense the inevitable consequences of our success. These difficulties also stem largely from factors completely outside our control. Our economic performance would have been still more remarkable but for these problems connected with world wide inflation and recession."

It has been customary on the part of every Finance Minister from 1947 to blame global conditions—which could easily have been anticipated—for many avoidable setbacks in the country.

Ronnie de Mel dealing with the balance of payments problems said: "Mr. Speaker, the balance of payments which showed a current account deficit of CDR 75 million (Rs. 1,032 million) in 1978, deteriorated further to a deficit of SDR 177 million (Rs. 3556 million) in 1979. Yet the inflow of long-term aid and the assistance from the IMF enabled the country not only to bridge the deficit, but also to generate an overall surplus of SDR 35 million (Rs. 793 million) in 1979. This surplus went to augment the gross external assets of the country by 28 per cent. At the end of the year, these assets amounted to SDR 475 million (Rs. 9652 million). This was a record for Sri Lanka. In the first half of 1980, the current account deficit in the balance of payments rose further to SDR 250 million (Rs. 5169 million). The overall balance also recorded a deficit of SDR 118 million (Rs. 2337 million). As a result, the gross external assets of the country declined from SDR 475 million (Rs. 9662 million) at the end of December 1979 to SDR 378 million (Rs. 8014 million) at the end of June 1980. The worsening balance of payments situation is attributable essentially to increasing trade deficits. In 1979, while import payments increased by 37 per cent, export earnings increased only by 12 per cent. The result was a trade deficit of SDR 362 million (Rs. 7288 million) which compares with a deficit of SDR 144 million (Rs. 2393 million) in 1978, the deficit was SDR 369 million (Rs. 7629 million) which was higher than the deficit for the previous year as a whole. While the cost of imports in this period rose by 41 per cent compared with the corresponding period in 1979, export earnings rose by only 13 percent....."

Mr. Ronnie de Mel elaborated on the reasons for the increasing trade gap: "Three main factors have been responsible for the widening trade deficits. The first is the deteriorating terms of trade, brought about by sharp increases in import prices, particularly of crude oil, sugar, flour and construction materials. Price movements of our exports have not been able to compensate for the sharp upward trend in import prices. In 1979, the terms of trade deteriorated sharply by 28 percent. While import prices rose by 52 percent, export prices showed an improvement of only 9 percent. Secondly, the volume of exports has been increasing only marginally. The export volume index for 1979 showed an increase of only 1 per cent over the previous year while import volumes rose by 23 percent. Data for the first six months of 1980 also indicate a similar outturn. The third is a presentational problem of a purely cosmetic nature. Import data as presently



reported are not adjusted for aid imports. Estimated aid imports for 1979 amounted to about 19 percent of total imports and to 13 percent in the first half of this year. It is essential to make adjustments in regard to aid imports as they generate the necessary finance. Once adjustment is made for aid imports the relevant merchandise trade deficit is considerably reduced. The actual trade balance adjusted for aid imports would in fact show a surplus of Rs. 1122 million for 1979, as against the unadjusted deficit of Rs. 7288 million. In the first half of 1980, the adjusted deficit would be Rs. 5665 million as against the unadjusted figure of Rs. 7629 million....."

AFTER THE DISMAL PICTURE that emerged from statistical data, he found consolation in that "The other redeeming feature in what on the face of it looks an unsatisfactory situation, Mr. Speaker, is that the increase in import payments was mostly in respect of intermediate and investment goods. Importation of investment goods, such as machinery and raw materials, transport equipment and building materials increased considerably to meet the demand created by economic development and growth. There was also a sharp rise in import prices contributing to the increased import bill. In fact, higher prices rather than higher volume was the major contribution factor. This was something beyond Sri Lanka's control. Any deliberate reduction in the volume of imports in response to higher price would have been to the detriment of our development effort. In 1979, the expenditure on intermediate goods was Rs. 9143 million amounting to a little over 40 percent of total imports in the year. It also reflected an increase of 64 percent over the value of intermediate goods imported in 1978. Nearly two thirds of this increase was the result of a 43 percent increase in the price of petroleum and a seven percent increase in the price of fertilizer. Imports of investment goods amounted to Rs. 5459 million of which machinery and equipment constituted over 53 percent (Rs. 2900 million). Transport equipment amounted to nearly 30 percent (Rs. 1615 million) while building materials constituted 7 percent (Rs. 368 million)."

AT THIS POINT, he made a laboured apology about the expenditure on imports especially of consumer goods. He drew attention to the fact that the ratio of consumer goods had been dropping. "The share of consumer goods declined from 38 percent to 65 percent. The total value of consumer goods imported in 1979 was Rs. 7824 million. Of this, rice, flour, sugar and textile amounted to Rs. 5040 million, while other goods items amounted to Rs. 1303 million. All other consumer goods amounted to Rs. 1481 million, which was only 6.5 percent of the total imports of Rs. 22,560 million. There is therefore, no justification for the criticism of our political opponents that we are frittering away our resources on the import of luxuries. Nothing is further from the truth. Those who by their colossal folly condemned the people of this country to scarcities, shortages and queues for 7 long years will pick up any argument, even a fig leaf to hide their nakedness. Expenditure on imports in the first half of 1980 increased by 39 percent. The

cost of petroleum imports rose by over 100 percents, reflecting largely the sharp increase in crude oil prices early this year. Petroleum imports now account for 23 percent of total imports, as against 17 percent in 1979 and 16 percent in 1978. Reflecting mainly price increases again, expenditure on sugar imports rose by 36 percent and that on flour imports by 33 percent. However, expenditure on food imports taken as a composite group fell marginally from 23.5 percent of total imports in 1979 to 22.9 percent in the first half of 1980. The share of all consumer goods in total imports declined from 35 percent in 1979 to 32.5 percent in the first half of 1980. The share of intermediate goods rose from 40.5 percent to 43.4 percent. The share of investment goods remained unchanged at 24 percent. These reflect the continuation of the favourable trends that emerged after the liberalisation of imports. The criticism of our opponents is, therefore, unwarranted. Can we reduce food, oil and other imports without imposing hardships on our people or halting our development programme."

REFERRING TO EXPORT EARNINGS he said: "In 1979 total export earnings in rupee terms increased by 16 percent showing an improvement over 1978. Earnings from tea declined, while earnings from rubber, coconut, minor agricultural exports, petroleum and industrial exports increased. In the first half of 1980, total export earnings rose by 16.3 percent. The increase was accompanied by a marginal shift from the traditional tree crop exports in favour of other exports. The share of the three traditional crops in total exports declined from 73 percent in 1978 to 64 percent in 1979 to 58 percent in the first half of 1980. Industrial exports increased from 15 percent in 1978 and 24 percent in 1979 to 31 percent in the first half of 1980. This is testimony to the success of the Government's strategy of export-led development."

Mr. Ronnie de Mel then commented on what he thought was the best import-export strategy and he said was being pursued by this government: "Mr. Speaker our balance of payments problems are largely structural in character. We are still highly vulnerable to price movements in international commodity markets. In the short-term, the government relies on monetary and fiscal policies to keep the level of imports at a desirable level, consistent with our development programme. In the longer term, however, a solution to the balance of payments problem lies, not in the curtailment of imports, but in the expansion and diversification of exports. While as I told you a little while earlier, it is gratifying that non-traditional exports have been showing impressive gains after 1977, our earnings from traditional exports have been sluggish. Part of the problem, particularly in the case of tea, has been a drop in export prices. The major problem, however, is that production has been stagnant, if not declining, in the past several years. I need hardly stress that our salvation in the long term, particularly from the balance of payments point of view, lies mainly in increasing the production levels of our traditional exports. The emphasis on non-traditional exports should equally be



extended to the traditional sector, which after all, till accounts for the larger part of our export earnings.

After all the earlier blah-blah that the decreasing production in plantation crops (tea, rubber and coconut) did not matter in view of the diversification of exports achieved through liberalisation policies, this plaintive moan about the importance of traditional exports revealed the feet of clay hidden in the high falutin tone in which the Budget was presented.

The increasing gap between revenue and expenditure and between exports and imports has so far been bridged by foreign aid. We shall examine what the Finance Minister has to say about aid, money supply and borrowings in the next instalment.

We are first setting out what the Finance Minister has said in his Budget speech with a few comments of our own before undertaking a critical study of the Budget. We are doing this at length in view of the importance of this Fourth Budget of the UNP in its halfway progress to the next general elections.

(To Be Continued)

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## INTERNATIONAL NOTES

By Omega

### Poland

THE PRESENT LABOUR CRISIS in Poland caused by the increase in meat prices and other food items nearly six months ago has also given an opportunity to the workers to demand an independent trade union movement. The brief history of the last five or six decades of Socialist governments has created an impression amongst the so called democracies in the capitalist countries that those states will for ever remain under the control of a monolithic structure of the communist parties of these countries. Therefore, any challenge or protest against that party is taken as symbolic of a weakening situation. But an analysis of the situation would reveal the adjustments and amendments are in the nature of development of the political and governmental institutions of these countries.

Poland in the course of last thirty five years has successfully met the demands of the strikers and threats to her authority. Some view the present agitations to be the culmination of a process which began in 1956. The strikers numbering nearly 50,000 in that year demanded higher wages, free elections and withdrawal of Soviet troops. As a result of this strike the government restored the right of the workers to strike, removed the censorship and allowed independent candidates to contest in the elections. Wladystan Gomulka was installed in power. These liberal concessions were short-lived. In 1968, students agitated for cultural freedom. The target of attack during this period

was the Jews. Several Jews lost their jobs and had to emigrate.

THE WORKERS launched strikes in 1970 and 1976 when government increased food prices. In 1970, the strike began in the Lenin shipyard at Gdansk spread to Gdynia and to other towns. Though the workers were compelled to return to their work sites at the expense of 45 lives of their colleagues the government increased the wages to compensate for increase in food prices. The strike was also victorious in that it forced Gomulko out of office, and placed Edward Giersek in authority.

In 1976 the Government of Piotr Joraszewicz proposed to increase the price of foodstuffs by 50 percent, the workers at Ransom, Ursut and Lodz launched a strike. The Government hastily withdraw the proposals. But a severe reaction followed. The government began a spate of dismissals and arrests. It was amongst this the KOR, a self-defence organisation, which played a prominent role during the current crisis, was formed. Some of the demands put forward by the labour unions shows that these strikers had drawn inspiration from their earlier strikes in 1970 and 1976. Their demands included a monument for the victims of the 1970 repression and the reinstatement of all the workers dismissed in 1970 and 1976.

One cannot dismiss the current wave of strikes as altogether western inspired or the work of anti-socialist elements. The officials in Poland themselves are aware that their economy has suffered under the pressure of world wide inflation—an experience more severe in the non-socialist bloc. Polish economy, unlike that of many other socialist countries has some peculiar features. There are also no doubt attempts to highlight the cultural differences amongst the East European countries and wean them away from the Soviet Union. The resignation of Piotr Jaroszewicz and later during the crisis of Edward Gierek is a confession that there was in fact a deep economic crisis. Commentators have not been hesitating to highlight this.

POLAND'S DEBT to Western countries alone is said to be in the region of \$ 18.5—22 billion and this year alone she required \$ 7 billion for repayment and service charges of their heavy debt. Poland could not raise more than \$ 1 billion to service her debt requirement. West Germany alone granted DM 1.25 billion. Poland also seeking \$ 3 billion aid from USA. As there is a change of administration in USA it has to wait till the new administration takes over. In the face of Western economic crisis her industrial growth also fell far short of expectation. The growth in this sector was 0.69% against the projected 4.9% growth.

As a result, the government had to cut on public spendings on power and transport. Poland also depends on the Middle East fuel for about 10% and this situation was aggravated when the Soviet Union decided to cut back her supplies to COMECON countries by 10%. Under such worsening situations, affected by Lower industrial growth, increase in oil prices, recession in the West, fall in export earnings, bad weather for the



last five years and poor harvests the government was compelled to adopt austerity measures to overcome the economic problems.

The measures proposed by Polish Government was not anything dissimilar to what capitalist economics would have done. To reduce the demand they increased the prices and this increase to come in the form of a withdrawal of subsidies hitherto granted. The Polish workers enjoyed the privilege of 40% government subsidies on food items.

AS THE CRISIS DEEPENED and the government tried its best to meet the economic demands of the workers, other issues, with political overtures began to creep in. It is quite plain that Polish workers, by their persistent agitations have been able to force out of office the political leadership of the time. This itself is a victory for the workers and an illustration that the system is amendable to change of leadership.

But what is puzzling the western observers was whether this is possible in a socialist country and if so why these countries cannot roll back the mat of communism and go capitalist or to their brand of democratic set up. This is the crux of the present problem and instead of watching the situation western media and the western alliance, especially USA were trying to provoke Soviet Union to interfere in Polish affairs and make it a global crisis.

Soviet Union as a friendly country and as a member of the Warsaw Pact claims that it has every right to give advice to Polish leaders. The threat is not so much from the Soviet side but from the NATO camp. It is quite evident that USA is very keen to jeopardise the detente, the European Security system etc., and revert back to a cold war situation and looking for opportunities and excuses. Soviets are quite aware of the motive behind western propaganda and have maintained a low posture on the issue.

The peculiarity of Polish situation offers the West some hopes to weaken the socialist system. This appears to be a misreading of the actual position. The West feels that Poland is the weakest link in the socialist camp. Poland is a communist state, yet there are nearly eight political parties, nearly eighty percent of the agriculture is in private hands and there is enough scope for private enterprise. The Church still wields considerable influence among 90% of the population. There is also a vociferous crowd of intellectuals demanding human rights and a strong independent working class movement. The recent victory of the independent Solidarity Union has been pointed as a sure sign of weakness of the communist structure in Poland.

The prominence given to Warsaw military exercises and to trade unions legal battles over the military exercises of the western alliances in the Caribbean and desert operations in the Middle East, the strikes in Italy and France, especially in the latter where government used its navy to mow down the fishermen, shows the real motives behind western propaganda.

Romania and Hungary have already expressed their desire to help Poland to tide over the difficulties. Events

in Poland may lead to fresh thinking in the socialist camp. Poland herself may think of reorganising her political structure and close all the loopholes in her system.

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SRI LANKA

## In USA's Plans

New Delhi, November 30.

The Indian Newspaper *Patriot* points out that Washington has increased its pressure on Sri Lanka with the aim of obtaining there military bases. That was the aim, in particular, of the visits to Colombo by Rear-Admiral Robert L. J. Long, the Commander of the US armed forces in the Pacific. In order to achieve these aims, the newspaper points out, the USA resorts, without any hesitations, to methods of trade and financial blackmail, using the difficult situation in Sri Lanka's economy. The Pentagon's strategists, the *Patriot* says, are reaching especially for Britain's former naval base, Trincomalee. According to Washington's plans, it has to become a strategically important link between squadrons of warships in the western and eastern parts of the Indian Ocean.

The Pentagon's attempt to expand the network of its military bases in South and South West Asia are aimed against the countries surrounding India, says the Indian newspaper *Yan Yug*. They threaten the stability and security of all states in the region, which, in their majority, come out for the UN General Assembly's resolution to make the Indian Ocean a zone of peace. The government of Sri Lanka, the newspaper says, must give a dignified rebuff to the attempts of US imperialism which strives to perpetuate its military presence in the region and turn it into an arena of dangerous conflicts and confrontations. It is specially important in the given situation to co-ordinate actions, strengthen and develop good-neighbourly relations among the Indian Ocean countries, and to develop regional co-operation among the coastal countries, emphasises the Indian paper.—APN.

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### NEXT WEEK

TALKING POINTS—\*Attorney Generals Dept.  
\*Ceylon Electricity Board  
\*Coconuts \*Pugeot 604's

FAVOURING MULTINATIONALS—  
\*Abandoning Workers' Rights

SUN AND ITS SPOTS—3

\*Celestial Fireworks

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## Multinationals Exploit

By Ian Steele

*A Sri Lankan Tribune reader presently in Jakarta sent us two Depthnews Asia articles by Ian Steele published in the Indonesian Times, 18/9/80. We publish the first article. Its contents will alert all concerned to the dangers of indiscriminately inviting foreign manufacturers to start projects here.*

Foreign-based manufacturers are now a well-established feature on Asia's industrial landscape. In return for cheap labour, they have opened access to new jobs, new technology and foreign exchange. Governments have bent over backwards to attract American, Japanese and European investors, but a report now circulating at the United Nations headquarters suggests that they have sold themselves and their workers short.

In 1977 the Zenith Radio Corporation of the United States eliminated 5,000 jobs at its Chicago plant in favour of cheaper labour in Taiwan. Zenith's American workers had been earning an average US \$ 5.25 an hour and US \$ 1.75 in fringe benefits. However, the company found that by exporting its plant it could have Taiwanese workers do the same job for 36 US cents an hour and 20 US cents in fringe benefits.

The Taiwanese were not only cheaper by the hour. They worked longer days, took less time off, had fewer holidays and were unlikely to strike. The Government would allow workers to operate in unregulated factory shops and there was virtually no chance that an employer would face litigation for workers compensation or a bill for retirement benefits. The Taiwanese were "good" workers.

The Zenith experience in Taiwan is not unique. The governments of South Korea, Hongkong, the Philippines, Malaysia and Singapore have fought tooth and nail for similar operations. A score of companies like Zenith have opened much needed job possibilities, access to foreign exchange and markets and new technologies. Governments, in general, gave the red carpet treatment to these companies.

*But as one report circulating at the United Nations headquarters here suggests it's time to count some of the costs.*

Industrial reallocation from the organised labour shops of North America, Europe and Japan to the cheap labour markets of Asia pronounced in the labour intensive textile and electronic industries. A study by Linda Y. C. Lim of Michigan University Department of Economics notes that most of the workers are women who tend to be concentrated in low-wage, low-skill, dead-end jobs which promise little upgrading of skill or income. Ms. Lim reports that in most of Asia's free

trade zones, which are now famous for their investment incentives—tariff exemptions, prolonged tax holidays and favourable labour regulations—well over 70 percent of the employees are women. In South Korea, women account for 75 percent of all workers in export industries, and a similar proportion of all workers in the Masan Free Export Zone. In Taiwan's three export processing zones—Kaohsiung, Nantze and Taichung—80 percent of all workers are women. In Malaysia's Bayan Lepas Free Trade Zone, 85 percent of all workers are women.

Ms. Lim reports that in the electronics industry, where about 500,000 workers are employed in developing countries by American firms alone, more than 90 percent of all workers and almost 100 percent of the assemblers are women. Women account for 85 percent of all textile workers in South Korea and Taiwan and 90 percent of all toy industry workers in South Korea and the Philippines, she says. "In those countries where industrial redeployment is well established, manufacturing has emerged as the major source of employment for women. In Singapore 40 percent of all economically active women are found in the manufacturing sector and this proportion rises to 60 percent in Hongkong and Taiwan".

Mr. Lim finds that conditions for Asia's workers were generally better in the electronic industries than in textile manufacturing. However, governments throughout the region did little to safeguard the best interests of their people against unhealthy working conditions or low wages. Where regulations existed, they were seldom enforced, she says. In south Korea where conditions in the textile industry are among the worst in the world, garment workers are cramped into sweatshops so tightly that they can scarcely move", she says. "There is no ventilation, sunlight or toilets. Even in larger factories, lighting and ventilation are poor; temperatures soar to over 40 degrees Celsius and the air is filled with cloth dust. Workers are frequently forced to work for more than 10 hours a day. Seven days a week, sometimes without extra pay for overtime. When orders have to be rushed it is not uncommon for them to work round the clock for several days at a stretch without sleep, supplied by employers with pep pills or injections.

The factories are tightly regimented with bathroom privileges restricted to two minutes and an intense pace of work which allows no time for lunch or rest. Working days of 14 to 16 hours are common on a regular basis." Ms. Lim says that health and safety problems "abound". She notes: "Industrial accidents and disabilities in South Korea almost trebled between 1970 and 1976 to a level up to five times higher than standards set by the International Labour Organisation. There are severe and widespread health problems. More than 90 percent of (Korea's) textile and garment industry workers suffer from respiratory diseases such as bronchitis and tuberculosis. Most have contracted eye and stomach problems and nervous disorders and anaemia and chronic malnutrition are com-



mon. There have been also rumours of birth deformities among children born to workers who have constantly taken drugs and stimulants to keep up with the pace of work.

There were few long term employees in the manufacturing sector, she says. When workers become ill too tired, too old or fed up with the "exploitative" nature of their jobs, they were sacked or they quit. Employers in general were happy to have a high turnover because younger, faster and fitter replacements were plentiful. In Singapore textile workers frequently worked 16 hours a day a week to supplement low basic wages. A Ministry of Labour Report in 1974 found that one in seven textile workers suffered hearing impairments.

Ms. Lim reports that the large-scale entry of women into the labour force is usually considered to be a progressive social phenomenon. "It is argued that paid employment enhances the economic and social position of women and contributes to equality between the sexes", she says, "but in redeployed industries in developing countries today, the low wages poor working conditions, adverse health effects and controversial cultural impact of female employment raise doubts about its beneficence. "To the women workers and their families, such employment is viewed as an unpleasant necessity for survival, and one which they would gladly exchange for better alternatives which do not yet exist. In some countries, notably Malaysia, employment of women in export-oriented factories especially in multinationals, has raised the—of local citizens who view it as exploitative, imperialistic and a threat to national culture and society".

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## DAIRY DEVELOPMENT

### Dr. Kurien On India's Experience

*The dairy business in Sri Lanka is in a mess. Everybody knows why things are wrong and many people know how the situation can be remedied. But nothing has been done so far. The answer is a National Dairy Development Board on the lines it has grown in India. Persons of proven competence, integrity and dedication must be put in charge of such a Board that will have the development of both livestock and dairy farming under its control.*

From 1978, such a Dairy Development Board has been under discussion in Sri Lanka. Dr. V. Kurien, Chairman of the Board in India, was invited to Sri Lanka. A seminar was held on December 15, 1978 at the BMICH. Dr. Kurien, we believe, also offered his suggestions and made certain recommendations. But like all good things the National Dairy Development Board was shelved in some pigeon-hole. Bureaucrats and others, who have vested interests in their petty fiefdoms and little empires, have so far succeeded in sabotaging integrated livestock and dairy development. They have persuaded the high and mighty that the petty zamindars of the Milk Board and their corrupt

milk collectors should be left intact. They also undermined the work of the Livestock Board which was one of the few organisations of this government that was doing really good work—and drove its energetic Chairman, Chris de aram, into such frustration that he quit.

*In the meantime, the Milk Board is in a virtual state of collapse. Prices have been jacked up without eliminating waste, corruption, theft and mismanagement. In this situation, Tribune thinks, that for a start, it cannot do better than publish the transcript taken of a taped recording of Dr. Kurien's speech at a Seminar held on 15.12.78 at the BMICH. The speech will appear in three parts. Below appears the first instalment—Ed.*

Distinguished Minister of Rural Industrial Development, Mr. Thondaman, your Excellencies, Ladies and Gentlemen,

I, frankly was not prepared to have a such a large and distinguished gathering for me to address. If I had known, I would have asked my speech writer to write something for me to read. Unfortunately, that has not been done and so I might request you to bear with me if my thoughts are a little disjointed. All that I can today is not so much to suggest any possible solutions to Sri Lanka's dairying problems, as it would be to try and explain to you what is Anand, how did it grow, what really happened so that from that you may be able to distil such ideas as you may consider appropriate for your own dairy development, for your own plans. No man however competent, and I certainly am not one of them, can visit a country for three days and pontificate on what you should be doing. That would be arrogance, all I can do is to place experience under our conditions before you and leave it to you to draw your own contentions.

Sir, I am extremely grateful to you for your invitation to visit this beautiful country and I have come in response to that invitation, not only because I wanted to look into dairying problems but as a salute to your country's valiant efforts in improving the welfare of its own people and as a tribute of my country and my farmers to your country and your farmers so that we may benefit from each other, so that we may learn to work together. It is in that spirit that I have come and it is in that hope Sir, that I shall invite you to visit my country and hope that you will see something there which will be of use in framing the policies of your country.

Now, Ladies and Gentlemen, what is Anand? In 1945, i.e., before Independence, the Government of Bombay as it was then called "Bombay State" the British Government of Bombay started the Bombay Milk Scheme by taking milk from a place called Anand, 266 miles North of Bombay, taking it to Bombay and marketing it. Never before had milk travelled 266 miles in a developing country, and so the question arose, "Is this ever feasible?" They had picked on Anand only because Anand even then was famous for its milk production. It was famous as a ghee producing area and everybody in India concerned with dairying knew of Anand as a place where already milk existed, and in fact, in Anand



was a private dairy called "Polsons Dairy". Polson's name is a little misleading, it was really Pistanjee Polsons. He was a Parsi gentleman, one of the great pioneers of the Dairy Industry of India.

Mr. Polsons had his own dairy, so the Govt. of Bombay asked Mr. Polsons "Can milk travel 266 miles under tropical conditions"? Mr. Polsons was a business man but he had a New Zealander as his Manager and Mr. Polsons asked his Manager and the Manager said "Oh, I don't think so but we will try.....let us try.....and he then pasteurised milk in his cream pasteuriser before making butter and chilled down the milk in his still water tank. He took several cans of milk to the Railway Station of Anand at 10.45 p.m., kept it cold by surrounding it with gunny bags and pouring chilled water on to the gunny bags to keep the milk cold. The train came, called the "Gujarat Mail," at 11 o'clock—they put the cans into the train, poured some more chilled water and wished it "Good-bye". Next morning at 7 o'clock the cans reached Bombay and we had a Milk Commissioner in Bombay in charge of the Milk Scheme, an Englishman, and he and his staff were waiting for these cans. They opened the wagon, pulled out the cans and found that the milk was good and so the Government of Bombay asked Polson "can this be done on a long-term basis?" Polson said "yes" we will do so but then you must pay us for the equipment, you must pay us for the processing charges, you must pay this that and everything and Polson therefore made a deal with the Government of Bombay by which he set up a little pasteurising plant to send milk to Bombay and Bombay Government gave special railway wagons—insulated railway wagons to take the milk to Bombay and the Bombay Milk Scheme started in 1945 in this manner and to help Polsons the Government of Bombay passed an order—please remember it was in British days—that in 20 villages around Anand no one other than Polsons shall collect milk: a monopoly of collection was handed over to Polsons.

The result was that Polson collected the milk, processed it, sent it to Bombay and the Bombay Government sold it. The price in Bombay for milk was very high so the Government of Bombay made a profit of Rs. 45 million a year, and they were very happy with the scheme. Polsons himself was extremely pleased with it because he had a good margin built into it which kept his shareholders quite happy. The Polsons system of collection, however, was to locate a milk contractor in each village and he was the happiest of all, because milk, as you know is the only agricultural commodity that needs to be marketed twice a day every day of year and that too within a few hours of production, otherwise it is a total loss and when you have a monopoly in collection, the milk contractor was in a very good position, he paid what he liked and so he made the most money and he was the happiest of them all.

There was one group who were unhappy, they were the farmers, who produced the milk. Now these farmers began to grumble amongst themselves.

India was not yet free. It was 1945/46 now and the farmers went to a leader of farmers of Incare District in a village called "Karemsed" 2 miles from Anand. The leader's name was Sardar Vallabhai Patel, you have heard the name, and therefore you know the man, the man who welded India into one nation—who overnight abolished the Maharajas, the strong man of India. And to this leader they went and said "now what shall we do, this scheme is no good", and Sardar replied, "yes it is no good, the only answer is that you should own the dairy not Polsons. It should be co-operatively owned—why should it be privately owned? But now that I have given you this advice and if you tell your Government, the Government will oppose it because I have told you. They will read into it more things that I have intended. They will think I am now organising the farmers against the British Raj", and so he said, "you will have a fight on your hands. The British Govt. won't like this and are you prepared to fight? Nothing worthwhile has been achieved without a fight and if you are prepared to fight I am prepared to lead you but please remember that there will be losses and these losses will be yours not mine."

The farmers agreed and the Sardar Patel sent one of his deputies to Anand. The Deputy's name was Morarji Desai. You may be hearing that name these days and Mr. Morarji Desai arrived in Anand and organised a meeting of farmers under a banyan tree, 7 miles from Anand and only one resolution was passed and that resolution was the farmers of Kaira District (also known as Anand District) will go on strike and stop giving milk to milk contractors and to Polson Dairy unless the Govt. of Bombay agrees that the farmers own their own dairy and help them. Until then the farmers will go on strike—now at once, Ladies and Gentlemen, you will see something special about Anand. It had that type of leadership which is given to very few Co-operatives to have the highest order available in our country. Sardar Patel is not born every second day. They don't grow on trees—this type of leadership.

It is true there was no Kurien there. Kurien timed his arrival more carefully. Sir, the strike was a roaring success. No milk to Bombay. The Bombay Milk Scheme collapsed. So after a week or 10 days the Milk Commissioner, an Englishman and his deputy, arrived in Anand to inquire what had happened and they found the spirit of the farmers was very high and that they were not going to knuckle under, and then, the Indian Deputy Milk Commissioner said, "you know these fellows, these politicians these Gandhi thoppy fellows, these Kadar wearing fellows, they will not be able to run a dairy. Milk is a very perishable commodity. Give them their dairy they will only go to dogs. They have no New Zealander. They don't have the technology. All they have is the Gandhi thoppy and loud talk."

So the Indian Milk Commissioner advised the British Milk Commissioner. "Go ahead, give them what is agreed to, because otherwise you won't get the milk." So the British Govt. agreed and two village Co-opera-



tives were started with 100 farmer members, and coincidentally one was a Muslim village and one was a Hindu village, I don't know whether there was any planning behind it but it so happened and the two villages collected 100 litres of milk a day and sent to the Polson's Dairy for processing because this co-operative had no dairy of its own. This is how the Kaira District Co-operative Union or "Amul" it is now called came into being.

Now, of course, immediately, a fight developed with Polsons. The Polsons were not giving the weight correctly, according to the Co-operative. In fact they began to suspect that Polsons are running their business deliberately to break down this Co-operative and they were hand in glove with British Govt. authorities not much concerned with dairying. In such a situation fighting between the Co-operatives and Polsons became inevitable and began in real earnest. Fortunately India became free, and, Sardar Patel became the Deputy Prime Minister of India and we had in Bombay a Govt. sympathetic to the aspirations of the people. The Chairman of this Co-operative whose name is Tiruveni Das Patel went to Bombay and there he found the Govt. was sympathetic. But he had no plant. They said, "you build your own plant", but he had no money. So he went to Delhi, met Sardar Patel sent him on to the then Minister of Agriculture of India, Babu Rajendra Prasad, who, shortly after that became the first President of India. He gave to the Co-operative an old disused dairy that was lying there called the Govt. Research Primary. During World War I and during World War 2. It was used to make cheese to send to Mesopotamia and I am told reliably that there were more British casualties in Mesopotamia due to this cheese than have been due to enemy action.

This dairy was lying disused and that was given to this Co-operative at a nominal lease by the Govt. of India. And the Co-operative for the first time had its own processing plant. The Co-operative has never looked back since then and as it started I made my appearance in Anand by an accident, you know, and I took over as the Manager of that Co-operative—as the General Manager of that Co-operative—and we have never looked back since then and today the Kaira Co-operative is a Co-operative of quarter of a million farmers—250,000 organised into 900 village Co-operatives federated into one district union. The total sales of the Co-operative last year was 540 million rupees. It is the most spectacular consumer marketing success in India since Independence. The "Amul" trade name is known through out the world. Amul stands for Anand Milk Union Ltd., and I am told *Amul* in Sanskrit means priceless. It was the first butter in India with an Indian name. You know, all said "how can Indians buy anything with an Indian name—it must be Polsons, Lord Express, Prince of Wales, how can it be Amul". But the Indians did not let us down and the trade name is very well known. Now, it manufactures almost all products but in the meantime in its growth it had many problems and I will highlight a few of them.

As we grew we requested the Government of Bombay to cancel the contract with Polsons and give it all to us. So accordingly from, I think, 1951 onwards we started supplying all the milk to Bombay and as we have increased the collection inflow of milk to Bombay we ran into trouble. You know the production of milk based on buffaloes fluctuates widely in winter. The production is double that of Summer. So when winter came in 1951/52 the Milk Commissioner of Bombay began to tell us, "Oh, hold it—you are sending us too much milk. Don't send us all this milk." We said, "what shall we do with the milk here—where have we to put it—you have to take it." He started screaming back—How do you expect the people of Bombay to drink 2 lbs. of milk in Winter and 1 lb. in Summer." "This is not fair." We said, "that it is not our business. You take our milk." Then we pointed out to him he was importing milk powder from New Zealand and he was preparing condensed milk. We wanted to know whether this Milk Commissioner was the Milk Commissioner of New Zealand or whether he is the Milk Commissioner of our State. Why are you developing dairying in New Zealand by bringing in this milk powder?

And the struggle started, but the Milk Commissioner had his way. From this conflict, we learnt one lesson about how cheap commercial imports or gifts can be a danger to internal efforts to make the country self-sufficient.

That's why I am mentioning it. Because with the milk powder—the Milk Commissioner would not stop importing, we curtailed our production and we had to close down our village Co-operative 3 days a week and the farmers were in trouble. Then the farmers met with me and the elected representative from the Board under which I operate. They came to me and said "find some solution" we are paying you a good enough salary. So I said the only solution was to convert the milk into powder. At once we were told that powder has never before been made from buffalo milk anywhere in the world. The Milk Commissioner of Bombay was one of the first to say powder cannot be made from buffalo milk. It has never been done. Then came an organisation called "UNICEF" and this was headed by two non-technical people and they did not know dairying, which turned out to be a good thing. They said "do you want any help from us." I said, "Yes, we have a lot of milk but we have no where to put it. Can you give us a milk powder plant". So they said, "yes if you want milk powder we will give you a milk powder plant." Food conservation is a good thing but the Milk Commissioner opposed it saying milk powder cannot be made from buffalo milk and he began to oppose it. In my view, it was because he did not want the Anand farmers to develop an alternate market that would enable them to bargain for a higher price from Bombay.

Now here is the second lesson—

(To Be Continued)



ANALYSIS

# BUDGET '81-2

by Sigiri

TURNING TO DOMESTIC AGRICULTURE it is heartening to note good progress in the paddy sector. Acreage and production have shown a progress as follows:

**PADDY PRODUCTION: 1971-1980  
(MILLION BUSHELS)**

Year	Season Maha	Season Yala	Total %	change over 1971
1971	41.56	25.34	66.90	—
1972	42.33	20.57	62.90	— 5.98
1973	42.00	20.90	62.90	— 5.98
1974	52.63	23.70	76.33	+ 14.10
1975	34.46	20.86	55.32	— 17.30
1976	42.28	17.77	60.05	— 10.24
1977	54.83	25.55	80.38	+ 35.44
1978	61.60	29.00	90.60	+ 37.35
1979	66.76	25.12	91.89	+ 37.35
1980	70.00	30.00	100.00	+ 32.80

If the total requirements of rice is to be met the total requirement is 140 million bushels which is not far from achievement. There are two methods, one is to extend the acreage. The other is to increase output per acre by better cultural practices like fertilizing, water management, use of hybrid seed, resorting to cultivation time table, transplanting and similar recommended agro-practices. If rice imports can be done away with foreign exchange could be preserved. It is not worth expecting to attain self-sufficiency without making paddy a remunerative avenue. The cost of production of paddy ranges between Rs. 1500 and Rs. 2500 per acre due to cost escalation of inputs like fertilizer, agri-chemicals, seed paddy, labour and tractor charges.

Hence, the proposal to increase the GPS per bushel to Rs. 50 would assist the farmer. This would mean that the open market of rice would increase by about 60 cents per measures. If consumers are to be protected the government must have a good security scheme whereby the government through the PMB (proposed NGB) carry buffer stocks of paddy regionally by having regional warehouses. On the alternative, it can fix a ceiling on rice prices. If the farmers can get Rs. 60 to 70 per bushel in the open market for paddy the Rs. 50 per bushel will only act as a floor price.

If the government expects to collect a buffer stock either government should force millers to deliver a certain quota or collect from producers which is an administratively cumbersome or else flexibly compete in the open market during the season which means prices will vary between Rs. 55 to 60 per bushel. The government should permit NGB (PMB) to do so. If not the PMB will not be able to collect a grain of the floor prices. Similarly a co-ordination with the flour

supply and flour prices is also needed. This is why a National Grains Authority under the Ministry of Agriculture would be the best.

IN THE PRODUCTION SECTOR another area of importance is to pursue a policy to encourage field crop production without dumping the market with cheap dhall, chillies, onions and potatoes. It is easy to import and feed people than grow and supply. If the government cannot be producer-oriented than the blame cannot be placed on the Agricultural Ministry. The floor price scheme introduced by the Ministry of Agriculture must be pursued by all arms of government without having dual pricing for some produce of the farmer.

In the case of export agriculture uneconomic estates should be diversified into more productive crops on a commercial scale than carrying the burden. Why should the country carry inefficient units? Let the land and people be put to better use say even to grow the food we import. Tea or Rubber can only earn exchange to import our food. If food can be grown why do we maintain inefficient estates? In the case of industries what is required is to have selective tariff walls with strict quality control.

**TRADE SECTOR.** The trade sector suffers from over-burdening of functions. The Ministry of Trade and Shipping must concentrate on foreign trade and leave the domestic trade to the domestic sector. There is also a need to register all traders and classify them as a turn-over basis. Similarly the turnover of professions needs to be taxed say of Attorneys-at-Law, Physicians who in fact show low incomes for tax purposes. If all professions are legally recognised and registration annual fees are charged then revenue of the government could be enhanced.

**INCREASE OF RS. 70 TO PUBLIC SERVANTS.** The public sector is the most poorly paid but having high responsibilities. If an efficient public sector is to be encouraged they should also be paid professional allowances as well without giving it to public servants who have passed the second EB in the SLAS. How can the second EB in the SLAS be comparable to post-graduate diplomas and degrees? Hence, if professional men are to be retained in the public sector only post-graduate diplomas and degrees holders should be paid the allowance. That is also a method by which quality men could be retained in the public service not because they are in the SLAS to which anyone could get absorbed a get in on merit or get in through political means or through an open examination. This, the increase of Rs. 70 allowance though the Budget is a welcome move admits price escalation in the open market.

**TAXATION PROPOSALS.** Whilst welcoming the surcharge of 10% on the income tax payable by all persons including companies for the year of assessment 1980-81, the taxation on small companies would be a wise one:

1st Rs. 50,000—income tax rate	20%
Rs. 50,000—100,000	30%
Over Rs. 100,000	40%



Government must see to it that these small companies do not avoid taxation by breaking up in to small units. What is important is not the legal person but the ownership. If anyone has investment in various projects that needs to be taken into account. What some do is to mortgage the assets and transfer the money to tax holiday projects or agriculture to avoid taxation.

BTT on Banking sector, contractors, local cement ship chandlers, airline caterers, should be extended to tourist trade and gem merchants. Similar high BTT should be placed on betting trade, liquor bars, clubs and similar trades.

Increase in cigarettes and liquor duties is welcome in every way. What is required is not to permit the kassippu trade to spread on the crest of increased prices.

Increase in the postal and telephone rates has their effects on the people in the trade who could pass such overhead charges on their clients.

**BORROWINGS.** Domestic and Foreign borrowings<sup>s</sup> for development to the tune of Rs. 11,850 million of which domestic borrowings are Rs. 3,750 million is another feature of the Budget '81. Domestic borrowings is in the ratio of 1 : 2 to foreign borrowing which would mean the debt servicing is going to increase over the years. Domestic borrowing should follow a credit squeeze on consumption but concessionary rate for investments.

**ECONOMIES ON PUBLIC EXPENDITURE** The total conserving of funds from capital votes is Rs. 2,722 million and the amount allowed is Rs. 9,003 million. Of this only 8.2% is given to the most productive agriculture sector and 20.9% to the non-income generating sector. Mahaweli Development takes 33.3% of the total capital expenditure. What is required is to cut down wastage in service sectors like transport.

The capital expenditure is divided as follows:

Ministry	Amounts in Rs: Million	% of the Total
Defence	346	3.84
Plan Implementation	647	7.18
Mahaweli Development	3,000	33.32
Lands	552	6.13
Agriculture	741	8.23
Education	125	1.38
Higher Education	167	1.85
Power and Energy	501	5.56
Local Govt. Housing and Construction	1,880	20.88
Fisheries	209	2.22
Rural Industries	132	1.46
Post & Tele-communications	317	3.52
Health	150	1.66
Regional Development	20	0.22
Highways	195	2.16
Culture	30	0.33
	<u>9,003</u>	<u>100.00</u>

If on the other hand, Mahaweli, Lands, Rural Industries and Agriculture are considered together as agricultural sector, the contribution works out to 49.14% of the total capital expenditure. An area of savings of public funds is in transport.

CTB and CGR are the highest liabilities to the state. This is also the most subsidised service and the commuters have to bear their cost of inefficiency. The CTB's losses are due to inefficiency and heavy staffing at all levels. If the CTB could collaborate with the private sector much economy could be brought about. Let the transport field be liberalized and permit the private sector to compete on an equal footing on all routes. Let the efficient exist and the those who run at a loss should be handed over to those who operate efficiently.

As for the CGR it runs at a loss due to its heavy overheads and inefficiency. Why not nationalise the location of railway stations, reduce unwanted staff? Why cannot the Minister freeze any more recruitment to the CGR and the CTB and avoid intake with his "catchers".

Why cannot he cut down waste, robbery, overtime, unnecessary travel by even the lowest staff in depots? Don't he know that some of the party men are at the bottom of thefts in depots? Is he after efficiency or popularity? The CGR can be given over to foreign investors to commercialize on a joint venture basis. There may be local firms who would like to take certain lines. If so give those routes on an annual royal basis. Cannot railways be made flexible by making it a Board?

These are few comments the Hon. Finance Minister can give some thought to. It is not too late to do these. Three years have gone. Why go on putting the blame on the SLFP regime? Forget it. Why not look forward and work for the common good now. I hope this point of view will reach H.E. the President on whom we have full confidence. So now or never—to do what you can, Sir.



FAILURE OF DAIRY FARMING

## Soon A Nation Of C-Grade Citizens

By R. Kahawita

FROM TODAY as a producer of milk I will get —/20 more per pint if I can get through the tests. The consumer will have to pay 2/— per pint. He is charged 60 cents more than the Board pays me for producing—the surcharge of 40 cents covers the cost of processing, transport, handling and management inefficiencies. If there is a thing called consumer resistance the consumption should drop, so more milk will go into cream, butter, and cheese for the few who can afford it.



From a mother's point of view, it is hard to bring up the baby as milk food of any kind is far beyond the reach of a working mother. So the slogan is "Go back to breast feeding." A mother too—like any milk cow—must have wholesome food to produce the milk the baby needs. As it is, mothers are undernourished, so are the babies as indicated in a recent survey. The result is we are producing a low grade generation that will effect the quality of our citizens around 1993. We already feel the quality of our man-power due to undernourishment of our children during the last 15 years.

If we are going to end up in C-grade citizens, are all these breaking, demolishing, cutting, widening, raising of brick-walls, concrete monuments, housing etc in the construction field worth the effort? What is the use of a brick and mortar prosperity to house a C-grade citizen. I raised the same issue some time back. The World Bank too has shown the red light to Government for putting all our effort, expertise, and hard-to-find-cash into brick and mortar.

But we are also experts as much as the World Bank experts are; who are they to advise us to how we should run our country? Except we go begging to them when we are in financial difficulties. If they do not give the money our mothers and babies go without nourishing food, to enjoy the brick and mortar prosperity we are building for them, so that we can leave our names on plaques for them to remember us for ever for making us C-grade citizens.

**PRODUCING THE MILK** we need at a price the average person can buy has been a problem since 1931—the year we were free to plan our way of life better than the colonial government did prior to 1931. Since then many a scheme and many more plans than today were set up to increase milk production. These schemes and plans progressed very successfully till around 1956. We are not guessing. We also contributed in some way or other to achieve the targets—starting from Ambepussa Govt. Farm, Walpita Govt. Farm, Labuduwa Govt. Farm, Ridiyagama buffalo Farm, Nikkaweratiya farm to Ambewela and Bopatalawa Farms.

All these establishments, were a link in a chain of animal breeding projects to up-grade the local cattle to step up yield ten to twelve bottles per day per lactation. The schemes were catching up; several people took to Dairy farming who had the capital and the know-how. I know of one capitalist who was given a thousand acres, almost next door to Mannampitiya Condensary to develop a milch herd. Half way through he was forced to abandon it to enforce Land Reforms Law of the previous Government. We are also following their thinking very assiduously.

We also set up a scheme at Embilipitiya to help and encourage the villagers to produce milk under the R.V.D.B. This was a famous region for curd—the outcome of the Ridiyagama Buffalo farm to up-grade local buffaloes—we set up sufficient and for grazing,

stockade areas for dry cows, a scheme for the cattle owners to look after their animals, milk them and market the produce. The R.V.D.B. also set up its own unit with a part of the "Singhala cattle herd" of C.R.I. and two imported stud bulls from the Agricultural Dept. According to the record available the project was successful till the last Government sabotaged it after the 1970 election victory owing to political rivalry. We were told the manager of the project died of a heart attack.

One sector that was doing very well in dairying was the Plantation Sector, particularly the up-country Districts. The management of these estates encouraged labour to keep cattle and provided all the facilities for housing, growing fodder grass, collection and Transport facilities. The Government of 1939 set up Ambewela and Bopatalawa farm to service the plantation sector and they responded to the Government call.

*Then came the Land Reform, change of ownership, and change on attitudes towards successful ventures. Labour was prohibited from keeping dairy cattle on state property. Lands that were used for dairy farms, were taken over and farms were forced to close down. I know of a large and upto-date dairy venture on an estate near Chilaw that was closed down. Two similar farms in Makandura area were closed down, many owners sold their cattle for slaughter including myself—what was important then was the Land Reforms Law. Development and welfare of the people did not matter.*

We hear the echoes of how the Land Reforms were operated in the findings of the Presidential Commission. Yet we also continue to think in the same way, implement the same policies on Land and Ceiling on housing which were designed to destroy the Singhala people and political opponents.

**We also have donned the same thinking cap, even though we are forced to import tea, coprs and several locally produced agricultural products. The reason given for such imports is a story fit for the marines. So we move on from Agricultural production to produce bricks and metal to build the cement and mortar Empire.**

**WHAT ABOUT THE FUTURE** of the dairy Industry? The future may take us to the year 1990 before we can rebuild what was destroyed. The results depend on how many changes of Government there will be in between.

Under present Land Policies which we also have accepted the maximum extent of land available to the industry is 50 Acres and invariably such land is under permanent crops or catch crops in which case the extent will be 25 Acres. This means dairy farming is capital intensive and land intensive. That is to say (a) Capital for stalls, water supply, feed stores, milking sheds etc., (b) Land intensive in that for housing for the farmer, stalls, other buildings and growing of bulk feed like fodder grasses in small plots. So the prices must go up to the consumer.



There are theoretical estimates made by various Government Agencies, on the basis land is available, feed is available etc to get the optimum production per cow.

The forecast is 15/20 pints a day on the assumption that the cows could be maintained in prime condition—figures like 8 lbs. of concentrates, mineral mixtures and fodder at 100/120 lbs. per animal per day are often quoted. Even a 4 Acre grass unit to maintain five cows etc—have been planned out, and capital costs and operating expenses on five cow-four acre basis have been projected needing, at current rates, Rs. 20,000/—to Rs. 25,000/—capital costs and Rs. 60000/—to 80000/— operating expenses.

With a gross capital requirement of around Rs. 33,000/- such projects are beyond the financial resources of our farming community. A farmer's contribution to the project may be in the region of 2000/— to 3000/— plus his labour and that of his family. Beyond that the money supply has to be from loans and subsidies like what our Government is doing today to show a surplus budget). A poor farmer cannot do that. If he borrows, he will need around Rs. 4000/— annually to service the loans. Then the crucial question is can the farmer do it? He fails on this kind of rupees and cents balancing. Our peasant farming projects have failed so far because of this—we plan at Theoretical and academic level While implementation and production are at grass root level of a peasant who can only contribute his labour and that of his family.

"AND THAT OF HIS FAMILY" this brings us to another problem. Farming has set time schedules and seasons. These cannot be changed. A cow has to be milked with the dawn, a crop has to be watered with the sunrise or with the setting sun and so on. The members of a farming family cannot fit into a time table like this due to his other commitments. The household is busy, with the dawn to get the children to school or chaperon them to school. By then the farm working-day is over and many a farming chore is neglected.

Even in the hundred per cent farming or cultivator communities, the children and parents are on the road with the sun-rise "going to school." Our planners have not yet thought of working out a school time-table to fit into the working programme of the community from which the school children are drawn. This is why we say our planners and advisers are impractical academicians.

What is the use of their recording when they work out production costs. "The costs have not been included for labour as this unit is assumed to be managed by a family"—when the family is on the road when it should be milking the cows. On this score the project is bound to fail and has failed up to now in reaching the targets of production. A school time table must fit into the community so that the entire family can participate in the work-programme. Instead we still follow the colonial pattern of school sessions and the vacations with the results

the young are divorced from the work of "home environment" which is their means of survival.

The Education Department is satisfied in that it has included "a working period in the school curriculum", where boys and girls in their snow-white uniforms sweep and clean or even milk imaginary cows. If these same boys and girls are given to work in their own garden plots, fields or cow-sheds before they attend school they can contribute something to the family-pot—of course this is not education nor a curriculum development exercise.

Our school sessions should fit into the cultivation seasons and a farm work time-table. We remember spending some weeks in a farm in Yuma Colorado—U.S.A. years back. The family was up at 4 a.m. and everybody was busy, feeding the animals, milking and getting ready the farm produce for delivery etc. till the school bus called at 10.30 a.m. to take the children to school—they all went to school in working costumes—unlike our children in uniforms, shoes, neck ties etc for us going to school is a feast in Sunday best.—for the Americans it is work—That is why we are begging from them for survival and they enjoy doling out charity to us.

The solution to our economic or production problems is not in price support for farm produce, but in a complete change of attitudes from the individual to a whole community. A Government must assist and plan to change these attitudes to create the type of farmer and family that can maximize production by more intelligent use of working time—To us this is priority number one—if Agricultural production is to be increased.

Politically it is not popular. Currently our pre-occupation is to destroy political opponents so that the people have no choice but us.

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PLAN IMPLEMENTATION — 6

## CONCLUDING

### NATIONAL FERTILIZER SECRETARIAT

*Objectives and functions.* The National Fertilizer Secretariat was established in February 1979, within the purview of the Ministry of Plan Implementation primarily for the purpose of co-ordinating the activities of a number of Ministries, Government Departments, State Corporations, and private sector institutions that are involved in various aspects of fertilizer such as import, local production, transport, handling, mixing, distribution and consumption. The formulation and implementation of fertilizer policies at a national level as well as the effective implementation of the Sri Lanka/West German Fertilizer Project for the production of the distribution and consumption of fertilizer in the island are other important functions of this Secretariat. The work of this Secretariat is facilitated by a Co-ordinating Committee on Fertilizer that meets regularly



on a monthly basis consisting of representatives of all institutions, both in the public and private sectors that are involved in fertilizer affairs. Current developments in the local fertilizer scene as well as policies and other measures that are considered feasible for the efficient consumption of fertilizer are discussed at these meetings.

**Policy changes.** A higher subsidy for fertilizer in general to encourage its use was formulated on the initiative of this Secretariat and Government approval obtained for the increase of the State subsidy on fertilizer from 50% on CIF to 85, in respect of Urea; 50% to 55% for S.A.; and 50 to 75% in the case of other fertilizers such as Rock Phosphate, Triple Super Phosphate, and Muriate of Potash. These subsidies came into effect from 1st September 1979. Consequently, the retail prices of fertilizer, especially Urea are some of the lowest in the world. A ton of Urea which is today sold by the Ceylon Fertilizer Corporation for Rs. 980/- per metric ton would have been sold at Rs. 3,338.41, if there was no subsidy on this fertilizer. On the recommendation of this Secretariat and the Co-ordinating Committee on Fertilizer, the Government also accepted in principle the need to stabilize the prices of fertilizer over reasonable periods of time to encourage its use. In the past, frequent changes in their selling prices adversely affected its consumption. On the basis of a scheme for the stabilization of prices prepared by the Secretariat, the Government has now stabilized these prices with the implementation of the higher State subsidies upto the end of 1980. Therefore, these prices will be stabilized for every calendar year.

**Past activities.** The Secretariat extended its assistance to the State Fertilizer Manufacturing Corporation in the implementation of the project for the establishment of a Urea factory at Sapugaskande that is expected to commence commercial production by the end of August 1980. Establishment of a link road to connect the factory to the warehouses and mixing plants of the Ceylon Fertilizer Corporation and the construction of a 5 1/2 mile link railway line to connect the factory to the National Railway system are some of the items that were specifically initiated by the Secretariat. To facilitate the distribution of fertilizer to retailers, the Government is establishing a chain of five Regional Fertilizer Warehouse Complexes in different parts of the island. While the actual establishment and operation of these warehouses are being undertaken by the Ceylon Fertilizer Corporation, the Secretariat is attending to all co-ordinating functions including the monitoring of their progress and the channelling of foreign assistance. The Maho Regional Warehouse has now been fully commissioned while work has commenced on the unit to be established at Weligama. To ensure the effective retail distribution of fertilizer the Secretariat initiated action for the People's Bank to implement a scheme to provide credit facilities on generous terms for the purchase of fertilizer by Multi-Purpose Co-operative Societies. This scheme is now being implemented with the concurrence and assistance of

the Central Bank of Sri Lanka and the Department of Co-operative Development.

The existence of a large number of fertilizer mixtures in the market, often with marginal differences between some of them has tended to confuse the users especially farmers and the small holders. In order to overcome this situation, the Secretariat with the assistance of Agricultural Research Institutes has prepared a list of 27 fertilizer mixtures covering all agricultural crops. Some of these mixtures are common to 5 or 6 crops. The Department of Agriculture has been conducting agricultural demonstrations for several years in the paddy sector to convince farmers of the need for appropriate fertilizer application and the adoption of other important cultural practices. However, these demonstrations have not yielded satisfactory practical restraints due to lack of publicity and limited participation. To overcome these deficiencies, the Secretariat organised 7 harvest field days in the Kurunegala District with the assistance and co-operation of the Extension Services Division of the Department of Agriculture and the Ceylon Fertilizer Corporation. With adequate advance publicity and an attractive programme, it was possible to ensure the participation of a large number of farmers and the others engaged in agricultural pursuits to witness the harvesting of demonstrations conducted by the Department of Agriculture.

**Future Activities.** Action is being pursued by the Secretariat for the People's Bank to operate a scheme for the provision of credit facilities to Multi-Purpose Co-operative Societies for the establishment of fertilizer retail stores. Under this scheme, which will be implemented with the concurrence and assistance of the Central Bank of Sri Lanka and the Department of Co-operative Development, a minimum of 20% of the cost would have to be borne by the society and 30% of the cost would be an outright grant to be given by the Federal Republic of Germany under the Sri Lanka/West German Fertilizer Project. Credit facilities will be given by the People's Bank for the balance cost upto 50%. Foreign training programmes for these engaged in fertilizer work is being implemented by the Secretariat with financial assistance from the FRG. The Secretariat is also pursuing with the German authorities to obtain assistance for the efficient transport of fertilizer as well as for equipment to ensure the effective handling of this commodity in the port. For the promotion of fertilizer use the Secretariat has initiated action for the Department of Agriculture to conduct Harvest Field Days in 8 districts during the next Maha paddy season.

## WOMEN'S BUREAU OF SRI LANKA

The Women's Bureau of Sri Lanka was established under the Ministry of Plan Implementation on 6th November 1978 with the approval of H.E. the President. It is entrusted with the major task of foostering the improvement of the status of life of women with a view to integrating them in the national development process of the country.

*Principal programmes of development planned.* The work



plan of the Women's Bureau is extended towards the women in the following areas: (a) Estate Sector; (b) Rural Sector; (c) Mahaweli Area; (d) Urban Slum Area; (e) Fisheries Sector.

**Principal programmes of development executed.** (a) **Rural Sector.** The first programme under this category commenced in MATARA on 11.3.1980 for 50 women who were selected from the Matara District. The following projects were identified after a one month's training programme: 1. Poultry farming 16; 2. Home gardening 16; 3. Coir industry 08; 4. Horticulture 08; 5. Dairy farming 02. **KURUNEGALA.** The second such programme started on the 5th of May 1980 for 50 women for Saragama Village in the Kurunegala District.

#### (b) **Urban Slum Area**

The following 4 areas have been selected for income generating activities for the low income families in Colombo. 1. Henamulla; 2. Aluthkade East; 3. 54 Baseline Avenue, Borella; 4. Wellawatte Canal Bank.

10 girls from Henamulla were selected to undergo training in book-binding at the Government Printing Department. The period of training will be 6 months and these girls are paid Rs. 225/— a month by the NAB. The coir-rope centre in Henamulla started in February 1980 with the assistance of the Department of Small Industries and UNICEF. 30 women are undergoing training and after 6 months training, they will be registered by the Department of Small Industries as coir producers. During the training period they are paid a fee of Rs. 5/— a day.

A training programme for Papadam making was established at Wellawatte with the assistance of UNICEF and the Sri Lankadhara Society. After the completion of training, steps would be taken to register the industry.

#### (c) **Training Programme for Personal Secretaries**

The Women's Bureau of Sri Lanka organised a training programme in association with the Polytechnic Institute, Wellawatte for the English Stenographers employed in the Public Sector. The objectives of the course was to develop the capacity of the stenographers to shoulder greater responsibilities.

**Future Activities.** Future activities of the Bureau would be concentrated in the following areas: (a) Estate Sector After a preliminary survey, 7 plantation regions have been selected for this programme. It is intended to launch the programme with the assistance of FAO.

(b) Mahaweli Area—Women's activities have been studied in the Mahaweli area and a project has been formulated with a view to generating better income and thereby improving their living conditions. (c) Fisheries Sector—Under the inland Fisheries programme, a preliminary survey was conducted with the assistance of Ministry of Fisheries to generate employment for women in the inland fishing Area. A similar programme will be started to cover the coastal fishing communities. 8 villages have been selected to commence this programme. (d) Rural Sector—Action is being taken to commence programme in all the other districts with a view to introduce income generating activities.

It is intended to start similar programme in the FTZ and Panagoda Army Camp.

**Training Programme for Personal Secretaries.** It is intended to continue similar training programmes during the rest of the year—action is being taken to install a fully equipped model office at the premises of Polytechnic Institute, Wellawatte. So that the Secretaries undergoing training could get the opportunity with these modern office equipment.

### **INTERNATIONAL YEAR OF THE CHILD SECRETARIAT**

For the IYC Secretariat in Sri Lanka, the latter half of 1979 was a year of major and concentrated activities. A number of programmes were initiated at the Government and Non-government level towards the ultimate objective of better health, education and care for the more deprived and under-privileged children. Resources were allocated from the Government as well as UNICEF, the Lead Agency for International year of the Child.

A large number of non-governmental organisations launched special programmes in collaboration with the Secretariat. The projects funded by the Secretariat were those which confirmed to the three overall objectives of the UNICEF programme in Sri Lanka, namely: (1) To reduce infant and child mortality and morbidity; (2) To reduce non-attendance of schools at primary level; (3) To reduce the disparities in services for children; (4) Particularly in the estate sector, the Mahaweli development area and the urban slum and shanty communities.

Under the special funding programme now in progress, the beneficiaries are 71 organisations in 15 districts. The non-government support programme has been described as innovative and a major step towards a policy of community based welfare. UNICEF allocation for this programme amounts to Rs. 1 million. The Secretaries has made a special effort to improve the management skills of the voluntary sector through a series of training workshops in the districts. 3 workshops have been completed and basic skills in project work provided to over 180 participants. The Secretariat will continue with its policy to re-vitalize the non-governmental sector in order that the representatives be better equipped to implement programmes for child welfare.

In the government sector, the most notable programme launched is to improve the quality of literature available to the child population by providing an incentive scheme for Sinhala writers. The first phase of the programme has been completed and the Secretariat is awaiting the publication of selected books. In addition a Road Safety Programme for children in major towns of the island has been launched with the assistance of the Traffic Division of the Sri Lanka Police. The monies allocated by the Government have been utilized for upgrading of services in child welfare institutions. Many of the requests have been from the districts. Resource persons trained by the Secretariat have been taken the responsibility for the monitoring of these special grants.

—Concluded.



## The Deadly Cloud

By Nikolai Blokhin

President of the USSR Academy of Medical Sciences  
Moscow, November 9.

"A gigantic radioactive cloud caused by the atmospheric nuclear explosion in China on October 16 is circling the globe at an altitude of 10,000 metres. The cloud carries Strontium 90 and Caesium-137, the most dangerous radioactive products with a long half-life". Academician Nikolai Blokhin told Moscow News. The cloud can exist for years not just months, and when the radioactive dust mixes with the water vapour in the atmosphere deadly rainfalls occur."

"Wherever this happens—in the United States, Canada, Nigeria or India—radioactive death penetrates the soil, plants, animals, and, through food, the human body. In the oceans and seas, strontium and caesium damage the plankton, the fish end at the end of the chain, human beings, who eat the fish. The consequence of this explosion will be a sharp increase in the incidence of malignant tumors and leukemia. The danger of epidemics also increases, since the effect of products of radioactive decomposition lowers the resistance of the human body. Pathological changes in parents will affect children yet unborn.

"Millions and millions of people around the world have already heard something of these horrible consequences. But absorbed in their daily chores they often forget the danger. Unlike them, scientists around the world have no right to forget. If the responsibility of scientists for the fate of the world means more than mere words." Academician Blokhin concluded, "they can and should demand to be involved in establishing a lasting peace, a world of clean air and clean water."



### SUN AND ITS SPOTS — 2

## Drought Cycles

By V. Buvanaderam

FOR THE FIRST TIME IN MANY YEARS, there had appeared in the southern hemisphere of the sun, a pair of spots. But for these recent years, they have always been appearing in both hemispheres of the sun. Large spots occur in groups, with one magnetic polarity on the west side of the group and the opposite polarity on the east side, like as if a magnet has been buried, not too deep in the photosphere of the sun. The magnetic polarity of these spots groups in the northern and southern hemisphere of the sun are opposite. With every new 11 year cycle, the magnetic polarity changes, as if the buried hypothetical magnet had been tipped over, so that it takes two 11 year cycles or one 22 year cycle to come round to the same mag-

netic situation. Robert Orr of USA showed a 22 year periodicity in drought in their midlands. those were minimum years.

1964 was a sunspot minimum year, when our island as a whole received 16% less than its normal rains. Among the main stations, the worst affected was Jaffna with a deficit of 54%, followed by Trincomalee 40%, Vavuniya 34%, Nuwara Eliya 20%. The least affected was Galle with a deficit of only 1%. Among the rain gauge stations, Jaffna College, Yaddukoddai whose records disappeared with the takeover, got it worst. It recorded only 22.03" for the whole of 1964, a deficit of 61%, the lowest in its 84 years of recorded history. Its next lowest was 25.63" in 1905.

From 1964, rains over the island have been about or above normal till eleven years afterwards, 1974 (both years inclusive), when the drought was severe with a 20% deficit over the island and a little different too. Again, the worst affected was Jaffna with a deficit of 57%, then Mannar 47%, Anuradhapura and Vavuniya 40%, Trincomalee 36%, Batticaloa 35%, Puttalam 34% and Hambantota 30%, all dry zone stations, only Colombo had an excess of 5%. The identical magnetic situations on the sun will arise 22 years after 1964 and 1974. They are yet to come.

INDIA GETS almost all its rains from its monsoons, called the "Indian Monsoon". 1957, the International Geophysical Year (IGY) was a year of sunspot maximum and it gave good monsoon rains to India. To us, this is the south-west monsoon from May to September. We too got good rains in 1957. Every place had excess of its annual average, except Galle, which had a deficit of 15%. Here too the dry zone came Anuradhapura +68%, Puttalam +58%, Mannar +54%, Batticaloa +52%, Jaffna +45%. All dry zone stations had a third more than their annual average. Among other stations, Kandy led with an excess of 35%, Badulla 32%, Nuwara Eliya 23%, Colombo got the least excess of 3%.

Twenty two years later, 1979 was the year fixed by the World Meteorological Organisation (WMO) for the monsoon experiment (MONEX) the year to crack the Indian Monsoon, once and for all. They thought that in an identical situation like in 1957, the rains of the monsoons would repeat but it was drought almost everywhere in India, worsened by flash floods in traditional desert areas. Our monsoon of last year cannot be called a total failure. The rains of the last monsoon month of September caught up such on the monsoon average. The rains kept on to the end of the year till there was an excess of 2% over the island.

Some attribute this failure of the MONEX monsoon to the Arabian sea temperatures that never came up to the normal values to evaporate enough moisture into the monsoon stream. A sunspot maximum year. This cannot be the only reason for this year too, the sunspot number is high. It was in early 1979 and has kept on rising ever since. This years Indian monsoon has



given India very heavy rains, while ours has been poor. It is not the number of sunspots that increase rainfall but the solar flares that emanate from the vicinity of sunspot groups.

ONCE IN A WHILE sometimes every few hours, the surface of the sun brightens near, large sunspots and more frequent near spot groups, when clouds of matter of the sun are thrown out into space with velocities of 500 km/sec. They reach our earth causing luminous electrical radiations called auroras and also magnetic disturbances. If the surface brightening is moderate, they are called Faculae and Floculi. If the surface brightening is intense, then it is a solar flare. The flare itself cannot be seen by the naked eye but can be viewed in hydrogen light. These flares are safety measures to prevent our sun from exploding like a nova, with the vast amount of energy being created in its core by hydrogen "burning". Our sun is too small to explode into supernova like the Crab Nebula. Higher the sunspot number, more the flares but there is no direct correlation between them, neither is there a gradual variation of these numbers.

Water molecules are tightly packed. Increase of temperature makes them agitate for release and when released, water becomes steam. A further increase of temperature makes them collide with one another and the individual atoms of hydrogen and oxygen separate (thermal dissociation). If the temperature is raised still further, the atoms will collide with one another and will get stripped of their electrons (Therman ionisation). What happens in the Sun is thermal ionisation. At 6000k, the surface temperature of the Sun, the hydrogen atoms are broken up into its constituents, protons and electrons.

In the core of the sun, where the temperature is a 15 million, all matter is broken up into their constituents, free electrons and bare nuclei. These are the cosmic particles and solar flares consist essentially of protons, the nuclei of the simplest hydrogen atom. These are not of such high energy as Gallactic cosmic rays, particles emitted by exploded stars, where nuclei vary from protons to Uranium nuclei. Gallactic cosmic particles that ride about the Universe on magnetic lines of force, help us solve the mysteries of the Universe. There is an inverse variation between gallactic and Sun's cosmic rays. During a sunspot maximum, the solar flares are at a maximum and so are its cosmic rays. The gallactic cosmic rays are then at a minimum. They increase with decrease in sunspots and reach a maximum, when the sunspots are at a minimum. They too have an eleven year cycle on earth.

The sun is also a weak source of radio waves, which increases a thousand fold during times of violent solar activity, like from July 6 to 20th 1959, when one of the high peaks of the current solar cycle occurred. There were 29 major flares during this period and a giant super-flare on the 16th. Till the World War II, it was thought that the Sun was not a source of radio waves and it was a dramatic discovery in Britain by two Americans, J. S. Hey and G. C. Southwark.

One afternoon, the radar warning system along the coast of Britain went berserk. There was panic, as the Britisher thought that it was a new enemy trick and that hordes of German bombers were flying into British Isles, under cover of radio "Noise", which was jamming British radars. Later, it was found out that the radars all along the coast were pointing towards the sun and on that day, the sun was particularly active with many solar flares.

In the outer reaches of our atmosphere, at about a height of 260 km. lies the ionosphere. It is a good reflector of radio waves and is used to propagate radio waves round the globe, bouncing between it and the surface of the earth. At those high levels of the atmosphere, it is not possible for the negative electrons and the positive protons and ions, that ride the magnetic lines of force to reach each other and form neutral atoms. Their air in this region is therefore maintained at a high degree of ionisation and possesses a high degree of electrical conductivity. A solar flare would increase the potential of this layer and a bigger current would pass between the layer and the surface of the earth. A bigger electric current in the neighbourhood of cumulus or cumulo nimbus cloud would increase precipitation.

Solar flares would also increase the number of ions in the upper atmosphere. Ions and meteorite dust are the available nuclei at those levels, though Dr. Mason and Japanese workers have proved that some nuclei get there from the surface, Dr. Bowen still clings on to his belief that meteorite showers increase precipitation. Water vapour would freeze on the meteorite dust at those low temperatures and would increase in size by water droplets distilling on them. When big enough, they will fall into tops of clouds, like in cloud seeding by aircraft. Particles of ice were the first seeding agent and used, even before "Dry-ice".

(To Be Concluded)



SATIRE ?

## No Longer At Ease

Getting away from it all—from the hustle and bustle of this rat race—and spending a few months quietly by yourself can be great fun. And it is—I tried it recently. What is disadvantageous about this is that the rest of the world has been upto great guns in your absence and takes time to find out what's up.

My first port of call was at my old friend Archibald Weerasinghe's. He's a police Inspector, of such renown that the mere whisper of his name is enough to immediately quell gang fights in Wanathamulla. His wife opened the door, and upon my query, told me that Archi was in the basement.

"Basement!" I cried in surprise, "what basement?" What in the world had Archie been up to in my absence—building basements, of all things!



"Oh, it's this new one we just built," said she nonchalantly.

"Whatever for?" I asked, my imagination doing overtime, visualizing the man forging bank notes or distilling arrack secretly. Before she could reply, Archie came rushing up.

"Oh, hello Qadri", said he, hurrying along at a great pace, without batting an eyelid at seeing me after months. He rummaged quickly in the drawer, found something then disappeared. Before I could recover from the shock of being so callously treated by a companion of long standing, up he came again.

"Oh, Qadri", he said panting and gasping for breath. "I wonder if you could tell me how one stores potatoes?"

This surprised me some more, "Potatoes?"

"Don't you know what potatoes are, for God's sake? Or has your hibernation made you forget? Potatoes, man, spuds—*ala!*"

"Yes, I know. I've eaten them. Delicious when mashed. But why store them?"

"Because they are my favourite vegetable".

"Potatoes aren't vegetables, they are tubers. But that's beside the point. Why STORE them for God's sake?"

"Because when this war breaks out and we hide in the basement, we must have something to eat, silly."

"What war is this?" I asked, more baffled than ever.

He shook his head in dismay, "Oh God! Don't you know what's happening in the world, anymore? You ARE behind the times, read the papers." With that he ran away again.....only to return almost at once.

"Qadri, old man," he said, "can you or can you not tell me how to store these spuds?"

"Yes, I can, put them in tin cans and remove the air by suction pump. They cannot rot in a vacuum."

"Thank you very much," he said disappearing, "I will remember you when things get black."

Bemused I left his place and went to Boris "Yakada" Shakthigoda, a retired mahout. His nickname came to him after his near legendary ability of calming raging elephants with effortless ease. But that is another story.

As I was walking up his driveway, he was running out, and we collided. "Why the hell can't you look where you are going, Qadri?" he said. He too seemed to have something weighing on his mind, and didn't effuse the hearty welcome expected from a friend who was seeing me after ages.

Not giving him a chance to continue, I asked, "What is this eminent war that Archie is building a basement to escape from, Yakaday old man?"

"Archie is mad. As if one can escape from this deluge in a bloody basement. Ha! Ha!!"

"Tell me what this war is old chap!" I said.

In reply he gave me the despairing glance a harrassed father may give an imbecile child after trying to make him understand, in vain. "Do you read the papers?"

"No, as I you know I was....."

"Then listen to the radio at least. I am in a hurry I have to meet this man whose building me a caravan submarine. At least in it, my family and I may be safe."

"Safe from what?" I cried, but the man had grabbed his briefcase and vanished.

Badly needing information, I resolved to enquire from another friend of mine, "cool" Karthigesu. He wasn't called cool for nothing. His imperturbability was a byword in our circles. I thought that he'd be the most likely person to know what was up and why and not be scared.

But he was not his usual, unruffled self. This shook me to the very core. And when he too failed to greet me, and asked me instead how to spell "interstellar", I knew something was very very wrong.

I told him, then asked him whether he was writing science-fiction. "No", he replied, "I am writing a letter to the National Aeronautics and Space Administration."

"NASA?" Why on earth are you writing to NASA?"

"Not because of earth, Qadri. Or rather, because the earth is safe no longer for life. We'll only be safe from this spectre in outer space. I want to find out when they are beginning passenger space-flights."

"But what is this absurd spectre of war that is haunting all of you?"

"World War—the third, and final. Nuclear holocaust. Total disaster," he intoned ominously. Then said, "Now if you don't mind, Qadri, let me get back to my letter.....Thank you."

I got home more mystified than ever and frightened too, at seeing strong men quail, to find a short note to me from a friend of mine in Washington, Al Waze-Carm. Without so much as a preamble, it ran thus "I must make the best out of what is left. We are safe only till the 20th of January 1981.

"January the twentieth", I asked an idiot friend of mine, "what's so special about that day?"

"He replied, grinning happily, "that is the day when Ronald Reagan assumes office as the fortieth President of the United States, in his seventieth year!"

**Qadri Ismail**

12.11.80

( + )

THIS AND THAT

## Shipping, Media & Noise

### Our Merchant Fleet.

In ancient times before the advent of the scientific age the wealth of a country depended mostly on the agricultural wealth. Sun and rain are the main agents for a prosperous agriculture. The European countries were utterly backward in this sphere due to lack of sunlight and hence rain. Also scientific knowledge was lacking at the time. This forced the European nations to venture in search of new pastures. The wealth of the East drew Moors, later the Portuguese, Dutch and the English to their shores. Hence these nations were forced to improve their ship building in-



dustry both for commerce and naval warfare. Conquest and plunder on an unprecedented scale of these countries in Asia, Africa and South America followed, due to lack of Naval Power in these domains. Colonisation had a catalytic effect on the nascent industries of Europe which in turn resulted in scientific invention to exploit these captive markets.

The type of warfare has changed immensely in course of centuries. However Commerce is still carried mostly in ships of all types. Large countries can hope to be self sufficient but this is obviously beyond the reach of a small country such as Sri Lanka. Hence merchant fleet is a sine qua non for our economic advancement. Furthermore the fact that we have an extended Economic zone of 200 mls to exploit should open our eyes to the immediate expansion of our merchant fleet. Improvement of all our harbours is a prerequisite for the same purpose.

It is in this context that we should appreciate the good work started by the Hon Minister of Trade. But still we seem to be lagging behind in ship building at the moment. This is one area where we could hope to get some quick returns and also exploit the surrounding ocean to our advantage. Finally the recent inauguration of a marine Engineering course at the Moratuwa University and a Coastal Shipping Service are appropriate steps in this direction.

### The Third World and the Western Mass Media.

It is the normal habit of the Western News Media to disseminate a pack of twisted lies about the Non-aligned world with the sole intention of breaking it up. In this endeavour a large part of this exercise is directed towards India, the biggest non-aligned country. During the time of Mr. Nehru he was a little spared though India as a country was the favourite horse to be whipped at every turn. In this particular endeavour the British lead the way to be followed by the Americans and the West Europeans. We in Sri Lanka are given twisted news about other Third World Countries and these we are in no position to verify, and it is too late when we know the correct version. This applies similarly to other countries about Sri Lanka.

Ever since Mrs. Indira Gandhi came into power in India she has been criticised using the lowest tactics imaginable. In a vast country as India with such diversities it is not possible to use the same yardstick of Democracy as used in Western Countries or even in Sri Lanka. Of course some of the Indian millionaires, sharks as they are, like the Bourbons of old, forget nothing and learn nothing. Hence some of them align with these crafty Westerners only to be taken up for a ride by them.

All the time it is reported that she is lonely, haggard etc repeated ad nauseum except during the short period after she wins an election. Only news they have to put out about India is about floods, riots and troubles with Pakistan, China etc. How many of us hear about the advances made by India in Industry, Agriculture or

Science. This type of news is unpalatable to them. So they have to keep up the image of a sick Elephant always groaning.

The unfortunate fact is that our News Media repeat these parrot like, being naive in the extreme in most cases, brainwashed in, some, and some others are really paid hirelings in sheep's clothing.

So what is the use of the Hon Minister of state bemoaning the lack of balanced news about the Third World Countries when our own men in charge of them are not specifically trained to separate the chalk from the Cheese. Also we should realise though rather late that attack is the best form of defence. It is time that the Third World also had its own type of propaganda against these countries inimical to us and repeat them in Goebbels style day and day out. After all what is good for the goose is good for the gander too.

### Fury of Sound.

In Sri Lanka blaring of Car Horns, loud speakers, and the like seem to be nobody's business. Some of the vehicles on the road are fitted with musical and other types of annoying horns that frighten other road users. In the hands of some of our drivers with deranged mental faculties these play havoc. Similarly there does not seem to be a check on the loudspeakers that blare out advertisements about films—especially in the country-side. Organisers of political meetings, religious meetings and the like seem to imagine that they are given an open licence to disturb the lives of peaceful citizens.

It is time that parameters are laid down for the use of horns, loudspeakers etc.

In London no vehicles are allowed to toot their horns and all vehicles must dip their headlights. The horns can only be used in an emergency. Few drivers seem to be worried about dipping head lights in our cities. Even those who do, don't dip the lights sufficiently. As a result driving along Colombo roads at night is a bit of a nightmare. This is most noticeable along Galle road. We hope the authorities concerned take swift action in this regard.

V. P. A. Abeyesinghe

10th, Nov. 1980

### TALKING POINT

## Monopoly On Computers

### By Veritas

The question now being asked in business and commercial circles in Sri Lanka is whether the giant American multi-national computer company, IBM computers have a monopoly over computerisation in Sri Lanka. There are other models of computers available in this country and which are well represented by Agents, like the Wang system of computers and ICL systems—but the IBM seems to be monopolising the trade including the Private Sector.



Recently, about 6 to 8 months ago, we heard that a decision of a Sri Lanka Technical Committee to go for an ICL computer for the Census Department had been ignored by the UNDP in New York when they decided to gift an IBM computer instead of an ICL. In that case, since it was an outright gift from the UNDP, the Government of Sri Lanka could hardly complain if their local level opinions were ignored—after all the foreign experts and consultants are now so powerful here!

But a recent Government decision to buy another IBM grant computer for the Education Ministry is now the talking point. What is interesting is that the decision of the Education Ministry to get an IBM computer was couched in a proposal that also asked for permission to set up a Data Processing Division in the Ministry. It appears that the Government was informed that the Dept. of Examinations of the Education Ministry had placed an order earlier for another IBM computer to replace an already existing IBM machine. It must have been assumed by the Government that the earlier order had been properly placed i.e. after calling for tenders from all parties concerned. The new IBM machine which the Ministry is now getting is a system 4331 while the "old one" which they say is to be replaced is a system 360 computer. The following questions must be asked.

- (1) Do you "replace" a computer. Anyone knows that a computer is never "replaced" as such. Its capacity can be "augmented" but how are Ministers to know these technicalities.
- (2) The Government was told that the new IBM computer was to be "acquired on lease". This is an area which needs further clarification. What are the terms of the lease?  
How much money will be paid as rental to IBM every year? Were these facts clearly laid out and brought to the attention of the Ministers or were they made to assume that everything was in order.
- (3) If the order, for the new IBM system 4331 "was placed earlier", who placed the order. We understand that some officials in the computer section were also involved in the Examinations scandal and probe and are now on compulsory leave or interdiction. In any event, was permission obtained to place this order with IBM and was normal tender procedure followed?
- (4) Does it mean that once you have an IBM machine, in future you must always stick to IBM. Can no other system operate where once an IBM machine is installed? If this is so, a monopolistic situation will ensure automatically with the first supply of an IBM computer.

It is worthwhile for the Government or at least the Minister of Education at least to review the decision to buy an IBM 4331 for the Examination Department and to see that everything was in order and in the public interest.

NGUVU

## Apostles & Saints

By Bwana Rafiki

THIS WAS A DAY sandwiched between the localized and the universal celebrations of Christ's apostles and cousins, or at least one cousin, Simon called the Zealot and Jude. Jude was the brother of the other cousin, James, called the Less to distinguish him from James, called the Great, the brother of John. John was the one who was thrown into boiling oil and came out unscathed, and he was the only one of the Apostles who did not actually die a violent death. Some were beheaded, some stoned, and others beaten to death. That was Jude's fate and he is depicted in his statues with the club that was used to beat him. Well, the Roman Catholic Church as we know it today, was the Church founded by Christ through these apostles.

What I recounted would stand condemned if I failed to mention that the Prince of the Apostles, Peter, was crucified like his Master, Christ, but at his own request up-side down. I shall not go into the question of the one who hanged himself and thus betrayed Christ twice. On the purely human side I would say that it was the person of Christ which interested and drew the apostles. They were not without self-interest for they did ask him what they would get out of it. What they did get out of it was to suffer cruel deaths which amply atoned for all their short-comings, and Christ had promised them ample reward in the next life. This was their Hope, their Hope while yet here. Following a person requires sacrifice. Looking after a person requires it too. All this tortuous thinking has much to do with Nguvu.

For Nguvu is about a person, and another person's efforts to get to him. The link between the persons were Friesian cows, the place Africa, the time 1961 when the Congo, now called Zaire, was said to be standing on its head, especially the so-called Communist part where I saw the cows. Communist, my-eye. The two persons spoke no common language. They tried to communicate by signs. Nineteen years have gone by, and one of these persons is now a prisoner of affluence. He is tied to his wealth. He finds it hard to let go. He feels rather like *Coeur de Lion* leaving England in the hands of John when he set out for the Holy Land, but Richard went more happily.

The Visiting Agent arrived and expressed dissatisfaction at the way the other estate seems to be going to jungle. He said he thought that the superintendent who has left got more work out of the men. We are busy manuring the trees and the V.A. said that the fertilizer put down would be wasted on the weeds that have been allowed to grow. We had lunch at 4 p.m. From 8.30 a.m. to 12 noon our time was taken up with labour problems, watchers, a carter who now claims he is owed overtime for two hundred hours over the last three and a half years. Such a man I think is best got rid of, and he is over-age. We had a good look at work that was being done. We went up to each man,



There is a point in weed-growth after which clearing the weeds becomes a mountain of a task and I think that point had long past before the exit of the former superintendent. I remember many times in the past when weeds were almost like small trees, which is certainly not the case now. I do not know whether a Visiting Agent's chief task is the pruning of expenditure as regards labour and work. It was that kind of attitude I think that made trade unions a necessity, and this pruning of costs is certainly a part of the capitalist structure with shares and dividends. I wish I could find a formula for containing all my thought on this matter. The Iron Age will be cursed one day.

We started this article with apostles and we will finish with saints for saints have much to do with the day about which I write. They were people who practised selfless love, and here I am cribbing, but never mind. They nourished this on prayer, heavy penance, humility, true love of justice, good works, a blameless life, and true friendship. I have cribbed good and proper, but it is proper that I should, and good. Penance is what life is all about since the Fall. In fact it is the only true way to happiness, the narrow door. The Buddha would put it differently, but his is a philosophy. It is dangerously close to Pictism which has rightly been condemned. Was it condemned by St. Pius X? He condemned Modernism. I am not sure that I know what it means. I read somewhere that the Chinese forbad mechanization four thousand years ago. Bravo.



## GRAMA SASTRA—29

—Scribblings On Uva Villages

### Kalumalliya And The Amavaka Poya

By Gamiya

Vijey was young. He had suffered immensely from the time he was ten, and used always to say: "Only one who has suffered knows what suffering means". At twenty-four, looking for solace he had begun to drink heavily, and his parents who doted on him, the eldest son, wanted him to marry a good girl, so that what "you told not do, she may help you to do, namely to tame yourself to goodness." Such were the words of a mother who would hand to her new daughter-in-law, the relay baton of taking care of her son with the daughter-in-law's own independence. They made a little house of wattle and daub for the son and daughter-in-law and placed them about a quarter of a mile away. Today, the loyal son, visits his mother every day, "for love", as he says. "Now, my mother thinks I am a good boy, and I think she is right", he said with a twinkle of pride in his eye. He puffed away on a cigar, resting for a while on the plough which was being drawn by his Kalumalliya, the black and lovable bull he had reared from 'calthood' days. Kalumalliya's companion was Pulliya, a friendly and equally "lovable bull". But he said "he preferred the vivacious, frisky Kalumalliya, to the

gentle and mild Pulliya (spotted one)"—almost as if to say that I knew what he meant. "Kalumalliya" (which means little black brother) reared his head each time he heard his name mentioned, almost as if to approve the truth of all his young master said.

The ploughman worked with his two bulls and the iron-plough the whole day and came over and promised: "Tomorrow I'll be here to do up this garden. It is small, and I will take a half-day over it. Do not worry." And he promised half a bushel of fast-growing grain, since the rains have already set in. Honesty was written all over his face. Buddhism and the love of creatures was in his blood. How he allowed the animals a rest at noonday for an hour and watched them as if he watched his friends, and friends they truly were to him. They knew his every movement and obeyed his plough-commands: "Hey-oh" and they would turn; "jamaha" and they go forward; "jahariya or something that sounded like it, and they would stop. How grand if small is beautiful: if the bulls and plough give way to the money-spinning-money-losing tractor just as thousands of yards of sail are now being sold because motors are expensive for the boats, and outrigger-canoes, now come on the scene. What a long way they have taken us for a ride, the foreign companies that "love us, oh, so so much"!

It was eight a.m. and no sign of Vijey. Man of his word? He came in a few minutes later than eight: with a half-sack on his shoulder and said quite confidently: "I hope you will forgive me. I made a mistake: I should not have promised to come today. Today is the amavaka poya (new moon) and I am unable to work. I like to give Kalumalliya and pulliya a rest. They too get tired, a little like ourselves. You will surely not mind it, I know, I will come early tomorrow."

What a happy thought. Here is the basic matrix of culture, fostered deepened by such true human values, our thanks to Buddhism.

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INDIAN OCEAN

## Conference In Colombo In 1981

New York, October 61,

The U.N. Special Committee on the Indian Ocean adopted at its meeting a resolution reaffirming the need for calling next year an international conference in Colombo in order to draw up an international agreement on making the Indian Ocean a peace zone.

Soviet representative V. V. Shustov, speaking at the committee meeting, said that the problem of relieving tension in this region is assuming increasingly great importance. The Soviet Union has invariably come out in support of the initiative of the Indian Ocean states to make the ocean a peace zone. The Soviet Union, he said, will continue to co-operate with all states concerned, also during the international conference, in order to translate this idea into practice.



These aims would also be served by the resumption of the Soviet-American talks on the limitation and subsequent reduction of military activity in the Indian Ocean (the talks were interrupted by the United States).

The discussion in the Special Committee showed that the US and its closest allies have not abandoned their plans to thwart the realisation of the idea of turning the Indian Ocean into a peace zone. As is said at the U.N. headquarters, such an obstructionist position is a logical outcome of Washington's policy of increasing its military presence in the region. It is as a result of the Pentagon's manoeuvres that the Indian Ocean has become a source of growing international tension.

Two naval carrier strike forces of the United States are now staying there and Diego Garcia island has become a big American base in the southern hemisphere.

There is growing concern in the Indian Ocean countries over the full-scale implementation of the American programme for establishing a network of military bases all along the perimeter of the region. Agreements have already been signed with Oman, Kenya and Somalia. A permanent military base for American aircraft carriers is being built in Australia. —Tass

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## INDIAN OCEAN

### Proposals To Hold Talks Being Retarded

New Delhi, November 20,

Indian External Affairs Minister, P. V. Narasimha Rao said today India was aware of a Western proposal to build up an international naval force in the Gulf area, but there was no information to suggest that such a force had been set up so far. Mr. Rao told Parliament here there had been Anglo-American naval exercises in the area in the first week of November, and naval vessels from France and Australia were also in the Gulf area.

The Minister said there had been an increase in Western naval strength recently in the Indian Ocean and the Indian Government had made it clear to the nations concerned that such a build-up was dangerous and carried the risk of further escalating the Iran-Iraq conflict. "India has consistently opposed great power military presence in the Indian Ocean as it introduces new tensions and conflicts in our neighbourhood and constitutes a threat to peace and stability", he said.

Mr. Rao said proposal to convene a UN conference on the Indian Ocean in Sri Lanka next year, was running into certain rough weather. Answering questions, the Minister told Parliament the holding of the conference was not as smooth as we expected. This was because some countries, including the United States, while not refusing to take part, felt that 1981 was not the proper time for such a conference. —Reuter

MADRID

## Need For Trust And Dialogue

By Spartak Beglov and Alexander Ignatov  
Madrid,

Autumn clouds now and then descend on the Spanish capital, only to swiftly disappear behind the horizon. One sinister cloud, however, has settled permanently on the Madrid Palace of Congresses and Exhibitions, the venue of the meeting of the representatives of 35 states participating in the European Conference on Security and Co-operation. This cloud is made up of all sorts of falsifications, false rumours and myths. Discussions on the main things that the Helsinki accords are intended to promote are made intricate and confusing.

This time, too, the adepts of misinformation have begun misleading public opinion and placing all sorts of propaganda traps on the path of the Madrid meeting. The machinery of misinformation, incidentally, is not complex. If, for instance, a member of the delegation of the leading NATO country emerges from a closed session, the media are bound to hear an "alarming" piece of news: "The Russians say no," or "The Soviets continue their sabotage."

If an enterprising news agency puts up a news bulletin about the meeting in the hall for the press, it begins with a routine phrase, something like "The Russians have no interest in the Madrid meeting." Every proposal of the socialist countries is labelled as a "propaganda policy", and every move of western delegates as "readiness for concessions." The ultimate conclusion offers itself: "If the meeting fails, it will be the fault of Moscow and its allies." This is the tune kept on by the entire Western orchestra, and its makes itself felt because all the propaganda drums on both sides of the Atlantic faithfully catch on and continue it.

But why? We think the reason is not only anti-Sovietism but also NATO's allergy to the Helsinki process. The Final Act requires equally constructive actions in all directions. The Soviet Union and the other Warsaw Treaty countries have been demonstrating their continuous readiness to discuss and decide questions involved in reducing the levels of military confrontation, their readiness for any step towards disarmament. Our time is straight, and our position clear. As for the policy of the NATO states, they, as the saying goes, are beating about the bush, trying to be artful and practising sleigh-of-hand. Moreover, the socialist countries' consistent position obviously rules them, because they cannot very well admit that there aren't in their satchels not only projects but even ideas for disarmament! Hence, the last resort, namely, the escalation of fears and the mobilisation of all means for discrediting the Soviet Union, and also a challenge to confrontation in the spirit of the cold war.



Nevertheless, as the proceedings of the Madrid meeting unfold, it becomes increasingly clear from the positions of a number of Western countries, stated by their delegates, that they would like to restore the balance between their real political interests and the commitments they assumed under the Final Act. Verbal attacks on the Soviet Union continue in the course of the discussions, but Western delegates do not conceal the fact that all this empty talk for Washington's benefit is already boring them and that they would like to be through with these anti-Soviet rites and sit down to business as soon as possible.

The Irish Foreign Minister, for instance, called for approaching the Helsinki process as a mutually acceptable balance of interests, without laying emphasis on one of its aspects at the expense of another and without making claims on each other. In his view, it is time to replace suspicion with trust and confrontation with co-operation. This idea was also stressed by Spain's Prime Minister Suarez in his address to the Madrid meeting: "We call upon all present here to give thought to the ultimate objective of the meeting, the elaboration of a draft for European co-operation. The disputable points of the procedure will seem far more insignificant in the face of this objective." The Final Act, the head of the Spanish government states, is a marvellous basis for the meeting. Naturally, the international situation today is more complex than it was five years ago. That is why, Adolfo Suarez believes, dialogue, talks and trust-building measures are especially needed today.

Indeed, why have the representatives of the 35 countries get together in Madrid? If the whole idea is to recriminate each other, the conference will inevitably degrade into a cheap propaganda show. This is what *El Paris* says. This influential Madrid-based newspaper fears, that the meeting can bring about bitter animosity between the two biggest powers and exacerbate disputes between the blocs, that is, will become the absolute opposite of that for which it has been convened in the first place.

The meeting, *El Pias* noted, has given the smaller European states their first opportunity in a long time to speak on the problems which affect in a most serious way their interests, security and their very existence. These states are well aware of the communality of their destinies and problems, and are in no way interested in a reenactment of the cold war.

On this atmosphere Leonid Brezhnev's assertion in Moscow about the Soviet Union's intention to firmly pursue in Madrid a course for reaching understandings in the interests of detente, security and a peaceful future for the peoples rang very timely. They were appreciated here, in the Spanish capital, as an encouragement for going over to constructive dialogue.

APN

## FILM FOCUS

### K. B. Sundarambal

This column records with regret, a sad event that overtook Tamil cinema recently and cast a gloom over Tamil Nadu in general by the passing away of K. B. Sundarambal, a towering stage and screen actress for many decades, enriching Tamil cinema by her devotional songs, that struck a chord in the hearts of millions, while sung with a rare vibrancy, seldom equalled. She will be remembered by the films *Valli Thirumanam*, *Nandanar*, *Pavalakodi* and *Gnanasundari* by an earlier generation, while her more recent performances were *Avvaiyar*, *Thiruvilayadal*, *Kandan Karunai*, *Poompuhar*, *Manimekhalai*, *Thunaiyan*, and *Maha Kavi Kalidhas*. She became more and more identified as a lover of the Tamil language and an unflinching patriot. Chief Minister M. G. Ramachandran, eulogized at her funeral that, "Tamil society had lost a leading artist. She occupied an unique place in the realms of drama, music and films. She enthused thousands of people by her melodious voice and patriotic songs. Tamil language and Tamil music were enriched by her tireless efforts and she devoted a major part of her life, rendering religious songs. We have lost a devoted and powerful artiste, and a majestic voice has been silenced," he concluded tearfully.

This column also welcomes the appointment of Mrs. Punitham Tiruchelvam (wife of the Minister M. Tiruchelvam Q.C.) as a Director of the State Film Corporation. Perhaps this is the first appointment of a Tamil to this body and it has not come a day too late, as the needs of the Tamil picturegoers have tended to go by default in the past as surfaced in this column off and on. A very keen, active and dedicated social worker—at the moment deeply committed to rehabilitating the blind—besides her love for the cinematic media, she has been of assistance to the SFC in selecting suitable Tamil films from South India. This column also wishes, that she would find time to resuscitate local Tamil cinema, and also have her voice heard to cure the ills that have overtaken it, with a view to bringing it on par with the positive and elevated levels that Sinhala cinema has reached today. Her appointment by His Excellency the President, to fill a much neglected "vacuum" is a praiseworthy gesture and Tamil picturegoers are bound to benefit in the long run. She is very well read and knowledgeable, not only about Tamil films but in the other linguistic media as well. When I met her recently to congratulate her on her appointment to the Directorate, I noticed that she had been engrossed in the novel *Kramer Vs Kramer* by Avery Corman, the film of which collected many Oscars in Hollywood last year. A lively conversationalist, she possesses the knowledge and experience in full measure which I am sure would stand by the SFC in good stead. **ORE VANAM ORE BHOOMI** (One Sky, One Earth) Tamil: This film in Eastman colour makes its bow with the words "Lead Kindly Light" and bows again to the American people, who made its making possible. Directed by I. V. Sasi, a new name in the field, the camera



makes a clear sweep over the USA taking in the massive skyscrapers, the Statue of Liberty, the White House, the Eternal Flame kept a flame in memory of President John Kennedy at Arlington cemetery, President Abraham Lincoln's memorial with a dedicated musical score in song, before traversing the Niagara Falls which is captured in many breathtaking angles—rarely seen even in a Hollywood film. Together with their fabulous backdrop, the Hindu connection also emerges at a point with a peep into the peaceful outskirts of a Hindu Temple at Pittsburgh. Now to get down to the story which appears more an excuse for this eye-catching excursion, the dynamic Jai Shanker as Shanker and the versatile K. R. Vijaya as Nurse Laskhmi find themselves in the same plane, bound for New York, the former job-hunting and the other to keep her home fires burning. Shanker's expectations strike rock, while Lakshmi's prospects in an American hospital keeps ascending till a dependent brother who lives by the "dice" and a pretty sister (Sasi, who shows much promise) touch down in the States. Shanker "falls" for the latter, while an American surgeon gets "serious" on Lakshmi. As Vijaya keeps her reputed poise all the way, Jai Shanker remains restrained in the action that he rears for normally in films, but breaks through these chains eventually when an underworld Casino Czar gets nasty. Actress Padmini as an amiable physician, in the US hospital shines in her brief and sparkling appearance, while East-West links boom high, and even literally so with tall buildings kissing the skies, at the Indian home base, V. K. Ramasamy and Manorama reveal in the dialogue that amuses no end. As a tribute to the pains that have gone into the making of this ambitious film, shorn to a large extent of the escapism, associated with South Indian cinema, I feel that this excellent effort is a must for the family.

**SABITHA** (Sinhalese): An old styled film, depicting the sentimental and budding attachment of young lovers—modern version—roled by Sabitha Perera and Jagath Jayanth, who make their bow on the Sinhalese screen for the first time, J. Selvaratnam is behind this creation, having scripted, produced and directed it. With experts Vamadeva (Camera) and Rocksamy (Music) lending a hand, the story, technically speaking hugs a hackneyed course, dwelling now and then on the misty hills, which colour would have enhanced. While Sabitha Perera packs potential for the future, the others give average performances and besides, this film would have fared better with a couple of reels off, which dead-weighted the whole effort!

**SMOKEY AND THE BANDIT** (English): This Universal Production is just the menu for motor racing enthusiasts and speed fiends who hang their hearts on the steering wheels when on the move, come what may. Burt (Pin Up) Reynolds, as Smokey the road bandit, with pick-up Satly Field (A Bride in Search Of A Wedding!) set a fast and furious pace, with the cops relentlessly on their trail, covering up a "contraband carrier" that hogs along innocently, if not respectably. Jack Gleason as the awkward and portly sheriff, saturated with the highway code, steals the honours of this excit-

ing film, which is well worth a visit when crashing or rather speeding down your cinema way!

**CREATURES THE WORLD FORGOT** (English): A Columbia excursion into paleolithic times, which captures the period with an air of authenticity. The perils and pitfalls that confronted early man, and his running tribal wars in a hostile environment, were caught up by the camera in the raw, with wicked and brutal ferocity. With female witch doctors at the helm, and a rough infatuation that runs through the film, it is of academic interest historically speaking, in spite of the topless women who trailed along willy nilly, but obediently without being tied down by "Knots" and "vows".

James N. Benedict.

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JOURNEY TO INDIA — 4

## On To Madras

By S. P. Amarasingam

There was a great deal of excitement at the Katunayake airport on the day I left for India. The President, Mr. J. R. Jayewardene, and his entourage, also left that morning, almost at the same time, to attend the Commonwealth Heads of States and Government Meeting (CHOGRM-2) of the Asia and Pacific region scheduled to take place in New Delhi from September 4 to 8. He was flying Air Lanka to Bombay, and after a night stopover, Indian Airlines would take him to the Indian capital the next afternoon. My UNESCO funded ticket was by the shorter route via Madras. My Conference, as I have stated earlier, was from September 8-11, but I had decided to reach New Delhi earlier because I could then cover CHOGRM-2 and also meet many old friends there. Before I left, Feliciano Fernando, Editor of the *Ceylon Daily Mirror* had asked me whether I would cover the Commonwealth Meeting for his paper. I agreed though I knew I would have to be more circumspect in reporting for a paper in the Government-owned *Times* group than writing for *Tribune*.

Though the Presidential party left from the VIP lounge, many in his entourage had to go through Customs and other formalities in the normal way. Officials fussed around them to speed them along through the barriers. And until the plane carrying the President actually took off there was a state of tense excitement all over the Airport area. Policemen and army security men rushed hither and thither for no apparent reason. It had also been a little tedious and difficult getting to the airport from Colombo with roads blocked for the Presidential motorcade. An accident involving a big earthmoving contraption and a lorry had created further delays on the road. A journey that normally takes 45 minutes took well over 75 minutes.

The Indian Airline plane—a Boeing 737—was not unduly delayed by all the hustle and bustle surrounding



the departure of Sri Lanka's President. About ten minutes after its scheduled time, IC 573 took off. The plane was not full and there was a little room to stretch one-self. Before I fell into conversation with fellow passengers—as it invariably happens after the first quarter of an hour on any flight—I was able to snatch a few moments to glance through a copy of an Asian Mass Communication Quarterly called MEDIA ASIA (Vol. 7 No. 1, 1980) which a friend had sent me shortly before I left. This periodical is published by the Asian Mass Communication Research and Information Centre (AMIC for short) based on Singapore. This issue focussed attention on "The MacBride Report—What Hope For The New Order?"

On the inside cover of this plush expensively produced magazine was a blurb which revealed that the "AMIC is a non-profit mass communication organisation serving Asia from its headquarters in Singapore. It is jointly sponsored by the Government of Singapore and the Friedrich-Ebert-Stiftung, an independent foundation in the Federal Republic of Germany. AMIC is one of several regional documentation centres around the world working in co-operation with UNESCO to promote the dissemination of information pertaining to mass communication. In addition, AMIC also acts as an independent foundation charged with the responsibility of raising the standards of teaching, training, research and practice of mass communication in the region. It meets this responsibility by convening conferences and seminars, by organising refresher courses by offering consultancy services and through a publication programme which includes a newsletter. Media Asia, monographs, occasional papers, bibliographies etc. Its policies and programmes are determined by its general membership on the advice of an elected Committee and Secretariat."

Though AMIC claimed to work in co-operation with UNESCO, it was clear that AMIC was not favourably disposed to the MacBride Report. In the front inner page was a prominently displayed comment that read: "The UNESCO sponsored International Commission for the Study of Communication Problems otherwise known as the MacBride Commission) has finally come with its report on the state of affairs of communication in the world. Two years of bickering and hotly contested political and ideological confrontations have produced a 576-page document of recommendations and counter-proposals as well as compromises which are mutually unsatisfactory. Yet, this is the report that is expected to pave the way for a new international information order. While the report has yet to be discussed and adopted by the UNESCO General Assembly later this year, it has come under severe fire from several quarters, not the least by international news agencies which the Commission has pinpointed as the major cause of unbalanced news flows in the world. In this issue, Media Asia features Part V of the report containing the Commission's proposals."

And the introductory AMIC note prefacing of Part V of the MacBride Report stated: "The much-awaited report of the UNESCO-sponsored international

Commission for the Study of Communication Problems has finally been released. But, unlike the euphoria and optimism which accompanied the release of the interim report, the final 576-page document was disappointing to those who had expected it to pave the way for a new world information order. Part V of the commission's report, chaired by the Nobel and Lenin peace prize winning Sean MacBride, contains a set of recommendations and disagreements. In a way, the bickerings in the Commission's two-year existence is not surprising given the diverse creeds and persuasions of the members."

These sneering comments surprised me. This was the kind of journalism that AMIC was presumably set up to correct. Instead of allowing its members—all professional media personnel—to read the recommendations of the MacBride Report for themselves and form their own conclusions, the AMIC Editors of MASS MEDIA not only damned the recommendations but the entire MacBride Report by a device that is transparently unfair and unjust. The comments I have cited are obviously calculated to prevent anyone from reading the MacBride Report in full or even in part.

I had read the MacBride Report in full before I left Colombo and the AMIC slant amused me, and whatever respect I had for this Singaporean-West German outfit vanished into the thin air of what dyed-in-red dogmatists call "cultural imperialism". Whilst I was lost in the reverie caused by AMIC verdict on MacBride before the evidence was placed before the tribunal of its members, a passenger on a seat near by asked me for an Indian paper that was tucked in the pocket of the seat in front of me. We thereafter started talking and I discovered that he was a Christian missionary from New Zealand who had spent 17 years of his life in the Andhra Pradesh and that for the last two years had been in Sri Lanka, in Jaffna, to "help out" because of the local shortage of pastors. He had gone to his homeland for his sabbatical and was on his way back to Hyderabad after visiting friends in Jaffna. He was a pleasant sort of a person with that kind of smile which had once been dubbed in this country as the "YMCA smile". He had a padre's-eyes view (something akin to a worms-eye view) of men and matters in this part of the world, but as I had long ago rid myself of any resentment against such papal or anti-papal infallibilists, I enjoyed talking to him. He did not belong to any of the big missions. The one to which he was attached, on his own evaluation, was small by missionary standards. I could not even place the organisation and church he said he had worked in Jaffna—this was probably due to the fact that I was very much out of touch with the peninsula after my parent's death and after an Eelamistic halo of misty rhetoric that had enveloped my birthplace.

There was a time when I had indulged in a great deal of unnecessary rhetoric against Christian missionaries who were regarded as the precursors and adjuncts of Western traders, colonisers, armies, invaders and imperialists. Today international financiers, monetarists



and multinationals have to use for honest-to-goodness Christian missionaries who are intent on finding the true intent of the Sermon on the Mount and as a result of which many find themselves on the other side of the barricades in the emancipatory fight for social justice. In the continent of missionary conquest, Latin America, Christian priests fight with the guerillas and Virgin Mary is portrayed with a grenade in one hand and a machine gun in the other to signify that if she were alive today she would be in the front ranks of the armed struggle for what Christ stood for—because in some countries only arms have any meaning. I did not believe that Christian fervour could have taken this turn until I was shown such posters of the Virgin Mary (from Central American states) and there was also reliable evidence that they were common place throughout the whole of Central and South America.

Admittedly, in Sri Lanka and India, foreign missionaries, who had in the past come on colonial sojourns to bring salvation to idolatrous heathens, have lost all validity, but those of them who have made these countries their homes and merged with the native people have become part of the local ethos. Christians are now part and parcel of the multi-racial, multi-religious and multi-lingual societies that have emerged in these countries. Western multi-nationals no longer use only Christian groups as side-kicks for their explicit activities—they now fund and finance esoteric and strange cults in all religions to divert the attention of ordinary people from the basic problems of mankind. Such cults are not merely escape valves. They are opiates worse than narcotics sold under the counter.

Talking to this passenger, I wondered why a group of New Zealanders had ever wanted to do missionary work in India. Did they come to help to sell milk powder and dairy produce? But the more interesting conversation I had on the flight was with a Birla man who was the chairman of a company that had recently entered into an agreement with a Sri Lankan industrialist, my old and very dear friend Niloo Bhart, to set up the biggest (so far) industry in the FTZ to make canvas rubbershoes in collaboration with an American multinational which would import the entire production. Birla's, I found, have moved into the textile manufacturing business by taking over Kandy Textiles—a non-FTZ industry.

I had been briefly introduced to G. S. Agrawal of Birla International Pvt. Ltd. in Bombay, at the airport by Niloo, but we had been given seats very far apart from each other. He soon discovered where I was—it is not difficult to spot me even inside a plane—and we had a most interesting conversation about the way an Indian businessman viewed the Sri Lanka of the Jayewardene era. Agrawal is one of the new generation of Indian tycoons, educated, cultured, and with all the finesse and graces that makes even fleeting airborne companionship worthwhile.

The coming of the new kind of Indian businessman entrepreneur to Sri Lanka is an interesting phenomenon. The British had brought the first group of Indian entrepreneurs as a backwash of their plantation

economy. They were the inevitable accompaniment of imported indentured labour the British took with them whenever they took Indian (slave) labour to Africa, West Indies and elsewhere. Some of them have become integrated in the new Sri Lanka, but many like the missionaries were birds of passage. They carried away everything they could, no doubt like the imperialist masters who through clever cultural devices shifted the Sri Lankan odium against foreign exploitation to the Indians—Tamils, Borahs, Sindhis and what not.

Today a Sri Lankan government has invited a foreign investment invasion to activate an economy that can no longer depend on the plantations especially after the buffeting they received under Land Reform and other maverick economic experiments in the post-independence period. Sri Lankans are now witnessing a modern sophisticated intrusion into their land and what the outcome will be and what transformation it will bring is anybody's guess. Present-day Indian entrepreneurs have been slow and cautious in moving into Sri Lanka, and the Birlas are the first among the Indian giants to do so. What they and other Indian investors (FTZ terminology does not like the term capitalists) have so brought is a tiny speck for India but very large for Sri Lanka.

There was a time, not so very long ago, when the UNP led the campaign against the Chettiers, Borahs, Sindhis and other Indians. They had disenfranchised over a million of them and repatriate half a million. But today, the wheel has gone the full round. Those who had come under the benign umbrella of the British Raj have either gone (or been thrown out) or become Sri Lankans. What the future has in store for those who now come not only from India but from other countries as well to "invest" in this island under the Dharmista Chakra nobody can tell. Sri Lanka has survived so many different invasions ranging from the major colonising effort by Vijaya to the Asokan spiritual conquest led by Mahinda and Sangamitta to the latter day Chola and Western incursions that the present inrush of foreign entrepreneurs is only just one more.

Before I really had time to take to find out from Agrawal, how serious Birlas and other Indian industrialists were about exporting capital and know-how to Sri Lanka, the plane touched down in Madras Meenambakam airport.

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. 1802.50	Rs. 1805.50
Sterling Pound	Rs. 4227.50	Rs. 4233.50
Deutsche Mark	Rs. 941.50	Rs. 943.10
French Franc	Rs. 405.35	Rs. 406.05
Japanese Yen	Rs. 8.4400	Rs. 8.4550
Indian Rupees	Rs. 226.80	Rs. 227.20



Nov. 12 - 16

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-  
kesari; ATH—Aththa; SM—Silumina; SLDP—Sri Lanka-  
dipa; JD—Janadina; SU—Sun; DV—Davasa; DP—Dina-  
pathi; CM—Chinthamani; WK—Weekend; RR—Riviresa  
DK—Dinakara; EN—Eelanadu; IDPR—Information Dept.  
Press Release.

**WEDNESDAY, NOVEMBER 12:** A visiting Norwegian delegation has confirmed continued assistance for ongoing NORAD projects such as the Hambantota District Integrated Rural Development Project and the Women's Bureau. Iran has strongly criticised the Sri Lanka Freedom Party of Mrs. Sirima Bandaranaike on its recent statement on the Iran-Iraq conflict and charged that it has effectively vitiated all its claim of being a Party of the oppressed masses, a party struggling against imperialism, a party identified with the principles of non-alignment; in a statement on 31 October on the Iran-Iraq conflict SLFP General Secretary, Ratnasiri Wickramanayake said the party appreciated the "reasonable and responsible attitude" shown by His Excellency Saddam Hussein, President of the Socialist Republic of Iraq, by agreeing to abide by the United Nations Security Council calling for a ceasefire and expressing its willingness to resort to negotiations to achieve a fair and honourable solution to the conflict. Letters were exchanged yesterday between the Governments of Japan and Sri Lanka at the Ministry of Finance and Planning, providing for a grant of Yen two billion (approximately Rs. 169.2 million or US \$ 9.45 million) to be used for economic development; the grant will be utilised by the Government of Sri Lanka for the purchase of fertilizer; the services necessary for the transportation of the fertilizer to Sri Lanka ports will also be met from grant funds; the current grant shows an increase of Yen 200 million compared to the grant of Yen 1.8 billion provided last year for the increase of food production. Regular railway commuters who travel on season tickets say that from next month they have been asked to pay more than the increase in fares announced last week; they say that although the train fares were increased by about 60 per cent, the price of season tickets has been increased by over 200 per cent; a third class season ticket from Kollupitiya to Fort which cost only Rs. 8.50 will now cost Rs. 26—CDN. The Sri Lanka Central Transport Board has incurred a loss of Rs. 75.4 million during the first six months of this year—CDM. The buoyancy and confidence expressed by the Minister of Finance and Planning in his Budget speech in 1977 in pursuing a policy of liberalised economy, have disappeared and the country and the government is in the throes of

an economic morass from which it is yet not too late to pull out. The Ministry of Local Government, Housing and Construction said yesterday that the recent amendments to the Rent Act and the Ceiling on Housing Property Act applied only to single-house owners under certain special circumstances; the Ministry said that landlords in order to take advantage of these amendments could not transfer any and every house under this category over the head of the present tenant violating the provisions under Section 22 (7) of the principal enactments as they would still be in force; a Ministry spokesman said that many people seemed to be under the wrong impression that under the new amendments, landlords could resort to various ruses to confer single ownership on certain houses in order to recover possession of them on payment of compensation—SU. The street price of ganja has shot up several-fold with a single brown paper wrapped "shot" that used to sell at 50 and 65 cents a few months ago, now costing Rs. 3.50 in the back lanes of Colombo—CO.

**THURSDAY, NOVEMBER 13:** The Rs. 70 per-month cost of living allowance for the public sector will now be effective from November 1 and not January next year. Overseas Reality (Ceylon) Ltd., a subsidiary of the Overseas Trust Bank Ltd., Hongkong, will commence construction early next year on a high-rise commercial and apartment complex on two acres at Echelon Square; the 65 million dollar complex will have two towers of 46 and 28 floors on a podium of five floors, the 46-floor tower will provide space for banks, shops and offices while the 28 floor tower will contain apartments. Sri Lanka will receive a further Rs. 125.1 million from the British Government as an outright grant to help meet cost of diesel locomotives, spares, servicing and training expenses and to help improve the services of the Ceylon Government Railways. All domestic consumers of electricity will be exempted from the Fuel Adjustment Charge, with retrospective effect from October 1 1980, up to and including 200 units of electricity per month. Lorries will be permitted to carry passengers in future on licence to be issued on an annual basis; no instructions had been given to private bus operators to fall in line with the fare increase of the Transport Board. The unauthorised publication of Cabinet memoranda and decisions are punishable offences under Act No. 5 of 1973 which was enacted by the previous government; only authorised Cabinet decisions given by an appointed Cabinet spokesman may be published; Cabinet noted that unauthorised publication of Cabinet memoranda and decisions was frequent and that it might be necessary to use Section 16 of Act No. 5 of 1973 to punish offenders. Short leave to all public officers has been restored; the concessions is restricted to a maximum of two occasions per month with a maximum of 1 1/2 hours on each occasion; short leave for public servants was suspended by the previous government—CDN. The rebates on railway and CTB season tickets have been increased to 60 per cent and 35 percent respectively; the rebate allowed earlier on CTB season tickets was 20 percent and it was decided to increase it to 35 percent



while the rebate on railway season tickets has been increased to between 50 and 60 percent. Finance Minister, Ronnie de Mel dropped a bombshell on the Press yesterday when he claimed that half the spokesmen and letters quoted in the newspapers were manufactured by the Press—CDM. A Plan Implementation Ministry survey in the Hambantota district demonstrated that 55 public buildings on which construction work had begun, remained either incomplete, abandoned unutilised or under-utilised; there was one entire township with a police station, a dispensary, a rural development centre school and other buildings that had been completed but remained unutilised and was going into jungle in another Southern electorate—CO. The government has decided to distribute sugar on a ration scheme; details of this decision will be furnished by the Ministry of Food and Co-operatives shortly; under this scheme a pound of sugar will cost Rs. 5/50 which would mean a decrease of Rs. 1/10 per pound—DP.

**FRIDAY, NOVEMBER 14:** Finance Minister Ronnie de Mel told Parliament yesterday, that the government would consider granting annually an additional allowance such as the Rs. 70 per month cost of living allowance announced in the budget last week; this would of course depend on the resources available to the government, and any additional allowance contemplated would be indexed to the cost of living, he said; the Rs. 70 per month which would now be paid from November instead of January next year, as earlier announced would be available to all public servants; those in corporations and statutory boards which were not governed by collective agreements would also have to grant this special allowance; the same would apply to private sector organisations; those that are not bound by collective agreements have been requested to pay this amount. Prime Minister Indira Gandhi today reaffirmed to a visiting Minister from Sri Lanka that India believed in friendship with all its neighbours and it was in its interest to nurture good relations with them; there was critical press reaction in Sri Lanka last month to references made by Mrs. Gandhi at a press conference, here that she was deeply depressed by action against former Sri Lanka Prime Minister, Sirimavo Bandaranaike; the Sri Lankan Parliament expelled Mrs. Bandaranaike and disenfranchised her for seven years for alleged misuse of power during her last government; Mrs. Gandhi today held talks with the Sri Lanka Minister for Rural Industrial Development, S. Thondaman, here to attend a trade conference, and underlined India's wish for friendship with the neighbouring nation. The reported strong opposition from London's Mincing Lane the centre of Britain's tea blending industry, and other quarters to Sri Lanka's decision to enter the tea-blending trade has prompted Sri Lanka to go ahead with greater determination to setup its own tea blending industry; Trade and Shipping Minister, Lalith Athulathmudali said yesterday; addressing the Foreign Correspondents Association of Sri Lanka yesterday on "Problems and Prospects of the Country's International Trade" he said the immediate reaction of Mincing Lane when the decision was first announced was one of

hostility; Mincing Lane had pooh-pooed the idea and said it was hare-brained; it had said Sri Lanka was trying to bite more than it could chew—CDN. Former Plantations Industries Minister M. D. H. Jayawardana for almost three hours yesterday afternoon kept Parliamentarians enthralled in one of the most critical speeches on the current budget—CDM. A special envoy of South Korean President Chun Doo Hwan will arrive in Sri Lanka on Sunday to hand over a special message to President J. R. Jayewardene and meet Sri Lankan officials. Government approval retail outlets for rice will shortly begin selling a limited quantity per person at a controlled price; the limit per person will be five kilogrammes—SU.

**SATURDAY, NOVEMBER 15:** Holland's largest and the oldest bank, Algemens Bank Nederland (ABN) Bank Sri Lanka branch, commenced business yesterday at Cargills Building, Prince Street, Colombo 1. A team of nine experts from Japan Railway Technical Service headed by its Secretary-General Mr. Yasuhisa Nagae has arrived here to do a survey and advise on modernisation and rehabilitation of the Ceylon Government Railway. The Government has agreed that the work of the Atomic Energy Authority be extended and training provided for scientists in the field of atomic energy—CDN. The Commissioner of Motor Traffic hopes to recover over Rs. 2.5 million by prosecuting 7000 owners of unlicensed motor vehicles—CDM. Island postal rates will go up by 40 to 50 per cent with effect from January 1 1981; postal rates for overseas mail will also be increased by mid December this year—SU. The licence fee on Radios will be Rs. 30 with effect from January 1981; this was disclosed by an official of the Ministry of Posts and Telecommunications; for additional sets the fee will be Rs. 20/—DP.

**SUNDAY, NOVEMBER 16:** Fifty of the new upper middle class houses now being built at Buller's Lane Colombo 7, will soon be ready for occupation—but only by people who can cough out a cool Rs. 8 lakhs for each of them; the 96 houses on this scheme were originally expected to cost Rs. 350,000 each and as many as 4,000 people applied for them; but within a period of about twelve months cost escalating have boosted the price by more than twice—SO. Certain leading SLFPers fear that if the Party failed to nominate a member of the Bandaranaike family or someone connected with that family for the Attaragalla seat no nomination would be made. The International Development Association has approved a \$ 19.5 million credit to Sri Lanka to help the country develop its energy transmission and distribute facilities; IDA is the World Bank affiliate for concessionary lending; the \$ 63.3 million Sixth Power project, designed to meet the increasing demands for electricity from all sectors of the economy throughout the country, is an integral part of the total power sector investment programme in Sri Lanka—ST. Telephone calls will cost 75 cents from January 1 next year—an increase of 25 cents; all local trunk calls and overseas calls will go up by 30 percent from this day—WK.

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# Confidentially

## ● Milk Fraud? ● Minister Lalith

IS IT NOT A FACT that on November 4, the daily newspapers published the prices of NMB milk? That it was announced that: "The new retail prices in Colombo are given below with the present prices indicated in brackets; 1 pint pasturized milk in bottles (Rs. 1.40) Rs. 2.00; 1/2 litre sterilised milk in bottles (Rs. 1.30) Rs. 1.90; 1/2 litre pasteurised milk in satches (Rs. 1.75) Rs. 1.90; 1/2 litre pasteurised bulk milk (Rs. 1.30) Rs. 1.50; 1/2 litre fat-free sterilized milk (Rs. 1.35) Rs. 1.90; for commercial purposes; 1 litre pasteurised milk (Rs. 4.40) Rs. 5.00; 1 pint sterilized milk (Rs. 2.50) Rs. 3.00"? That it was also stated that "the increase will help milk producers to get an additional 20 cents for every pint of milk they supply the Milk Board. A Rural Industrial Development Ministry spokesman said yesterday that the Milk Board decided on the price increase since it now incurred Rs. 2/21 on every pint of milk. That was because the collection cost electricity, wages and processing costs had increased recently, he said; the present selling price of Rs. 1.40 per pint had resulted in a monthly loss of Rs. 1.2 million to the Milk Board. Even the new price of Rs. 2/- would mean a loss of 21 cents for every pint of milk sold"? **That the Ministry spokesman did not say how much of the loss incurred by the Board was due to waste, corruption, inefficiency, graft and robbery? That everybody knows that the Milk Board takes top marks for malpractices in this country? That if only the number of NMB bowlers of milk that were thrown into the Mahaweli or into the drains at Narahenpitiya are taken into consideration the extent of the loss can be easily ascertained? That if the quantity of milk rejected by NMB collectors from producers who refuse to pay adequate bribes is also taken into consideration the colossal nature of the fraud that the NMB is will be realised? That in addition to all this the switch-over to the metric system seems to have provided opportunities for the NMB to spread more confusion and diddle the consumers? That this confusion as far as *Tribune* can ascertain appears to be to make people pay more for less? That in one case the price list refers to "1 pint of pasteurised milk in bottles", next to "1/2 litre sterilised milk in bottles", and "1/2 litre pasteurised milk in 'satches' etc. etc.? That before we come to the question of "litres", the word "satches" intrigued us? That there does not appear to be any such word as "satches" in the English language as set out in the Oxford Dictionary—the "Concise" as well as the bigger "Shorter Oxford"? That the dictionary records all foreign words that have gained currency in the English language but this word does not seem to be one? That the closest word to "satches" in the**

Dictionary is "sachel" which is a "a small bag (usually leather) hung from the shoulder with a strap to carry books to and from school"? That this NMB gadget called "satches" is said to contain 1/2 litre of pasteurised milk? That these "satches" do not have any price or quantity marked on them? That *Tribune* Investigator measured the contents of four such *satches* and found that they contained quantities varying from 16 to 17 fluid ounces? That a litre according to the metric system as modified in the US, is equal to 2.1 pints? That is the 1/2 litre should be 1.05 pints and that is just a wee bit over 20 ounces? That according to the British system a litre is 1.75 pints, that is 35 ounces? That would make 1/2 litre equal to 17.5 ounces? That presumably the NMB is using the British Metric system and is now selling 17 ounces of pasteurised milk for Rs. 2.00 whereas it had earlier sold 20 ounces for Rs. 1.40? That the actual present price of a pint of milk is Rs. 2.40 or Rs. 2.50 the notification says that the pint is being retailed at Rs.2 a pint? That if our arithmetic is wrong, we will be happy to publish a corrected version. That whatever the mathematics the NMB has in fact pushed up the price of milk from Rs. 1.40 to Rs. 2.50 a pint but has cleverly sought to hide this terrific rise through the conversion to the metric system?

IS IT ALSO NOT A FACT that the *Ceylon Daily Mirror* on August 1, 1980 carried a front-page banner headline that read "80% OF MY STAFF ARE PASSENGERS: LALITH TELLS ASSISTANT SECRETARIES"? That the report read: "The Minister of Trade and Shipping, Mr. Lalith Athulathmudali thinks that 80 percent of 65,000 officers and employees in the 22 departments and corporations under him are 'passengers'. They show little interest in the work they are entrusted with. He said this in a pep talk recently to Assistant Secretaries who maintain control of these departments and corporations. The Minister reminded them that only 20 percent of the officers and employees carried out their duties properly and conscientiously? That it is a happy thought that Minister Athulathmudali was willing to publicly acknowledge the true state of affairs in the Denmark of Sri Lanka? That the report had gone further to say; "Mr. Athulathmudali asked the Assistant Secretaries to exercise greater supervision by making surprise visits to those places at last once a week. Those visits the Minister maintained must be made unannounced. If the Assistant Secretaries supervised these institutions in that manner, the workers would be 'on their toes' and a bigger workload would be possible. The Minister also wanted a list of trade unions operating in these institutions. The officers were asked to furnish the Minister with a map, showing the locations of these institutions so that he could himself carry out constant checks on these establishments"? **That it will be interesting to know what has happened in the four months since August 1—has the situation improved for the better with closer supervision or have other excuses been found for less and less work for more and more privileges?**



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# The Small Holdings Development Authority

## Decentralization of Office Function

Two Regional Offices have been established in Galle and Kandy under the decentralization Programme of the Authority.

Regional Office — Galle  
Abeysekera Building,  
No. 2, Gamiini Mawatha,  
Galle.  
Telephone : 09 — 3279

Districts — Galle,  
Matara and  
Hambantota

Regional Office — Kandy  
No. 140, Ambagamuwa Road,  
Gampola.  
Telephone : 338 — Gampola

Districts — Kandy, Matale,  
Nuwara Eliya,  
Badulla, Kegalle  
and Kurunegala.

The undermentioned services of the Tea Small Holdings Development Authority relating to the districts stated above will be executed by these Regional Offices, and the Small Holders of these districts are kindly requested to inquire from the relevant Regional Manager, regarding all services, and the problems confronting them on Tea Planting.

Tea New-planting Subsidy Scheme  
Tea Re-planting Subsidy Scheme  
Tea Infilling Subsidy Scheme  
Supply of V.P. Plants  
Distribution of Fertilizer  
Supervision of the payment of Reasonable Price for green leaf  
Establishment of Green Leaf Collecting Centres.  
Factory facilities  
Hiring of spraying machines  
Extension Services.

**CHAIRMAN.**

**TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY**

P. O. Box 1474, Colombo - 1.