

TRIBUNE

K K S CEMENT

Is it sabotage?

That the decision of the Government not to extend the present cement factory at Kankasanturai is not justified by the realities of the situation is the conclusion arrived at by a Special Correspondent who examines this problem in a detailed article published elsewhere in this issue. Apart from saying that an extension is not "economic", neither the Minister of Industries nor any other spokesman of Government has been able to adduce one single argument in favour of the decision to freeze the production at KKS at the present level.

Furthermore, except for vague references about transport expenses, Government has not yet set out a detailed explanation to show how a second kiln, in the context of the current world shortage of cement which is expected to continue for many years to come, can be uneconomic. Ceylon would need according to our Correspondent at least six other factories of the size of the present one at KKS to cope with the de-

mand that is likely to arise before the year 1960

Red Herring

Kankasanturai is the only site where proper surveys have been taken and where a factory, which is making a nett profit of about Rs. 3 million a year, is operating. Nothing would be simpler than to extend this factory to double its present production. The cost of such extension would be easily covered in three or four years from the profits that would accrue. Whilst the extension is being carried out, Government should institute surveys both at Puttalam and Ambalangoda for factories in those two areas. The sooner production is started in those two places to supplement Kankasanturai the better for the country.

The red herring which has been thrown across the trail to sabotage the extension of the present factory at Kankasanturai was created by certain interested Government officials conspiring with private vested interests anxious to establish a cement factory themselves. A report exaggerating costs of extension and

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subverting the implications of the transport costs to KKS was prepared during the days of the UNP when it had been decided that the second factory should be private-owned. Extension of KKS would have meant extension of a state-owned industry, and for this purpose the report pooh-poohed the second kiln.

Tribune has reason to believe that the Minister has been misled by this report intended to assist private vested interests. Now that Government has decided to retain the cement industry as a state-owned one, it should call for a fresh report on the question of the second kiln. Instead of making much of the transport charges to and from Kankasanturai, Government will do well to immediately provide cheaper forms of transport by sea. To freeze KKS cement production at the present level is to sabotage the growth of industrial development.

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CEYLON NEWS REVIEW
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FILM

YOU'RE NEVER TOO YOUNG

Jerry Lewis

English at The Liberty

Whilst looking at the film and trying to listen to it — with very little success — in between the guffaws of the audience, children for the most part, my thoughts, for something better to do, drifted to this thing called American humour which some enjoy and others endure. Chaplin, Keaton, Lloyd and later Laurel and Hardy, had each in his turn contributed his share to the fun of the silver screen as it used to be called. Each of them purveyed his own particular brand of gesture and mime which made him famous for practically all time.

My thoughts particularly turned to the Marx Brothers who I think gave American humour a stamp of its own. Do I hear howls of protest? The personal idiosyncracies of the Marxes — though they fairly bristled with them — did not count for much. It was their technique and method. Or perhaps no method at all which gave their films a certain — and I will make so bold as to say — distinctive flavour. What was their secret? Audiences all over the world whether English or Japanese, raved about them. So there must be a common factor somewhere. The answer is I think that they were so uninhibited. That is perhaps why they went down so well. They rode rough shod over law and order. They tweaked the nose of authority. They pinched the bottom of convention. They kicked pomposity in the pants and sent sententiousness for a six. They said a bawdy boo to all the gassing geese who peached the seven deadly virtues. They appealed to the rebel and the iconoclast in all of us.

We would love to do the things

they did, for the sheer fun of it, for the sheer joy of living. But not for us, alas, the joys of living. If we indulged we would get the sack. So we sat back and worked off our inhibitions vicariously. We returned to our desk and wore our shackles more contentedly, all the better for having breathed the breath of fun and freedom. All this may sound like the gospel of St. Marx, which spells anathema to a lot of people who prefer the wholesome tea time farces of the Lynn — Drayton school set in the rookery nooks of jolly old England. But the trend of these discursive thoughts was continually disturbed by the spasms of hysteria all around me. I must confess I was quite unmoved. Perhaps I've got a warped sense of humour. But this kind of unadulterated slapstick of the purest ray serene leaves me cold. But everybody else was suffocating with mirth and whilst I was still thinking of Chaplin and Harpo, the lights came on and I gratefully walked out.

It appeared to me that this film was planned as a series of funny situations thought out to suit the peculiar genius of Mr. Jerry Lewis,

and an effort was apologetically made to string the thing together to make a full length story. The result was excellent incoherence. The film obviously sets out to be funny from beginning to end, strains at it like mad and succeeds a little. Jerry Lewis works hard, clowns hard and pulls the kind of faces that would make even Collette look like portrait painter of the first magnitude.

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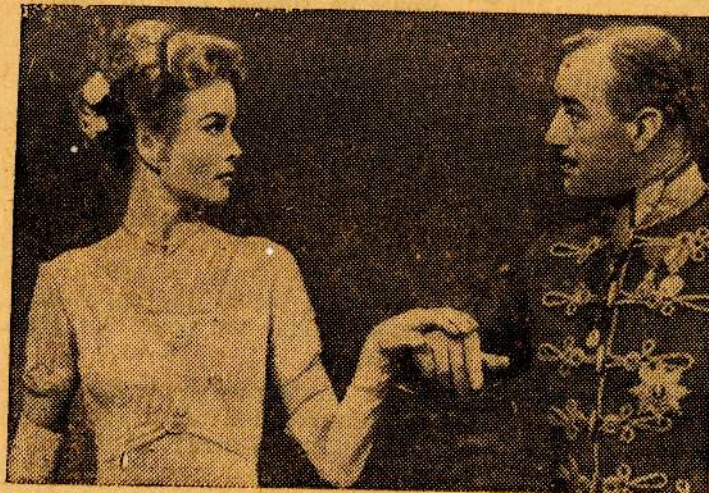


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SECOND KILN

The periodic scarcity of cement in the local market during the past two or three years has now become a regular feature. Once again speculators are busy and prices have skyrocketed. This time, perhaps, the hardest hit are the thousands of middle-class house builders who are entirely dependent on their housing loans which leave no room for manœuvre. Even more disturbing is the fact that major development works such as the Hydro Electric Scheme at Laxapana are being held up for want of cement. It is reported that not only has work on the Castlereagh Dam at Laxapana "partially stopped" but also that the contractors "claim Rs. 220,000 for a month beginning from August 7th as costs and expenditure incurred by them on account of partially stopping the work on Castlereagh Dam site".

In the light of these developments it is, therefore, ironical that the Minister of Industries should announce in the House of Representatives that the Government has abandoned the original plan to increase the output of the cement factory at KKS by another 100,000 tons by the installation of additional machinery. This decision has already been criticised as being inspired more by communal considerations than by economic facts. It has indeed been the unfortunate lot of the cement factory that from the very beginning it had got mixed up with politics and it is, therefore, understandable that much passion should be aroused and very little rational thinking displayed whenever its activities are discussed in Parliament and outside. However, cement is a basic industry and one of the very few for which the primary raw material needed is available in the Island. Technical know-how for this industry is also available locally and the industry itself has in actual practice proved to be an economic proposition.

Early History

The manufacture of cement was one of the items exhaustively dealt with by the Industries Commission

appointed towards the end of the first World War. This Commission had at its disposal the services of the Government Mineralogist at that time and also an expert from the Portland Cement Company. Surveys of clay and limestone in different parts of the Island were carried out. The demand for cement in Ceylon at that time was just under 20,000 tons per annum whereas the output of a minimum economic unit was at least 25,000 tons. In view of this the Industries Commission concluded "... Whereas it does appear practicable to manufacture cement locally, the success of such an undertaking from a profit making point of view would be more than doubtful".

No further practical steps appear to have been taken until the year 1935 when a "sum of Rs 4,500/- was allocated for a cement survey in order to investigate the prospects of establishing a cement factory in Ceylon". Mr. A. H. Nathanielsz, a P.W.D. engineer, completed in April 1936 a preliminary survey of

This article by a Special Correspondent emphasises why the decision not to extend the present Cement Factory at KKS is wrong and why Government should reconsider its decision. The article, though somewhat long, is published in one instalment.

the available raw materials for the manufacture of cement and recommended the present site pt KKS as the most suitable location for the factory. The Government at that time could not proceed any further for the simple reason that it had no institutions to plan, erect and operate any industries.

It is, therefore not surprising that "The Executive Committee of Labour, Industry and Commerce considered this Report and decided against Government undertaking at present the manufacture of cement in the Island, but was in favour of inducing companies interested in the matter to undertake such manufacture in Ceylon."

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Second KILN

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Present Factory

Plans for the present factory were prepared by the Department of Industries during the second World War. The services of a firm of consulting engineers, Messrs. Henry Pooley, was secured and the final

project report got ready by 1945. Construction began in 1946 and the factory was expected to go into production in 1949. However, due to delays in delivery of machinery and the much longer times taken for their erection the factory was not ready until 1950.

This factory was planned for an initial output of 100,000 tons per annum with provision for the in-

stallation of a second kiln to double the output at a subsequent date. Due to certain inherent defects in design the rated output has so far not been achieved. There has however, been a steady increase in production over the years and as will be evident from the figures below the factory has earned substantial profits during this period:

Year	Cross Profit	Interest on Capital	Repayment of Capital	Income Taxes & Profit	Nett Profit
1950/51	2,293,007	761,728	805,403	413,291	311,584
1951/52	3,613,114	771,345	816,417	203,639	1,821,712
1952/53	3,464,823	751,711	840,509	200,000	1,672,521
1953/54	4,319,780	766,535	887,086	557,126	2,109,033
1954/55	6,832,568	770,000*	780,532	1,939,152	3,342,883
	20,523,292	3,821,319	4,131,028	3,313,208	9,757,733
1955/56*	6,500,000	800,000	800,000	1,900,000	3,000,000
	<u>27,023,292</u>	<u>4,621,319</u>	<u>4,931,028</u>	<u>5,213,208</u>	<u>17,257,733</u>

In considering these figures it must be borne in mind that the cement factory has been operated entirely as a Government Department subject to all the red tape and cumbersome procedures it involves. Besides, this is the first of the Government's major industrial undertaking and as in all pioneering ventures it is inevitable that many mistakes

should have been made, which although very costly as far as the present cement factory is concerned, will undoubtedly be of direct benefit not only to any future cement plants but also to industrial development generally in this country.

An analysis of these figures reveals some interesting facts. In the

first place local production of cement has resulted in an enormous saving of foreign currency. The actual savings have been computed taking the average c. i. f. value of cement for the respective year and deducting the value of raw materials such as gypsum and oil which have to be imported. The results are tabulated below.

Year	Production in Tons	Average c. i. f. value/ton Rs.	Value of imports ton of cement Rs.	Nett Saving per ton	Total Saving
1952	60,205	149.50	30.00 (Approx)	119.50	7,200,000
1953	62,632	127.00	""	97.00	6,070,000
1954	82,298	118.50	28.00	90.50	7,440,000
1955	84,387	111.50	""	83.50	7,050,000

Local manufacture of cement, therefore, results in an annual saving of nearly 7 million Rupees in foreign currency.

Extension

Why is it that in spite of even such impressive results the Government has decided against the extension of the KKS Cement Factory? Those who are opposed to the extension declare that this factory is no doubt well located as far as limestone is concerned. But, they argue, limestone is not the only raw material needed for the manufacture of cement. Clay, in appreciable quantities, gypsum, fuel oil and whole lot of engineering and consumable stores are needed. Clay is now transported from Murungan, nearly 150 miles from KKS. Gypsum fuel oil and other stores will have to be

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Second KILN

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taken all the way from Colombo. Moreover, the finished product has to be transported back again hundreds of miles to the southern parts of the Island. Doubling the output, it is stated, — will not lead to any appreciable reduction in the cost of production and will not affect the cost of transport at all.

Some go further and assert that Puttalam or Ambalangoda would have been a better location for the cement factory than KKS. The real culprit according to them is the present member for Jaffna whom they accuse as having, during his tenure of office as Minister of Industries, manipulated things in such a way as to site the factory in the Jaffna peninsula. One can, of course, understand politicians holding such views. But what is surprising is the fact that this same prejudice should colour the views of even responsible Government officials who should know better.

As mentioned earlier several independent authorities, local as well as foreign, had come to the unanimous conclusion, long before Mr. G. G. Ponnambalam became Minister of Industries, that the present KKS site is the best location for a cement factory in Ceylon. All the preliminary investigations and the detailed planning of this factory were completed during the term of office of Mr. G. C. S. Corea. It is just a coincidence — and an unfortunate one as far as the Cement Factory is concerned — that Mr. G. G. Ponnambalam should have been in office when the factory was about to go into production. So much for the argument that Mr. G. G. was responsible for siting the factory at KKS.

Transport

Let us examine a little more closely this problem of transport which at present undoubtedly inflates the price of KKS cement. Annually the cement factory needs approximately 4,000 tons of gypsum and 13,000/14,000 tons of fuel oils, and these are now transported by rail from Colombo. With the modernisation of the KKS Port, to which even the present Government is committed, gypsum could be unloaded on the spot. As far as fuel oils are concerned detailed plans have already been prepared to

instal a submarine pipe-line so that ocean-going tankers can discharge oil through this pipe line into tanks in the factory premises. In this way the problem of the high cost of transport could be easily solved and one is at a loss to know why these schemes, particularly the pipe-line, have not been proceeded with so far.

As far as the transport of cement itself is concerned one is surprised to find that the Department of Industries has so far not taken any active steps to explore the possibilities of sea transport. That sea transport should be cheaper is borne out by the fact that even now, when the facilities at KKS port leave much to be desired, sea freight per ton of cement to Batticaloa is only Rs. 25/- as against Rs. 45/- by rail. Normally the cost of transport by sea works out to approximately half that by rail. With the development of coastal shipping and the modernisation of the ports transport of cement from KKS to the other parts of the Island would no longer be a problem.

Consumption

There are even more compelling reasons why the Government should no longer postpone the expansion of the KKS factory. As will be evident demand for cement in Ceylon as in India is rising rapidly.

The present production of cement in India is approximately 41,2 million tons. The target for the



second Five-year Plan was originally fixed at 13 million tons. According to recent reports this target too has been further raised and now they expect a demand of the order of 20 million tons by the end of the Second Five year Plan period i. e. by 1960. This rapid increase in demand is due to the fact that the per capita consumption of cement in India and Ceylon is very much lower than in European countries as will be evident from the table below.

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Countries Per capita consumption of cement in Kilogrammes

	1950	1951	1952	1953	1954
Germany	198	220	229	273	295
Austria	189	214	200	197	227
Denmark	156	165	201	224	221
France	159	180	189	198	205
Greece	48	48	37	73	73
Iceland	259	227	311	367	395
Ireland	199	196	190	205	206
Italy	104	114	138	166	191
Norway	180	211	231	276	279
Netherlands	164	172	158	192	200
Portugal	62	53	64	71	71
Sweden	20	242	241	269	300
Switzerland	232	272	271	323	385
Turkey	25	29	40	47	55
United Kingdom	163	176	184	194	202

Compared with these figures the per-capita consumption of cement in Ceylon is only about 20 kilogrammes, and, therefore, the rise in demand in the near future will be very great. If, we assume that the demand curve will follow the Indian pattern our needs in 1960 would be nearly a million tons. Even at the original target of 13 million tons in India the corresponding figure for Ceylon in 1960 would be 600,000 tons. For this output we need six factories of the same capacity as the present one at KKS. Thus there should be no fear that the cement industry in Ceylon will be a monopoly of the Jaffna Peninsula for all time.

Time Factor

Another factor which has to borne in mind is the long time factor involved in establishing an industry of this nature. A minimum of six months will be necessary for com-

pleting a survey of raw materials' Preparation of the site surveys etc will take another year to eighteen months. The time needed for the actual installation of machinery in a new factory will take a further period of two years. In other words, even if a beginning is made immediately the factory will not be in production until the year 1960.

The decision to abandon the extension of the KKS factory was based on several assumption which have yet to be proved to be correct. In the first place we do not know whether the cost of quarrying limestone at either Puttalam or Amalangoda will be anyway cheaper than that at KKS. The same applies to the transport of clay, fuel and other stores. In their arguments against the extension of the present factory they do not appear to have taken into consideration the fact that new transmission lines will have to be laid to any new factories involving the expenditure of large sums of money. Moreover, the extra power generated at Norton will not be sufficient to meet the rising demand within the present area of distribution.

If we take all these factors into consideration we cannot help concluding that the decision on the part of the Government to abandon the original plan to double the output of the KKS cement factory is a wrong one, and is inspired more by political considerations than by realities of economic facts. If the Government does not revise its views early it is the Government itself which have to bear the blame when major development works in this country are severely handicapped by a scarcity of cement.

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WEEK by WEEK in CEYLON

STRIKES

Strikes have dominated the scene in Ceylon during the last fortnight. With over 2000 workers on strike in the plantations in the Matugama, area, and the flare-up at Lunuwila Fibre Mills where the police fired on strikers, the troubles in the city of Colombo centring around the harbour reached a new zenith last week-end. By the middle of this week, the tension began to subside, but it is believed that the disputes have not been resolved in a manner to ensure peaceful industrial relations even for a short period of time.

The plantation strikes involved questions of payments of gratuity and compensation by old owners on the sale of the estates to new proprietors who recognise the service of employees only from the date of their purchase. There have been such disputes in the past, and sellers have often been pressurised by strikes or the threat of strike action to make certain payments (which they emphasised were *ex gratia*). Where the union was not strong enough, vendors have often gone away without paying any gratuities, and new owners have treated the labour as "new" — much to the disadvantage of the workers.

The strikers in the plantations have gone back to work on an assurance from the Minister that the dispute would be referred to arbitration or the Industrial Court.

Police

The police shooting at Lunuwila is now under investigation and the the finding of the inquiring Magistrate is awaited by the public. In the meantime, there has grown up a demand that the Police should change its attitude to strikes and strikers. It has been pointed out in the old colonial days and in the days of the UNP, the police unashamedly took the side of the employers and the vested interests. Now, with the change of government, it is stated that the Police should learn to be strictly *neutral*. This demand for "neutrality" has been interpreted by sections of employers to mean the favouring of employees and strikers as against the owners. Whatever be the merits

of this controversy, there is no doubt that the Police in practice seem to regard every strike as some kind of breach of the law. This is really a hangover from the ideology of the past. There is need to educate the Police about the principle that a strike is a perfectly legal and justifiable weapon as long as it is conducted peacefully. It must be made clear also that the Police should not resort to the old dodge of provocation in order to transform a peaceful strike into a violent one in order to use force to suppress it.

Whilst a duty to be fair devolves on the Police, it is necessary that trade unions should act in a responsible manner and use the strike weapon only when all other methods of resolving the dispute have failed. Examples are not wanting when trade unions and organised labour have gone completely off the rails and thereby caused the public at large tremendous hardship and also damaged that cause of the workers. Two glaring instances of misdirected trade union activity thrust themselves on public attention recently.

Suez

The first was sheer melodrama. Azeez of the Democratic Workers Congress publicized a telegram he had sent Nasser promising "action" against British estate employers in Ceylon if the British Government insisted on using force in the Suez dispute. Asian opinion is undoubtedly strongly behind Nasser, but for Aziz to rush off a telegram threatening a political strike by "his Union" is something which goes beyond the scope of trade union activity. Even the most ardent trade unionist will admit that political strikes can be justified only in certain very unusual and uncommon circumstances, and even the communist trade unions in Ceylon have not thought fit to commit themselves to political action as a threat to resolve the Suez dispute in favour of Nasser. After the headlines for the egg-hoppers (to usher in a new Labour Code), Aziz seems to have thought it necessary to bring himself prominently before Nasser, the Arab world and the Muslim fraternity

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The death of Dr. Kumaran Ratnam at so early an age has removed an inspiring personality from the public life of this country. Our columnist *Serendib* writes of this man at whose funeral, it is said many thousands shed tears, unable to control their emotion and feelings. Dr. Ratnam was medical practitioner, politician and reformer. He was a socialist who wanted unity of all progressive forces that strived for a better way of life. His life was an living example of all that he preached.

The doctors, specialists and surgeons in the city of Colombo who insist on fleecing their patients, who fight tooth and nail to retain the evil system of private practice, will do well to draw the lessons from the life of Dr. Kumaran Ratnam. It would be considered a trite truism to repeat the religious-ethical formula that one does not take one's wealth away at death, but we cannot restrain ourselves from referring to the validity of such comment at this time. The doctors who pile up fortunes die with none to regret them (except perhaps those who will quarrel over their property) but Dr. Kumaran Ratnam will continue to live in the affection and love of the people he served.

Politicians will do well to realise that although Dr. Ratnam was Tamil, and intensely so as our columnist points out, he was beloved of all sections and communities. The funeral testified not only to the popularity and affection in which the people held Dr. Ratnam, but also to the fact that a life lived selflessly as a socialist destroyed communalism and the other evils that sprang from it. At his funeral there was no language problem, no communal problem, no religious problem. Humanity merged in an ideal, an ideal which Dr. Ratnam preached and practised. People from all walks of life, from all classes and strata of society, rich and poor, irrespective of party affiliations, were at the funeral to pay homage to one so young. Persons from the UNP, the MEP, the NL SSP, the VLSSP, the CP, the FP and even other minor political

organisations were one in paying respect to Dr. Kumaran Ratnam. Catholics, Protestants, Hindus, Buddhists, Muslims and even godless atheists were united in proclaiming that Dr. Kumaran Ratnam embodied some of the highest ideals of mankind.

Many of those who liked and respected Dr. Kumaran Ratnam were not socialists. In fact, some of them were bitter political opponents. But they were unanimous in honouring a man who fought unflinchingly for the ideals he believed in. *Tribune* joins with the people of this country in paying its respects to the memory of a man who in the short period of his public life has served the nation well. May his life be an example to others not only in the political field but also in the medical profession.

PRIVATE PRACTICE

Dr. Kumaran Ratnam was one of those who fought for the creation of better code of ethics than what obtains now among medical practitioners not only in government service but also in private practice. There is no doubt, as Dr. Ratnam has pointed out in many of his public utterances as the President of the Independent Medical Practitioners Association, that the evils that now beset the medical profession stem from the unconscionable practice of permitting doctors in government service to examine patients in their houses and charge them a fee for doing so. The reluctance on the part of Government to ban such private practice is one of the most inexplicable things that baffle the public. It was said that the UNP was corrupt, that it stood for the preservation of all types of vested interests (including that of rapacious surgeons and physicians), and that therefore it had not found it possible to smash the racketeering in human lives conducted by a small coterie who submerged the whole medical profession in an evil odour which emanated from their unethical activities. The MEP has no such excuse (it claims to destroy all anti-social vested interests), but no action has yet been forthcoming.

The Government Medical Officers Association (GMOA), now in the hands of younger men, seeks to have a ban on the system of permitting private practice. This is indeed an excellent suggestion, but the Association has unfortunately coupled it with a demand for higher salaries which are totally disproportionate in the context of the economic conditions prevailing in this country. The GMOA salary scales will be examined in a special article by a competent person in this paper in the near future, but it strikes us forcibly that the scales suggested for internees and new entrants are something fantastically beyond all reasonable limits. Internees and House Officers in countries like England, USA and India get anything from a third to a half of the salaries suggested by the GMOA. The idea that seems to have entered the minds of those who drew up these scales is that a student who completes the medical course should be able to own a car and attend all the clubs and centres of merriment in town. The GMOA seems to forget that these persons have been entirely educated at state expense and that the emphasis should be on serving the public and not on being able to afford luxuries and ostentation which money-greedy doctors have been able to flaunt before impressionable youth at the medical college.

It is our view that the system of private practice must be ended immediately. Whilst we admit that there is a good case for the revision of salaries in the middle and top rungs of the medical practitioners in government service, we think that to pay unbelievably large salaries to internees and young house officers will only tend to perpetuate false values about a profession which is intended to serve suffering humanity. The GMOA will do well, before it makes demands for higher salaries, to start a campaign to establish a proper code of ethics for medical men in government service.

I saw Dr. Kumaran Ratnam on Friday evening, September the 14th, to ask him whether my state of health permitted of a motor trip to a distant part of the island during the week-end. After many admonitions on what I should do and should not do, Kumaran told me that I could go, but he wanted me to see him "the first thing Monday morning" to see how my system had stood up to the strain and also to test my blood to see what was really causing the annoying little ailments which have been harassing me in recent weeks.

I returned on Monday morning to find Kumaran dead. He had died the previous day, Sunday September 16, at 5 a.m. The dreaded coronary thrombosis had struck him a little over 24 hours earlier.

Friend

I have known Kumaran since 1947 when I returned to the island after some years of wandering abroad. During the eight to nine years since then, we have been closely connected in a number of common projects. Apart from this, like the tens of thousands with whom Kumaran had a supreme capacity for striking bonds of intimate friendship (each on their level), he and I developed ties of a personal nature which arose from a kindred approach to a number of problems.

Kumaran and I differed on many questions, chiefly of a political nature. In fact, our differences were great on some matters, but Kumaran was one of those persons with

whom it was a pleasure to differ. Agitatedly, with nervous impulsiveness, Kumaran would make his points. Quivering with emotion, with voice rising in a crescendo of indignation, he would tell me why I was wrong. Then, like a mighty volcano subsiding after a tremendous upheaval, Kumaran would also subside into a rishi-like state of cold impassivity to listen to my side of the story with that kind of stoic patience which often took the edge off whatever polemical fervour I could summon.

I have often told Kumaran that he always expended too much nervous energy in doing the things he did and saying the words he spoke. I do not know whether this had anything to do with the suddenness of the malady which struck him, but Kumaran would not have been Kumaran if he were not that quintessence of warm human emotional responses and reflexes that endeared him to so many.

Kumaran is a friend I miss. Many close to me have been removed by death, but the buffeting I have received in this world has made me react in a coldly detached manner when death strikes. But when I heard of Kumaran's death, tears naturally swelled in my eyes. It will be a long time before I can control these tears each time something reminds me of Kumaran.

There are others to whom Kumaran has meant more and, others who have known him longer and more intimately than I have, others for whom he has sacrificed more of his time, money and energy; but I can appreciate in a small way just what they must have felt when they heard of his death.

Politician

I first heard the name Kumaran Ratnam in the year 1936. I was then in that seat of higher learning at Thurstan Road (now lamented as the University College.) They were stirring days when the thinking world was aglow with indignation at the Italian rape of Abyssinia and the Jap onslaught on China. Then, fascist Franco, backed by Hitler and Mussolini, attacked the Popular Front government of the Republic of Spain. The progressive measures adopted by the Republican Government in 1935/36 are now hailed by the reactionary conservative government, which contributed to the downfall of Spanish Government, as being the minimum of social welfare legislation, but at that time they were labelled as "red".

International Brigades were formed all over the world to rush to the defence of the Spanish Republic. The name of Kumaran Ratnam was flashed in our papers as a Ceylon student in London who had decided to join the British International Brigade then operating on the battle fields in front of the besieged Madrid. I do not remember all the details now, but I can remember the tremendous flurry and agitation in parental and family dove-cotes and even in government circles. I do not recall whether an uncle or a cousin rushed to England, but I do remember with a pang of regret that Kumaran was pressurised into keeping off the International Brigade.

But this is probably just as well. Kumaran returned to Ceylon in 1940 and after a few years in Government service as a doctor, he joined his father in that famous institution the Ratnam Private

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Just Briefly

(continued from page 297)

Nursing Home. His active political life started with his entry into the Municipal Council as a progressive Left-wing non-party candidate in 1946. Although it was known that his personal sympathies were with the international communist movement, Kumaran felt that the disunity in the socialist movement in Ceylon on ideological or other grounds was disastrous. He strove very hard for unity of all Left forces, and it can be said that whatever was achieved in the matter of such unity Kumaran had a great deal to do it.

It was such a movement for unity that led to Kumaran Ratnam being elected the first socialist Mayor of the city of Colombo. He thus paved the way for other to follow.

Pressure of work at the hospital kept off Parliamentary politics, although Kumaran could have won a seat with too much difficulty.

Funeral

But it was not as a politician that he won the hearts of so many. As a medical practitioner he attended to thousands every month. The number who received free treatment was legion. If a patient needed attention, Kumaran was there. He never paused to consider, as so many of the fraternity do in Colombo, whether the patient could pay.

It was perhaps this quality in Kumaran that drew so many thousands to his funeral last Monday. It was one of the largest funerals I have seen in Colombo. It was undoubtedly the largest crowd that gathered spontaneously at short notice to pay homage to a person who died so young. Kumaran was only 44 when he died.

Tributes have been paid by many, but I hope that some competent per-

son who knew well him from his earliest day will write his biography. Kumaran is one who deserves the honour of a really well-written life-story. He led a full life of service to the people. He served causes that were unpopular with the powers that be; and it was due to men like Kumaran that changes in the country were made inevitable. He served without wanting the plums and rewards that many others who claim to serve the public

hanker after.

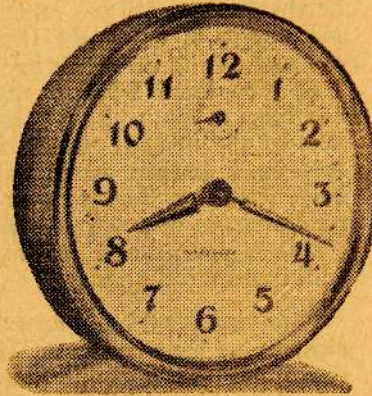
One of the things that struck me forcibly at the funeral was that though Kumaran was intensely proud of the fact that he was a Tamil, proud of Dravidian culture and tradition, (proud to the extent that often made me quarrel with him on this Tamil question), the crowd that paid homage to him was Ceylonese in a cosmopolitan sort of way. In fact, the Tamils were in a negligible minority.

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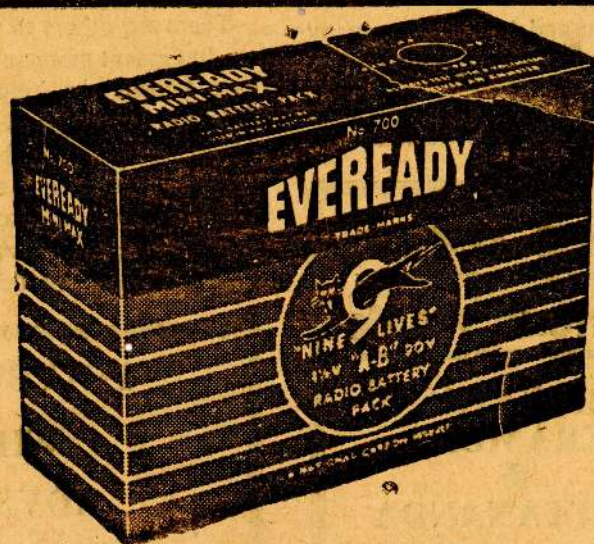
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PROFITS

The nationalization of the canal puts an end to a very singular institute of Western capitalism: a "financial sanatorium" for titled French and British bourgeois politicians who must be rewarded for services rendered. Even in the 19th century a directorship in the company was a prize coveted by many leading reactionary politicians, diplomats, generals, ex-Presidents and ex-Foreign Ministers. Nor was it a secret that in many cases the hope of receiving a directorship influenced the politics of the aspirant.

No other capitalist company could boast of so exalted a Board of Directors. Even since 1875 the company was an instrument of British Empire strategy, military and economic. But it also served as a fund from which the European financial oligarchy rewarded its faithful and influential political allies. The unpublicized history of this private concern is in many ways reminiscent of some of the juicier episodes in Zola's *Bougon-Macquart* novels.

That is why the reactionary elements in the West were touched to the quick when Egypt decided to nationalize the Suez monopoly. They always regarded it as sacred: something no one dared to tamper with.

Officially known as the Compagnie Universelle du Canal Maritime de Suez, it was founded in 1858 by Vicomte Ferdinand de Lesseps, former French Minister in Rome and big time profiteer sentenced to five years imprisonment for his part in the Panama swindle. His under cover partner was Napoleon III, one of the biggest Bourse speculators of the time (Empress Eugenie was Lesseps' niece). Lesseps bribed the ruler of Egypt, Said Pasha, and his partner Napoleon took care of the diplomatic end, and neither was squeamish in his choice of means and methods they were playing for big stakes. The new joint-stock company with offices in Paris received from the Khedive a 99 year lease, expiring on November 17, 1968.

With acknowledgements to the Soviet weekly *New Times* we reprint this article on what the author described as the UN PUBLICIZED HISTORY OF THE SUEZ CANAL COMPANY. In view of the current tension over Suez we have published practically the entirety of the article which provides an insight into the inner workings of the Company.

British Opposition

The canal met an urgent international need. Trade with India and China was conducted by the long sea route around the Cape of Good Hope. The canal cut the distance by 8,000 kilometres, and in the case of some routes by all of 15,000. Sea voyages from Atlantic ports to India were shortened 40 per cent and 70 per cent from Mediterranean ports. Yet the chief opposition to the canal project came from the leaders of a country which today in-

sists on its right to control the waterway.

That is a fact which cannot be erased from the historical record. In 1857 Disraeli, Conservative leader and future Prime Minister, declared that the canal project was a "most futile attempt and totally impossible to be carried out." Another British Prime Minister, Palmerstone, the Liberal leader, described the project as the "greatest swindle of the century". The *Times* dismissed it with these words: "A single night of storm will engulf everything in the sand."

The canal was dug despite strong British opposition. London was not afraid of sandstorms; it feared lest the new waterway consolidate French domination in the Middle East.

It was not the French but the Egyptians who built the canal. The French business manipulators who fathered the scheme devoted themselves to speculation, bribery and

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S U E S

(continued from page 299)

publicity at which they were past masters. The actual digging was done by Egyptian peasants, pressed into service by the authorities. They worked round the clock, without machinery and without payment for their backbreaking toil. The company was using the very same methods that had been employed thousands of years earlier in erecting the pyramids. Whole communities perished; the total death toll was 120,000 a figure that was never made public in Europe. This was one of the most heinous crimes of the century, and the shower of gold which stockholders collected over the next 86 years was the income from that crime.

Rothschild Loan

Wealth for the European financiers meant poverty for the Egyptians. By 1875 Egypt's national debt had grown nearly sevenfold. The country was on the brink of bankruptcy, and even the new Khedive, Ismail Pasha, a French placeman, could not squeeze any more out of his people. British capitalists took advantage of the situation to outsmart their French rivals. In November 1875, Prime Minister Disraeli, the same Disraeli who eighteen years earlier denounced the project as "totally impossible" decided to bring the canal under British control. With a loan from the Rothschilds, the British government secretly bought the Egyptian shares from Ismail. And though they represented 44 percent of all the stock (52 percent belonged to French, and the remaining 4 percent to other shares), the British acquired control of the company; since the French shares were divided.

The Rothschilds received 3 percent interest on the loan, the Khedive was made to pay Britain 5 percent per annum until the company began paying dividends. In other words, Britain not only obtained control of the canal — and with it political domination in the Middle East but made the Egyptians foot the bill.

After that London began to regard the canal as the "life line of the Empire," and Egypt as one more British colony. In the following year, the country was officially placed under foreign guardianship

as an insolvent debtor, and in 1882 British troops arrived on the scene to "protect foreign property," chiefly the interests of the Suez stockholders. The construction of the canal for these stockholders cost the Egyptians people not only 120,000 lives, but also their national independence.

Lucrative

And the canal proved one of the world's most lucrative undertakings. In 1875 the control packet of shares was bought for 100 million francs. Five years later in 1880, the company's net profit was 2,300,000 francs, in 1900 — 51,600,000, in 1920 — 143,700,000 in 1954 — 10,500,000,000. In 1930 it was estimated that profits for the preceding 60 years amounted to 4,000 million gold francs or ten times the total cost construction. In recent years the company's expenditure was less than half of its receipts. In 1924 the par value of shares was 250 francs each; shortly before World War II they were being quoted at 25,000 francs. The control packet, for which Britain had paid 4,000,000 pounds sterling, was worth several hundred million after the war.

Profits were distributed as follows: 10 percent to the heirs of the founders of the company, 2 percent to the personnel, 2 percent directors, 71 percent in dividends to stockholders. The share of the Egyptian government, initially fixed at not more than 15 percent was subsequently reduced to approximately 6 percent.

These are the figures. For nearly a century the Suez Company was a parasite living off international trade. Every vessel passing through this major waterlane connecting Europe and Asia paid toll to this private concern, which had no relation whatever to the people who had built the canal. Where did the money go?

Shareholders

The biggest shareholder was the British government controlling 33,504 shares out of a total of 800,000 or slightly more than 44 percent. Other big shareholders were the leading West-European monopolies, notably British, French, and Dutch shipping concerns.

But a still bigger part belonged to the British, American oil companies, and Iran oil made up over half of all the cargo passing up the canal to Europe. In the end real control

of the company passed into the hands of these oil monopolies. This year for instance the board of Directors included Sir Hubert Eves, former manager of the Anglo-Iranian Oil Co., and two leading executives of the French Compagnie Francaises P. troles, Vicomte de Rohan and Victor de Metz.

Nationalization will in no way affect the Western Europe Oil shipments which continue uninterrupted under the new Egyptian management. But the oil kings fear something else the possibility that Egypt's decision may induce the Arab countries to consider nationalizing foreign oil monopolies and the major monopolies are using all the resources of their political machine toward off any such eventuality.

Munition concerns, Vickers, Schneider Creusot de Wendel and the Banque de Paris et des Pays-Bas, the power behind the reactionary faction in Paris, likewise had a big share in the management of the company. The bank held two directorship and the chairmanship of the board. The Rothschilds acted as financial agent of the company.

Directors

More revealing still are the names of another category of Directors, the men who put through the policies of these controlling interests. This year the board consisted of 16 French, 9 British, 1 American, 1 Dutch and 5 Egyptians directors.

The Directors were a privileged group among the privileged; they were entitled to a share of the profits over and above the regular dividends. In the five years 1951-55 they received a total of 1,147 million francs out of a net profit of some 57,000 million.

A Directorship was actually tantamount to a very generous pension. All that was required of most directors was to attend several board meeting a year and sign their minutes. These "pensions," each amounting to several million, were allocated by the chief shareholders who elected the board at company meetings.

This list of directors for the last fifty years contains the names of two former Presidents of France,

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SUEZ

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Jean Casimier-Perier and Gaston Doumergue; a number of former French and British Cabinet Ministers - Andre Lebon, F. Guillaing, Lord Rathmore, Sir Robert Horn, to mention a few; and also prominent ex-service chiefs like General Weygand, former French Supreme Commander, and General Ardagh, former chief of British military intelligence.

Other French names on the list of directors for the last half century are Louis Barthou, former Minister of Foreign Affairs; the former Secretaries General at the Foreign Ministry; Jules Cambon and Charles Roux (chairman of the board this year); three former ambassadors in London—Baron de Courcel Aime de Fleurian and Charles Corbin; former ambassador to Italy Camille Barrere, to the Vatican, Celestin Jonnart (chairman of the board), and to Germany, Charles Laurent.

Some of the British directors were Sir Alexander Cadogan, former Permanent Foreign Under-Secretary; Sir John Davies, for Private Secretary to Prime Minister Lloyd George; Sir Ian Malcolm, former secretary to Lord Hardtator in Egypt, former secretary to Lord Hardinge and Lord Carnock; former ambassador to Afghanistan, Sir Francis Wylie, diplomats Sir Austin Lee, Willam Meikleroid, Robert Isaacson; Lord Hankey Secretary of the Imperial Defence Committee from 1912 to 1938 and, during most of the same period, Secretary of the Cabinet and Privy Council, in which capacity he was in charge of "fundamental planning" of imperial strategy and foreign policy (he was on the board of the Suez company this year).

The oil and munition kings thus had a reliable kernel of directors and shareholders consisting of former diplomats in the pay of the monopolies. Many of these men were only recently shaping the policies of capitalist Europe. And

though most of them were made directors after retirement they cannot be regarded as ordinary paid executives.

Rockefeller

A very important addition to this list was made in 1948 when another retired diplomat was given a seat on the board. He was Somerville Pinkney Tuck, a former U.S. Minister to Egypt and Ambassador to several South-American countries. His appointment, it was believed in informed quarters, came after a certain American monopoly concern acquired the Vatican's canal shares. What the monopoly concern was an easy guess; the Rockefeller group had long been working to build a new oil empire in the Middle East. To do this it had to bring the Arab countries into the dollar orbit, which in turn required the acquisition of "commanding positions" in this part of the world. American imperialism was always hostile to the Suez Company until it became one of its owners.

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Foreign Company

I would like to stress the fact that this Chamber finds it difficult to understand why the Government which has fairly effectively enforced the prohibition of the import of soap into Ceylon, should allow synthetic detergents to come into this country in steadily increasing quantities. Locally manufactured soap has, therefore, lost the market to these "soapless detergents."

Cold processed soap contains about 60% coconut oil, fully boiled soap about 50% coconut oil and toilet soap about 25% coconut oil. Members are doubtless aware, much local labour is employed in the manufacture of soap and the prosperity of the local soap industry is, therefore, a matter of grave

concern to this country and calls for immediate intervention by the Government.

Further, I would like to bring to the notice of the Chamber that for some time now a certain Company has been putting on the local market a cooking fat which is effectively displacing coconut oil for cooking purposes. I understand the base used for this is the ground nut. As the proportion of coconut oil used in the manufacture of soap in the United States and Europe grows steadily less owing to the growing threat of synthetic detergents, the one hope in my opinion for the future of coconut oil in this country lies in its consumption as an edible oil. I would, therefore, urge the Gov-

The following extract from the speech made by R. F. S. de Mel, J.P., at the Annual General Meeting of the Ceylon Merchants Chamber on 30th August 1956 draws attention to the threat that hangs over the coconut oil industry. *Tribune* has pointed out Government should take action to curb the activities of LEVER BROS (CEYLON) LTD. if it does not want this international monopoly to ruin not only Ceylonese soap manufacturers but only the Coconut Oil industry.

ernment to give consideration to this urgent problem and take effective steps as early as possible to protect the local oil and soap industries.

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WEEK by WEEK

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(apart from publicity in Ceylon) as a champion for Egyptian sovereignty by undertaking to mobilise "his Union" against British employers.

A large number of British planters and commercial business executives, whilst unhappy about Nasser's "nationalisation" of Suez are strongly of the view that Anthony Eden has made a mess of the negotiations. All of them, fully conscious of the prevailing mood in Asia, realise that force will not solve any problem, particularly when the goodwill of Asian peoples is essential for the growth of British trade and commerce in these regions - and, it must be remembered, that Britain can hope to survive only through her export trade.

Harbour

The second instance of misguided trade union activity has had more disastrous consequences. The strike in the port of Colombo last week-end was not only a breach of an undertaking by the Union concerned that it would not resort to

"lightning strikes" in view of the national importance of the work in the port, but it was also staged in a totally irresponsible manner. A failure to resolve the dispute at a conference led to physical assault along the corridors of the Labour Department on an employer by a union activist. This is something which no one can condone, and for such cowardly assault to be perpetrated in the name of trade unionism does more harm to the cause of the workers than good. The strike itself was sheer blackmail, and the fact that the strikers crept back to work when the Government threatened to break the strike is indicative of the bluff practised by this particular Union.

The lightermen who staged the strike and paralysed the port last were seduced into the union of Philip Gunawardena through lightning strikes which brought them certain benefits. Government succumbed to the earlier strikes because the Cabinet Minister Philip Gunawardena pleaded their cause. With the bulk of the labour in the port in his union (having crimped them from the communist-led union), Philip Gunawardena was agreeable to his union entering upon the "no-

lightning-strike' agreement. But the lightermen, having tasted of the sweet spoils of easy victory, thought they could dictate to the Government and the public at large. They struck, and not even Philip Gunawardena (who also persuaded the Premier to go on a begging mission to these strikers) was able to make them resume work. Cynics have remarked that it took nearly 10 years for Goonesingha to lose his hold on the harbour workers but that Philip Gunawardena had met the same fate in as many weeks.

The men have now gone back to work, but an uneasy peace prevails in the port. Competent observers are convinced that workers have a number of grievances that need redress, but owing to the multiplicity of rival unions has led to confusion and trouble in the port. Attorney-General Gratien has been appointed as a one-man Commission to investigate the troubles in the port and to make recommendations to ensure smooth and harmonious working. He started investigations last Saturday, and it is to be hoped that he will go down to the basic and fundamental roots of the problem that have led to so much trouble in the port.

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