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TRIBUNE



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Letter From The Editor

"MINISTER PROPOSES CUT IN THE CABINET" said a two-column headline on the front-page of the Sun on Saturday March 22. The report read as follows: "The Government Parliamentary Group has discussed a motion by the Colombo Hospitals Minister Ranjit Atapattu calling for a reduction in the number of ministers and urging them to make sacrifices. The motion is learnt to have been seconded by Neville Fernando MP for Paradura. Dr. Atapattu, at a recent meeting of the group, urged serious consideration of his motion in view of the tremendous burden of state expenditure which was constantly rising. Responding to the motion, President J. R. Jayawardene is learnt to have stated that the government could not compel any minister to relinquish his post. It was up to the individual concerned, he added. In making this proposal, Dr. Atapattu is said to have pointed out to the Parliamentary Group that out of 140 UNP members as many as 90 were holding posts as ministers, project ministers, deputy ministers and district ministers. He himself had already made four visits abroad, Dr. Atapattu observed." Minister Ranjit Atapattu must be congratulated for taking the initiative on a matter which we feel is a matter of the greatest national importance. Dr. Neville Fernando, MP for Paradura, must also be congratulated for seconding this resolution. Readers will recall that in the interview the Editor of this paper had with the President in August, 1979, Mr. Jayawardene after mentioning that there were already about a hundred Ministers, laughingly said, "they all like to be Ministers.....". At that time a body count of Ministers showed that there were nearly eighty of them. Now the number has increased and there are just over ninety of them. But before the number creeps on to a hundred, Dr. Ranjit Atapattu has called for a reduction in the number of Ministers. Whether this will even put a brake on further proliferation of Ministers is hard to say. But the Government and the UNP will do well to pay heed to the alarm signals inherent in Dr. Atapattu's resolution. With the growing difficulties faced by the common people in town and country, resentment is growing apace about the increasing cost of maintaining 168 MPs with 90 of them as Ministers. Today, unlike in the past, the MP is a privileged person with very substantial personal emoluments. On the argument that an MP should be above need (to make him or her incorruptible) the income of an ordinary MP today is a little over Rs. 5000 a month—a Minister gets more. In addition there are other perks—a new jeep at a give-away price of about Rs. 25,000, free travel, free postage facilities, subsidised board and lodging in Colombo. Ministers get official cars and staff. A detailed breakdown of how these emoluments are made up will be published by us shortly and will prove most revealing. And whether such increased remuneration has increased incorruptibility is a matter for investigation.

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CONTENTS

EDITOR'S NOTEBOOK	
—The President	p. 2
COVER	
—Begging Bowl	p. 5
TRANSNATIONALS	
—And Sovereignty	p. 5
MARGINALIA	
—Monarchs, Comets, Ricebun	p. 9
ECONOMICA	
—Sudan, Jamaica, Japan	p. 11
CHRONICLE	
—March 16—26	p. 13
HAVANA DIARY—27	
—Basic Agreements-(4)	p. 20
INFLATION	
—In Sri Lanka	p. 22
FILM FOCUS	
—President's Men	p. 24
LETTER	
—Marketing Dept.	p. 25
GRAMA SASTRA-15	
—Treeless	p. 26
EARTHQUAKES	
—Why, How?	p. 27
SPOTLIGHT	
—On T. V.	p. 29
INTERNATIONAL	
—Arabs, Afghanistan	p. 30
CONFIDENTIALLY	
Selling Lanka	p. 32

What The President Said

Colombo, March 28,

What the President said at a Seminar organised by the Agricultural Development Authority (ADA) at the BMICH on Tuesday, March 25 contains much of what the *Tribune* has been saying for the last 30 months on the question of agriculture. Front-page banner headlines in the morning papers of March 26 were enough to make everybody sit up: **BREAKDOWN IN AGRICULTURE ALARMS PRESIDENT** said the *Ceylon Daily Mirror*, **AGRICULTURAL PROJECTS IN A MESS—PRESIDENT TELLS AGRICULTURAL DEVELOPMENT AUTHORITY OFFICERS**, said the *Sun* and the *Ceylon Daily News* fell back on a defensively apologetic headline **GIVE FARMERS A BETTER DEAL—PRESIDENT TELLS ADA OFFICERS**.

AMONG THE HIGHLIGHTS of the President's speech were the following: "I have avidly read every report sent by the Agricultural Development officers. I was disturbed and shocked to read these reports. Agriculture has broken down. There were instances of coconuts not being plucked, paddy fields being neglected and not manured and giving poor yields, irrigation neglected and not maintained, and minor crops not grown where they should be grown. In other words agriculture was growing—naturally with no effort from man. Its a pity"—CDM.

Then again: "Paddy fields are neglected. They are not manured. Water management is haphazard. Small irrigation schemes breaking down and no one bothers repairing them. Minor crops are not grown where they should be grown", the President said, listing various shortcomings in the sector. "Agriculture, in Sri Lanka, seems to be growing only naturally. This is a great pity", he added. Drawing attention to the sorry state of various agricultural development projects, the President observed that the Rajangane project was now reduced to a forest, while the Devahuwa project had only disused machinery to show. (It was the *Weekend* that had recently, published a revealing total *Insight* expose of the mess in the Devahuwa Scheme—Ed.)

The *Daily News* report stated: "President Jayewardene said he read every report that came to him from the Authority and expressed his sadness at the parlous state of agriculture in the country today. Coconut lands were neglected; paddy fields languished for want of water, and irrigation works were left uncared for as if they were nobody's darlings. In fact, it looked as if coconut and paddy had to grow by themselves in this country. Irrigation works in Rajangana were neglected, in Devahuwa there were mountainous dumps of machinery. If an on-the-spot inspection had been made when those shortcomings had been reported, they could have been remedied at once.

"There was human power in the country; there was the land in the country. If these two resources were combined, then agriculture would flourish. Modern aids to cultivation would help to increase output and when that was achieved the market facility should be ready, he said.....President Jayewardene said that if they were able to restore the irrigation works of the country, then they could turn the corner where agriculture was concerned. He also said that it is evident that the authority was now working towards the purposes for which it was set up. If they succeeded in the work of assisting the farmers to increase production, then the development of the country would be assured."

ACCORDING TO THE PRESIDENT, he had learnt about the sad state of agriculture from the reports of the ADA. Does it mean that he pays heed only to the reports of the ADA—when papers like the *Sun*, *Weekend* and *Tribune* have been spotlighting the total mess in the agricultural sector for a long time? If the ADA's reports have drawn attention to the same matters, should these reports not be published for the benefit of the people of this country?

But a further question arises. The ADA has been in existence for over 24 months and what has it done to stop the rot and remedy matters? Apart from creating a parallel outfit in the world of agriculture by the appointment of a number of highly paid officers, and apart from stirring PR-type speeches and soul-searing appeals to follow the ADA, there is no record of what the ADA has achieved to improve matters.

In spite of the creation of the ADA, agriculture has continued to deteriorate under the very nose of the ADA. Moreover, the boss of the ADA is also the Secretary to the Ministry of Agricultural Development and Research, and the question can legitimately be asked as to what he has done to set matters right?

And the next question is what the President proposes to do about the sad state of neglect in Agriculture? What is the Cabinet going to do about it? From the President's speech one would think he has left everything in the hands of the ADA which administratively and legally has no functional role in the world of Sri Lankan agriculture?

Moreover, it is true that the ADA has made a song and dance in the Coconut Triangle (where there are several other competing Authorities) and in the electorates of some vocal and powerful parliamentarians, but the ADA is unknown, unseen and unheard of in the vastlands of the Wannu where the backbone of our agriculture really is.

The President has asked the ADA to give the farmers a better deal and to help them increase production. But do the officers know the farmers? Are they willing to go to them? Don't they, in fact, expect the farmers to go to them—the great lords of the ADA?

One has only to go through the vast acres of the Wannu—Gal Oya, Kantalai, Devahuwa etc. etc. and the Uda Walawe areas to

ASTROLOGY COMPUTER

"Is tomorrow a good day to ask for a raise?" This and other mind-agitating questions are answered by a battery-powered machine called Zodiac manufactured by an American company. It is enough to feed it personal data for the machine to provide answers based on standard astrological formulas. It is predicted that there will be a big demand for the Zodiac. Americans spend millions of dollars every year consulting fortune-tellers, soothsayers and astrologists. And the price of the astrology computer is not high—only \$50.

see the neglect and the under-utilisation of lands with irrigated water. If these areas are immediately utilised even to 60% to 70% capacity, this country will not only be self-sufficient in grains and subsidiary food crops, but will be able to export some items—even without Mahaweli.

It is up to the President to do something about the state of agriculture in this country. There is much that is rotten in our state of Denmark (Devahuwa) and this that must be rooted out before any progress can be made.

COVER

Begging Bowl Ideology

THE PICTURE ON THE COVER is only an excuse to preach a sermon on a dangerous malady of our times. Before we launch our theme-song, we must pay our respects to one of the greatest dancers Sri Lanka has produced in recent times and whose picture graces our cover this week. He died not so long ago, but he will be long remembered and honoured. He held his head high and he danced full of the exuberance born of a proud national heritage that goes back over two thousand five hundred years.

It is a pity that Sri Lanka with so many things to be proud about should now succumb to a philosophy of relying on an overdose of foreign loans. Must our Ministers go round the world with a begging bowl? Must they fall victim to a popular school of economic thought which maintains that loans from rich industrialised countries promote economic growth and development in poor underdeveloped countries?

It will be useful to briefly examine the impact of debt on some (Third World) underdeveloped countries: The University of West Indies recently published a study of Jamaica's foreign debt and concluded that "foreign capital was not philanthropic". Jamaica's foreign debt stood at some 5 million US dollars in 1946. By the time the country won its independence from Britain in 1962, this sum had

risen to a little over 22 million dollars. By 1976 it had jumped to 240 million. In September last year it had reached 800 million; the country's foreign debt currently totals somewhat more than 1.6 billion US dollars and it is still rising. Before independence the foreign debt essentially represented funds provided by British finance capital, channelled through the British government to maintain the colony's basic infrastructure. When an independent government took power the debt rose rapidly from 13 billion dollars in 1958 to 25 billion in 1963 as it attempted to redress the social inequalities inherited from colonial rule. But under this burden of debt, the economy of Jamaica has deteriorated not improved.

Jamaica is not alone in its dependence on foreign loans. Between 1970 and 1977, Third World countries' foreign indebtedness as a whole rose from 72.9 billion US dollars to 244 billion, at an annual rate which varied from 12 percent in 1972 to 25 percent in 1975. The bulk of this debt, according to Juan Sanchez Arnau of the Paris-based "Centre for International Development" is concentrated in a small number of countries.

Figures at the end of 1978 show that eleven developing countries accounted for some 60 percent of the total public and private debt. First, Brazil and Mexico account of 25 percent of Third World debts. Brazil owes 25.9 billion and Mexico is in the red to the tune of 21.7 billion. Though a seeming "miracle" prosperity has been registered in countries like Brazil and Mexico, inflation runs at 65% and only a small segment of the population has benefited. A second group of the Third World countries such as South Korea, the Philippines, Argentina, Peru, Chile and Yugoslavia have adopted policies of integrating with the international market. Their increasing indebtedness had made them vulnerable to external factors. Chile's debt service ratio for example, is a frightening 45 per cent, and Argentina's of 41 percent. The condition of these countries is even more precarious than of the first.

Jamaica falls into a third category, of countries with fairly low per capita income, and whose foreign debt derives from public loans. Their vulnerability stems from the way in which their economies are not sufficiently

diversified, and low growth rates. Countries in this category include Pakistan, Bolivia, Angola, the Dominican Republic and Burma. World Bank data shows these countries' foreign debt grew fastest during the 1970s at 26 percent per year between 1970 and 1976. A fourth group of Third World countries has no debts but depends on industrialised states to finance their basic imports. Many African countries are in this position.

Third World and other economists believe the developing countries are the big losers. They argue that the interests of donor countries are served to the extent that the Third World states have to import capital goods required for the projects which the loans are used to finance. Secondly loan capital from developed countries facilitates direct investment by foreign capitalist enterprises since local firms sometimes do not have the necessary technical expertise to provide the service. A third way in which the donor states benefit is in the leverage which this assistance gives them over the countries to which they lend their money.

Where the World Bank is concerned, "experts" evaluate a country's economic potential and assess the government's economic policy. In return for its assistance, the International Monetary Fund (IMF) insists on measures that invariably result in reduced social services and social welfare benefits for the people of the borrower country. There is little doubt that the (IMF) in determining its policy towards a particular country, takes into account the political posture of that recipient state. Adoption of harsh (IMF) measures has resulted in the demise of several progressive governments.

Sanchez Arnau believes that the Third World countries' debt problem is a consequence of their present growth-oriented development models. It can only be solved by planning based on internal control of the national economy and technology, and mobilising internal savings. "However one analyses the indebtedness of the Third World, it becomes clear that it is a central circle mechanism within the numerous vicious circles of underdevelopment", writes Arnau.

Part of the cause of the problem is the simple minded idea that one or two five year plans making massive use of equipment supplied by the industrialized countries can give

a country a chance of quickly "catching up" with the industrialised states. This theory ignores one important historical consideration; that practically no country has industrialised or developed only with foreign technology and by importing capital goods. But belief in this theory has set in motion a scramble for investments intended to bring about modernization. These investments have led to massive and abrupt imports of production equipment from abroad and have driven many developing states, deep into the technological trade circuits run by the transnational corporations. The result of all this has been the deepest indebtedness of modern history.

Sri Lanka has been caught up in a maelstrom of economic experimentations on borrowed capital. Some day, the people of this country, like the peoples in many other underdeveloped countries, will be compelled to repudiate all these debts—after paying the initial loan capital many times over by way of interest—because the strings are such that the debts can never be liquidated and will only keep growing. But before that day of deliverance, the country may have to undergo many tribulations and much suffering.

TRANSNATIONALS

Threat To Sovereignty

by Prometheus

IN THE RECENT DECADES we have seen the growing financial power and the widening of the scope of activities of the TNC's. They carry much weight not only in the economics of the imperialist powers, but also in their foreign policies. Some western researchers even view them as a force independent of the State. Prof. Irving L. Horowitz of Rutgers University notes that "the rise of the multinational corporation illustrates how limited the federal foreign policy role has become." Ascribing to TNC's numerous instances of the most flagrant interference in the internal affairs of Latin-American States, he observes that, in such instances, "the federal foreign-policy sector has been a tail wagged

by the corporate dog". The relationship between the TNC's and their Governments could best be described as symbiotic, with the TNC's as senior partners.

The intertwining of the interest of the imperialist state and the TNC is evident from the financial support given to TNC's by the governments of capitalist countries. The aim of these governments in guaranteeing investments in foreign countries against political changes, is to protect private capital from possible losses caused by nationalization (by the host country), bans on taking capital out of the country, restrictions on the transfer of profits, etc.....

The losses are borne by a STATE FUND CREATED FOR THIS PURPOSE. According to OECD data, of the total private capital investments made in developing countries in 1971, the proportion insured was 43.9 per cent for Japan, 43 per cent for Denmark, 31.4 per cent for the USA, 20.2 per cent for the Federal Republic of Germany, etc. Since only investments made in regions considered to be least safe are insured against political perturbations, it must be stressed that these percentages are rather high.

In the United States, the Overseas Private Investment Corporation (OPIC) was established in 1969. The total sum of its insured investment guarantees reached US \$ 5,500 million in 1974. The mixed State-private Overseas Investment Company was set up in Japan in 1972 to facilitate overseas projects. Japan's national Export-Import Bank (EXIM) grants Japanese TNC's credits amounting upto fifty per cent of the cost of the direct overseas investments planned by them. A system of guarantees of overseas investments has also been worked out in Western Europe. In France, there is the Barre Plan, which provides for the expansion of easy-term export credits for French TNC's and incentives for foreign investment. In the Federal Republic of Germany, the Specialised Bank, the German Society for Economic Co-operation, guarantees private capital investments by TNC's against the risk of nationalization in developing countries and directly finances their activities.

John Foster Dulles once remarked that there are two ways of conquering a foreign nation. One is to gain control

of its people by the force of arms; the other is to gain control of its economy by financial means. TNC's, on several occasions, have acted the role of "the silent invader". In an attempt to protect their privileges and interests, the TNC's resort to direct political interference in the affairs of the developing countries. TNC's regard the sovereignty of national states and their economic policies as nothing more than "obstacles to be removed" in their drive for super-profits. The forms of interference vary, from bribery and threats, to the engineering of coups, civil wars and foreign intervention.

Corruption as a means of political influence has become an international phenomenon. Bribes were considered a necessary element by the TNC LOCKHEED in selling their civil and military airplanes. Bribes were alleged to have been taken by the former Japanese Premier K. Tanaka, high officials of Iran, and Prince Bernhard of the Netherlands. Charges were also laid against holders of high office in Japan. The *Far Eastern Economic Review* some months back, reported that the FORD Motor Co. had bribed a high-ranking Indonesian officer. In his turn, the General was to promote Indonesian purchases in the US of a TV satellite.

THE DIRECT INTERFERENCE STRATEGY could be seen in the case of **Guatemala**. From 1952-1954, Guatemala had a favourable balance of trade, when Jacobo Arbenz was the legally elected President. He had seventy-two per cent of the votes at the 1950 elections. After being elected, Arbenz instituted a mild land reform programme, which involved the taking over of 200,000 acres of idle land owned by the United Fruit Company. (More than 75 per cent of the land in Guatemala were owned by Corporations). The land was to be paid for in 25 year bonds, and the Guatemalan Government accepted the valuation of the land as 600,000 dollars, which the United Fruit Company itself had made for taxation purposes. The US Government, on behalf of the Fruit Company, rejected this as being not "just compensation" and entered a claim for sixteen million dollars. On June 18, 1954, a Guatemalan Colonel, Castillo Armas, invaded Guatemala from neighbouring Honduras and the US supplied arms, planes and pilots



In 1864, BEFORE

1. The first direct telegraphic message was transmitted from America to Sri Lanka (1866).
2. Marx's *Das Kapital* was published (1867)
3. The Frankfurter Hoff and Oriental Bangkok (1876)
Imperial Tokyo (1890)
Tajmahal, Bombay (1903)
St. Francis San Francisco (1904)
Raffles Singapore (1910)
Manila Hotel (1912)
Royal Hawaiian (1927)
Peninsula Hong Kong (1928)
4. The Opening of the Suez Canal (1869)
5. Stanley found Livingstone in Africa (1871)
6. The First Australian Cricket Team visited UK (1882)
7. Conrad Hilton was born (1887)

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for the expedition. The Arbenz Government was therefore overthrown illegally, undoubtedly with the connivance of the TNC's.

In 1975, United Brands and Standard Fruit Corporations, in protests against the policies of **Panama, Costa Rica and Honduras** in the export of bananas, set up a special fund of five million dollars to "destabilize" these Governments. For this purpose, they provoked armed clashes, staged acts of sabotage and promoted strikes, and went as far as planning an attempt on the life of the President of Panama.

The former **Belgian Congo**, which gained independence in 1960, was for four years enveloped in internecine warfare. Its mainsprings were the interests of the copper concern, **UNION MINIERE DU HAUT KATANGA**, controlled by British and Belgian capital. The Company's aim was to sever Katanga, the richest province of the country, and to keep it under its control. This was to be achieved by financing the separatist Tshombe regime, and by supplying it with weaponry, ammunition and even aircraft.

THE CONSEQUENCES of the interference of TNC's were most starkly revealed in **Chile** in 1970-1973. The giant US TNC, the International Telephone and Telegraph Company (ITT) has a turnover which exceeds the Gross National Product of many countries. This eleventh biggest Corporation in the world had gained a foothold in the economy of Chile since 1930. In 1970, ITT had about US \$ 350 million worth of property. Salvador Allende, who put up his candidature for the Presidency in 1970, declared that if he were elected, he would implement a course for limiting the uncontrolled activity of foreign monopolies in Chile, primarily ITT and two other North-American Companies—**ANACONDA** and **KENNECOTT COPPER CORPORATION**. Not only did ITT attempt to block Allende's election through the CIA, it notified the CIA that it would contribute a seven-figure sum for the purpose.

Addressing the 27th Session of the UN General Assembly on December 4, 1972, President Salvador Allende directly accused the US TNC's above all ITT, of open and flagrant interference in the internal affairs of his country, of organising "economic and trade aggression" against Chile and fanning a Civil War.

"This means," he stressed, "victimization of a whole nation for its **DECISION TO REGAIN CONTROL OF ITS BASIC RESOURCES**, a premeditated form of interference in the internal affairs of a sovereign state". Allende elaborated further. ".....ITT had presented to the US Government a plan of action to overthrow my Government in a period of six months. I have with me the document, dated in October of 1971, that contains the 18 point plan that was talked about. They wanted to strangle us economically, carry out diplomatic sabotage, create panic among the population, and cause social disorder, so that when the Government lost control, the Armed Forces would be driven to eliminate the democratic Regime and impose a dictatorship". It was not accidental, therefore, that the **Fascist Coup in Chile** had the blessings and direct support of the Supermonopolies. A US Senate Committee discovered that the CIA had funnelled 8 million dollars to Allende's foes in the three years prior to the Chilean President's death as a martyr, in the Coup that overthrew him.

There is in existence in **Zaire**, in its Kivu province, a massive chunk of territory covering an area of 25,000 square Kilometers, and it is roughly equivalent to one and a half times the total area of West Germany. A West German Company, **ORBITAL TRANSPORTUND - RAKETEN-AG (ORTAG)**, is developing this territory as a sophisticated, secret rocket base with facilities for firing missiles and orbiting military and scientific satellites. The West-German journal, *Unsere Zeit* states that "The ORTAG rocket base not only allows the monopoly to hold sway in a vast area of Zaire as in a colony, but also to use it for subversive activities against the independent African States. As the Indian journal *Economic and Political Weekly* quite rightly points out the fact that ORTAG could acquire absolute rights over such a vast and strategically significant piece of territory in the heart of Africa speaks eloquently of the power and influence that the West is still able to command in the Third World. The agreement between ORTAG and the Zaire Government allows ORTAG "unlimited extra-territorial rights" over 250,000 Sq. kms area till the year 2000 for a royalty of a mere 800 million Deutsche Marks. Even these pay-

ments are deferred until 1980. The Zaire Government has no right to exercise any control over this enclave. Neither a Zaire plane can cross into "ORTAG" land, in Zaire, in In short, it is a "state within a state."

Developing countries regard the control of activities of the TNC's as an important element in the programme to establish a New International Economic Order. They insist on the adoption of a Code of Conduct of the TNC's operating on their territories, a Code which would protect them, at least partially, from the arbitrariness of the TNC's, from their abuse of power. This is why such a demand was embodied in the Economic Declaration of the 6th Conference of Heads of State and Governments, held in Havana in September, 1979.



**Govt.
Notices**

My No. LA/1603
The Kachcheri,
Jaffna. 12, March, 1980.

Land Acquisition Act (Chapter 463) As Amended By The Land Acquisition (Amendment) Act No. 28 Of 1984.

Notice Under Section 7

The Government intends to acquire the land described in the schedule below for a public purpose. For particulars please see Part III of the Gazette of the Democratic Socialist Republic of Sri Lanka No. 83 of 03-04-1980.

Schedule

Name of Land : Savakan Kadu
Name of Village : Inuv I
D.R.O.'s Div./A.G.A.'s Division : Valikamam South

Lots Nos. : 1 and 2
Plan No. : Ya. 1453

M. Panchalingam

Addl. Govt. Agent & Acquiring Officer,
Jaffna District.

**The Land Acquisition Act (Chapter 461) As Amended By The Land Acquisition (Amendment) Act. No. 23 Of 1984.
Notice Under Section 7)**

Reference No. 25/4/215

It is intended to acquire the land described in the schedule below for a public purpose. For further particulars please see the Gazette of the Democratic Socialist Republic of Sri Lanka. No. 83 (Part III) of 03-04-1980.

W. M. T. B. Menikdiwala
Assistant Government Agent,
Kegalla District.

The Kachcheri,
Kegalle.
13th March, 1980.

Schedule

Situation:— Situated in Debatthama Ulabage village, Ganhata Palatha, Guboda Korale (West) D.R.O.'s Division in Kegalle District
Plan No.: P Plan Ke/1570

Lot No	Name of land
1	Debatthamawatta

**The Land Acquisition Act (Cap. 460) As Amended By The Land Acquisition (Amendment) Act. No. 28 Of 1984.
Notice Under Section 7.**

Ref. No. 3/64/270

J 71 L 420 (VE)

It is intended to acquire the Land/Lands described in the Schedule below. For further particulars please see the Gazette of the Democratic Socialist Republic of Sri Lanka No. 83 (Part III) of 03-04-1980.

Schedule

Name of village etc:—

M landaniya and Kimpathwa's villages in Gannawa Korale, Mavunigama D.R.O.'s Division, Kurunegala District.

Name of Land:—

Notingham Group alias Rukgollawatta

Plan and Lot No:—

Lot No. 218 of Supplement No. 4 to F.V.P. 1526,

Lot No. 343, 345, 346, 347 of Supplement No. 2 to F.V.P. 1523,

Lot No. 348 of Supplement No. 3 to F.V.P. 1523

H. M. W. Chandraratne
District Land Officer,
Kurunegala District.

The Kachcheri, Kurunegala.
17.03.1980.

● Monarchs ● Halley's Comet ● Ricebran Oil

*OF MONARCHS—In the *Tribune* of March 8 we had referred to King Birendra and the unnecessary fuss (at great expense to the taxpayer) that was made about his visit.

With the proclamation of the Islamic Republic of Iran, the number of existing monarchs had shrunk to 20. The list of reigning monarchs (in 1979) was as follows: 1. *Belgium*: King Baudoin the First, since 1951; 2. *Bhutan*: King Jigme Einghze Angcuk, since 1972; 3. *Denmark*: Queen Ingrid, since 1972; 4. *Great Britain*: Queen Elizabeth the Second, since 1952; 5. *Japan*: Emperor Hirohito, since 1926; 6. *Jordan*: King Hussein the Second, since 1952; 7. *Lesotho*: King Moshoeshoe the Second, since 1966; 8. *Lichtenstein*: Prince Franz Josef the Second, since 1938; 9. *Luxemburg*: Grand Duke Jean, since 1964; 10. *Monaco*: Prince Rainier the Third, since 1949; 11. *Morocco*: King Hassan the Second since 1961; 12. *Nepal*: King Birendra Bir Bikra Shah Deva, since 1972; 13. *Netherlands*: Queen Juliana, since 1948; 14. *Norway*: King Olav the Fifth, since 1957; 15. *Saudi Arabia*: King Khalid, since 1975; 16. *Spain*: King Juan Carlos, since 1975; 17. *Sweden*: King Carl the Sixteenth Gustav, since 1973; 18. *Swaziland*: King Sobhuza the Second, since 1967; 19. *Thailand*: King Bhumibol, since 1946; and 20. *Tonga*: King Taufa 'Ahu Tupou the Fourth, since 1955.

The following monarchs have lost their thrones since 1946; 1. *Egypt*: King Fuad the Second lost his Royal title in 1953 at the age of 17 months when Egypt was declared a Republic. His father, King Farouk, left for exile a year earlier; 2. *Ethiopia*: Emperor Haile Selassie lost power in a 1974 military coup, which abolished the Monarchy altogether in 1975; 3. *Afghanistan*: a military putsch ousted King Zahir in 1973; 4. *Greece*: King Constantine left the country in 1967 after a military coup. A referendum in 1973 abolished the Monarchy; 5. *Iraq*: King Faisal was murdered in 1958 during a military take over.

6. *Italy*: King Umberto the Second entered exile in 1946 following a referendum vote against retaining the Monarchy; 7. *Cambodia*: Queen Kossamak, mother of Prince Norodom Sihanouk, lost her figurehead title in 1970 when Cambodia was declared a Republic; Prince Sihanouk himself had ruled as King from 1941 to 1955, when he abdicated in his father's favour and was elected Prime Minister. Sihanouk held the title of Head of State from 1960 through 1970; 8. *Laos*: King Savang Vathana abdicated in 1975; 9. *Libya*: King Idris lost power in a 1965 military coup 10. *Iran*: Shah Mohammed Reza Pahlavi left the country on January 16, 1979. 11. *Central African Empire*: Emperor Bokassa the First, who had crowned himself Emperor in 1976 was thrown out in the second half of 1976.

When the remaining monarchs and monarchies will go is hard to say, but it is only a matter of time.

***HALLEY'S COMET—The most famous of the comets will make its next appearance in 1986. It will be last chance for scientists in this century to examine closely a bright and active comet. It had last appeared in 1910 and it makes its appearance in 76-year intervals. So a space probe is being prepared. Various plans have been rejected for technical or financial reasons. The current idea is to launch a large spacecraft which will travel about 57 kilometers a second about 100,000 kilometers from the comet. Comets were once believed to be harbingers of disaster. Unlike most other phenomena in our planetary system their appearance cannot be calculated exactly. There are many reasons for scientific interest in comets. They are tiny heavenly bodies which scientists believe revolve slowly around the sun at the outer extreme of the solar system, almost as far away as the next fixed stars. There are a 100 billion of them. They give off no light, because the rays of the sun do not reach them. Since the beginning of our planetary system almost five billion years ago, their structure has literally frozen. This means that more than any other celestial bodies comets can tell us about the origins of the solar system, including earth—if we can decipher their messages correctly.

A report in *The German Tribune* summed up known facts about comets in a succinct

fashion. "Only when distant comets are thrown out of their orbits by nearby stars do they become visible to us in the inner planetary system for a few months. The warming rays of the sun give them life, transforming them from dead lumps of ice into brilliant celestial bodies. Gases at the surface evaporate and, together with tiny dust particles, form the giant, shimmering cover which is often hundreds of thousands of times bigger than the comet itself. Apart from this visible cover, the comet is surrounded by an invisible atmosphere of hydrogen atoms. Its diameter is over 10 million kilometers—far bigger than the sun. It radiates only in the ultra-violet sphere and was first observed from artificial satellites a few years ago. The sun is also responsible for forming the comet's tail, which can be up to 100 million kilometers long; the sun's rays and a stream of charged hydrogen atoms, known as solar wind, drive the cometary gases and the dust particles ahead of them like the wind blows the smoke from a chimney. What we see from the earth is not the tiny comet itself which is frequently less than 10 kilometers in diameter. It is the particles coming away from its surface and gathering in a luminous atmosphere."

Many say that the Halley's Comet of 1910 was the harbinger of the vast upheavals ushered in the wake of the First World War and the Russian Revolution. Whether what has taken place is good or bad after 1910—depend on how one views it. But whether good or bad, it is change—and the common man has benefited.

With the appearance of Halley's Comet in 1986, will there be a new round of upheavals to end the last remnants of monarchies, of antiquated obscurantist regimes and other evils—that continue to keep the common man down? Who can tell?

OIL IN RICE BRAN. According to an item in the Philippines News Agency (PNA) Newsletter from Tacurong Sultan Kudarat, "The National Grains Authority (NGA) finally joins the search for oil. Unlike other oil-exploration companies, it is searching for oil not from underneath the earth but in the mountain-high pile of ricebran then considered fit for pigs only. The project is being started by the NGA with the completion of the ricebran oil extraction plant at the Southern Philippines Grains Complex (SPGC) in this Central

Mindanao town. The extraction plant, the first of its kind in the country, aims to make use of the 15-18 percent oil content of ricebran for use as materials in oil based products like cooking oil and soap. The plant itself is a complex combination of different equipment perfected after years of researches by German scientists. The process of extracting oil from ricebran, a by product in the milling of palay accounting 5-6 per cent of the total weight, starts in the extractor, where the ricebran is mixed with a solvent normal hexane to absorb the oil content. After the absorption of the oil, the dilution process follows causing both the hexane and the oil form into a substance called miscella. The miscella then passes through a filter tank where small particles of the ricebran are eliminated. After this, the miscella settles in the miscella tank. To separate the solvent from the ricebran oil, the miscella is pumped into the evaporator where at a certain degree of temperature the solvent evaporates.

This process results in the production of crude oil an excellent base materials for different products. The solvent on the other hand, goes to the condenser where it is transformed from gaseous to liquid state. It then goes back to the extractor to undergo the same cycle. The oil ricebran is also an excellent animal feed and is also better than the raw form. The plant, the parts of which are designed and made by Miag of Germany, is capable of processing 30 tons of ricebran in a 24 hour operation. The volume is projected to turn in an estimated 4.5 tons of crude oil daily. In a study conducted by the technical research and services directorate (TRSD) of the NGA ricebran oil has been tested to excellent materials in the manufacture of edible oil, salad oil, cooking oil, sope, fatty acids, medicated oil and tiki-tiki. The export price of tiki-tiki at the world market today is placed at 750-900 dollars per kilogram. The TRSD research also showed that cooking oil derived from ricebran is far better than those made out of other materials. The plant is actually part of the grains complex formerly owned by the Mindanao Progress Corporation (MINPROCOR) which was later foreclosed by the Development Bank of the Philippines when the corporation was bankrupt. The ricebran oil extraction plants was one of the

activities which were left uncompleted until the foreclosure and all that is needed to put it in operation is the installation of the remaining parts of the plant. The job which will entail 1.7 million pesos is being undertaken by the Atlantic Gulf and Pacific Company (AGP) and De Smet (India) Ltd".

Is this not something in which Sri Lanka should be interested?

ECONOMICA

● Sudan ● Jamaica ● Japan

IMF RUINS SUDAN

by Peter Buck

The process now occurring in the northern African nation of the Sudan is an ugly demonstration of how the International Monetary Fund has taken an area rich in development potential and turned it into an economic tragedy. Fed by the Nile, the Sudan has the potential to be the breadbasket that could feed most of the Middle East and a good chunk of Africa. **Instead under a so-called recovery program devised by the IMF and the World Bank, Sudan has been required to return to an export-oriented economy based only on cotton and peanuts.**

Beginning in the 1930s, Sudan began a massive irrigation project to transform the huge Sud swamp in the south of the country on the Blue Nile as the basis for irrigation for agriculture. The project was in part achieved. Now, by the conservative estimates of the Arab Fund for Economic and Social Development, the Arab agency set up in 1973 to develop the Sudan's potential, the Sudan could go from the current 1.3 to 3.8 million hectares irrigated from the Nile and from 5 to 30 million hectares of rainfed cropland, in the space of ten years. Meat production over the same period could increase sixfold, from 450,000 metric tons to 3 million. Over all, the Arab agency projects a rise in total output of vegetable products from the 7.9 billion metric tons of the 1972-73 crop year to 21.1 billion by 1985.

The IMF has used the fact that the project has run into financial difficulties to put the clamp down on development totally. First, of all, the plan took into account a \$6 billion commitment by the Arab Fund, which has not been forthcoming. Secondly, the program was based solely on the Sudan. If the Sudan were developed as part of a "Nile Valley Authority" including Egypt, the Sudan, Uganda and Ethiopia, the entire river from its sources in Uganda and Ethiopia to the Delta could be controlled as part of a project developing all the countries along it. Many short-term difficulties the plan has run into are largely a product of the fact that any project needs a significant lead time to lay down necessary infrastructure. Roads etc., must be laid down to and within the agricultural areas at the same time that the arms themselves and the irrigation projects feeding them are constructed. This, in turn, requires a commitment over the long haul by the Saudis and other Arabs, as well as planning, managerial and technical assistance and capital goods from the industrial countries. Since governments in the Mideast and in the European Monetary System—who are in principle committed to the kind of development the Sudan project represents—are for a variety of reasons dragging their feet, the Sudan is left to the mercies of the IMF which is planning a different sort of future for the Sudan.

The IMF has condemned Sudan to be a duoculture economy. In May 1979 the Sudanese government of President Jaafar al-Nimeiry agreed with the Fund to produce cotton and peanuts for export. The Sudan agreed to discourage food production even to the point of abandoning its self-sufficiency in basic foodstuffs. This is to be done without any significant expansion or development of Sudanese agricultural sector. There will be some new irrigation development projects, and old irrigation lines will be "rehabilitated". But neither the World Bank nor the IMF have made any commitment to serious development aid, and commercial sources of capital, say the World Bank and sources at the U.S. State Department are uninterested in the Sudan.

After initial resistance to IMF demands in 1977 and early 1978, Nimeiry appears to have bowed to the Fund. Besides lifting the

commodity subsidies, this year's government budget removed land and water taxes from cotton production and slapped it on to wheat production.

He has also dealt swiftly with signs of opposition: his Minister of Commerce and Supply was forced out of office in May over his objection to the IMF's program. Last month, Nimeiry sacked ten top officials, including vice-president and long time ally Abel Kassim. Kassim had undermined Sudanese implementation of the IMF program by granting wage increases to the railway workers' union. His replacement is defence minister Gen. Abdul Magid Khalid, whose reputation as a "tough dynamic soldier" is a signal to the population that Nimeiry is prepared to crack down hard against those who try to fight his austerity program. Yet Nimeiry has promised his people a brighter future, and has begged them to "bear with me a little longer". This is a promise he will be unable to keep unless he gets out of the IMF straitjacket and the Arab and European countries that could be helping him make that possible. —NSIPS.



JAMAICA REBUFF TO IMF

by Sergei Svistunov

Jamaica has rejected the demand of the International Monetary Fund (IMF) that it reduce its national budget in the current fiscal year by 150 million dollars. The IMF put forward this demand as the main condition for extending the earlier-signed agreement on credits to Jamaica. Prime Minister Michael Manley has declared that submission to the IMF diktat would mean a "social catastrophe". In this case at least 11,000 workers and employees of the public sector would lose their jobs, state subsidies to maintain the fixed prices for foodstuffs, articles of first necessity and transport would have to be annulled and it would not be possible to implement a number of social programmes. The pressure on Jamaica is a glaring and far from single example of Washington's efforts aimed at enslaving the Latin American states economically. US-controlled international financial institutions, such as the IMF, the International Bank for Reconstruction and Development (IBRD) and

the Inter-American Development Bank (IDB), usually grant loans and credits to these countries at fettering terms.

The "northern neighbour" is plundering the peoples of Latin America, not only in the capacity of a creditor, but also of an investor. As the Brazilian weekly *Movimento* reports, Latin America accounts for 80 per cent of all American capital investments in the developing countries. These investments are directed first of all into extracting industries, trade and banking that is, the spheres which ensure maximum profits, but least of all serve the development of their national economies. Whereas each invested dollar brings in a profit of almost five dollars for the USA, the material position of the masses of people in the Latin American states continues to worsen. According to the data of the UN Economic Commission for Latin America, over 40 per cent of the Latin Americans live in poverty now. The neo-colonialist strategy of the USA seeks at all costs to keep Latin America as a source of raw materials and cheap manpower for the transnational corporations and as a market for North American manufactured goods. But the times of the dollar's complete sway are irrevocably receding into the past. The national and class consciousness of working people in the region grows, and their struggle for radical social and economic transformations intensifies. The region is striving to throw off the yoke of American monopolies and to go over to the road of independent development.

—Pravda, 10/3/80

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JAPAN : RAGING INFLATION

by Nilda Navaretta

THE LATEST international statistics show that Japan is one of the countries with the highest cost of living in the world. In the May 14, 1979, issue of *Time* magazine, a dramatic comparison was made between inflation in Japan and the United States. It was noted that in Japan, a pound of loin meat costs 45 dollars. According to the official price list, a litre of milk which cost 40 cents in 1970 now costs a dollar in Tokyo. The price of a pound of bread went from 32 cents to 1.30

over the same period of time, while the price of pork, the cheapest meat, went from 2.54 a pound to more than seven dollars in the same period. Housing is another problem. For a family of four, a two-bedroom apartment which rented for 55 dollars a month in 1970 now goes for 211 dollars, and, in order to rent a room in a private home, a Japanese worker must pay 50 dollars as contrasted to 20 nine years ago. A suit which cost 70 dollars in Japan in 1970 now costs nearly 200. The same is true for durable domestics goods, in spite of the fact that Japan is an industrialized country which even exports these items.

Wages have not kept pace with the rising prices. According to the Japanese Ministry of Finance, the average worker in Tokyo earned 211 dollars a month in 1970 and today makes 323 dollars. Therefore, while the prices of basic necessities such as bread have quadrupled since 1970, wages have only increased about 50 percent.

On the other hand, the profits of Japanese transnational corporations have gone up steadily in spite of the crisis which plagues the capitalist regime. This is because, although the workers in those companies apparently make the best wages, they also produce the greatest surplus value. In July of this year, *The Oriental Economist* a magazine which reports on the activity of transnationals in Asia, listed Toyota Motors in first place among the Japanese corporations that made the most profits in 1978, with total earnings of more than 1000 million dollars.

This is in stark contrast to the income levels and standard of living of the workers in this sector who are considered, incidentally, to be the best paid in the country. For example, at a corporation like Toyota, the highest-paid worker in a shop where there are more than 1000 employees makes 850 dollars a month. Out of that, a fourth (212 dollars) goes for rent, an equal sum for food, more than 120 dollars for clothing and the rest is used for other necessities like education, health, transportation and recreation. Lower-paid employees in shops with less than 30 workers make about 500 dollars a month, of which a third goes for housing, another third for food and the rest for clothing, education, health, transportation and recreation. Meanwhile, unemployment in Japan keeps growing.

According to official reports in October for this year the available work force was 55,500,000 people, but a report from the prime minister's office in November showed that only 39,190,000 people were actually employed.

—Prensa Latina



SRI LANKA CHRONICLE

March. 16 — 26

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

SUNDAY, MARCH 16: Vital talks on the future growth of Sri Lanka's burgeoning garments industry will begin in Colombo next week when a high powered US delegation arrives here for consultations that can lead to some restrictions on the entry of Lanka-made garments to the lucrative US market. The government has decided that no encroachments on state land whatever the justification will be regularised in the future, in a far reaching decision taken by the cabinet last week to tackle an issue that has been damaging the environment and creating numerous socio-logical problems. The government has authorised the appointment of Additional GAS to eight districts to be responsible for land work and also authorised a special cadre for land work, Lands and Mahaweli Development Minister Gamini Dissanayake said yesterday—SO. Are certain foreign diplomats working in collusion with local racketeers, crooks and smugglers by importing contraband under cover of diplomatic immunity; this is

one of the several questions that the Customs is now investigating, in the wake of a raid last week on a premises occupied by a foreign diplomat in Colombo. The Land Reform Law will shortly be amended prohibiting fragmentation of lands above 25 acres in extent—ST. The proposed Development Councils to be headed by District Ministers will be empowered to formulate subordinate legislation among a variety of other matters, in terms of the recommendations made by the 10-member Presidential Commission that examined the question of Development Councils and devolution of power. The Sri Lanka Freedom Party is to hold a mini-election to select the nominee for each electorate and thus establish a true concept of democracy, according to Anura Bandaranaike, MP for Nuwara Eliya-Maskeliya; speaking of the party's new constitution coming out in April he said that the past practice of permitting the president of the party or a nomination board to nominate candidates had been done away with. Sri Lanka's non-alignment has slowly but steadily moved to a point where "it is a non-alignment without causing economic harm to ourselves", Trade and Shipping Minister Lalith Athulathumudall told the Ceylon Institute of World Affairs on Friday—WK. The Labour Department is to take legal action against private sector industrialists and businessmen who do not give basic comforts to their workers; the department has received a large number of complaints mainly from places where only women are employed. 70% of those who commit suicide are women; majority of them have committed suicide because of broken love affairs—SM.

MONDAY, MARCH 17: Mid-country small holders are facing serious financial strain as the price they get for their green leaf does not give them adequate returns to make their holdings viable; this is the complaint of the island's mid-country smallholders who say they get only the minimum price of Re. 1 per pound of green leaf under the Government price support scheme introduced in November last year; "this is well below cost of production," a spokesman said. A research organisation in Sri Lanka has concluded that prices of essential commodities in the country are lower than prices obtaining in other third world countries in Asia, the Ministry of State

said yesterday. Ten trade unions have requested the Government to take immediate steps to resolve the stateless problem which they say is affecting half a million people. More than half the city was choked on Saturday and yesterday by the noxious nauseating smell of burnt malathion as the Health Department began removing it from the stores at Grandpans to a quarry at Rimalana. Sri Lanka Freedom Party candidate for the Anamaduwa by-election will be Siddhatissa Wadigamangawa, former MP for Anamaduwa, party spokesman said. British programs for overseas English teaching and support of the arts are facing their most serious threat in 40 years of life, the victims of the Conservative government's sweeping austerity policies; a 11.5 per cent budget cut was imposed last year on the teaching and arts agency, the British Council, as part of Prime Minister Margaret Thatcher's first round of spending reductions—CDN. The prices of all flour-based food items and a cup of tea will have to be displayed by all restaurants and eating houses under the provisions of the Consumer's Protection Act. The Minister of Industries and Scientific Affairs, Cyril Mathew has formulated a scheme to issue up to five bags of cement to consumers at the subsidised price of Rs. 48 per bag. The customs is probing recent imports by some staffers of an European Embassy here after getting duty-free clearance on certificates issued by the Ministry of Foreign Affairs—CDM. A top level Police investigation has been launched into the activities of a group of foreigners who are alleged to have been engaged in the business of selling antiques and valuables salvaged from ships sunk off the Trincomalee coast. Firms from 24 countries have offered to prepare plans for the proposed railway electrification project which is estimated to cost between Rs. 1,250 and Rs. 1,500 million. Around 150 policemen and 10 radio-cars will be deployed for patrolling in the vicinity of D. S. Senanayake Vidyalaya when the school reopens today after being closed for a week following certain incidents—SU. The recommendations put forward by the Presidential Commission appointed for the devolution of administrative powers is being examined by the government; they will be implemented in a manner that will be acceptable to everyone said the Minister of Trans-

port Mr. M. H. Mohamed speaking in Jaffna. The Minister of Transport has promised 55 buses for Jaffna to improve the transport system in the North—VK. A petition signed by a million people demanding the complete ban of killing cattle is to be presented to the President next August—DM. The Sri Lanka rupee might be further devalued by 30% which will inevitably lead to the increase in prices of consumer goods; the government may also reduce investment on unproductive projects such as construction of houses—ATH. A plot is being designed by the Jathika Sevaka Sangamaya led by Minister Cyril Mathew to oust the Minister of Transport M. H. Mohamed—DK.

TUESDAY, MARCH 18: The new Minister of Education, Ranil Wickremasinghe is preparing a comprehensive program for the development of education in all spheres—pre-school level, Primary level, Technical and Vocational and University levels, a Ministry spokesman said yesterday; for this purpose the Ministry is now studying in detail the Bogoda Premaratne Report on General Education, the Gnanalingam Report on Technical Education and the Sugathapala Report on Apprenticeship. The shortage of eye surgeons in Sri Lanka is to be overcome by the training of ophthalmic auxiliaries, Health Minister Gamani Jayasuriya said yesterday. Mr. Asoka Wadigamangawa was picked as the UNP nominee to contest the Anamduwa by-election by the UNP Nomination Board last night, Mr. Harsha Abeywardena, UNP Party Secretary said yesterday—CDN. The National Apprenticeship Board has reported to the Government that school leavers are showing little or no interest in the hundreds of job opportunities that come up periodically for trained youths. The directors of the Galle Face Hotel Company Limited who were convicted by the Supreme Court last week of Contempt of Court and ordered to be committed to jail until the contempt was purged yesterday appeared before the Court of Appeal and agreed to hand over the management of the hotel to Regent International Hotels Limited of Hongkong—CDM. A new law which will empower the President to set up a National Disaster Council when the country is "in a state of disaster" will shortly be introduced in Parliament; the draft bill which is now being examined by the Cabinet among other

matters, describes disaster as those caused by a cyclone, floods, fire, epidemic, communal riots and insurrection. A team of crack CID detectives are now probing an alleged attempt to delay the results of the GCE Advanced Level examination by resorting to sabotage on the Examinations Department computer—SU. Thousands of people have lost their jobs as projects under the decentralised budget have been temporarily stopped because the Government faced with a financial crisis has not allocated money for 1980; 20,000 temporary workers in the highways department have already lost their jobs. The rupee is to be devalued by 30% without an official announcement—ATH. Paddy farmers in the Polonnaruwa and Anuradhapura districts have boycotted selling their paddy to the Paddy Marketing Board; mudalalis go direct to the fields and buy paddy and pay for them on the spot—DK. The passport of the Sri Lankan Permanent Representative to the UN has been confiscated after the special CID team that was sent to New York gave its report to President—JD.

WEDNESDAY, MARCH 19: Government has decided to enforce strictly the stringent regulations framed recently to prevent forest fires; under the new regulations any person who sets fire to a forest, kindles a forest fire or carries any fire in a reserve forest—except with permission from the forest authorities, is liable to a term of imprisonment extending up to five years. The Tamil United Liberation Front told the Delimitation Commission yesterday that the allocation of four seats to each province under the present Constitution would deprive minority communities being represented fully. The Tower Hall building and property were yesterday gifted to the Tower Hall Theatre Foundation by its owners Tower Talkies Limited. An agreement was signed yesterday between the Government of the United States of America and the Government of Sri Lanka, whereby the USA will give a loan of US 18.2 million dollars (Rs. 282.1 million) to Sri Lanka for the purchase of wheat and/or wheat flour. Japan will provide Sri Lanka a debt relief grant of Yen 850,834,000 (Rs. 21 million) approximately to be used for economic development under an agreement signed in Colombo yesterday. Minister of State, Anandatissa de Alwis has decided to place

early before the Cabinet for approval the Code of Ethics for Journalists drafted by the Sri Lanka Press Council—CDN. The Government has permitted several private companies to import high quality rice. The Government has banned the export of wood charcoal with immediate effect in a move intended to prevent the country's already critically dwindling forest reserves from being further depleted. Twenty youths from the Jaffna area have been taken into custody by the Police in France, Britain and Germany; according to the International Police Organisation (Interpol) branches in these three countries, these youth were suspected of being involved in various frauds, shop lifting and thefts. Airlanka last night finalised plans with Lockheed-California Company to purchase two L 1011-500 Tristar 275 seater wide-bodied aircraft; the two new aircraft will replace the two Boeing 707 aircraft at present used by Airlanka in the middle of 1982—CDM. All water supply schemes in the island are to be shortly brought under the administration of the Ministry of Local Government, Housing and Construction in a ten year Rs. 5,600 million programme; this decision has been taken by Prime Minister, Ranasinghe Premadasa following the inability of a number of local bodies to ensure a regular water supply in their areas, National Water Supply and Drainage Board Vice Chairman, Ratnasiri Rajapakse said yesterday. Police will guard D. S. Senanayake Maha Vidyalaya until a government decision is taken to settle a land dispute which is said to have led to disturbances that forced the closure of the school last week. The Special Presidential Commission has given Mrs. Sirimavo Bandaranaike, former Prime Minister and Attanagalla MP further time till April 19 to file answer to the charges preferred against her—SU. In a bid to provide skilled workmen for the country's development projects, 22 training centres will be set up throughout the country; cabinet approval has already been granted; 366 estate schools will be taken over by the government on June 1—DP. Thousands of tons of sugar, rice and flour are stacked inside 8 ships in the Colombo Harbour as there are no more room in government warehouses or lorries to transport them; the flour sales have reduced by half after the last price increase; the consumption too has dropped from 50,000 tons per month before the

price increase—DV. The World Bank has requested that the RVDB should not be given contractors under the Mahaweli Development project; a great deal of construction work done by the RVDB have been found to be of inferior quality and some have completely broken down—JD.

THURSDAY, MARCH 20: Government decided yesterday to remove the Compulsory Service Act in respect of doctors. The Middle-East brain drain added solid muscle to the country's economy last year, to the tune of Rs. 800 million, Central Bank sources said yesterday. The working hours of public servants have been revised, the new working hours are from 8.30 a.m. to 4.15 p.m. with a half hour lunch break at 12 noon, Transport Minister, M. H. Mohamed announced yesterday. Government yesterday approved an amendment to the Maternity Benefits Ordinance and Part 1 (A) of the Shop and Office Employees' Act to enable all women workers to get six week's maternity leave on full pay after confinement; now they get two week's leave prior to confinement and four weeks after. Plaintiff was filed yesterday in the High Court of Colombo charging Rev. Mathew Peiris and Mrs. Dalrene Ingram on five counts of conspiracy to murder and murdering their spouses. Government decided to remove the distinction between taxis and private cars so that any car could ply for hire, Transport Minister M. H. Mohamed said yesterday. A contingent of 36 soldiers from the Indian Maratha Light Infantry Regiment has arrived in Sri Lanka to participate at the Sri Lanka Army Searchlight Tattoo to be held at the Sugathadasa Stadium from March 26-30—CDN. The maximum that a clerk in government or mercantile service could earn was between Rs. 500 and Rs. 600; a fisherman could earn that amount in a single day and that too without burdening the government in any way; this was stated by Mr. Festus Perera, Minister of Fisheries, when he addressed a seminar for young fisheries trainees at the Fisheries Training Institute, Negombo. Airlanka will add one more destination—Manila to its growing international network from November this year using Lockheed L 1011-500 Tristar wide-bodied aircraft—CDM. The Parliamentary Powers and Privileges Act is to be amended to deal with the media wilfully publishing

any report or proceedings which the Speaker has ordered to be expunged from the official report, Cabinet spokesman, Anandatissa de Alwis announced yesterday. Police Chief Anaseviratne flew to Male yesterday as the heightening military tension in the Indian Ocean spurred the Maldivian Government to request Sri Lankan assistance in tightening its security arrangements. A top level investigation has been launched by the Criminal Investigations Department following the recovery of more than 1000 rounds of .22 ammunition from a broker in Pettah yesterday morning. The Ministry of Health is now faced with a serious problem following a massive exodus of trained nurses—*SU*. With a view to controlling the population in the country, the Ministry of Plan Implementation will soon establish population committees in all provinces and districts—*DP*. The Minister of Agriculture, E. L. Senanayake is to launch a programme to give land and all other requirements to youth who are members of the Youth Agricultural Clubs in the island. The CID has started investigations against a top foreign ministry official who is alleged to have held discussions with officials of the US State Department without the permission of his superiors, on the possibility of setting up US bases in Sri Lanka—*JD*. Rs. 43 million worth of luxury goods have been imported in the first six months of last year—*DK*. There is a high demand for locally manufactured garments in Europe and the USA; over Rs. 100 million worth of garments were imported in 1979—*DV*.

FRIDAY, MARCH 21: Recommendations to the Cabinet for implementing wide-ranging tax concessions within the context of the proposed establishment of a capital market and allied institutions in Sri Lanka have been made by a committee appointed by the Trade Ministry, Government sources said yesterday. A four-man French delegation led by the Deputy Director-General of the Treasury, Mr. Philippe Lafayette, arrived in Sri Lanka yesterday to work out the text of an investment protection agreement between Sri Lanka and France, a Foreign Affairs Ministry spokesman said—*CDN*. Finance Minister Ronnie de Mel, fresh from his missions overseas, gave Parliament yesterday a gloomy outlook of the world's economy; to a poor country like Sri Lanka—"one of the least developed countries"

—there was serious trouble ahead; and so the watchword of the Government had become "development and still more development"; the day of going with begging bowls to other countries was over"—*CDM*. The Defence Ministry will closely monitor and maintain a register of all foreign private pleasure craft entering or leaving Sri Lanka's territorial waters; this was decided at a top-level conference held at the Defence Ministry on Monday presided over by General Sepala Attygalle, Chief Co-ordinating Authority. Britain's Minister for Overseas Development, Neil Martin, will arrive in Sri Lanka at 12.35 p.m. on Saturday, March 22; he is due here to represent the British Government which is financing the Victoria Reservoir Project which will be inaugurated by President J. R. Jayewardene on March 23—*SU*. The Government has decided to impose strict quality control on the import of cement into the country to service the construction industry now enjoying an unprecedented boom—*CO*. The ban on sacrifices performed in temples will be implemented throughout the island strictly; anyone who defies this ban is liable to imprisonment—*VK*. The Government is drawing up a programme of extensive changes in the administration of Corporations. A new bill which will give powers to close down any establishment which makes unfair profit by selling low quality goods at high prices is likely to be tabled in Parliament—*DV*.

SATURDAY, MARCH 22: Government is looking into the feasibility of setting up a Unit Trust Corporation to garner the savings of the small wage earner to help him invest in profitable areas, a senior official of the Central Bank of Ceylon said yesterday. The new director-general of the United Nations International Children's Emergency Fund (UNICEF) James Grant yesterday praised "a relatively poor country like Sri Lanka" where he said the physical quality of life was high and where life expectancy was equal to that in Washington DC. Police will launch a six-month crime prevention program, beginning March 25; the program is designed to take adequate steps to prevent crime particularly, during the Sinhala and Tamil New Year festive season—*CDN*. Almost Rs. 3 million worth of drugs ordered by the State Pharmaceuticals Corporations for the Ministry of Health are lying uncleared in the Port of Colombo due

to the non-settlement of bills. The National Housing Department has suspended the acceptance of applications for loans pending the clearance of the massive backlog of applications already in hand. The President, Mr. J. R. Jayewardene has allocated Rs. 420 million to the 24 District Ministers to finance a large number of development projects in the various districts—CDM. A higher rate of returns on capital will be assured to manufacturers by the National Prices Commission when fixing prices under the new Price Code that is being formulated. The government Parliamentary Group has discussed a motion by the Colombo Hospitals Minister Ranjit Atapattu calling for a reduction in the number of ministers and urging them to make sacrifices—SU. On information received from the Forest Conservation Department that 96% of farmers use their guns for hunting animals and not to protect their crops, the government may take steps to withdraw all guns from farmers—DP. A scheme to improve the lot of women workers in the tea and rubber estates will soon be implemented by the Sri Lanka Women's Bureau working under the direct supervision of President Jayewardene—VK. The Ministry of Mahaweli Development is to launch a programme to cultivate forests in the Mahaweli area and setting paper, pulp, paint, industries, energy power plants and wooden industries; the project is estimated to cost Rs. 6,850 million and will give employment to about 5,600 persons annually; the institute for the international development of the United States will give aid for the project. A crime co-ordination secretariat is to be set up in Colombo; the nation-wide crime prevention programmes will be made using the secretariat as its base—DM. The Cultural Department is to be dissolved and the work done by the department will be taken over by the Cultural Ministry. A top person in the government has advised Sri Lanka to buy 2 Lockheed Aircraft at a cost of Rs. 4000 million though the DC 10 is a superior aircraft and more suitable for Air Lanka—DK.

SUNDAY, MARCH 23: The Government has directed the Minister of Labour, Capt. C. P. J. Seneviratne, to present a report to Cabinet on how other countries of the region safeguard the interests of their nationals taking up West Asian employment; authoritative governmental sources said yesterday

that the Ministers had discussed a recent report received by the authorities here about difficulties that are faced, particularly by women employees. The new Crime Co-ordination Secretariat set up at the old Kollupitiya Police Station will be formally declared open by Deputy Defence Minister T. B. Weerapitiya on Tuesday evening. President J. R. Jayewardene said at Harispatuwa yesterday that the government looked forward to the creation of "Development Districts" in the country with a view to bringing about a cluster of smaller units together for purposes of overall development—SO. "The Mahaweli Ganga Accelerated Development Programme is an accomplished fact that its completion is in the hands of our people; its benefits they and they alone will enjoy" says the President, Mr. J. R. Jayewardene in a message to mark the ceremonial inauguration of the Victoria Reservoir Project today—ST. A record Rs. 80 million worth of foreign exchange was earned by the export of gems and jewellery in February—SM.

MONDAY, MARCH 24: President, J. R. Jayewardene told a massive gathering at the Victoria Dam site yesterday, "we dreamed a dream in 1977 and today we are realising that dream", the full realisation of that dream would bring peace and prosperity, two essential ingredients for the good life, not only to the present generation but to generations to come as well, he said inaugurating work on the Victoria Reservoir Project. All foreign-owned yachts anchoring in the Ports of Colombo, Galle and Trincomalee will in future be levied a charge of Rs. 1000 per month, as port charges with immediate effect, Chairman of the Sri Lanka Ports Authority Wimal Amarasekera said yesterday. The government would enact legislation to combat the problems of alcoholism and drug dependence, Health Minister Gamani Jayasuriya told the inauguration and induction meeting of the Sri Lanka National Association on Alcohol and Drug Dependence at the Galle Face Hotel, on Saturday. Public Sittings of the delimitation Commission will end this month; the last day of public sittings is March 27 when the UNP will give evidence; of the major political parties, the TULF and the SLFP have already placed their views before the Commission—CDN. Sri Lanka is now facing a very serious economic crisis, warned

Prime Minister R. Premadasa yesterday speaking at the Victoria project inauguration. Mahavel Development Minister Gamini Dissanayake revealed yesterday that the gigantic Victoria project was expected to yield benefits amounting to Rs. 1,068 million annually. The Victoria dam project was so far the largest single project Britain had provided funding assistance. British Overseas Development Minister, Neil Marten disclosed yesterday speaking at the inauguration ceremonies at the dam site—SU. A group of youths of the Communist Party has demanded that certain top Communist Party leaders table their assets; the group has distributed a leaflet giving information of the cases of the leaders; the bank accounts of all but one are over 5 figures; this question is expected to be raised when the 11th National Congress of the Communist Party commences on the 26th—DK.

TUESDAY, MARCH 25: Large-scale gem smuggling had increased considerably after the Convertible Rupee Account (CRA) scheme was scrapped in 1977 an official spokesman said; the main markets for smuggling gems were Hongkong, Singapore and some Western countries. The British Minister for Overseas Development, Mr. Neil Marten had discussions with the Minister of Foreign Affairs, Mr. A. C. S. Hameed yesterday. The Communist Party's eleventh national congress begins at the new Town Hall tomorrow; the closed door sessions will continue till March 30—CDN. The Minister of Power and Energy, Mr. D. B. Wijetunga, has suggested that the Government should investigate the possibility of re-introducing steam locomotives to the railway in view of the rising fuel prices. The Sri Lanka Fisheries Training Institute (SLFTI) which was established at Crows Island, Mattakkuliya in 1975 is to be elevated to the status of Sri Lanka's first Faculty of Fisheries. Mr. Festus Perera is now working on the final plans; initially the "Open University" will cater to the skills needed by the Accelerated Mahavel Project, the Free Trade Zone, management studies, science, technology, tourism and secretarial work, according to the plan drawn up by the Universities Grants Commission—CDM. The SLFP's second MP for Harispattuwa, R. P. Wijesiri was yesterday indicted in the Kandy High Court with making defamatory statements against President J. R. Jayewardene at

a public meeting in Matale. Proof alcohol belonging to the State Distilleries Corporation had been spirited away and the barrels refilled with water; this racket, said to have been going on for some time, has been uncovered by the Police. The Health Ministry rushed two of its medical experts to Galle yesterday, following the outbreak of cholera in the area. The five-member commission appointed by the United Nations to inquire into the alleged misdeeds of the former Shah of Iran will return to Teheran when UN Secretary General Kurt Waldheim arranges with the Iranian authorities for the probe to continue, the Sri Lankan member H. W. Jayewardene said yesterday. Armed Police guards were posted at the Egyptian Embassy in Colombo yesterday on the special request of the embassy—SU. A clause will soon be brought in the Land Acquisition Act to say that lands acquired by the government which have not been utilised within a prescribed period for a specified public purpose can be given back to the original owners—DP. The government is to increase the salaries of all co-operative workers numbering about 55,000—DV. Opposition political parties will hold discussions this week on the possibility of holding a joint May Day rally proposed by the LSSP; the SLFP and MEP have accepted the proposal with other parties have forwarded their own proposals; the JVP has turned down the proposals—JD.

WEDNESDAY, MARCH 26: President J. R. Jayewardene yesterday called upon officers of the Agricultural Development Authority and others involved in the development of agriculture in the country, to pull together in order to bring about a transformation in agriculture, and thus give the farmer—still the backbone of the country—a new deal. Sri Lanka's Permanent Representative to the United Nations Mr. B. J. Fernando resigned his post yesterday—CDN. Seaweed found freely on the coastline will be a major foreign exchange earner for Sri Lanka; under a proposal by the Minister of Fisheries, Mr. Festus Perera a brown species of seaweed will form the major item of export—CDM. Government will shortly ban floodlighting of buildings, sports grounds and commercial institutions as an emergency measure to conserve electricity, the Electricity Board announced yesterday. The Health Ministry said yesterday that

there was no danger of cholera spreading in the Galle district. Government members of Parliament have been advised by President J. R. Jayewardene to prepare a four-year development plan for their respective electorates. The creation of a crime co-ordinating secretariat is a very necessary item in the implementation of the crime prevention drive of the Police, Deputy Defence Minister T. B. Werapitiya declared yesterday—SU. The Ceylon Petroleum Corporation is facing the acute problem of unsold petrol stocks building up at the rate of 76 tons a day and expects that in four months the total capacity for the holding of non-moving gasoline would be used up—CO. Speaking at a seminar at the BMICH yesterday the President stressed on the point that when officials are appointed to top posts, relatives and friends of Ministers and MPs should not be chosen. Minister of Rural Industrial Development S. Thondaman revealed that factories of the Milk Board are soon going to be modernised with help from New Zealand—DP. 95% of all working women are against working at night; a survey carried out by the Labour Department with the help of ILO has revealed this; number of private sector organisations have requested the Ministry to legalise women working in night shifts—LD. The world-famous science-fiction writer Mr. Arthur C. Clarke has commended Mr. Pinnaduwa who has manufactured a 'converter' with which one can view TV films telecast in Russia; Mr. Clarke watched a Russian TV programme by using the new converter—DM. The government's borrowings from foreign governments, banks and institutions is Rs. 15,850 million by the end of last year while the internal borrowing was Rs. 35,500 million by the end of the same year—DK.

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HAYANA DIARY—27

Basic Agreements—4

by S. P. Amarasingam

ANOTHER AGREEMENT REAFFIRMED the Movement's solidarity with Cyprus and called for an end to all foreign interference in its internal affairs and the immediate and unconditional withdrawal of all foreign troops.

The Conference hailed Malta's valiant act of eliminating the foreign military bases in its territory. The decisions of the 5th Summit to make the Mediterranean a zone of peace and co-operation were ratified, and the close relationship between European security and the Mediterranean was emphasized.

CONVINCED OF THE NEED to strengthen the concept of a peace zone in the Indian Ocean through a collective universal security system without alliances, the Conference urged the coastal and interior states to abstain from participating in military pacts. The existence of military bases in South Africa and the intensification of the country's military activity in the zone was denounced. The dismantling of foreign military bases in this area was urged and the right of all people to freely navigate the Indian Ocean was reaffirmed.

THE CONFERENCE warmly hailed the victory of the people of Iran and welcomed their participation in the Movement. It also hailed the withdrawal of Iran and Pakistan from CENTO. The heads of state or government expressed the hope that the talks on the establishment of a peace zone in Southeast Asia continue. The Conference asked the countries to respect the right of the Korean people to peaceful reunification. It reaffirmed the right of the people of East Timor, who are still under foreign domination, to self-determination. The Conference underlined that faced with the danger of a military confrontation based on the politics of force, the only option open to humanity is active peaceful coexistence. It considers the rights of people to self-determination and independence to be included within the application of this principle. It insisted that it is impossible to assure peace and security while the arms race continues.

THE CONFERENCE regretted the fact that the policy of dividing the world into spheres of influence, a policy used for centuries by the colonial powers and which caused so much damage to humanity, is still being applied by certain powers in an attempt to thwart the true independence, especially of those recently emancipated countries and to frustrate the final victory of the national liberation movement. The Conference welcomed the signing of the agreement between the United States and the Soviet Union on the limitation of

strategic nuclear weapons. It stressed that the arms race was incompatible with the efforts aimed at establishing a new international economic order. It considered the strengthening of the national information and mass communications systems indispensable for the establishment of a new international order in the sphere of information. It noted with satisfaction the important results achieved by the development and activities of the press agencies' pool of non-aligned countries. The Conference once again condemned the old metropolises that continue to systematically pillage the cultural wealth of the African, Asia, Latin American and Caribbean countries.

WITH RESPECT TO ECONOMIC QUESTIONS, the Conference concluded that new forms of effective negotiations should be sought for the establishment of a new international economic order. The heads of state and government expressed their deep concern that the present international economic system is not only unjust, but also functions inefficiently, and does not support the process of development of the countries. The new international economic order implies a basic restructuring of the world economy, which includes modifications in the world economic patterns of production, consumption and trade, the exercise of an effective national control over the utilisation of natural resources and the restructuring of the international institutions.

THE ESTABLISHMENT of a new economic order is one of the most important and urgent tasks facing the Non-aligned Movement. Deep concern was expressed over the present international economic situation, characterized by a sharpening of the world economic crisis. They agreed that this crisis is not simply a natural cyclical phenomenon but a symptom of structural imbalance. The situation is aggravated by the fact that, due to structural deficiencies and deficiencies in the management of the market economies, inflation and monetary disorders are permanent characteristics of the world economy. Concern was expressed over the worsening conditions of foreign trade in the developing countries; and the protectionist measures introduced by certain developed countries were denounced. Concern was also expressed over the extraordinary increase in the developing countries' external

debt, which, at the end of 1977, was estimated at about 300,000 million dollars.

THERE HAS BEEN a tendency towards increased interest rates and decreased amortization periods on loans, limiting the import capacity of the developing countries. The growing deterioration in the balance of trade and exchange relations have led to an increase in the deficits on current accounts. The increase in loans by multilateral bodies has been slight. The deteriorating economic situation confronting the developing countries is being aggravated and accelerated by the effects of the world economic crisis.

THE HEADS OF STATE OR GOVERNMENT strongly condemned the inflexible positions taken by the majority of the developed countries at the 5th UNCTAD. The Conference stressed once again that the prices of basic products that the developing countries export to the developed countries have continued to decline or continue to be unsatisfactory, while the prices of manufactured and capital goods, food products and services that these countries import from the developed countries have increased, resulting in a further deterioration of the exchange relationship. The Conference considered it necessary to formulate measures to protect the buying power of the income that the developing countries receive from their exports through the regulation of trade relations between developed and developing countries. The heads of state or government underlined the importance of establishing a set of principles and norms to control restrictive commercial practices, particularly those of the transnational enterprises, that have adverse repercussions on the trade and development of the developing countries. The heads of state or government stressed that the international energy question should be discussed in the context of the world negotiations taking place at the United Nations with the participation of all countries. The Conference praised the UN decision to convene an international conference on energy source in 1981.



TRIBUNE, April 5, 1980

To Check Inflation?

—coconut, tea and rubber—

by R. Kahawita

FORTUNATELY, TO SAVE OUR SKIN, we have the Arab World, Oil Exporting Consortium, high pricing of imported goods due to global inflation, etc., to explain the ever rising cost of consumer goods. We are also able to write pleading petitions to help us to reduce the cost of living and go ahead with our development programmes. In some countries affected by "global inflation", effective steps have been taken to curb inflation and there is constant watch to keep the consumer goods within the wage structure of the people. Many countries, including India, have been able to control inflation affecting consumer goods. How do they do this? By wage controls but related to prices of consumer essentials, greater production! more exports and diligently managed economic activities of short-term development of resources for the overall benefit of the country.

There has to be a balance between the two sectors of economic development; one is productive, to meet the immediate needs and the other is non-productive but which will contribute its share as the development process moves on over the years. The thirty-year programme for Mahaweli was based on this kind of economic planning. A good part of our inflation problems are due to our inability to understand or distinguish between short-term and long-term programmes in the field of economic development.

We still think that, by and large, the economy is still in the control of the people—the private sector. This is not correct. Over the years, the Government has become the biggest owner and operator of the national resources, in Agriculture, Industry, Transport, Import, Export, Distribution, Purchasing, Trade etc., government is the owner, manager and operator. How efficiently or inefficiently the Government manage her own enterprises must effect the prices of consumer goods—as this is an area where the Government alone has full investment interests and control. So, high prices of consumer goods—(what

the average inhabitant needs to subsist)—cannot all be put down to "global inflation" etc. If a coconut sells at Rs. 2/- a nut, the main cause is drop in production due to bad management, not to "global inflation".

AND TODAY who owns the coconut lands? Under the L.R.C. Law No. 1 of 1972 the Government became the owner of 450,000 acres out of a grand total of 1,152,000 acres. The acreage in the hands of the private owner is only a maximum of 50 acres each (and below) or what is termed as small holdings or village gardens by the Statistics Department. Production in the small holdings cannot be increased because the owners' concern is to survive within the income he can get from his holding. When his own cost of living shoots up, quite out of proportion to his income from his holding—with sugar at Rs. 4.50 a lb., bread at 2.05 per lb flour at 2.37 per pound, kerosene oil around 2.52 a bottle etc.,—he cannot think of replanting, manuring and cultivating his palm and then wait two years for results. While his family is starving, any man who could do this is not human. A Government, whatever the colour and symbol may be, will never, be able to revive production in the balance acreage of 700,000 acres of the coconut industry, unless income from a small holding can match the cost of living. **With all the subsidies etc., now given to the coconut cultivator, the replanted area today is about 13,000 acres out of a total of 1,152,000 acres. At this rate it will be over hundred years before we can have a regenerated coconut acreage.**

Increasing of production can only be affected in the larger Estate Sector—that is owned by the Government. We all know, what happened after the lands take over. Increasing production will not be easy and the Government knows it too well. Otherwise it will not say, "Coconut which has been in the doldrums over several years.....". There must be a mighty effort in rehabilitation, replanting and agricultural activities to increase production to meet the local demand or consumption of nuts and coconut oil.

Preaching from high places to change our culinary methods and eating habits will not meet the situation, nor will institutional changes at the top deliver the goods. Action, and concerted action

to increase production is the only answer and it must start at the base and not at the apex. The Government must give the lead as it is the single large-scale owner of coconut properties today. Can our government do this?

Diversification of crops in the coconut triangle is a diversion from the real and urgent responsibility of production. Let us first get down to increasing the nuts per acre in the lands we have, before we replace coconuts with pepper, pine-apples, coffee, passion fruits, bananas and cattle etc., and when we fail we blame "global inflation" for selling an eating nut at Rs. 2/- a piece.

IT IS THE LAST GOVERNMENT that did the damage to this national asset—they not only acquired the land but they attempted to replace coconut with manioc, yams, passion fruits, pine apples etc. There are many monuments to commemorate the launching of these ill-conceived projects scattered over the country side. Let us think anew and go into battle to save the coconut industry from the doldrums. Blaming "inflation" will not see us out.

Let us not fritter away the income from coconut in brick and mortar as we see in the Kurunegala District. Hair-brained schemes like growing bananas, pepper, coffee etc., under coconut will not help either. The result of these schemes can be seen today in the coconut triangle after two months of drought. It was the same last year—8 months of drought—yet we pushed on with these hair-brain schemes. After the drought has wiped out the seedlings, we see the coconut plantation managers digging for water—our conclusion is that the planting ceremonies conceived to organize a thamasha and not to improve the industry.

Let us plough back every cent we earn from the coconut into the land to regenerate the 450,000 acres owned by the State. The State can do this and not the private small holder—as we said before—he must survive first on his meagre income—so all goes into his stomach and nothing to the palm.

WHEN IT COMES TO TEA—our major source of earning foreign exchange—it is the worst affected. The total area under tea is 594,000 acres. After the Land Reforms Acts 1 and 2,

the government became the owner of 366,000 acres leaving 228,000 acres in the hands of 125,000 individuals. That is to say, in small holdings, averaging 1.8 acres per holding.

Any fool will tell us that tea is not "a garden crop." It is an industrial crop—from the estate factory to the cup. We have 62% of the tea properties managed by the State and 38% in the hands of the small holders. It is the 62% that can maintain production levels and quality to give the lead to the market.

When the tea estates were colonially owned and managed, they gave the lead in production and marketing. The Government complains that production of Tea last year was marginal and replanting was in the region of 5,000 acres. If we are to maintain the high standards of production, quality and reputation, the Government as owner-manager must work bloody hard. But who is the Government?

TEA EXPORTS will, for years to come, be the major earner of Foreign Exchange which will help to maintain the imported food lines for the workers. They need it. (We underline workers because today the workers are few and far between). As one seasoned tea planter remarked: "If we get 10% of what is spent on Mahaweli, we will earn all the Foreign Exchange to finance Mahaweli—without loans." It means more money must be ploughed back into the tea estates for development and to increase production. In 1976 the exports were in the region of 440.8 million tons valued at 2,100 million rupees.

To check the planter's argument, if we could increase present production by 10%, our foreign exchange would be an additional 210 million rupees a year. May be that is what we can spend on Victoria dam in a year. We are also investing millions to sell our scenic beauty and service to the tourist. But how much of real foreign exchange does it bring in?

Tea is not affected by the inflation bug. Somebody else bears that burden. Therefore, is it not prudent to launch a massive production campaign in the tea industry owned by the State to reduce the cost of living? Again the Government must do it. But who is the Government? The private sector is not in a position to contribute anything in this campaign. It can only give the good-will which

has been done in no uncertain terms. It is for the Government now to honour this trust. Maximum effort has to be by the Government to manage the wealth she has taken over at give away prices to reduce the cost of living for the average man.

THEN WE HAVE OUR RUBBER, which is also dominated by State ownership. Since this change took place production has dropped and we have missed "the bright market outlooks internationally"—with the result inflation is inevitable—more expenditure less production—Inflation not because of OPEC price policies but due to our refusal to work. We have 650,000 acres of working rubber properties—here again the State owns 430,000 acres i.e., 66% of the rubber plantations, the balance 34% comprises of small holdings and abandoned land. Rubber prices will be good always because of its strategic importance. But who is the owner to cash in on this. Again the State. If the State can manage and operate the rubber properties and increase production, then there will be no room to complain about inflation and deny the food the masses need today.

Tea, rubber and coconut properties, virtually a gift to the Government, but it is sad to see them mismanaged, production levels dropping, and in certain areas in utter neglect. This is not what the people expected. They voted for a better and cheaper living—we have failed.

These are three Major crops that sustained our economy during the colonial times and today too. We said that the developed lands were a gift, even though the previous Government appropriated them. It is a gift because, so far no compensation has been paid and when it will be, no one knows. The government may not have the money to pay.

That is not the point. Here are three areas of production which can be boosted up within our own resources and within a couple of years to increase foreign exchange earnings. To do this we need not complain about global inflation, OPEC countries so and so forth—that kind of complaint is left to consuming countries. We have only got to produce the goods they want. It will help us to control inflation.

The entire responsibility of increasing production has devolved on the State. To

achieve this, "the plantation industry must be free of political interference in administrative matters." This is what His Excellency urged at the Cabinet meeting of 5.3.80- We have to wait and see how many would accept this.

*Next: Paddy and Industrial Crops.

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FILM FOCUS

All The President's Men

THE FACTS. When reporters began investigating the five bunglers who burglarised the Democratic National Committee headquarters on June 17, 1972, that crime detonated the nation's greatest scandal and journalism's longest running political story. Even the *Post*, which performed outstandingly throughout, logically viewed the break-in as a local event. The paper assigned two unknowns, who were not even reporters, and kept them on the story even as it grew. Bernstein, then 28, had been covering Virginia politics. Woodward 29, an enrolled Republican who had been with the paper only for 9 months' covering police graft. The two reporters probed vigorously in these and other agencies. They analysed, double-checked and followed up isolated leaks, leads and tips—which is the usual among disaffected Republican campaign staffers. They pursued the disclosures made as a result of judge John Sirica's pressure on the burglars. By these means the reporters began to reconstruct, artifact by artifact, bone by bone, the mysterious subculture known as Watergate.

Coverage of Watergate and related scandals has won four Pulitzer Prizes and a number of lesser awards. *All the President's Men*, the how-we-did it book by Carl Bernstein and Bob Woodward of the *Washington Post*, became a best seller after three weeks in print. Alert, courageous newsmen standing as sentries against the abuse of power that is the dominant image most journalists have of their Watergate performance." *Time*, (8.7.74)

THE FILM—The two journalists of the *Washington Post* who brought out this best seller are played by the handsome Robert

(Woodward) Redford and that brilliant actor very much in the news these days Dustin (Bernstein) Hoffman. The film is directed by Alan J. Pakula who keeps quite close to the books to bring in detail the facts that tainted the American Presidency, Blackened White House, toppled its incumbent and scuttled him into obscurity away from the principal seat of executive power—a victim of the corruption that pursued him relentlessly to the end. The reporters portray with furrowed brows and sweating hands that tick away at the typewriter to ferret out the dirt that surfaces in the end, and the stink that it left behind. The camera roves neatly around the Post headquarters where the jigsaw was assembled, in spite of distressing cuts and after-thoughts from White House officials, buttressed occasionally by a mysterious informant "Deep Throat" who was at hand to provide the missing links in the puzzle. Tension was knit into the film in documentary style to layout brilliantly and neatly the scandalous pages that would haunt American politics for a long long time. This film is a must in general and particularly so to those fearless gentlemen of the Fourth Estate where even they may be perched at the moment, even precariously.

ROLLERBALL—This United Artists production in super animated 70 mm colour photography and stereophonic sound looks ahead of the time when "Sport", most bloody and brutal would replace "Wars" in a race for the survival of the fittest and the fittest. Actor James Caan who played the key role in the award winner "The God Father", heads this film for a presumptuous and prophetic showdown in celluloid, which traverses a more experimental than an academic course. See it if you must, but be armed with an Aspirin just in case....

James N. Benedict

LETTER

Marketing Department

Sir,

Whether the signs are happy or not, many an officer in the M.D. is sinned against than sinned. All what you had to say about M.D. officials are due to lack of imagination, initiative, and lack of dissection in the administration of M.D. All officials, from the Ministry that administers the Department, to the lowest in the Organisation, who man the Department must take the rap. What is wrong is the system—a system, in-built with checks to prevent corruption. These in-built checks give rise to more corruption than what they hope to prevent. There must be new thinking and new approaches made to meet the marketing problems, not of the consumer, but of the producer. The problem is not with the consumer. He or she could find what she or he needs.

The problem of the producer is different. He has to get a reasonable price for his produce, if the supply lines are to be maintained to keep the cost-of-living down. It is not the consumer who can do this. It is the producer who can make a contribution—and the Marketing Department was set up to help the producer to make that dent in the C.O.L. Here is an illustration. Last year there was a big shortage of Tamarind—a pound was sold at 18/- to 20/-. To ease the situation, the Government stepped in and imported Tamarind from India and Pakistan. After this experience one would have expected the Marketing Department to build-up buffer stocks when the local harvest is being gathered. The season was January to February—We are just at the tail end of the season and this year it was a very good harvest too. This is a commodity we do not go into normally—except to pick a few pods for "home consumption". In view of last year's experience we thought we would also help the Department to build up buffer stocks—So we also harvested a "sizeable quantity" and we have in stock a large quantity without an outlet.

We then contacted the M.D. in Colombo and made a journey armed with a sample.

"Sorry we cannot purchase without an order from the Commissioner"—this is the reply we got. We have not been able to get at him yet. Also we were advised—"Why do you cart the stuff to Colombo when the collecting Depot in your area will purchase the Tamarind?" So we went to the local Depot. The officer there said, We have not been authorised to purchase Tamarind you will have to get a letter from the Asst. Commissioner Kurunegala." We went to the Kurunegala office but we failed to meet the officer—"He has just gone to a conference, if you came ten minutes earlier you would have met him," said his Assistant. So we left a letter indicating the purpose of our visit and a request for a letter to the Depot Manager and also said we would call on the 14.3.80 to collect the letter. We went to the office on the 14th, but we could not meet him—may be he was away at another conference—his Assistant informed us that our request has been referred to Head Office and we must wait for a reply. "How long will that be?" He could not say when. He also said that each Depot has been given a quota to purchase. We wanted to know, what was the quota allocated to our area. He could not say how much but offered to find out. He came with a list and said—Our area was Kuliya-pitiya and that Depot has no quota to purchase Tamarind. They have a quota to buy "Black Gram" and not Tamarind. Black gram is never grown in Kuliya-pitiya area. Yet the M.D. has been asked to purchase only black gram. I have very near two tons of Tamarind—just six miles from the Depot but purchase of Tamarind is taboo in that area. We asked what are the areas that could purchase Tamarind? Nikkaweratiya, Reedigama, Magalla but not Maho—the centre for Tamarind. This is where we say—Lack of initiative and imagination.

This season has been very good, practically every village hut has a collection of 50 to hundred pounds, we see them put to the sun all along the roads. They are bought by small scale collectors for "a song", sold in turn to the bigger collectors and then to wholesalers and from their to the distributors and the consumer. In this process the producer gets just a pittance. Life in the village is hard today, with bread at Rs. 2/05 etc., and with a scorching drought on, "the villagers" would have welcomed a few extra rupees in their hand to

purchase their food. This is where—"Dharmista Society" could have helped the people whom it has undertaken to protect—Government is ever increasing the price of food items at the least provocation. Here was a Grand opportunity for the Government to put a few extra rupees into the hands of the people instead of leaving them to the sharks. M.D. could have done quite a lot to help the Villagers—But it has done nothing of the kind—Wait for instructions from Head quarters—as it has happened to me. As we said Tamarind is or was never our cup of tea—the two tons we have we can throw away, we will not be the poorer by it. It is not so with the poor Villager who has to pay 2/05 for bread, 4/50 for sugar, 2/40 for flour and 4/50 for his rice and so on. What a life for them even though we promised to usher in a Dharmista Society 3 years ago.

R. Kahawita

286, R. A. de Mel Mawatha,
Colombo 3.
27-3-80

*** *** ***

GRAMA SASTRA—14

—Scribbling On Uva Villages

Treeless

by Gamiya

TAKE A CHUG - CHUG TRAIN JOURNEY to the hill country: at the 141 and 3/4 milepost to be exact: over fifty trees have been cut down rough and ruthlessly, clump-burnt some of them. The date is the 24th of February 1980. Leave the beaten-track and clamber up the hillsides and more trees await you, charred, burnt some cut and awaiting disposal. Springs of water whisper and don't bubble any more. Swollen streams down to a trickle now slide over rocky escarpment exposed to evaporation by the burning rock-face. Move on to 142 and 3/4 or even 143 and there are many more trees cut down: fir, cypress, pine. Before you count twelve, gaunt trees are seen lying on their side, some of them cut into pieces awaiting transport. Fourteen turpentine trees were thrown like ninepins.

With heavy heart, you go on, even up to the 151st post, pondering, just wondering at the cruelty of top brass who allow the big fry to escape while rounding up the smaller fry in distant chenas, those who burn more often the smaller plants —but which grow up again.

Then someone near by said: "Sleepers are drawn from Mahiyangana forests for the CGR, but why have they cut down trees and made them into sleeper blocks from these areas?" I just did not know and could not answer. The ordinary people have a right to know questions about their land, for they are the people with real power who send people to "power"

Log lorries team up to pay tribute to timber merchants and the adverts some with threats and some with promises—in the daily papers and on the back covers of *Tribune*, go on with gay abandon. There are over twentyone Timber merchants' stalls at the Katugastota junction area.

Is all that really necessary? Must be, because how else can we cope with the market in Saudi and other OPEC countries: exporting doors and all that, don't you know. Wreck the countries' resources and line your pockets with gold, then combine all religions to have a golden-calf festival. Simple as ABC. If you shout too much, the military machine is not far behind.

Or travel on a CTB bus on 6th March from Moneragala to Buttala and you will find all along the road going west from 154.2 up to 144, a matter of 319 tree-stumps just on one side of the road, the right side. Granted that industrial lines of electricity are running parallel in some areas adjacent to the road and that a few branches be lopped off, why knock off a tree that is fifty feet away? Or how can a couple of wires fifty feet away be hampered by a roadside tree?

A man with a rain gauge showed me the graph: In 1976, 1977, 1978 and even 1979, there had been rain right up to the end of February in this particular area. Now and again, the road makes practically a right-angled turn, thus allowing the industrial lines to go their own sweet way regardless, because they generally follow straight lines, and even then, trees bordering the road—this time

even a hundred feet away—have been ruthlessly felled. In 1975, one of the most shady roads was this ebony-satin-mara-bordering road of eleven miles from M to B, but *tanha* has had its sway, people have been forgotten, the cycle has been upset.

"Every axe-blow on a tree is one on the nation's heart" (fine)!

"Be brave and catch real culprits, truth surely is an art" (finer)!

EARTHQUAKES

Plate Tectonics

by D. K. R. Karunaratne &
V. Buvanandaram

ANCIENT GREEKS believed that a flat earth rested on the Shoulders of Atlas, with deep chasms at the end of it and whenever he changed shoulders, the earth shook. Ages before Galileo showed that the earth was a near sphere and was not the centre of the Universe, our ancients had known it. A Hindu saint and seer had sung in Tamil comparing the Universe to dust particles in a beam of light. However the myth that the earth was resting on the head of a serpent Adhishesha persisted, perhaps because our forefathers nor we ever lived in earthquake prone areas. They were only shaken about like in the famous San Francisco earthquake of 1906, when the whole earth shook for 15 hours. Population explosion gives Adhishesha a pain in the neck. Twice he complained to Vishnu and he came down as Rama and as Krishna and eased his pain with two great wars.

Galileo, Kepler and Copernicus settled for us our true environment in space but what is inside our earth was unknown till the end of the 19th century. The only fact known then was that, when miners dug deeper and deeper into the earth's crust there was a steady rise of temperature. The world's deepest gold mine called Robinson's deep in South Africa, the walls there are so hot that half a million dollars worth of equipment for air conditioning had to be installed to make the life of miners there bearable.

TRIBUNE, April 5, 1980

Measurements underground indicate that this rise in temperature is practically independent of the geographical location and is about 30C per Km or a degree Fahrenheit every 60 feet so that at a depth of 2½ Km temperature reaches the boiling point of water. In certain areas like in *Kinnya* near Trincomalee and *Unuvathurubabule* near Maha Oya, the conditions are such that water penetrates through cracks into hot regions, gets heated up and comes back to the surface. Sometimes the water reaches regions, where it gets heated up above boiling point and under pressure is thrown up as Giant Geysers, as at Yellow stone national park, U.S.A. and in Iceland.

Many reasons have been attributed for the hot interior of the earth. A few decades ago, it was thought that the earth and the planets were formed out of material flung away by the Sun and the material inside had no time to cool. Now we know that this is not true and that all planets were formed by the integration of cold interstellar gases. The heat of the earth is now attributed to the disintegration of radio active elements. One ton of rock at the surface contains 9 grams of Uranium and 20 grams of thorium. This amount reduces, as you go down to the centre of the earth. If it were the same as at the surface, then the heat liberated since the formation of the earth 4 billion years ago would have turned our earth into a red hot sphere.

The earth is now thought of to consist of three different layers. The innermost consists of iron-nickel core of about 2,100 miles radius. It is at an extremely high temperature 4000C and under enormous pressure. Round this central core is a second layer of very dense rock called the mantle. It is of thickness 1800 miles and at a lesser temperature than the core. The outermost layer, on top of which we live is of thickness varying between 30 to 80 miles and of much less density than the other two.

This crust is now considered to consist of a separate number of large individual blocks or plates floating on the second layer, the mantle. Hot semi-fluid matter deep within the mantle moves out between some plates, forcing a slow

movement of these plates in various directions relative to one another. This is the most recent and accepted theory of the earth's structure and is called the **Global Plate Tectonic theory.**

THE ANNUAL MOVEMENT of these plates are extremely small and range from a millimetre to a couple of centimetres, per year. The entire crust of the earth has been found to consist of 15 such plates. When such enormous moving plates meet headlong or rub against each other there is a slow and steady accumulation of stresses and strains within them. They can stand this pressure only up to a certain stage, just as a thin wooden rod can be bent only up to a certain point, after which it relieves itself of the strain of bending by breaking, so will these plates at their meeting point with explosive violence. Like the proverbial straw that broke the camel's back, usually it is a small force like even the passage of a cyclone. Volcanoes are of a different category and on a much smaller scale. There, the stresses and strains are caused by heating from below and uneven movement of localised central areas.

The origin of this theory of Plate Tectonics goes back to the beginning of this century when a German geologist Alfred Wegener pointed out a marked similarity between the coast lines of South America and West Africa. There were a number of other coastlines too, all of them when brought together would fit each other perfectly like a jigsaw puzzle. Rocks and plant fossils of a similar nature have been found in places separated by oceans. Wegener put forward the theory that at some distant time, these places were joined together as one land mass and in course of time gradually drifted apart. This theory, inspite of such strong evidence was rejected at the time it was put forward.

It was revived in a modified form in the later 1950's, when deep sea research expeditions by U.S.A., U.K., and the U.S.S.R. showed evidence of undersea mountain ranges, deep crevasses, hot spots etc as found on land. In the middle of the Atlantic Ocean, almost equidistant from the coast lines of South America and West Africa, there runs a ridge in a north-south direction, stretching for thousands of miles with sediment being spread on either side of it—Clear evidence of matter

being forced out from deep inside the earth. Deep canyons suggestive of one plate forcing itself over the other, high mountain ridges rising abruptly over ocean beds formed by the head on meeting of two moving plates, forcibly elevating crustal matter.

The explanation of our mountain ranges on this theory is fascinating. The North African plate and the European plate in a head on collision produced the upheaval, which today is the Alps range. The Indian plate, which in the dim past broke away from the common group of South America and Africa, moved northwards to meet the Asian plate. The result was the Himalayas, the highest mountain range today. The two side sweeping plates, the North American plate and the Pacific plate produced the famous St. Andreas fault, a centre of very frequent earthquakes in San Francisco—West California region. Aerial photographs have clearly revealed this fault, visible as a line along rock formation. Geologists have proved that this narrow essential belt is moving northward about an inch per year, while the east plate is practically stationary. By matching rock formation on either side of the fault, Geologists have proved that the plates have moved relative to each other 75 to 90 miles since the beginning of this drift away of continents.

Another example of the plate tectonic theory is the presence of a line of discontinuity (fault line) between the north American plate and the Caribbean plate. This fault line runs approximately East/West, through Cuba, across the Caribbean and Guatemala. The movement of the North American plate has been shown to be about three quarter inch per year and this is slowly grinding past the Caribbean plate.

A very recent discovery is the moving away of the Arabian peninsula from the adjoining African continent and the Red Sea is widening and deepening. The southwest corner of the Arabian Peninsula and the "Afar" depression in adjoining Somalia fit each other and a great crack runs down the length of Ethiopia, Kenya and Tanzania. This movement is very slow but in a future era a sea is expected to form in this region.

The main earthquake prone areas of the world could all be explained with this new

Plate Tectonic Theory. The Aleutian Islands, Japan and the Philippines earthquake belt is due to the movement of the Pacific and Asian Plates. The San Francisco-California area due to the North American and Pacific plates. The Indonesian, New Guinea and Pacific Islands of Fiji, New Hebrides and New Zealand belt is due to the Pacific and Australian Plates. The Iranian, Afghanistan and the North Indian belt is due to the movement of the Eurasian and the Indo Arabian plates and so on. Azores in the North Atlantic, which shook the earth on 1st January 1980 is the meeting point of three plates, Eurasian Atlantic and African plates.

SPOTLIGHT ON T. V.

Still Uneven

The daily fare is still uneven and uncertain in quality and content, but there undoubtedly is a marked improvement from the programmes of a few weeks ago. Some of the new features provide excellent entertainment. The *Secret Garden*, a serial based on a best-selling novel, is one of the best that has come on our T.V. Even better is the ageless story of *Robin Hood*. This old old story is brilliantly unfolded with a brevity that is remarkable. The dialogue is gripping and the costumes, settings and photography superb.

Equally excellent, but in a different genre is Alistair Cooke's personal history of the USA. An Englishman, who became an institution and a legend in the foreign correspondent's community in the USA, wrote a pictorial history of the USA in the tricentennial year and this series is based on that book. The way Alistair Cooke puts it over on the TV is something to always remember.

For pop fans, there was an Elton John show on Saturday 22. More musicals, not merely pop but popular folksong shows (with an occasional light classical or opera) will be welcome. The *Flinstones* are popular, but *Fang Face Tends* to get dreary. The *Bionic Woman*, *The Invisible Man*, *Adam 12*, *Kojak*, *Mister Ed*, *Checkmate* and *Ba Ba Black Sheep*, are among the regular features TV viewers seem to look

forward to. Ravi Shanker's show and the *Dance of Shiva* (a short biography of Ananda Coomaraswamy) have been screened elsewhere earlier, but only to select audiences and it is a good thing that a larger audience has an opportunity of seeing them on T.V.

Of the 'locals', the Ananda-Nalanda match telecast wasn't half as good as the one about the Royal Thomian encounter. But both were welcome efforts to bring day to day events on the TV screen. The film on the inauguration of Victoria Dam was certainly a good piece of work especially the reportage interviewing village folk in the Teldeniya area whose lands and homes will go under water soon. The Nimal Karunatileke interview with H. W. Jayewardene was a beginning for TV interviews on matters of current topicality, but more preparation and homework must be put in before a film of this class is put on TV.

Sesame Street, inspite of many and even annoying repeats, is still a favourite though it comes on only three or four times a week. The *Vision* series which was introduced as a suitable alternative in the children's programme is a flop.

And no one can understand why the same advertisements are repeated twice within a few minutes. One can understand their being shown before and after the interval, (put-the-Children-to-bed) but when these are repeated within a few minutes of each other it can only mean gross carelessness on the part of those who feed the TV with the video-tapes.

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A R A B S

Can Defend Gulf

Baghdad.

While official and popular Arab support of the National Charter, declared by Leader-President Saddam Hussein on the seventeenth anniversary of the 8th February glorious Revolution, is increasing daily, press reports have indicated that the Omani regime has intensified its activities to bring about its notorious project into practice under a new cover of a comprehensive national defence of Oman Sultanate. These reports also stated

that Japan, France, Britain and West Germany have agreed to support this project. They added that the Omani regime has granted imperialist powers the right to establish military bases and espionage centres in Oman. In fact this is not the first time that the Omani regime showed its "generosity" to the imperialist powers. It had offered military facilities to the US and it had contacts with the Sadat regime in order to conclude a joint defence treaty. All these Omani movements indicate their notorious nature and their correspondence with the exposed imperialist movements in the Arab Gulf after the recent developments in Iran and the Soviet intervention in Afghanistan.

The Quabous regime is still acting as a link in the chain of the imperialist projects in the Arab Gulf which aims not only to threaten the integrity of the Arab Gulf countries and to influence their policies and attitudes, but to impose an imperialist domination on the region and to link it with the imperialist alliances under different covers and pretexts, so that guarantee the interests of the imperialist powers and monopolies. The Omani regime's policy, its attachment to imperialist projects which are designed against the Arab Nation, and its disassociation from the Arab unanimity, all these will harm the Arab national resurgence movements and endanger the security and sovereignty of the Arab Gulf countries. Moreover, this regime's policy quite contradicts their independent attitudes, their desire to stay away from international struggles and their determination to prevent any attempt to intervene in their internal affairs.

The regime has claimed that the Gulf's security and its strategical straits are in danger. But it has become obvious what are the motives behind its project. Besides, the Arabs should be responsible for defending the Gulf, its Arab character and its security, and not the imperialist powers of any foreign states. Furthermore, any foreign existence in the region will encourage other powers to interfere in its affairs which is firmly rejected by all the Arab Gulf countries....."

—Translated from *Al-Thawra*

AFGHANISTAN

● Spy Rings ● Aid

Kabul,

Afghan authorities have smashed two "espionage groups" operating in Kunar province bordering Pakistan. The official Afghan agency, Bakhtar, said the groups had been distributing subversive literature and carrying out anti-Government agitation: that the groups were on covered by the Afghan security authorities rather than the army. The report said that they were found with weapons, foreign currency, large sums of Afghan money and identity cards showing membership of "subversive organisations acting under direct guidance from American Imperialism and regional reaction." A third group was smashed at Darabad in the West province of Farah near the Iranian Frontier. The 'bandits' had broken into the houses of peasants, plundering and killing and trying to create an atmosphere of fear and mistrust: **IN REGARD TO INTERNATIONAL AID, PTI** reported that the West and their allies, principally Japan are not forthcoming with commitments of aid to Afghanistan, a development that is seen here as an economic squeeze of President Babrak Karmal's Government. Even some committed aid, such as by the United States, for Hekmand River Valley Project for irrigation and power generation near Lashkargah in Helmand province, southwest Afghanistan, has been suspended though equipment is believed to have been shipped from America sometime ago to Karachi, landlocked Afghanistan's major access to sea. Aid commitments already made by the World Bank appear to be in jeopardy. Uncertainty about this aid is being explained to be due to disturbed conditions in project areas. A World Bank team came here sometime ago for a study and the resumption of assistance will, it is believed in diplomatic circles here, be influenced by its report. The Afghan Government has not received any official intimation from the West or the World Bank and its affiliates about aid prospects or discontinuance of committed assistance, but according to Mr. Abdul Hadi Mukamil, Deputy Foreign Minister, the United States was pressurising them.

'Insurgency', Mr. Mukamil said 'is only an excuse'. Uncertainty also prevails about assistance from the Islamic Development Bank, a consortium of oil-rich Arab nations, principally Saudi Arabia which used to give grants for economic projects and even meet Afghanistan's foreign exchange requirements.

A clear picture will emerge in the next few weeks when the Bank's board of governors meet in Jeddah. An Afghan delegation has already left for Jeddah to attend the meeting. Assistance from other Arab countries like Syria and Iraq may not be denied to Afghanistan. India-aided projects in the country are being implemented as per commitment. India has already built a hospital, a number of industrial estates and micropower stations. Assistance was also promised recently by India for the construction of a fertiliser, a cement, a fumigation plant and a match factory as also on the maintenance of roads, and in the field of adult education. But the change of the Government in Kabul has delayed further consideration on these projects which are now likely to be discussed in meetings of the Indo-Afghan Joint Commission to be held here sometime in June.

Though aid is drying up from the West, assistance is forthcoming from East Europe and the Soviet Union. An agreement on the economic and technical co-operation between Afghanistan and the German Democratic Republic was concluded last month under which development projects in communications and energy would be financed, the "New Kabul Times" reported last month.

Last week, the paper reported expanding economic financial and technical assistance from the Soviet Union. A large quantity of goods will be imported under a grant-in-aid and loan agreement which is expected to show an increase of 70 per cent in terms of money value compared to last year. The Asian Development Bank has also granted 5.7 million dollars as loan to Afghanistan chemical-fertiliser company. Of this, 1.2 million dollars will be granted in aid for purchasing transportation facilities, constructions of godowns for fertilisers and medicines.—AFP, PTI, UNI.

* * *

Confidentially

• Selling Lanka ?

WILL IT NOT INTEREST people in Sri Lanka to know how this country is sold to foreign capitalists in full single and double page advertisements in the most expensive newspaper columns in the world—in Singapore, New York, Tokyo, Hongkong, Paris and so on? That *Tribune* readers in different countries have sent us copies and photostats of these advertisements? That though there are variations of a minor kind (between single page and double page advertisements) and from country to country, the main theme song is somewhat as follows? That the Sri Lanka FTZ is a foreign investors dream? That the first and compelling incentive is the 100% tax exemption for all manufacturers who set up new plants in the Free Trade Zone? That "you pay no taxes on corporate or personal income, royalties and dividends—for up to 10 years. This is followed by a further concessionary tax period for up to 15 years."? That "an educated English-speaking labour force—recruited and trained with the aid of government—is another attraction incentive? With a literacy rate of 83%, second only to Japan in Asia, Sri Lankans have proven they can produce quality work and rise to new challenges. Many investors in Sri Lanka have had to revise upwards the production norms, they had calculated when they first decided to invest. Labour rates are the most competitive in Asia too. The average monthly wage in manufacturing industries in Sri Lanka is only US \$ 31 a month compared to US \$ 142 in Singapore, US \$ 143 in Korea and US \$ 836 in Japan. But unlike most other countries, low labour costs in Sri Lanka are not linked with low productivity. Quite the contrary, Sri Lanka is second only to Singapore in terms of relative productivity in Asia." That the statistics cited below are from the advertisements?

Average labour costs (US\$ per hour)	Unskilled	Semi-skilled	Skilled
Asia			
India (Santa Cruz)	0.14	0.20	0.29
Malaysia	0.28	0.31	0.62

Philippines	0.21	0.24	0.25
South Korea	—	1.30	—
SRI LANKA	0.13	0.16	0.19
Taiwan	0.52	—	0.60

That the advertisement further stated that the Relative productivity of Asian workers for 1976 was: Singapore 45.93, Sri Lanka 41.84; Philippines 41.35; Taiwan, 34.03; Malaysia, 30.86; Hongkong 21.74; Thailand 21.41; South Korea 20.85; Pakistan 16.43 and India 11.72. That though these figures have been attributed to prestigious sources —i.e., *The Economist Intelligence Unit Ltd., London*, and *Business Asia Hongkong*—there is a lurking fear among many people that the statistics are very much out than proper context?

That another attraction offered reads as follows: "Known as the Pearl of the Orient", Sri Lanka is an idyllic, sunny, beautiful island 35 km. from the southern tip of India. Temperature varies from 26.7° C in Colombo to 15° C in Nuwara Eliya, a popular holiday resort in the nearby hills. Swimming, sailing and fishing are out of this world. And your wife will rejoice to hear that domestic help is not only abundant but cheap. Hospitality is a habit amongst Sri Lankans. Fostered by the tradition of tolerance taught by the two predominant religions, Buddhism and Hinduism—along with Islam and Christianity. Four centuries of direct influence of Western civilisation have also contributed to the development of most Sri Lankans. The people are metropolitan in outlook, adaptable to change and receptive to new ideas. Another advantage is that the cost of living for expatriate staff in Sri Lanka is very low compared to the rest of Asia. Politically, Sri Lanka has always been one of the regions most stable countries. The Government is committed democratic parliamentary rule and since 1931, Sri Lankans have enjoyed universal franchise." That cheap industrial labour and even cheaper domestic servants are held out as major attractions for foreign investors? That when the British came here in the last century they brought a little foreign capital to open up tea and rubber estates, but more importantly they imported cheap labour from India? That today the Sri Lanka government offers the cheapest labour in Asia as the main attraction to foreign investors? That labour in India costs more?



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So said the Honourable Deputy Minister of Trade and Shipping Mr. M. S. Amarasiri speaking at a Seminar on "The Liberalised Trade Policy of the Government and Insurance" conducted by the Post-Graduate Student's Association of the Insurance Institute of Ceylon at the University of Colombo on Saturday, 1st March 1980.

Founder Director of the Insurance Institute of Ceylon, Dr. Linus Silva emphasised the importance of this unique occasion where the Post-Graduate Students of the Science of Insurance together with the published literature in Sinhala on the subject, the three Executive Heads of the Insurance Industry in Sri Lanka and the Honourable Deputy Minister under whose Ministry the three Corporations came are assembled together today on the same platform.

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