

# TRIBUNE



At The Fixed

And Controlled Prices

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# Letter From The Editor

GOLD PRICES have begun to drop, but how far this will go is hard to say. Gold has now been elbowed out of the international monetary system with the relevant amendment to the Articles of Agreement of the IMF having been ratified by 85 countries holding 78.52 per cent of the IMF quotas. This is to popularise the use of Special Drawing Rights (SDRs) and was introduced as an international monetary unit of account by the first Amendment to the IMF Articles of Agreement in 1969. With the abolition of the official gold price under the second Amendment, gold can no longer be used as a denominator of the par value of world currencies. Theoretically the SDR should take over the dual functions of gold as a unit of account and a reserve asset. The SDR is already serving as a unit of current account under a number of multi-lateral treaties and private contracts. But the SDR is a unit of account without a *de facto* legal tender status and cannot therefore acquire the full stature of an international currency. A great deal will depend on how far the IBRD and IMF will be able to conduct their transactions in SDR—this has to be done on persuasion because its use cannot be enforced as there is no obligation under the existing rules to compel the use of SDRs. The matter is complicated because each monetary bloc is anxious to use its own common currency. The European Economic Community (EEC) is anxious to popularise its "basket unit" (value—\$1.27) which is now used merely for accounting purposes in transactions within the EEC. The EEC "basket unit", which was created to keep the currency fluctuations inside the EEC within limits is now sought to be given a regional and thereby an international monetary status. The ASEAN group has been pushing the idea of giving international monetary reality to the concept of its Asian Dollar. The SDR, therefore, does not have the universal acceptability that gold had enjoyed. Only with international consensus on exchange rates can the SDR replace gold. This would mean consensus on trade policies, trade flows and the means to correct trade imbalances of IMF member countries. It must be remembered that the current system of floating exchange rates is an admission of failure to arrive at such a consensus. All this makes it clear that a new international monetary system must be created for stable global economic relations, and such a monetary system cannot be fashioned without a new international economic order. Elsewhere in this issue, we have published an article on the international monetary order by Appapillai Navaratnam. The instability and uncertainty that presently prevails in international economic and monetary relations make matters difficult for Third World countries like Sri Lanka. Much of what is happening in the rich western world constitute continuing challenges to the fundamental and traditional economic and fiscal strategies of developing countries. Economic growth demand, increasing energy consumption and stepped up production coupled with a full-employment programme, supported by massive social security schemes, can cause socio-economic and political convulsions as many countries have found out. Is there a way to perfect a strategy of growth and consumption? This is tied to such questions as to the future of the dollar, mark, yen and the SDR. Where does the Sri Lanka rupee fit into all this? Nobody seems to know and nobody seems to care. Our economy is now drifting on an ever-rising crescendo of IMF standby credit, World Bank loans, Consortium Aid and other forms of assistance which add to our burden of debt. We borrow to make a fresh start, but has the start been made? And when will it be made?

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## EDITOR'S NOTEBOOK

### Current Developments

Colombo, May 7.

The aid expected from the Aid Consortium countries as a result of the greensignal from the David Hopper team from the IBRD-IMF has been finalised in Paris last week. The enormous sum of around Rs. 6,000 million has been promised by an enlarged group of ten countries. The aid for Mahaveli is in addition to this. As we have often stressed, the Jayawardene government has all the money it needs in foreign exchange for development. The question is whether it will be able to put all this money to the best possible use—or even the minimum use expected by the donor or creditor countries.

The shops are full of goods most people cannot afford to buy. Fish is even more scarce than it was a fortnight ago in spite of the limited quantities being pumped into the Corporation stalls at fixed prices. There are suspicions among consumers that a substantial portion of fish sent to these stalls is illegally diverted into the mudalali's hands to be sold at higher prices in the markets or to hotels... Some daily papers were aghast that seer was sold at Rs. 14/- a lb. and paraw at Rs. 10/- a lb. But, as we have mentioned seer was around Rs. 15/- a lb. sometime ago. How this government will tackle this mess in the fishing industry is yet to be seen. The ordinary man gets little consolation from the fact that prawns and lobsters are exported and that they bring in foreign exchange. But the question is whether the big money is made by those who arrange for the export or the country itself.

The government must be congratulated for bringing down the prices of drugs by 40% (or 35%?). During the old regime, *Tribune* had pointed out that the State Pharmaceutical Corporation had made profits ranging from 100% to 1000% on different items. The prices of these items had increased in the most haphazard manner after the devaluation of the Rupee, and it is difficult to estimate (or guess) the items on which the profits have been reduced in order to get an all-round 40% decrease. Whilst the public must be thankful for the reduction in the prices of many drug items, it would be worthwhile to see if greater reductions cannot be effected by cutting down on the profits of items which had earned profits reaching up to 1000% under the old dispensation.

Various remedies are being suggested as to how the cost of living can be reduced. Minister Lalith

Athulathmudali has been at pains to find ways and means of achieving this. One of the schemes he seems to have in mind is to organise Consumer Protection Societies with wide powers to deal with errant traders. The strategy of the Trade Ministry appears to be two-fold: to import adequate stocks to make up for local seasonal or permanent inadequacies and to streamline the machinery of wholesale and retail distribution. Although the imports have played a useful role in supplying essentials to consumers, there is a very big danger that local producers of many items, especially agricultural produce like onions, chillies and potatoes, will divert their activities to other produce. With the cost of production consequent on the devaluation—the prices of fertilisers, insecticides, tractors etc., have more than doubled—the prices at which imported chi-

#### COVER

#### MAHAWELI

ON THE COVER is a picture of Polgolla Dam from which begins the diversion of the Mahaweli river to the North. There is now not the slightest doubt that the government has found all the money needed to complete the six-year Accelerated Mahaweli Development Plan. The credit for getting all this money must go primarily to the President, Mr. J. R. Jayawardene, whose record, policies and actions have inspired confidence not only in the international finance agencies like the IMF, IBRD, ADB etc., but also in the governments of several rich industrialised countries of the West. Minister Gamini Dissanayake has also played a very important part in laying the foundation for this massive inflow of foreign aid and assistance without which the Accelerated Development Plan could not have got off the ground. Now that money and foreign assistance has been ensured, it is for the government to see the Plan implemented. Success, or failure, will depend on the way the plans are implemented and executed. The Mahaweli Board has been reorganised. A Supremo has also been appointed as the Chief Co-ordinator. Work is expected to start "shortly" on some of the bigger and more crucial projects of the Plan. The public eagerly await this day. The immediate future of this country (and this government) depends a great deal on the outcome of the Mahaweli Project. It is not merely the building of dams, canals and channels that are important. The settlement of people in new areas and generation of productive activity are perhaps the most important aspects of the Mahaweli Project.

lilies, potatoes and onions are sold here have already knocked the local producer out.

The government wants to pay higher wages to meet the higher prices, but little thought seems to have been given to the farmer producing subsidiary foodstuffs. Even with the price of paddy at Rs.40/- a bushel, it has become uneconomic where the yields are below 50 to 60 bushels an acre. Unless the Ministry of Trade and the government revises its policies in regard to the import of food items which are grown here, the country will be faced with a major dilemma in the agricultural sector. Already, those growing chillies and potatoes have switched to other crops—with an export orientation e.g. gingelly, tobacco, fruits, etc.

Will the country go back to the old days when it imported the bulk of its chillies and onions and the entirety of its potatoes? It is essential that government must formulate a production strategy in regard to a large number of agricultural products. It is to be hoped that the new Agricultural Development Authority (ADA) will take up this question, not merely on an electoral basis but on a national level, and co-ordinate with other government departments to ensure the maximum production of local produce. The government has done well to increase the price of a pound of wheat flour and bread by 10 cents a pound, but many rightly feel that the increase is not enough. As long as the price of wheat is low and is heavily subsidised (as it is now), the incentives for the local farmer to grow paddy, kurakkan, manioc and other subsidiary crops will be minimal. It is only when wheat flour is sold at the world price of about Rs. 1.40 to Rs. 1.50 a pound that the local farmer will concentrate on growing rice, kurak-

kan and other cereals even on marginal lands and also the large variety of yams that can be grown here. With the increase of local costs, paddy will cost more and people must learn to use subsidiaries like kurakkan and the yams.

The prices of vegetables are shooting up, but farmers faced with increasing agricultural costs (tractor hire, insecticides etc) do not seem to be inclined to grow more vegetables. The only produce that farmers seem anxious to grow are "export-oriented" products, but even here it is the exporter-middleman who makes the profits. The state organisation which exports such produce is geared only to purchase from the middleman and not direct from the farmer-producer.

The government has also done well to add *Environment* to the departments under the Ministry of Power and Irrigation which is in charge of Mahaweli. There are a large number of ecological problems which will arise when 500,000 to 650,000 acres of forest land are cut to utilise Mahaweli waters. These forests have covered a myriad of small tanks—in the middle of these forest-covered areas—and cultivation has been carried on the lands watered by these tanks mainly by the rain precipitated from the condensation from these forests. All this will change with Mahaweli. It must be also remembered that a good part of the forest cover in the upper reaches of the Mahaweli has been cut down owing to the indiscriminate felling of timber in the high montane regions of the central watershed plateau of Ceylon. A very serious and detailed survey has to be undertaken to ensure that the felling of 650,000 acres of what is presently jungle will not bring ecological and environmental disaster to this country.

The Tamil "Tiger" Terrorist Movement has become a major source of worry not only to the government and the Police but also to the people of the country. Until very recently, the Tamil terrorists enjoyed the sympathy of a section of the Tamil people, who were frustrated by the discrimination suffered by the Tamil minority, but today the situation appears to be different. There does not seem to be the sympathy for the terrorists they once enjoyed, for instance during the time of the Duraiappah murder. The recent killings and the intimidatory tactics they have adopted to push their "political" line seems to have swung general popular Tamil opinion completely round. Whether the government will be able to sense this and tackle the problem of Tiger terrorists without alienating the support they can easily get among the Tamil public is yet to be seen. Most Tamil people are no doubt afraid of the Tigers, but it will be for the Police and the state to assure them of adequate protection. But, in providing this protection, the Police and Army can very well overstep normal proprieties and indulge in excesses and thus cut themselves away from the ordinary people whose support they will need to weed out the terrorists.

Apart from the sensational killings of the Tamil Tiger Terrorists, the country has entered a period of quiet—except for the customary homicide and crime indulged in by the anti-social and criminal sections of the public. The IGP too seems to have stepped out and has been personally going around to all the areas where the Tigers have shown their fangs.

The University Campuses seem to have settled down. But reports are still very meagre. One good development is that the Minister has promised to endow each cam-

puses with autonomy and to make the Campus "Presidents" Vice-Chancellors. The system of one Vice-Chancellor to overlook all Presidents, under the dictatorial power of the Minister (really a bureaucratic Secretary) was responsible for much of the mischief and deterioration in the University campuses of Sri Lanka.

\* \* \*

"NEW STATESMAN," 14 APR. 1978

## A Slight Case Of Privilege In Sri Lanka

by Special Correspondent

*The suppression of press liberty is always serious; but sometimes the circumstances are genuinely farcical.*

The *Ceylon Observer*, one of the oldest newspapers in Asia, belongs to the Lake House group of papers owned by the Associated Newspapers of Ceylon Ltd. When Mrs. Bandaranaike became Prime Minister in 1970 one of the first things her Government did was to take over a controlling share of ANCL's equity and vest it in the Public Trustee. Since then all Lake House papers have been under the effective control of the government in office.

On 30 January 1978 the *Ceylon Observer* carried a photograph of a motor boat on some waterway showing a man at its wheel and a young woman seated in it at some distance from him. In view of what happened later it is perhaps necessary to mention that the couple were not in any position relative to one another which is usually described by the term 'compromising'. They were both personable and properly clad. This

picture bore a curious caption: 'The President of one of the leading industrial complexes in South Korea showing the Sri Lankan Foreign Minister, Mr. A. C. S. Hameed, around the show-room of the industrial complex.' Mr. Hameed had in fact visited South Korea a short while earlier. Many of those who saw the picture would have assumed that there had been a mix-up of captions. Many, but not apparently all.

A senior Minister of the Government later suggested that it was 'very likely' that leaders would take the view that the Foreign Minister was engaged in taking a leisurely drive in a motor boat with a young lady when he should have been engaged in more serious duties. He also suggested the possibility that this leisurely drive could have taken place in a miniature lake inside the show room of an industrial complex in South Korea. I need hardly add that it is of course altogether possible for a young woman to be the head of a large South Korean industrial complex even if she happens to look more Caucasian than Korean.

By a coincidence, on the very day on which this picture with the curious caption appeared in the *Ceylon Observer*, a bill was tabled in Sri Lanka's National State Assembly called 'The Parliament (Powers and Privileges) (Amendment) Bill' which on 1 February became Law No. 5 of 1978. This law empowered the National State Assembly itself to impose penalties for breach of parliamentary privilege, including prison sentences and fines, which power was earlier given only to the Supreme Court. The day after the Bill became law Mr. Hameed, the Foreign Minister, raised a question of privilege in the NSA. He claimed that the *Observer* picture with its caption was defamatory of his conduct as a member of the NSA as

they together gave the impression that the Minister was a playboy.

On the same day the Leader of the House moved a resolution in the NSA which stated, *inter alia*, that the caption 'was intended and calculated to bring the Hon. A. C. S. Hameed into disrepute and thereby constitutes the publication of a defamatory statement concerning a member of the National State Assembly'. The resolution ordered Mr. Harold Pieris, editor of the *Observer* and Mr. Philip Cooray, associate editor, to present themselves before the Assembly on that same day together with a copy of the paper bearing the offending picture and caption and to show cause why they should not be punished for a breach of privilege of the NSA. The resolution was adopted by the House without debate. Immediately thereafter Mr. Speaker directed the Clerk to the House to summon the two editors to appear before the bar of the NSA at 5 p.m. on that same day.

The summons were served on them at or around 3.30 p.m. When the House met after the tea interval at 5 p.m. the Leader of the House moved a resolution that 'the Assembly form itself into a Committee of the whole Assembly to investigate and report back to the Assembly' on the complaint. This resolution, too, was adopted.

With the House sitting in Committee the two editors were brought before the bar of the Assembly and the Chairman asked them if they had any cause to show why they should not be dealt with and punished under the recently passed Act. They had. Each of them read out a prepared statement. It appeared that Mr. Harold Peiris, editor, had been off duty on 30 January, but had called at the office at 2.15 p.m. and had been told by Mr. Cooray associate editor, that

there had been a mix-up of captions in some copies of that day's issue of the *Observer*. Nine hundred and forty seven copies of the paper containing the incorrect caption had been printed when Mr. Cooray stopped the presses and the balance 4,000 copies were printed with the correct caption which read: "Two in a boat. By the look of things Susan St. James has found a new boy friend". On 31 January the paper had apologised.

The two editors tendered to the House their unqualified apologies. Now, the offending picture and caption had appeared on page three of the paper. The apology, too, had been carried on page three of the following day's issue. Mr. J. R. Jayawardene, Prime Minister (now President), asked: "You published an apology in a small space under the caption 'SORRY' which I was not able to find today until someone showed it to me. Do you think this is adequate retraction?" To which Mr. Harold Peiris, who could hardly have answered 'Yes' without giving further offence said: 'No, I now feel we should have carried it on page one.'

After members had questioned them the two editors were asked to withdraw from the Chamber. The Leader of the House, Mr. R. Premadasa, proposed a resolution that each of the editors be fined Rs. 2,500 (about £ 150) the fines to be paid to the School for the Deaf and the Blind. The Leader of the Opposition suggested that the fines be reduced to Rs. 1,000 each and for the sake of unanimity this was agreed to. Mr. J. R. Jayawardene addressing the Committee said, *inter alia*: 'We do not know exactly what the two suspects have committed because we did not go into the details of it and the merits of the defence because they accept in fact that they had committed a mistake. They apologised and showed us

that there was in no way malicious intent in what happened.'

In point of fact the editors in their statement had been at pains to show that neither of them had made any mistake at all. (One senior Minister at least did not agree with the Prime Minister's view that 'there was in no way, malicious intent in what happened. In the course of replying to a critical opinion on this episode published by a senior lawyer, the Minister of Irrigation and Power, Mr. Dissanayake, suggested it was not inadvertence but the 'deliberate act' of an employee, an assistant, foreman in the paper's Works Department).

Mr. Jayawardene also said: 'The reasons why we have decided to impose a fine are that, firstly, we want to give a donation to the Deaf and Blind School; secondly, we wish to show that this Bill is now law, with teeth in it, and in future anybody who comes before this House may not escape with a fine; thirdly, the Associated Newspapers of Ceylon Ltd. of which I am a shareholder is not an indulgent organisation. It has enough money to pay the fines of both these editors. If they were to pay the fines I would certainly have agreed that we should not fine them. But as a shareholder, not as Prime Minister, I will see that the organisation pays the fines.'

The two editors were accordingly fined Rs. 1,000 each.

I have here merely recited the bare facts of this interesting episode with scarcely any comment of my own. *Res ipsa loquitur*.

## LETTER

### Re-employment Of Retired Clerics

Sir,

I refer to Mr. C. E. J. Alles' letter published in the *Tribune* of 1.4.78. I may be allowed the same indulgence to spotlight a similar problem briefly and impersonally.

Although there is an optional retiring age clerics are permitted to serve as long as they can serve actively.

In a diocese in Sri Lanka a cleric (a widower) who voluntarily retired at retiring age on pension, with no dependents as all his children are married is received with open arms in another diocese and showered with favours and assignments which as far as he is concerned are strenuous.

It appears to be iniquitous as due to age and infirmities a retired cleric is physically and mentally incapable of ministering to large metropolitan congregations. Thus younger clergy with wives and children to shelter, feed, clothe and educate, deprived of the stipend and living quarters which metropolitan incumbencies carry have to "devil" for him, until his death, under unfavourable conditions.

Like the President, PM, Heads of Departments etc., a hierarchy is vested with power. As is expected of the President, PM, Heads of Departments etc., a hierarchy too should not abuse power which appears to be what the aforementioned pernicious practice amounts to. Of course no one would object to a hierarchy playing the role of Santa Claus with his private funds but certainly not with "public" funds.

R.W.W.

5, De Alwis Avenue,  
Mt. Lavinia.  
1.4.78

## BETWEEN THE LINES

BY SERENDIB

### Spotlight On The Economy

#### \*CENTRAL BANK REPORT.

The Annual Report of the Monetary Board of the Central Bank of Ceylon for the year 1977 was released at the end of last month.

The report states that the economy of the country grew by 4.4 per cent in 1977 as against 3.0 per cent in 1976 and 2.8 per cent in 1975. The growth in the population was 1.7 per cent for 1977. Thus the national product per capita rose from Rs. 833 in 1976 to Rs. 855 in 1977, an increase of 2.6 per cent. The report attributes the "important but modest performance of the Sri Lanka economy in 1977" to a substantial growth in domestic agriculture, and favourable weather and producer response to better prices that prevailed during the year for the improvement in domestic agriculture. Paddy production reached 80.4 million bushels for 1977—54.8 million bushels in the Maha and 25.6 million in the Yala seasons. Production of subsidiary food crops, other than root crops it is said, rose significantly. Tea production, the report states, which declined the previous year rose by 6 per cent in 1977. Rubber production was marginally lower and coconut production fell by 22 per cent.

Industrial growth, in real terms, rose by 1.3 per cent in 1977 compared with a growth rate of 1.2 per cent the previous year. "The productivity of the public sector has been much below expectations while private sector industry, which had been heavily protected for too long, had tended to be unenter-

prising and inward looking" the report also states.

The trade and payments position showed an improvement in 1977. Customs data indicate a trade surplus of 631 million while actual payments data indicate a surplus of Rs. 490 million in 1977. For the first time since 1965 and the second time since 1956, the balance of payments showed a current account surplus. Net receipts of long term capital went on to raise the surplus of the basic balance from Rs. 665 million in 1976 to Rs. 2,013 million in 1977. This strong outturn in the balance of payments led to an augmentation of external assets by Rs. 4171 million. About a third of this increase was due to a revaluation of these assets as a result of exchange rate changes of the Sri Lankan rupee and other relevant external currencies.

The improvement in the country's payments position led to a sharp growth in external banking assets, which in turn was primarily responsible for a sharp domestic monetary expansion of Rs. 1200 million or by 29 per cent in 1977. This followed a 35 per cent expansion in money supply in the previous year. This monetary expansion exerted considerable pressure on the price level in the country. Annually prices would have risen by about 12-15 per cent in 1977. Unemployment appeared to be increasing. The new government reacted to this situation by adopting fundamental and far reaching economic reforms in 1977".

It is also stated that a reform of the exchange system was undertaken during the year. The dual exchange rate system was unified at an initial rate of Rs. 16 to the US dollar and the Rupee was allowed to float. A comprehensive import liberalisation accompanied this change. A new tariff structure designed to protect local enter-

prise while allowing some import competition, was implemented. Exchange control and government monopoly power were relaxed. Except in a few cases, price controls were abolished. The consumer food subsidy was withdrawn from certain high income groups."

The report also stated that the slow growth of the Sri Lanka economy has been a serious handicap to maintaining the "impressive social welfare system" that has been built up in the country over the years. "The basic aim of the initial policies was to divert resources from consumption to investment and to free the economy of some of the vexatious controls, so as to allow the market forces to play a greater role in the allocation of resources. The success of these policies will depend crucially on the manner in which they are carried to their logical conclusion, given the social and political constraints, and the speed with which such policies would yield the desired results in terms of increased output, incomes and employment."

#### \* IMF-RUN DEMOCRACIES

Sri Lanka has now come well and truly under the still benign influence of the IMF and other capitalist international finance organisations. In this connection, a short extract from an article written by R. Quijano in the New York paper *New Solidarity* on March 15, on "IMF-Run Democracies" makes interesting reading: "London's blueprint for the creation of new 'democracies' in Latin America was floated in West Germany's *Deutsche Zeitung* Newspaper this week by London School of Economics-trained Colombian economist Jorge Child. Child describes the feature of the half dozen Latin American countries that are presently moving from military governments to elections or some form of 'democratization' under



the pressure generated by Zbigniew Brezinski's 'human rights' scenario. There will be 'new blood' in these often combined civil-military regimes, Child predicted, and a new economic policy that will reverse the 'failure' of Milton Friedman and the Chicago boys by moving back to the import substitution and protectionism formulas of the 1950s and 1960s. Import substitution and protectionism for the Third World are central to the plans to 'reorganise the debt structures' of the developing sector and bring bankrupt Third World nations under the absolute control of the International Monetary Fund. In the spring issue of Zbigniew Brezinski's *Foreign Policy Magazine* Trilateral Commission expert on Latin America, Albert Fishlow, called for the IMF to pick up Third World debt by floating bonds, thereby consolidating control of the Third World under IMF dictatorships. Fishlow proposed the seemingly benevolent 'import substitution' solution, which any nation going through 'democratization' must surely prefer to the Friedmanite 'shock treatment' of the past. This package is a blueprint for genocide. Import substitution means no imports of high technology goods, massive labor-intensive 'industry' at less than starvation wages to make exports 'competitive' and payment of all 'reorganised debt' directly to the IMF while that imperial institution runs the local economies. This nightmare is already in the implementation stages in Peru and Jamaica, nations the British have singled out as 'examples' to the rest of the Third World on the death agony in store for those who do not follow IMF dictates. The debt of these nations have not yet been 'bought up' by the IMF, but commercial banks have followed the IMF dictates, in imposing credit blockades until such time as the

political will of these governments is broken."

There was much more in the same strain in the same article, but most of it is repetitious. It will be interesting to see if Sri Lanka will come in for the "treatment" if she does not live up to IMF expectations.

+ +

THE WORLD TODAY

## COUP IN KABUL

by The Recorder

Whilst changes in government in South Asia after 1975—Bangladesh, Pakistan, India and Sri Lanka—had a rightwards tilt, the coup in Afghanistan has brought into being a pro-Moscow "leftwing" government to power. Much was made of the fact that the pro-Moscow regime of Mujibbur Rahman was ended by a bloody Coup in 1975 and that the pro-Soviet leaning government of Indira Gandhi was routed in a general election 1977. It was also pointed out that in the same year Bhutto was ousted by the military at a time when he had taken steps to woo Moscow. In Sri Lanka, the pro-socialist (it was more pro-Peking than anything else) government of Sirimavo Bandaranaike was virtually annihilated in a General Election 1977. This had led to a belief that the West was on top and that it was in a position to de-stabilise pro-socialist governments in Asia and Africa.

This growing capability of the West to de-stabilise non-aligned third world governments which were against "imperialism and neo-colonialism" was matched by the Cuban military assistance to Angola and Ethiopia to stabilise pro-Soviet Left governments. There has been a hue and cry about the

Cuban "interference" in Africa, but this has not intimidated even so-called pro-western countries in Southern Africa from threatening to seek assistance from Cuba and Russia to fight South Africa and Rhodesia. John F. Burns, reporting from Lusaka in the *Herald Tribune*, 5.3.78, said: "Zambia, one of the most pro-Western black African states, has begun warning that it may be forced to seek military assistance from the Soviet bloc if events in Rhodesia turn this relatively peaceful nation into a battleground in the Rhodesian war. In discussions with diplomats and journalists, officials close to President Kenneth Kaunda have set forth a scenario in which Zambia, facing intensified Rhodesian strikes against black guerillas bases along the Zambian side of the frontier, turns to the countries backing the guerillas—primarily the Soviet Union and China—for aid in defending itself. Western diplomats here caution that the warning may be a Zambian tactic to increase pressure on Britain and the United States, which have been caught in a quandary by the constitutional accord that Prime Minister Ian Smith and three black leaders have reached in Salisbury, Zambia, along with other 'front-line' African states, has opposed the agreement and pledged to back black guerillas who seek to disrupt it. In effect, diplomats say, Zambia is telling London and Washington that if they accept the Salisbury agreement, this country will be forced to abandon the pro-Western stance it has followed since gaining its independence in 1963 and fall in line with its neighbours to the east and west, Mozambique and Angola, whose Marxist governments have close relationships with the Soviet Union. Mr. Kaunda, who follows a moderate socialist policy that he calls humanism, is known to harbor

strong anxieties about the Soviet role in the region, and to question whether his country could resist pressures to adopt more radical economic and social policies if it forged defense links with the Soviet bloc. However, diplomats caution that the warnings to the West cannot be dismissed as bluff."

But, in Asia, after the events in Bangladesh and India it was thought that the pro-Moscow communists had been thrown on the permanent defensive. There was a belief that China with its vigorous anti-Soviet propaganda had also thrown the pro-Moscow "revisionists" into disarray.

The developments in Afghanistan show that the pro-Moscow elements are still a force to contend with. In India, the pro-Moscow CPI has "confessed" its mistakes and made it possible to initiate unity talks with the so far anti-Moscow (and sometimes pro-Peking) CPM. A united left with the CPI and CPM will be a powerful political force in India—and with the crack-up of Janata, the CPI-CPM group will soon be the main contender for power with Indira Gandhi's Congress.

The news from Afghanistan is still meagre, but extracts from Indian daily *Hindu* and the Pakistani weekly *Viewpoint* are published to trace the anatomy and progress of the Afghan coup. More material of interest will be published when they become available.

New Delhi, April 28,

The Military Revolutionary Council, which deposed President Daoud Khan and seized power in Afghanistan in a bloody coup last night, appeared this evening to be consolidating its hold on the capital, Kabul. The Military Council, in a late night broadcast over Kabul Radio ordered all sections of the people to report for duty tomorrow. Admitting that

there was fighting during the day, the Council, claimed: "Everything is finished and the Military Revolutionary Council is in full control." With almost the whole of the Afghan Air Force and a large part of the Army backing the coup leaders, only a section of the Army seemed holding out. Col. Qadir (37) was the Vice-Commander of the Air Force and a key figure in the 1973 coup which brought President Daoud to power, but was at odds with him for some time. It was not known till tonight who the other members of the Military Council were. The Council announced this morning that 'self-made clauses' of the Constitution proclaimed by Daoud and his government have been declared null and void. After this, all affairs of the country will be run in accordance with the instructions and orders of the Revolutionary Council, Kabul Radio said. The Council also claimed that it is in full control of the situation and that all units of the country's armed forces have declared their allegiance to it and were carrying out their patriotic duties. The Council asked those Ministers and Generals of the over-thrown regime who have not so far expressed their allegiance to it to present themselves to the Ministry of Defence as soon as possible. Otherwise, they were warned that they would be dealt with in accordance with the military rules. The envoys of the United States, the Soviet Union and United Kingdom called on the Prime Minister, Mr. Morarji Desai, here today. They are understood to have conveyed to Mr. Desai their assessment of the developments in Afghanistan.

"The last remnants of the Nadir Khan dynasty have ended in Afghanistan", Kabul Radio announced this morning, confirming that Mohamed Daoud was dead. Daoud had come to power five years ago deposing his cousin and brother-

in-law, King Zahir Shah. The radio said Daoud was shot dead with his brother when he refused to order troops loyal to him to surrender arms. A communique issued by the Revolutionary Council which has seized power described Daoud as a "plunderer of national wealth." It said Daoud had turned a dictator, handing over the national wealth to his "family and foreign agents."

—Hindu, 24/4/78

## India Cautious: Situation Still Confusing

New Delhi, April 28,

India continues to exercise the utmost restraint in its reaction to the sad events in Afghanistan since the situation is still confusing with no reliable information at all about what exactly led to the latest coup and which are the visible and invisible forces behind it. The crisis was not totally unexpected, since there were enough indications of an impending revolt against the five-year-old Daoud regime. As far as India is concerned, there is no reason for any doubt that the new regime would not adhere to the traditional policy of friendship with it. But there are bound to be some variations at least in the emphasis of its relationship with the two super powers and the two neighbouring countries of Iran and Pakistan. The Islamic angle which is probably intended to reassure Arab opinion will not be extended to the point of overshadowing the geopolitical considerations in the dealings with the countries of the region.. The Afghan Air Force, which is largely trained and equipped by the Soviet Union, has an element of young officers with some leftist leanings who have been quite critical of the oligarchical nature of

the Daoud regime which continued to retain the same old men in key positions. The Army too, is largely Soviet-equipped, although it is manned by officers who by and large are free from any such class prejudices. The Afghan Communist Party is known to have had its contacts with both the Army and the Air Force besides the students who have always been in the forefront of the political turmoils in Afghanistan. The Vice Chief of the Air Force Col. Abdul Qadir, who has been named chief of the Defence Force by the new regime, took part in the July 1973 coup staged by Daoud to depose the King, abolish the monarchy and establish a Republican regime. But in March, 1974, he was relieved of his command in the Air Force because of his leftist reputation. He was, however, rehabilitated in September 1977 in a bid to appease the restive Air Force. According to latest reports reaching Delhi, President Daoud and his brother, Mr. Naim, committed the fatal mistake of not gauging the mood of the people which the funeral procession of the murdered communist party founder, Amir Akbar Khyder, raised anti-government and anti-American slogans. They not only ordered the arrest of several top communist leaders but also threatened dismissal of all government employees who were absent from their offices at the time of the funeral procession. The critics of the Daoud regime viewed these moves as a provocative attempt to give a rightist orientation to the politics of Afghanistan. The situation is still confusing since conflicting reports are being sent out by the foreign embassies in Kabul about the degree of control established by the new junta both in Kabul and other towns. The Revolutionary Council has not yet disclosed the name of the man to head the new Government. Once the position becomes a little

clearer and it is established that the new regime is fully in control of Afghanistan, the big powers will start recognising it and others will follow suit in quick succession. The Indian policy hitherto has been to recognize only countries and not regimes, but an exception was made when Daoud seized power in 1973 as a special case. And now the same thing may have to be done to assure the new regime of India's continued friendship and co-operation with Afghanistan.

—G. K. Reddy,  
*Hindu*, 29/4/78

## Coup Not Unexpected

*London*, April 28,

The latest coup in Afghanistan has ominous implications. The military and strategic importance of this isolated, tradition-bound, poor nation cannot be underestimated. According to observers here, the only surprise about the coup in Kabul was that it did not happen earlier. For more than a year, western diplomats in Kabul had been wondering how much longer could President Mohammed Daoud, 67, cling to power. Nicknamed "the mad prince", he had ousted his cousin and brother-in-law, King Zahir Shah, in July 1973, without much trouble and promptly declared Afghanistan a republic. Until 1963, he had served as Prime Minister for 10 years. Daoud often talked of "genuine democracy" to replace "a corrupt and effete government", but hardly anything significant on the economic or political front happened under his rule. The first attempted coup came within six months after Daoud took over and resulted in the execution of five pro-Western army officers and businessmen. Another plot was reported in August 1974, followed by more execution. In 1975, there

was an upsurge in border tension between Afghanistan and Pakistan, following Islamabad's attempt to stamp out secessionist demands in the North-West Frontier Province, which Pakistan alleged was backed by President Daoud. In November last year, Ali Ahmed Khurram, Minister for Planning, was murdered and several government officials were kidnapped.

—Batuk Gathani,  
*Hindu*, 29/4/78

## New Govt. In Kabul

*Madras*, April 29,

Gen. Mohammed Daoud Khan, who had ousted Afghanistan's King Mohammed Zahir Shah in July 1973, has now suffered a similar fate at the hands of the military. Daoud had been married to a sister of the King, the monarch was out of the country at the time of that coup and he abdicated soon afterwards. But Daoud, as well as his brother (according to Kabul Radio) have both lost their lives in Thursday's bloody incidents and the new military leaders in control of the Government in Kabul claim to have put an end to the Nadir Khan dynasty. Under a republican constitution which came into force in the middle of February last year, Daoud had concentrated most of the powers in his own hands—that of Head of State, Commander of the armed forces and Leader of the country's only legal political organisation, the National Revolution Party. The Constituent Assembly was told last year that Afghanistan would adopt socialist principles "to eliminate class differences and to promote social justice."

Violent change is not new to Afghanistan, a large landlocked and mountainous country (borders with Iran, Pakistan and the Soviet Union) with a small population of fewer than 18 millions. King

Zahir Shah himself had come to the throne (at the age of 19) in 1933 following the assassination of his father. He was politically dominated by his uncles and cousins, including Daoud, but eventually shook off their influence and presented a sort of democratic constitution in 1963. After overthrowing the King ten years later, Daoud himself was quickly ousted from the government and the army by many of those who had joined forces with him in the 1973 coup. In the past five years, Daoud had put down with an iron hand several insurrections including one towards the end of 1976. In November last year, the Planning Minister was assassinated in what was later alleged to have been a plot to eliminate the entire Cabinet and President. On his return from a visit to India some seven weeks ago, Daoud undertook an extensive tour of his country drumming up popular sentiment against groups which he accused as "traitors" tied up with aliens whom he did not name.

This week's coup has come in the wake of rioting after the murder of a communist leader. Any attempt to label the new rulers with any specific political or ideological orientation has to wait, though it is possible to make shrewd guesses. Afghanistan has been an early adherent to the concepts of non-alignment, and the military revolutionary council's head, Col. Abdul Qadir, has talked of continuity in foreign policy. On domestic matters his broadcast lays emphasis on the principles of Islamic religion and the establishment of democracy and the annulment of the constitution proclaimed last year. The revival of the Islamic approach has been a development common to Pakistan and Bangladesh also after the military take-over in those countries. Afghanistan has been at loggerheads with Pakistan for the past 30 years both on

the issue of trade routes to the sea and over territories in the Pushtu-speaking areas in the western and north-western outbacks of Pakistan. Largely on account of these geopolitical and historical reasons Kabul has been keen all along to keep extremely cordial ties with New Delhi. The new rulers' emphasis on "maintaining relations with all countries with which it has friendly ties" holds promise of continuity of Afghanistan's close ties with India.

—Editorial, *Hindu*, 29/4/78

## Coup In Kabul

*Lahore, April 30,*

Last Thursday's coup in Afghanistan brings to an end a whole era—a century of rule by the Yusuf Zais. It has also ended five years of one-man rule by Sardar Daoud. Although after ousting his cousin and brother-in-law, King Zahir Shah, on July 18, 1973, Daoud had announced the end of kingship proclaiming himself President, and had promised democratic reforms, his regime was considered by many to be a continuation of the Nadir Shahi reign. The Palace revolution was assisted by progressive elements in the country, but after Daoud had established himself he began to shed those of his colleagues who were determined that the change in Government should not be one of personnel only, but that a genuine change in the system of governance should be introduced. As this possibility became more remote, attempts were made to rid the country of a ruler who had, in the view of his collaborators, betrayed his pledges and seemed prepared to carry on in the kingly tradition. Five attempts to topple the Daoud regime were reported, but they failed and provoked grim reprisals.

On the present occasion, a more direct provocation was provided by the government, when a popular trade union leader and leader of Parcham, Amir Akbar Khabir, was assassinated in rather mysterious circumstances. His funeral procession provided the occasion for anti-Daoud and anti-CIA slogans and the demand that the promise of democracy should be honoured. As the protest mounted, the government ordered the arrest of all dissidents, many of them reputed to be Leftists or members of the Parcham Party. This was obviously interpreted as a final challenge by the government. The Army Chief of Staff Lt. Gen. Bajarwar Abdul Qadir, presumably under irresistible pressure from the officer corps, decided to act and ordered the tanks to surround the Presidential Palace and the Defence Ministry. It also seems, judging by Radio reports, that his move was supported by the Afghan Air Force. Troops loyal to President Daoud resisted and, for a couple of hours, Kabul was the scene of intense fighting. It seems clear now that the resistance was overcome without much difficulty. Curfew has been imposed. President Daoud and the members of his Government were arrested. One report states that the former President has been executed.

The country's government is now headed by a Revolutionary Council which has proclaimed that for the first time power has come into the hands of the people, and that the Nadir Shahi regime has been eliminated. The declaration carries the pledge that the Council will safeguard the country's independence and integrity, maintain friendly relations with all countries, and in internal matters adopt a policy in keeping with the spirit of Islam and the principles of democracy and protection of the people's honour and genuine progress.

As we go to the press, further details of the situation in Afghanistan are not available, but it is quite obvious that the revolt was a result of President Daoud's failure to keep the pledges which he had made after taking over power. In fact it was felt by many that he had reneged on his promises, that Afghanistan was gradually giving up its non-aligned position and was veering to the Western bloc. At the same time with no positive move towards democracy, and a steadily deteriorating economy, and with the possibility of a further round of repression against dissidents, the radical elements in the Armed Forces joined hands with the progressive political forces to force a change in the country. Daoud is being described by Kabul Radio as a tyrant who concentrated his attention on seeking advantages for his family. The constitution has been annulled, and the army council will remain in power until a new arrangement is devised.

Not only is the event of great importance to the future of Afghanistan but it will also have an impact on the situation in the region. It is possible that it may jeopardise the new links which Sardar Daoud had sought to establish with certain countries who were not considered to figure in the list of Afghanistan's traditional friends.

—Viewpoint, 30/4/78

## Martial Law In Afghanistan

New Delhi, April 29,

The military junta which seized power in Afghanistan on Thursday has enforced military regulations throughout Afghanistan even as reports received here spoke of near normalcy in the capital Kabul. That things were returned to normal in Afghanistan was evident

from the fact that the Pak-Afghan border at Torkhum reopened for vehicular traffic. Radio Pakistan reported in its Urdu news bulletin at 8.30 p.m. today. Although the country's international borders and airports and the approaches to Kabul remained closed, reports available tonight said that shops and markets have reopened in the capital. A large number of youth wearing red scarfs were out on the streets of Kabul and were directing traffic. From Peking AFP quoted a diplomatic report from Kabul as saying that it is virtually certain that Thursday's coup was carried out by pro-Soviet army officers alarmed by a recent crackdown on the pro-Moscow Afghan Communist Party. Two days after the Revolutionary Council of the Armed Forces of Afghanistan seized power Radio Kabul returned almost near to its precoup broadcasting schedule. The new regime has changed the name of Radio Kabul from Ariana Afghanistan National Radio Television to Radio Afghanistan, Kabul. The English announcements confirmed the death of President Daoud and his brother in the coup. The radio said several top deputies of President Daoud were also killed while refusing to surrender. The dead leaders identified by the radio included Vice-President Syed Abdul Ilah, Defence Minister Hyder Rasuly, Home Minister Abdul Qadir and General Yasin, Commander of the Air Force. The radio said that the coup leaders had repeatedly asked them to surrender but they refused and tried to put up a resistance. They were killed while the revolutionary forces were trying to overpower them.

Coup leader Abdul Qadir was under treatment at the military hospital in Delhi barely three weeks ago, according to informed sources. Col. Qadir was a member of an Afghan goodwill military mission which arrived here on March 19 on a 10-day visit to this coun-

try. The delegation met Defence Minister Jagjivan Ram and other senior military and defence officials. While other members of the delegation left for home on March 28, Col. Qadir stayed back for his treatment. He was in the hospital for about a fortnight, the sources said. The nature of his ailment was not immediately known.

—Hindu, 30/4/78

## Civilian Heads Afghan Government

New Delhi, April 30,

Afghanistan was today proclaimed a Democratic Republic with a civilian, Mr. Nur Mohammed Tarakki as President of the newly constituted Revolutionary Council which has assumed all powers. According to official information received here Mr. Tarakki, in his late fifties, has also been named Prime Minister. In all bulletins today, Radio Afghanistan claimed that complete peace had been restored throughout the country. It said that all units of the armed forces had pledged their allegiance to the Revolutionary Council. Meanwhile Radio Pakistan announced today that two-way passenger and goods traffic between Afghanistan and Pakistan has been resumed. It said 53 trucks of wheat crossed into Afghanistan today across the Pakistan border. The Soviet Union today recognised the new Government in Afghanistan. Radio Pakistan reported tonight quoting Kabul Radio. The Soviet Envoy in Kabul conveyed his government's decision to Mr. Tarakki, Kabul Radio added. Meanwhile, the Afghan Embassy has been getting queries from representatives of non-aligned bureau countries, including the current chairman, Sri Lanka, about the possibility of holding the bureau meeting in Kabul scheduled on May 6. An official

spokesman of the Ministry of External Affairs this morning described as "not only totally baseless but mischievous" a news agency report (not by PTI) that the coup leader, Colonel Abdul Qadir, underwent treatment in Delhi barely three weeks ago. The report had said Col. Qadir had come to Delhi as a member of an Afghan goodwill military delegation and had stayed here for treatment.

—Hindu, 1/5/78

## Delhi Recognises New Kabul Govt.

New Delhi, May 1,

The Government of India today recognised the new regime in Afghanistan after the Indian Ambassador in Kabul conveyed a message from the Revolutionary Council late last night to the effect that it had assumed the power of Government and was now in full control of the country. The Indian Ambassador, Mr. S. K. Singh, has been instructed to call at the Afghan Foreign Ministry and if possible, meet the head of the new regime to communicate India's recognition. The Revolutionary Council, which established contact with the Indian Ambassador yesterday for the first time, had also sent in a brief note about the proclamation of Afghanistan into a Democratic Republic with a well known leftist leader, Mr. Nur Mohammed Tarakki, as President of the new regime, along with the customary assurances of continuity in the traditional friendship between India and Afghanistan. If he is not able to see Mr. Tarakki today itself, the Indian Ambassador will avail himself of the earliest opportunity to reciprocate these sentiments and convey India's highest considerations, which is normally done while extending recognition to a new government. It is not yet known how many more-

countries the new regime has already approached for recognition, other than India and the Soviet Union. But it can be taken for granted that almost all the countries that have diplomatic relations with Afghanistan will one by one recognise the new Government, when it becomes apparent that it is in de facto control of the country. The fact of recognition does not imply an endorsement of either the methods adopted for overthrowing the previous regime or the political complexion of the new Government. There is not enough information yet for arriving at any definite conclusion whether Mr. Tarakki is only a front man who has been made President to provide a civilian facade for what is otherwise a military regime, or he is really leading a full-fledged leftist Government with a military component that is equally committed to the new ideological line. A prominent radical in his late fifties, Mr. Tarakki has been closely associated for many years with the Democratic Khalq Party, the local communist outfit in Afghanistan. But after supporting the Daoud regime in its earlier stages, the Khalq Party split up when the former President started moving to the right in an attempt to balance the country's relations with the two super powers at the expense of the country's close links with the Soviet Union. The communists also resented the Daoud regime's increasing dependence on financial assistance from the oil-rich Arab countries and Iran, which in a way were trying to reduce the Afghan dependence on the Soviet Union. The new president was at one time general secretary of the undivided Communist Party and also chairman of its central committee. When the party split up, he continued to remain with the group that was close to the Soviet Union. The rival Parchmist group that was highly

critical of the Soviet support for the Daoud regime tended to be pro-Chinese at times in its polemical controversies with the moderates. The Khalq also had come into conflict with the Daoud regime over its stern attitude towards the labour and student movements, but it did not go to the extent of openly joining hands with the Parchmists in denouncing the Soviet support for it. One of the first things the military junta that staged the coup did after gaining control of Kabul was to release all the communists who were jailed by the previous regime. But it is not known whether this amnesty was confined to the followers of the Khalq or the Parchmist prisoners also were set free. In either case, the political complexion of the new regime will not be clear until there is further information about the composition of the Cabinet and the role of the Revolutionary Council, in the actual running of the Government. The Government of India has been following the policy of recognising only countries and not regimes as far as possible. It preferred to deal within the framework of this policy with the Government that was in effective control of a country at any particular time, without getting involved in the politics of recognition. But a departure was made in 1973 when Mr. Mohamed Daoud deposed King Zahir Shah and set up a republican regime in Afghanistan. And having made this exception on an earlier occasion, India had to extend the same courtesy to the new regime which had also come to power through a coup d'etat, though in much more tragic circumstances.

Speaking to newsmen at Delhi Airport on return from New York, the External Affairs Minister Mr. Vajpayee said the developments in Afghanistan were an internal affair of that country though India was "vitaly

concerned". "We do not like any bloodshed. If such developments affect us, it causes anxiety," Mr. Vajpayee said, but he declined to comment further in the absence of more details about the coup in Afghanistan. Radio Kabul reported today that Bulgaria had recognised the new regime. The Soviet Union was the first country to accord recognition yesterday. All airports in Afghanistan, which had remained closed since Thursday, the day President Daoud was overthrown, have been reopened to scheduled flights. Telephone links between India and Afghanistan were resumed shortly after noon today. The first call to Kabul was put through around 12.30 p.m. The telex line, which is via Rome, has, however, not started functioning. A group of American students studying in New Delhi has been stranded in Kabul. The Director of the American International School, Mr. Albert Chundler, said today that the group consisting of nine girls and five boys in the 14-17 age group had been safe. The students were attending classes at the International School in Kabul pending their return to India. Mr. Chundler said the students, and the two teachers accompanying them, would be flown back only after assurances from the Afghan Government that they would be provided safe passage out of the country. The group had left for Kabul last Monday to attend a cultural convention that brought together students from American schools in New Delhi, Islamabad, Karachi, Lahore and Kabul.

Col. Abdul Qadir, who led the coup in Kabul last week, was in Delhi on a private visit for medical treatment about four weeks ago. Confirming his visit, diplomatic sources, who declined to be identified, said he was treated in hospital for skin trouble. He left India on April 6 along with an Afghan

goodwill military delegation that toured India. An earlier report circulated by UNI had said that he was a member of the delegation. Enquiries showed this was not true.

## TOWARDS A NEW

# International Monetary Order

by Appapillai Navaratnam

*This is an extremely interesting article written by Mr. A. Navaratnam who is now the Assistant General Manager, Bank of Ceylon, Colombo. The views expressed in this article, he says, are entirely personal. All those interested in an understanding of the present international monetary system (or the lack of it) will do well to read this article carefully. The writer has knowledgeably, completely and successfully, summed up the present situation in realistic terms.*

—Ed.

**"The Bretton Woods system, the developed nations have buried; but it will rule the world from its grave."**

*"The world stumbles blindly from one currency to another. We cannot dignify the present arrangements with the name of an International Monetary system."* Could you recognize the man behind this voice. If you thought it was a lament from a Finance Minister in a third world, you would have been...well right; but believe it or not it is a cry from no less a person than the Prime Minister of Great Britain James Callaghan.

Much of the disarray in the world economic scene could be

fixed on the International Monetary disorder after the collapse of the Bretton Woods system and the transition to a new settled order that is yet unborn. The obstetrician nominated by the International Monetary Fund was the Committee of Twenty which has not delivered the baby. They appeared to have postponed the pregnant issue in their recognition that it was more pragmatic and workable to allow the new system to evolve itself than to impose one hurriedly from outside. It is this evolutionary process that the world has been witnessing; floating of currencies; mixed system of floating and maintaining stable rates; smaller nations breaking their old links and forming new ones (example India and Sri Lanka); peg of currencies to the currency of a major trading partner; group of nations maintaining stable rates among themselves while floating in respect of other currencies; "managing" the float by intervention in exchange market; varying the degree of "managing" clean floats and so on.

In this melting pot, the cry of the developing nations is that they are at the receiving or losing end. By their sheer economic might, the advanced nations of the world are able to "manage" the Exchange Rates to their advantage. But the developing nations, depending on the exports of their primary commodities for their foreign exchange earnings to feed their imports and with the reserve currencies playing a dominant role, are subject to severe stresses and strains and bob up and down in the tempestuous sea of international trade flow. It is not a surprise therefore that the cry is becoming louder and louder for stability of exchanges. The cry is almost "free the developing nations from excessive volatility and erratic behaviour of the

exchanges." The British Prime Minister is with the third world in this cry.

One cannot appreciate or even criticise the monetary situation unless the problem is examined against the background of the system that has collapsed and the new system struggling to be born.

It was at Bretton Woods in the year 1946 immediately after the World War II that the International Monetary System now worked by the International Monetary Fund was born. Under this system member countries (of which Sri Lanka is one) were committed to establish and maintain a par value for their currencies expressed in terms of gold or the US dollar. The official dollar price of gold was the rate by which the exchange rate of other member countries was determined. The member countries were required to maintain their rate within a narrow band of 1% around the par. The International Monetary Fund was to be consulted if the member country wanted any change in the rate but the International Monetary Fund would not ordinarily consent to a change unless the request is to meet a fundamental balance of payments disequilibrium. Another feature of this system was that the bulk of the Foreign Exchange Reserves was in gold or US dollars and the United States was obliged to convert dollar holdings of nations into gold whenever so required. There are the laissez-faire economists with whom any rigid international system cannot find favour.

The system worked very satisfactorily from its inception till the turn of the last decade. "Every treaty is holy but no treaty is eternal." It is more true of an International Economic Order. The old order will have to yield place to the new and Change will be the Lord of the Universe. In un-

certainty change is the only certainty. The last straw that broke the camels back was President Nixon's decision in August 1971 to suspend the convertibility of the dollar. There was the Smithsonian Agreement in December 1971 under which the par values were replaced with central rates and a wider band fixed allowing fluctuations up to 2.25% from the central rates.

But the decision to float could not be stopped. The teeth of the oil crisis munched the system. The Japanese Yen, Italian Lira and the Swiss Franc were allowed to float in 1972. In March 1973 the nations of the European Economic Community allowed their currencies as a bloc to float. The dye was cast for the burial of the system that reigned supreme for a quarter of a century. In the words of the British Prime Minister "We cannot dignify the present arrangements with the name of an International Monetary system."

The Committee of Twenty favoured an evolutionary process while emphasising the need for stable but more easily adjustable rates. The advanced nations excluding Britain are for the continuation of the existing float. Any rigidity is anathema to the laissez-faire economists. How do the developing nations stand in this melee?

Of course the advanced nations could theorise, expound and extol the virtues of the floating rate system. They could hasten to emphasize and pinpoint the areas of superiority arguing that— (i) If exchange rates are left to themselves with the minimum of intervention in the exchange market, the exchange rate system will become market-oriented in that they will move in a direction necessary to maintain equilibrium in the balance of payments. (ii) The need to maintain large Foreign

Exchange Reserves would be minimised in view of the automatic adjustment of the balance of payments. (iii) Under a system of Fixed Exchange Rates, it is a common feature to see "hot money" seeking cities with higher interest rates or more stable currency. It is left to the country affected to take its own internal measures to control the inflow or outflow of the hot money induced into the country by interest rate differentials. Under the floating rate, the inflow of hot money will appreciate the exchange rate of the recipient country and this will automatically discourage further inflows. (iv) "the proof of the pudding is in the eating". The floating exchanges have fared well during this interim period.

Examined from the point of view of the developing nations, their cry is that:—

(i) *The exchange rate fluctuations have been excessively wide and sometimes erratic that it has adversely affected the trade flow of the developing countries and the more a developing country is dependent on trade exporting its primary produce to an advanced nation, the more seriously does it suffer from the volatility in its receipts from exports and this is made worse by an equally adverse effect on its import payments. In other words developing nations are placed at the mercy of a volatile exchange rate. The volatility could be gauged from the fact that at one time dollar had gone down by 21% against yen. Why? Hasn't the world watched with dismay, disenchantment and disorientation, the plunge of the Dollar recently to a new low in the history of money despite the assurances by the Carter administration that the States will defend the dollar's integrity and despite the action taken by Switzerland to prop up the dollar.*



(ii) It is not uncommon to see developing nations in a quandary when their expectations on certain items of Revenue from exports are not realised to pay for the import bills under a Foreign Exchange Budget. This again leads to difficulties of economic planning for development.

Interim steps had been formulated by the Committee of Twenty providing for "Guidelines for floating". These guidelines inter alia required member countries to maintain orderly markets by day-to-day and week-to-week intervention in order to avoid "dirty" managing.

Any new economic order will not only have to take account of the problems of the developing nations, not disregarding economic logic but also provide for the problems of liquidity. This new order ought, to boot, introduce a new dimension to the scene by working out through the instrument of International monetary and fiscal policies, transfer of resources to the third world. The new system should also water down dominance of Reserve Currencies and permit extensive use of national currencies as substitutes for and supplementary to the International Reserve assets.

This will become possible only if the new order will create confidence in the convertibility of the domestic currencies into any of the Reserve Currencies. This in turn will require that the developing nations strengthen their domestic currencies. The reign and dominance of a few selected International currencies as Reserve Currencies should be made a thing of the past and relegated to the limbo of a forgotten order. With the SDRs becoming the principal Reserve Asset of the International Monetary Fund this transformation could be achieved, although with teething difficulties.

Even though Bretton Woods system has been buried, it will rule the world from its grave, the fixed parities appearing in another form with a bigger band for the fluctuation of the rates and building into it features that will free the nations of the third world from the economic bondage while at the same time providing for monetary stability and balance of payment equilibrium.

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### WHITE PAPER ON EMPLOYMENT RELATIONS—3

## The Right To Strike

by A Special Correspondent

A Special Correspondent, in a series of four articles, examines some of the objectionable features of the Government's White Paper on Employment Relations. We invite comments from our readers not only on the White Paper, but also on the views put forward in this series of articles.

So much for management. Let's get back to the Employment Relations Law. Strike is the ultimate weapon. It is a serious weapon too. It affects the citizen. And if the public is antagonised, the strikers will lose. There can be no question or doubt on that. Therefore a strike should be undertaken only in the last resort, and in my opinion, after preparing the public as regards the need for the strike. It is a tremendous responsibility that the Union leaders assume when deciding on a strike. They will be faced with a crisis of conscience—at least it must be presumed to be so. For them, the following statement attributed to

Prime Minister David Lloyd George will be of interest. The Prime Minister told the Triple Alliance leaders of the 1919 General Strike:

"Gentlemen, if you call out the miners, the transport workers, and the railway men, you have us at your mercy. But if a force rises in the State stronger than the State itself, it must be prepared to take on the functions of the State. Have you considered these consequences and are you ready?"

A strike is no joke. A whole community, an entire country and nation feels the impact of it. As such, when workers demand the retention of the right to strike, which some have described as a "sacred right", do they realise that they have a "sacred duty" to perform—to serve the people who pay them. Rights and duties are indivisible.

Let us examine this a little more. The CGR and the CTB are two services which affect very closely the life of the citizen. The employees in these two undertakings have certain 'rights' and they also, in consequence, have 'duties' to perform. When the CTB does not pay an extra bonus, why an extra bonus is payable is another matter, or proposes to consider the determination of the ridiculous incentive system which has resulted only in the overloading and breakdown of buses, the Union leaders threaten the administration with a strike. Can any responsible Trade Union leader in his senses say that these are grounds to punish the public which pays them? We had the experience sometime back of Railway Guards or Underguards going on strike over uniforms! Can these be reasonable grounds for the exercise of the so called "sacred right" to strike disregarding the "sacred duty" to serve the public? These are questions the Union leaders who mould the opinion of the general member,

ship must honestly answer. Politically motivated strikes can never have anything "sacred" about them.

On the other hand, permit me to pose this question. A bus conductor is rude, as happens very often, a bus does not pick up commuters even if there is room in the bus, or a railway booking clerk closes the shutter on the dot even if it meant keeping it open an extra minute or two to issue a ticket, but he can come an hour late to the counter. If these matters are brought to the notice of the administration or the Trade Union leaders, are they prepared to take action? Are they prepared to strike if the offender is not punished? I have never heard that happening.

There cannot be two standards. This has been the curse of this country. This is why unions lose public support and sympathy. It will be of interest to note that in Japan (I must apologise for referring to Japan so often) strikers do NOT stop working. They are at their places of work, doing their normal quota, but in order to let the public know that they have a grievance and that they are on strike, they wear a special arm band. Will our Unions take a lesson from this?

**Let me not be misunderstood and thought to be a 'reactionary'. I am not against the use of the strike weapon, but it should be the weapon of the last resort. The public should be told what the strike is all about and what it is for. A lightning strike should have no place in civilised society. Lightning strikes should be forbidden by law. It is the cruelest form of punishment that a Union can dish out to the public.**

In page 8 of the memorandum of the Centre for Society and Religion a section reads "Even if it were argued that the strike wea-

pon has been used indiscriminately by Unions, this situation must be seen in the total context as part of the failure of employees and employers equally to establish better methods of communication and consultation." It is for this reason that I have earlier discussed the need for responsive management techniques. That there should be a close rapport between management and worker, I agree, but I am unable to agree that in its absence the resolution of problems should be through strike action or even threat of strike action. Breakdown in communication may be the result of the shortcoming of just one individual, and surely this is no reason to demand, for instance the removal of a depot manager of the CTB or the transfer of the Operating Superintendent of the CGR.

Such absurd things have happened and the Unions have got away with it. There can be nothing "sacred" about this. In fact, if a strike is launched in order to secure administrative compliance to such demands, I am afraid both management and the trade union movement is going to suffer in the end. The net result would be loss of credibility on the management and hostility towards unions. In such instances it is the "sacred duty" towards the public that is the victim. A government cannot give in to such demands—it must govern or get out. The question was asked recently in Britain by the leader of the Conservative Party opposition whether it was the Trade Union or the Government that was governing Britain.

The Prime Minister of Britain made it very clear to the Unions that there were limits beyond which it would not go. In like manner, no Government worthy of its name will cave in to demands of this nature and it is my view that section 31 (f) should remain

unaltered. It is the inherent and inalienable duty of the Government to determine what is an essential service—irrespective of whether the management or employee agrees with such an assessment or not.

*I can find no blanket prohibition of the right to strike. Section 30 of the Law is very clear—this section only says that "no employer, or employee or Trade Union shall commence, continue, participate in or do any act in furtherance of a lock-out or a strike" until the process indicated therein have been exhausted. In this situation I can see no reason for quarrel with sections 31 (a) to 31 (e) of the Law. I consider that every avenue open to settle problems without the use of the strike weapon will without doubt enhance the image of the trade union movement itself.*

Management and employee should always remember that the Government of the day is the voice of the people and the people's voice alone matters in a democracy. It is sovereign. If this is lost our freedom will be lost. Life will be meaningless thereafter.

Confrontations can be prevented by sound leadership and good will in high places—these are qualities which we all hope and expect that both management and worker will cultivate with determination. It was John Kennedy who said "Never fear to negotiate; but never negotiate through fear" It is only a brave government and brave union that will appreciate the courage implied by these words.

In the recent dispute with the United Mine Workers Union whose members were on strike for a prolonged period, a Carter administration official is stated to have remarked "The Union's flexibility hasn't been matched on the industry side. The industry guys

are tough and mean. Some industries get the Unions they deserve". This strike has been described as having been "one of the most painful and protected labour disputes since World War II" when the US Government Secretary of the Interior Harold L Ickes took possession, in the name of the US Government, "bituminous coal mines". In the recent case, however, the dispute was settled "albeit tentatively, largely through Presidential pressure"—and what is Presidential pressure if it is not people's pressure?

All of us, including myself, who are supporters of the trade union movement and of the strike weapon must take comfort from the fact that none of the options available to the US Government under the Taft-Hartley Act were activated, viz:

- (a) to get a court order, requiring miners to go back to work for 80 days while negotiations continue
- (b) to ask Congress for legislation to seize mines or
- (c) to call for binding arbitration.

Presidential power was brought into operation in the name of the people in the settlement of this major industrial dispute. President Carter indicated that he was going on television because "we have run out of time. I urge you to settle this dispute immediately, in the national interest and on behalf of the American people". The national interest and the American people were all that mattered. He also set a deadline.

Some thought that "it was the threat of a televised flogging by the President" that settled this. The lesson to be drawn is that the strike weapon, even if freely and indiscriminately available, can be absolutely ineffective if the public turns against the strikers. This is

what could possibly have happened if the "televised flogging" had really taken place.

One cannot see much point in Unions dissipating their time and energy in order to "prepare immediately for a struggle by all possible means, including a general strike, to oppose the implementation of the anti-working class proposals (according to the CMU handout dated 16.02.78) contained in the White Paper."

The public has had enough of strikes and is fed up—I am not, repeat not, anti-working class, because I am a worker myself—but I am not prepared to live with any more anti-social activity even if it means curbs on strikes. I have in mind the famous or infamous Bank Clerks Strike which was literally broken by the Minister of Finance at that time. I had talked to many of the strikers. They had become a thoroughly demoralised, broken and battered lot. They wanted to get back to work because their home fires were being slowly but surely extinguished by want.

What did any one gain in the end? Nothing, it was like the Dead Sea fruit. There was hatred in the hearts and minds of all. And when the Finance Minister was removed, the Bank Clerks lit crackers. The public will not tolerate any more of this nonsense and will expect the Government to ensure that this type of irresponsible behaviour on the part of Unions is not permitted. Personally I am confident that the present Government has the determination, and also the magnanimity to deal with Unions in the manner of Prime Minister David Lloyd George. Government is the servant of the people and not its master.

(To be concluded)

FROM THE THIRD REPORT OF  
THE CLUB OF ROME

## The Need For A New International Order

The inequities in the international system are of tremendous significance. They have given rise to essentially two worlds and the disparities between them are growing. One is the world of the rich, the other the world of the poor, united by its heritage of common suffering. A poverty curtain divides the worlds materially and philosophically. One world is literate, the other largely illiterate; one industrial and urban, the other predominantly agrarian and rural; one consumption oriented, the other striving for survival. In the rich world, there is concern about the quality of life, in the poor world about life itself which is threatened by disease, hunger and malnutrition. In the rich world there is concern about the conservation of non-renewable resources and learned books written about how the world should be kept in a stationary state. In the poor world there is anxiety, not about the depletion of resources, but about their exploitation and distribution for the benefit of all mankind rather than a few privileged nations. While the rich world is concerned about the impact of its pollutive activities on life-support systems, the poor world is concerned by the pollution of poverty, because its problems arise not out of an excess of development and technology but out of the lack of development and technology and inadequate control over natural phenomena.

We have today about two-thirds of mankind living—if it can be called living—on less than 30 cents

a day. We have today a situation where there are about one billion illiterate people around the world, although the world has both the means and technology to spread education. We have nearly 70 percent of the children in the Third World suffering from malnutrition, although the world has the resources to feed them. We have maldistribution of the world's resources on a scale where the industrialised countries are consuming about twenty times more of the resources per capita than the poor countries. We have a situation where, in the Third World, millions of people toil under a broiling sun from morning till dusk for miserable rewards and premature death without ever discovering the reasons why.

Both the rich and poor worlds have pressing, unparalleled problems. They are not separate; they cannot be solved independently. Mankind's predicament is rooted in its past, in the economic and social structures that have emerged within and between nations. The present crisis, in the world economy and in the relations between nations, is a crisis of international structures. What both worlds must come to grips with is basically a sick system which cannot be healed by expeditious economic first aid. Marginal changes will not be sufficient. What is required are fundamental institutional reforms, based upon a recognition of a common interest and mutual concern, in an increasingly interdependent world. What is required is a new international order in which all benefit from change.

Whatever agreements are eventually negotiated, they must balance the interests of the rich and poor nations. All nations have to carefully weigh the costs of disruption against the costs of accommodation and to consider

the fact that any conceivable cost of a new deal will be a very small proportion of their future growth in an orderly co-operative framework.

Not only is there an overwhelming need for change, but there are increased opportunities for organising change also. Mankind's history is the story of a continuous process of change, of evolution in the face of threats and dangers. It is this process which provides the dynamism in the struggle to continually improve living conditions and to increase control over nature. The process, always subject to autonomous human interference, is occasionally subject to "historical discontinuities", breaks or 'mutations' in trends which provide increased opportunities for taking new initiatives in redirecting the evolutionary process. Four such discontinuities have recently occurred and are of very great importance internationally.

Firstly, one of the world's super-powers was obliged against its will to leave a part of the world where it had intervened in support of a non-representative regime. That this immensely powerful nation was unable to use its full military capability is of enormous importance. Secondly there are the demands of the Third World, strengthened by the OPEC actions, a development which will be increasingly felt in international fora in the coming decade. Thirdly there is the increasing incapacity of the rich and privileged nations, the industrialized world, to come to grips with the economic imbalances in the present international system and to deal creatively with the collapse of their own invention; this combined with growing alienation and frustration and the threats to basic human values and human environment engendered by pressure to consume. And fourthly, there is a growing recognition

of global interdependencies and of the fact that no nation, however powerful it may believe itself to be, can realistically pursue its policies in isolation.

The demands for a new international order must be placed within this historical process. On one level of reasoning, it is a natural evolution of the philosophy already accepted at the national level; that the government must actively intervene on behalf of the poorest segments of their populations ('the bottom 40 per cent') who will otherwise be bypassed by economic development. In a fast shrinking planet, it was inevitable that this 'new' philosophy would not stop at national borders; and, since there is no world government, the poor nations are bringing this concern to its closest substitute, the United Nations. At another level, the demand for structural change is, as we have seen, a natural second state in the evolution of Third World countries; a movement from political to economic equality.

There is of course nothing new in the existence of rich and poor. History has known nothing else and has in part been shaped by the struggles between them. But the rich and poor have in the past mainly existed within individual societies. What is relatively new is the enormous differences among societies. It is moreover a visible difference; the rich cannot conceal their wealth in a 'global village'. The glaring differences are perceived by the poor thanks, perhaps paradoxically to the rich world's technological dexterity. And their perception of these differences will in a shrinking world, exert growing streets on already frail international institutions.

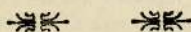
Mankind's future depends upon it coming to terms with these differences, with developing a new understanding and aware-

ness, based upon interdependence and mutual interest of working and living together. Recent discontinuities in the process of change have placed mankind on the threshold of new choices. In choosing among them, it will have to accept the harsh fact that, perhaps contrary to previous times it has just one future or no future at all.

The process of social change is subject to a variety to quantitative development patterns. These, familiar in many sciences, have a time dimension and may apply to any system of interaction. Cycles (Histoire se repete) are a familiar component of such patterns. Well-known examples include cycles in climate and business. Other components may be one-sided rather than cyclical movements. These can be either downward or upward either accelerated ('runaway' or 'escalating') or decelerated, moving towards some saturation level (trees don't grow into heaven). In some cases saturation might constitute an optimum and therefore comprise a desirable target. In other cases, it may move to a level deemed too low, suggesting, among other possible states, stagnation. Of these various prototypes of evolution only a movement towards saturation or harmony is generally considered desirable. In contrast, cycles or stagnation often mean waste or annoyance and runaway movements are prone to result in disaster.

All the movement types described can be suddenly interrupted by great mutations or unexpected interferences. In the field of technological development, such proved to be the case with, for example, the discovery of the steam engine, electricity and nuclear power. Social mutations have sometimes taken the form of re-

volutions, the French, the Russian, the Cuban, the Chinese and the Algerian revolutions being important examples. In terms of the process of change, the events comprised a moment of great 'historical discontinuity' for the countries concerned and were of such momentous importance that they changed the pattern of world relations. Following the revolutions, decades of evolutionary change were required to attain the aims pursued; the communist phase in Marxist terms, or social equity in the Western European democracies, were by no means achieved overnight and have not been fully achieved yet.



#### VILLAGE MEDICAL CARE

## Train Doctors For Real Conditions

by Medicus

It is very encouraging to see a specialist brought up within the four walls of an urban sophisticated hospital, dispensing medical care of "high level technology" learnt in the British tradition, speak of village medical care in a recent issue of the *Tribune*. It is a good omen and this article we hope will open the eyes of several more specialists, administrators and young doctors, to think in terms of rural health care. Unfortunately, though Sri Lanka has been independent since 1947, and had a medical school 107 years old, and a university established in 1943, we have failed in following the British pattern of undergraduate and post graduate medical education. No attempts have been made so far to effect radical changes in undergraduate education and to organise and im-

plement a good post graduate education suitable for a developing country. Every medical student wants to belong to the "club" and wants to emigrate as early in his career after receiving free education. So he yearns to sit for the MRCP or FRCP. Fortunately for them these examinations have been revived after a period of 7 years.

No one will dare say that the British system of medicine is of poor quality. Britain's system is the envy of many countries. British national health service is an example of "socialised medicine". It is good for Britain but to copy it in toto, especially medical education, is not suitable for developing countries. The population of Sri Lanka is rural, almost 70% living in rural areas. We have a good infrastructure of health services widely spread all over the country. A recent WHO study revealed that a person has a health facility within 0.8 miles and an institution within 3 miles of his residence. But what is lacking is the delivery of health care to the rural people. Though this infrastructure has been there since 1937, the first period when rural health care was taken to the population after the great malaria epidemic of 1935, the results achieved is not commensurate with the energy and money spent. Infective and parasitic diseases, tuberculosis, venereal diseases, leprosy, malaria and filariasis continue to be major health problems still.

One of the important reasons for this state of affairs is the priority given to hospital construction and equipping these hospitals, influenced by those who want "high level medical technology" in these institutions. The medical student, the young doctor and the specialist are all enamoured by this technology and preventive medicine and rural health care is given low priority though politicians from public

platforms give high priority to this. The medical student during his period of training lives in complete isolation in "ivory towers" isolated from the everyday health problems of the rural communities. So are the staff. The emphasis is on curative medicine during the 5 years of a student's life and later when he becomes a specialist. He is enamoured by the "high level medical technology" of coronary care units, open heart surgery, kidney dialysing units and EMI scanners, while in the rural areas infants and children aged 0-5 years are dying of diarrhoeal diseases, worm infection and malnutrition and hospital outpaient clinics are crowded with children with these conditions. Those in charge of medical education speak in terms of "standards" comparable to those of Guy's Hospital, London or the Harvard medical school and the UK General Medical Council recognition, for-

getting the health problems around them in the rural areas Dr. Mahler, the Director-General, WHO in an address to the Faculty of Medicine, Geneva, emphasised this. He stated "most of the medical schools prepare doctors, not to care for the health of the people but instead for medical practice that is blind to anything but disease and the technology for dealing with it." He further stated "Education in medical schools, I suggest has to become relevant to present and foreseeable future community health needs rather than satisfying professional interests."

Many medical schools which grew up with the British pattern have changed their medical curriculum to train doctors to the country's needs, India is one of those. In any future curriculum that is evolved, the student must be trained in communities where problems exist. In the curriculum, the social scien-

tist agriculture and rural development specialists, the economist and the planning expert should be associated with the teaching to make the doctor, the leader of team of paramedical personnel to give total health care to the population.

With the government's development plans, specially with the settlement of people envisaged in the Mahaweli project, one of the greatest barriers will be the devastating effect of communicable diseases. Since the present system has failed to a great extent, the administrators, community medicine specialists and medical educators should sit together to plan and give effect to a health programme suitable for the country so that socio-economic development could be greatly enhanced.

Unless and until radical changes are made in the medical curriculum and the attitudes of the medical student, the young doctor, the specialist and the administrators are changed the ideas put forward by Dr. Amerasinghe will not succeed.

'MEDICUS'

### GRATIFIED

Sir,

I am most gratified to find that that two of your most prestigious correspondents have taken the trouble to comment on my article on "Village Health Care". As I do not know their addresses, please send the copies of this letter with my warmest thanks.

I had earlier sent the report to the then "P.M.", the Minister of Health and Mr. Premadasa—all of whom had the courtesy to reply, but no action has been taken so far. Perhaps the comments on my article by Mr. Kahawita & Dr. Crosette Thambiah might stimulate someone to take some action. Such comments are invaluable.

I think it was Bernard Shaw who said that he, in his early days as a writer, sent an article and after it was published, he himself sent a scathing attack about it, so grossly unfair that many readers were impelled to write and say that the views of the critics were patently unfair. That certainly focussed fresh interest in his original article. But this does not apply in my case because both critics were in kind to me—far beyond my expectations. But these comments might stimulate action because I do firmly believe in what I said." In fact although now retired, I volunteered to supervise the 15 doctors needed for one fifteenth of the land area of Sr Lanka.

P. H. Amarasinghe

82, Ward Place,  
Colombo 7.  
4.3.78

### AN APPEAL

## For Workers' Rights

by

The Centre For  
Society & Religion

We are happy that the government has presented the White Paper on Employment Relations public discussion and is prepared to listen to the views of others including the Trade Unions. However we are perturbed that, while the White Paper has many welcome features, its principal recommendations will, if implemented, be a serious blow to the workers

rights. Over the past three to four decades the conditions of social justice have improved much thanks to the struggles of the workers and the enlightened support liberal political leaders and others who have championed the cause of social justice.

#### THE WELCOME FEATURES OF THE WHITE PAPER ARE

- Definition of casual and temporary labour and measures to stop abuse;
- Limitation of period of probation
- Extension of Wages Board terms and conditions to those not specifically covered.
- Equal wages irrespective of sex.
- Termination of wife's/children services on husband's termination stopped in plantation Sector.
- Acceptance of the principle of employees participation in management through Employees Councils and worker representatives on Boards.
- Half-wages during suspension.
- Acceptance of principle of employees participation in profits.

We hope these will be embodied in the proposed new legislation & their implementation provided for.

#### FEATURES NEEDING REVISION

- Disciplinary inquiries; more time needed for accused to reply; representation by trade union members to be permitted.
- Appeals to tribunals from disciplinary inquiries must be permitted without limitation of grounds.
- Employers must not be permitted to terminate services on mere payment of statutory compensation
- Termination must only be on grounds relevant to work.
- Restrictions on the right to

strike that virtually make a legal strike impossible\* must be removed.

—Liberty of citizens to assist those on strike must be recognised and not made illegal.

—Scope, functions and responsibilities of Employees Councils must be enlarged to cover integral management functions.

—Employee Councils must participate in management and not be vested with representative or arbitration functions.

—Employees Councils must be allowed to form joint associations.

—The present role of trade unions in representing employees in bargaining and in industrial disputes must be preserved.

—Employees participations in profits must be made real-not confined to gratuities and bonus payments.

We recognize that our present crisis demands hard work, austerity and discipline of all of us including the working class and the trade unions. *However we think the suggestions of the White Paper are in certain respects a denial of the human rights of the workers. They can also lead to the dehumanization of the employers as well as of employment relations.*

Basically money and power will replace arbitration and equity. The right to strike is virtually completely negated. Trade Unions are almost totally by-passed. Worker organization is practically limited to the plant level. Workers are ultimately defenceless against the power of employers who are well organized within each industry, at the national level and even internationally.

It would be an immense tragedy if the government were thus to negate its promises of advancing the country towards a democratic,

socialistic and virtuous (Dharmista) society. The values of the White Paper seem on the contrary to make the workers more unfree, to increase economic and power inequalities in the country and make money the ultimate determinant of employment relations, which is far from the demand of righteousness.

We therefore urge the government to discuss these issues with all the major trade unions and to avoid the pitfall of alienating the employed people at all levels in its rush to ensure a certain type of rapid economic development.

We appeal to the employers organizations also to take a more positive interest in the rights of their employees who contribute so much to their productivity & who are also human beings.

We likewise invite all other public spirited bodies including the religious organizations to give an earnest consideration to this grave issue that will affect the future of about two million employees in Sri Lanka.

#### CARAVAN FAMILY—8

### Trincomalee

by Ina Trimmer

Daddy had been pointing out all the landmarks as they went along. "China Bay", he said, soon after they left the ferry—"The Air strip. Cod Bay—Yard Cove" as they entered the town. "Orr's Hill, Simon-turn to the right. We'll park somewhere in this drive—stop! Here's a good spot."

A good spot indeed it was. There was a well in a little clearing surrounded by trees and low shrub. Two or three Margosa trees bent twisted arms as if to make a green, tent for Jason to rest in. Just be-

yond the narrow drive the little wavelets of the inner harbour lapped at the pebbly shore.

Daddy drove off after unloading the usual items—tent, ayah and simon; but mummie also decided to stay back. So did the children! Mummie was tired, she said but Varuni, Ranjit and Nila changed into bathing clothes with lightening rapidity and jumped into the sea.

They stayed three days in Trincomalee, going places, all the time on the move. "Not half enough", Daddy said, "because there's so much to do and see, in and around the town."

One morning they went to Nilaveli on the North Coast Road to see the salt pans. Mummie thought the name was lovely—"Moonlit Sands"—and then across three ferries to Kuchchevelli where they bathed in a sea as beautiful as calm as the bays of Trinco.

Daddy was like a schoolboy in all these outings. "I wish I could take you all to the Kokilai Lagoon, still further north. I went by cart, travelling all the night. There are flamingoes by the hundreds in that lagoon."

One evening he took them to Anandakulam Tank, a few miles up the Kandy Road, to sit on the bund and watch for crocodiles. Ranjit was determined to take Robbie Mummie's little cairn.

"Oh mummie, he'll love to walk on the bund with us. He hasn't had any exercise for days." So Robbie went too, carried in Ranjit's arms till they reached a nice safe place. No sooner was he put down, he spotted a monkey in the jungle, and away he went after it.

"Robbie, Robbie, come here" should Ranjit.

But Robbie heard nothing but the Gook! Gook! grunting of a hundred monkeys. Full of pelt, he ran after them and disappeared in the undergrowth.

Ranjit gave one despairing cry—"Robbie!" and chased his pet into the darkening jungle. Then he too disappeared.

Mummie screamed, Nila cried, Daddy scolded and Varuni shouted "Ranjit! Robbie!, Come back!"

When Ranjit entered the jungle he couldn't see Robbie at all. He could only hear him in the distance, Bark! Bark! and the monkeys excitedly Gook! Gook! as they jumped from tree to tree.

Thorns scratched and held him but he tore himself away, panting after Robbie. One minute he thought he got him, next second he had disappeared again, monkeys excitedly Gook! Gook! deeper into the forest.

With a great effort he flung himself on the dog and caught him, but the monkeys instead of running away, stopped and began to jump about getting closer and closer to him. Clutching Robbie tight, he turned to run, But where?

Only trees, no path at all, only trees on every side. Which way was he to go? It was rapidly getting dark. The monkeys, huge grey creatures began grinning at him, their teeth knocking together. One of them, bolder than the rest, stretched out a long paw and tried to claw at Robbie. Robbie growled and struggled.

Ranjit yelled—"Daddy, Daddy, Mummie! Aiyo-o-o" and he yelled without ceasing. From far away came a faint Hoo-hoo. "Ranjit yelled again, as loud as he could—"Daddy".

The chattering, grinning monkeys were closing round the two little lost strays when Daddy crashed through the jungle, shouting at the top of his voice.

He wasn't a minute too soon. He waved his stick at the monkeys who ran up the trees when they saw him. Ranjit fell into his arms sobbing.

"I nearly lost Robbie. The monkeys would have eaten him up."

Daddy hadn't the heart to scold. "It mightn't have been only Robbie. They might have killed you too. Monkeys have been known to kill when they are angry and there are numbers together. Mummie is nearly dying of a heart attack. What a boy you are!"

Daddy loved wandering round Trinco and relating tales of what he did when he was there. He took them to the house where he lived for two years, on the headland, Dutch Point. He even took them to the cemetery to see the graves of the old pioneers who died in this far away land.

"Do you know that the Duke of Wellington once lived here, when he was a young man?" he asked. "Now who can tell me something of the Duke of Wellington?"

"He was a great general" said Ranjit.

"He won the battle of Waterloo" said Varuni.

"Quite right. But if he hadn't gone down with an attack of Malaria in Trinco, he would not have lived to be either a great general or to win the battle of Waterloo".

"Why Richard?" asked mummie, quite as interested as the two children.

"Well as a young army officer, Wellington once lived for a short time in Fort Fredrick. Orders had come for him to return to England but he was ill with a severe attack of malaria and the ship sailed without him. On the way it sank, with all hands. Next day they began a long trek again. At the cross roads outside the town, they took the wide highway that led to Anuradhapura, but soon stopped within five miles to turn down a narrow path on the left.

"Where are we going Daddy?" asked Ranjit.



"For a flying visit to Kanniya Hot Springs, the best known in Ceylon."

The children were most interested. They bent down and drank the water, washed their faces and Ranjit even wanted to bathe in each one of the five springs.

"Look daddy", he said, "this one is burning hot."

"Yes—in the hottest well, an egg could have been boiled in the old days, but now the water of the wells run into each other."



## Grama Sastra-7

Scribblings on Uva Villages

### Migration And

### Araluwinna

by Gamiya

The echoes of the grandmother of Bolgalla village have not yet died down in your ear. *yukthiya ayukthiya* — "justice - injustice"—) there she may be singing it again. I promised you a word or two about the next village, Araluwinna. Reflecting on Araluwinna brought me to Migration. Migration can be caused by pressure on land, and so, some go to Illuklande for new sugar-cane plots; fear of marauding elephants draw many to Illuklande. Many leave houses abandoned. This invites elephants who become more bold and advance further. Uprooted from their culture, youth have sought for further avenues of employment in urban and suburban areas.

Araluwinna has charming, hospitable people. Most of them do toddy-tapping and some also work on paddy farming. One day I noticed two houses very close to each other, a mere forty inches apart were the two outer walls. A young

man had decided to have his mother-in-law close by so that his wife would be happy with her widowed mother: so far and yet so near; under the same roof for nearness, but a little distinct, for harmony. The young man said: "She has no one to care for her except this daughter." We found the wife fondling a very fine infant, lulling it to sleep. "My baby died three months ago, June 12th and I was so sad that in seven days I had to adopt another infant (*"ivasa ganna beri nisaa, dawas hathakin lamek genava"*).

In another home, a young man greeted me and said: "Take something to drink". Having proffered some beverage from the kitul tree, he added: "My father died a year ago tomorrow. If he had been here, he would never allow you to go away without eating anything as accompaniment to the drink. He treated anyone quite royally." Referring to the sad event of a day earlier—a man was stabbed and he went bleeding along the road, a distance of 6 miles before he fell exhausted near a tractor at Ob. junction—he said: "We are a peaceable group of people here. Within living memory, there has not been a murder or stabbing case in this area, but my brother could not bear to see me ill-treated and so he lost his patience and attacked my assailant who was coming to me with a kitul-tapping knife. He is new to the place and has designs on everyone's little plot of land. I opposed his ugly designs and my brother got it. He stepped between us, with two pots of kitul in his hands. That's how he got hit."

Migration, pressure on land, unemployment—all these are evils in an area that looks for some respite but isn't getting it and enjoys so likelihood of getting a break in the near future.

A woman narrated how her dead father appeared to her and told her: "Take your imbecile sister under your care. She has no one to go to." True enough, she had taken this as a sacred duty and was caring for her, as a true daughter of her father.

To the harassing constable of a nuisance-value police-station a little off Araluw., the teenage children of that person who had been stabbed, protested:

*"our mother is away in hospital; our father is away in an emergency ward. You take your chance and come in to harass our elder brother. Is it right? We are one family, why should we squabble, we girls? And I think you can go home, constable. See us when our parents come back."*

\* \* \*

#### REVIEW

### Towards The UN Disarmament Session

by Jayantha Somasundaram

At the Fifth Non-Aligned Summit Conference held in August seventy six in Colombo, it was decided to call for a special session of the UNO to take up the question of disarmament. This session will be held next May. "We must oppose the arms race not only on the grounds of its irrationality, but also on grounds of morality. Each new generation of arms becomes more inhuman. Every new war tends to become more cruel," says Alva Myrdal in *The Game of Disarmament*.

Since 1945 there have been 119 wars, most of them in the territories of Third World countries. Thus it becomes vital for the Third World to exert itself in the field of disarmament and make next

years conference a starting point for practical disarmament.

Last year the World spent US \$334,000,000 on armaments. Over 400,000 scientists and engineers, two out of five, work on destructive weapons.

President Carter's go-ahead for the neutron bomb has understandably alarmed world opinion.

One needs only to list a few salient features of the new bomb to appreciate its significance, first and foremost the deadly radiation it induces.

Other nuclear warheads of conventional design induce heat and pressure waves in addition to radiation. So does the neutron bomb, but only within a relatively small radius of a few hundred miles.

Neither buildings nor tanks, neither arms nor equipment are seriously damaged, but the deadly radioactive mushrooms spreads far wider than is the case with tactical nuclear weapons of conventional design. What is more, radiation is more intensive and all-pervasive.

Conventional atomic bombs likewise release neutron rays on detonation, but only about one tenth of the quantity, which is why defence planners reckon the neutron bomb promises to be tailor-made for stopping spearhead attacks in their tracks no matter how prestigious the advancing armour and firepower may be.

There is little structural damage and the area in question is free from radioactivity and accessible again in a relatively short time, with enemy columns knocked out to a man, but their arms and equipment unscathed.

## THE ETHICS

# Of Euthanasia

Dr. Abraham T. Kovoor

Euthanasia is the merciful act of painlessly terminating the life of an organism suffering from an incurable disease or wound. Though there is no objection in practising euthanasia on animals, it is prohibited in the case of men. This is due to the fallacious Judaic, Christian and Islamic beliefs that, unlike animals, man alone was created by hand from clay, and life was blown into it through the nostrils by God. Thus, according to them, God alone has the right to take life from a man. In countries dominated by the influences of these religions, doctors are not allowed to practice euthanasia even with the written permission of the suffering patient.

In Sri Lanka and India where the majority of people believe in rebirth, euthanasia should be considered as a meritorious act that should be encouraged. It is more sensible for those who believe in rebirth to prohibit the present practice of doctors prolonging the life by medication of a person suffering from an incurable disease than prohibiting euthanasia, because by medication the doctors are only delaying the sick men's chance of discarding their deceased bodies to be reborn in younger and healthier bodies.

Once I witnessed the cruel act of a doctor administering oxygen to a cancer patient struggling between life and death. Probably his religious upbringing did not make him realize the cruelty of his act of making the dying person suffer a few more hours. How sensible it would have been if, instead of administering oxygen, he had given the patient an overdose of a sleeping drug.

On another occasion a doctor of very low intelligence was triumphantly boasting about the success he and his alcoholic doctor son achieved in reviving a lady who was in a deep coma as the result of cancer in her lungs, by giving her glucose drip. Although I told him that I would not like such a cruel act to be done even to my pet dog, the foolish doctor, who was obsessed by his religious delusions, continued to boast about how he and his drunkard son succeeded in keeping the sick lady conscious until her death.

The cancer specialist, who was told that his patient was in a state of coma, was happy to know that she was not able to feel any pain during the last hours of her life. He said that nature was doing what he himself would have done if the law permitted. He was thoroughly annoyed at the uncalled for interference of the two misguided quacks in making his patient suffer for a few more days.

My 80-year-old body has cancer in its bladder, and as a result of it I am suffering from frequent haematuria. In view of my old age my doctors have ruled out surgery and radiotherapy. They are treating me by chemotherapy and blood transfusion in an attempt to keep me alive for a few more weeks or months, and not years. They have succeeded a good deal in this respect, and I am thankful to them. I am able to attend to my normal work, although at a lesser scale.

Before long when I am bedridden and become useless to my fellow beings and myself, I will not permit my good doctors to prolong my life and suffering any more. Unfortunately, my doctors are prevented by an antediluvian law from terminating my suffering by putting me to sleep permanently, even if I request them to do so.

My rational mind will not permit me to eat the so-called holy

ash given by the juggler Sai Baba, or drink my urine every morning as curative medicines for cancer at the advice of gullible Sai Baba devotees and Sri Morarji Desai!

My only hope of escaping the forthcoming agony is in some of my sincere friends who foolishly believe in rebirth even though there is no evidence for it. I appeal to them to compassionately help me to put an end to my suffering by getting me a liberal supply of sleeping tablets when I am completely bedridden.

It being a meritorious karma they need not hesitate to violate an outmoded law. In addition to helping me to get rid of my cancerous body to be reborn into a healthy young body, they themselves will be adding one more merit to their credit. Even Mahatma Gandhi did not hesitate to break laws for doing good for his fellow men.

LETTERS

Sansoni Commission

Sir,

I read with interest Mr. N. Deva Rajan's letter (Tribune-22.4.78). According to him the English Dailies do not report objectively the findings of the Sansoni Commission, as the Tamil Dailies do.

Sir, May I bring to your notice the fact that the Sinhalese Dailies do not report the proceedings of the Sansoni Commission at all?

I think any reasonable man would come to the conclusion that those who are responsible for publishing Sinhalese Dailies have committed a grave crime on the Sinhala reading public for their failure to disclose factual situation of 1977 communal troubles.

As a Sinhalese, I would blame them for keeping the Sinhala read-

ing public in the dark. Our Journalists, following the principles of our Politicos play a different tune for this innocent people. I am forced to think that for their survival, both (Politico & Journalist) need to keep this section of the population (Over 75% of the total population) in the dark for ever. Instead of trying to create Communal harmony articles flavoured with communal feelings are published. This is how, the Journalists in a Dharmishta Society should act.

T.Q.F.

Nawala.  
24th April, 1978

Wesak 1978

Sir,

May 21-22 will mark the Wesak festival.

With one month notice, could arrangements be started to make the best use of such festival in order to build up a "JUST SOCIETY as Lord Buddha dreamt and preached, based on maitri, kindness, love, disinterestedness and joy?

After the painful, shameful experience of August 1977, could Lord Buddha's Triple festival of WESAK present to all a golden occasion to rediscover our common "ROOTS": Sinhalese and Tamils, like Lord Buddha himself, came here to Sri Lanka from the same motherland, INDIA.

May I suggest that in order to improve the relationships between the Sinhalese majority and the Plantation Workers and in order to help the Plantation workers to break their isolation and come closer to their Sinhalese brothers and sisters, the authorities of the PLANTATION MINISTRY should make WESAK a compulsory leave day to encourage and promote WESAK celebrations in the Plan-

tations. As Venerable Pandit Gnana Seeha Maha Thero of Pathakada has often remarked: "The integration between the Sinhalese and Tamil will finally come, when a few Buddhist monks will start bringing the measure of Lord Buddha to the Plantation Workers preaching to them in their Tamil Mother Tongue". That implies a very serious responsibility laid on the spiritual leaders of the majority community to bridge the gap and come closer to the minority. Their example will bring the majority community closer to the Plantation Workers.

Celebrating WESAK '78 TOGETHER, we will GROW TOGETHER towards spiritual and moral development and we will MOVE TOGETHER towards the new "JUST SOCIETY." "MAY ALL BEINGS BE WELL" treated as EQUAL, in brotherhood and love, to transform the country into a SRI LANKA UNITED PEOPLE, enlightened by the lights of the WESAK celebrations.

Pio Ciampa, S.J.

Estate People's Services,  
Kahawatta.  
12.4.78

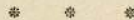


SNIPPETS

Anger is an expensive luxury in which only men of a certain income can indulge.



He who can conceal his joys is greater than he who can hide his grief



Culture is what your butcher will have if he were a Surgeon.



What sculpture is to a piece of marble Education is to the Soul.

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Apr. 24 - May 1

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

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

**MONDAY, APRIL 24:** Thousands of devotees paid homage to the sacred Kapilavastu relics yesterday; the second day of their exposition at the Vidyodaya Pirivena. The United Nations Fund for Population Activities is likely to provide consultancy services for the proposed Management Institute for River Valley Basin Development for which legislation is being prepared after government approval given recently. All campuses of the University of Sri Lanka reopen today; security measures to ensure the safety of students in and out of the campuses have already been initiated by the Campus authorities. The Parliamentary Group of the TULF has decided to participate in the Consultative Committee to be set up to advise ministers—CDN. Police are now probing whether there is any connection between the killing of the CID officers in Murunkan and the highly decomposed body found two days ago by the CID teams combing the area. The Galle Face Green is being beautified in such a way as to retain its old world charm on the

instructions of the PM—CDM. The government has sought the assistance of INTERPOL immediately to repatriate a Sri Lankan national now employed in Oman; he is believed to have been a main shareholder of the farm in Murunkan which was used as a jungle hideout and a shooting range by the "Liberation Tiger" liberation group. A team of prominent personalities from Tamilnadu are expected to be present in Sri Lanka to participate in ceremonies to commemorate the first death anniversary of the of Mr. S. J. V. Chelvanayakam. Sri Lanka has now come into the sorry plight of having to import timber to meet local requirements. The Auditor General has recommended the appointment of a chief financial officer or Controller for state institutions—SU. The director of the Eye Bank will go to Japan to hold talks on the opening of an eye bank there—DW. The State Pharmaceutical Corporation has decided to grant permission to the private sector to import drugs—LD. France today agreed for the first time to contribute to five special funds set up by the ADB to finance cheap loans to some of Asia's poorest countries. The pilot and navigator of the South Korean plane which crash landed in the USSR were detained there while the 106 survivors were flown to Helsinki—SU. An Arab Solidarity Committee started two days of talks yesterday on ways of uniting the Arab world by reconciling differences over ME peace moves. A deadline on the life of kidnapped ex-PM Aldo Moro was passed yesterday with the Italian government refusing to bow to an ultimatum from his red brigand captors for a prisoner exchange—CDM. The US and the Soviet Union last night announced they had narrowed differences on some issues standing in the way of a new agreement to limit offensive nuclear weapons—CDN.

**TUESDAY, APRIL 25:** The new university term opened yesterday with the undergraduates getting down to work; there was a good response regarding attendance at the campuses; no incidents were reported. The Minister of Agriculture and Lands has been able to get the IFAD to approve a loan of 12 million US dollars to Sri Lanka; it will be used to execute the Kirindi Oya Irrigation and Settlement Project. The government has begun handing over deeds of ownership of 10,000 houses to tenants who paid rents below Rs. 25 a month. Co-ordinating Secretaries would be established in electorates housing all government officials in the electorate under one roof and also an office for the MP of the area—CDM. The government has decided to introduce immediate measures to regulate and control the working of employment agencies and the channelling of Sri Lanka personnel for jobs abroad. Detectives who completed the first phase of their investigations into the slaying of the four CID officials now believe that Inspector Bastiampillai and party had been set up for killing. Eight separate rallies will be held in Colombo on May Day—SU. The Minister of Transport is soon to introduce legislation in the NSA to enable the CTB to run a taxi service as well as lorry hire services—DP. 80,000 Sri Lankans have applied to the Labour Department for jobs in foreign countries. The Department of National Housing is taking steps to construct 2000 houses this year—DM. The Apprentice Board is to give Sri Lankan youths a technical training of international standard—DW. The CWE will import 3 million pounds of tinned fish—ATH. Egyptian security forces which have smashed a terrorist ring alleged to have plotted assassinations and sabotage attacks in Egypt arrested five more suspects yesterday West German

Chancellor Helmut Schmidt and British Premier James Callaghan opened talks here last night on a five point strategy to pull the Western world out of recession, cut down unemployment and curb trade protectionism—CDM. PM Morarji Desai said today that India would be free to look for other sources of enriched uranium to keep its nuclear reactors going if the US broke its supply agreement. Conservative political leaders of 15 nations meet in Austria today to form a new European Alliance, a grouping of the Centre right—SU.

**WEDNESDAY, APRIL 26:** A five-year phased program to establish the Batticaloa Campus at an estimated cost of Rs. 100 million has been recommended. Britain is to send a team of consultants to Sri Lanka next month to survey the possibility of aiding the Victoria Project of the Mahaweli Scheme to the extent of 50 million pounds. The former President Mr. William Gopallawa will unveil the portraits of the President, PM, the late Mr. H. A. Jayawardene, the late Mr. Justice E. W. Jayawardene and the late Col. T. G. Jayawardene at the Town Hall this evening; later the President will inaugurate the Municipal Mini Train Service at Viharamahadevi Park. The co-operative movement in this country will be handed back to the people at the end of six months; all members will be elected and not nominated. Police will carry out an intensive search for firearms and dangerous weapons among people participating in the various May Day processions and rallies—CDN. The Minister of Public Administration and Home Affairs has appointed a special committee to inquire and report on the anomalies, injustices and malpractices in regard to the appointments and other matters connected with the Sri Lanka Administrative Service.

The government has rushed four doctors to the Maldives to help in curative work and to bring under control an epidemic of diarrhoea which has broken out in the island. Austria has agreed to permit the import of Sri Lanka handicrafts and all hand made items including handlooms on a duty free basis.—CDM. The President of the Vidyodaya Campus said yesterday that the membership of the Vidyodaya Campus' main Students Union had convened a meeting on Monday and decided that they would refrain from participating in strikes of any nature. The Chief Magistrate of Colombo discharged Dr. Nath Amerakoon, Mr. V. Kularatne and Mr. Mohanlal Grero due to lack of evidence against them in a case of alleged conspiracy against the state—SU. There has been an increase in the world price of rice due to drought in many producing countries; the government of Sri Lanka is however trying to sell rice at the old price—DP. The Plantation Industry has given employment to 67000 people in the last six months—DW. 40,000 tons of salt worth more than Rs. 40 million will be exported by the Salt Corporation shortly. East Germany has asked the Fisheries Corporation for permission to fish in Sri Lanka's waters. The Minister of Agriculture has decided to cultivate sugar cane in 96,000 acres with the help of the World Bank and the Asian Development Bank—LD. Indian Home Minister Charan Singh generally regarded as the number two man in the Janata Party government suffered a heart attack yesterday and is recovering in hospital. The US Supreme Court today effectively sent heiress Patricia Hearst back to prison when it refused to hear her appeal against a seven year jail sentence for bank robbery—CDM. President Leonid Brezhnev said the Soviet Union would refrain starting production of its own neutron bomb in response

to President Carter's decision to defer making the weapon. The Soviet Deputy Foreign Minister will arrive in Peking on Wednesday for the resumption of Sino-Soviet border talks—SU.

**THURSDAY, APRIL 27:** The President said yesterday that this new year the people had all the food to eat and the clothes to wear and that the government had fulfilled an election pledge to them and that they would import more goods if necessary. It is believed that when new sprouts appear on the dead trunk of the Sacred Maha Bodhi tree that it is a sign of great prosperity for the country; the bodhi in Anuradhapura is now sprouting and an era of plenty is expected. Nearly 200,000 devotees have paid homage to the Sacred Kapilavastu relics now on exposition. The Fertilizer Corporation has now streamlined its distribution channels of fertilizer to avoid delays, waste and shortage problems to help farmers. Security arrangements in the city for May Day have been finalised with mobilisation of 300 police personnel from the outstations. About 8000 students have registered for the external examination of the University of Sri Lanka—CDN. The President said yesterday that the un-employment problem cannot be solved in 24 hours but the government had taken meaningful steps to provide employment to ten lakhs of youth before their term of office was completed. Tenants living in houses assessed at Rs. 25 and below and which comes under the Ceiling on House Law will be given ownership of the houses free of charge within the next three months. The Ministry of Justice has for the first time appointed a carpenter and a fisherman as Justices of Peace, breaking with tradition. The Minister of Higher Education will establish an open university to cater to persons employed and

who want to read for a degree or a diploma as well as those who have failed to gain admission—CDM. Sri Lankans seeking jobs abroad will in future be required to obtain security clearances; recruiting agents approved by the state are to be compelled to abide by this decision. The Minister of Justice who met Law Commission members yesterday pointed out that one of their first functions should be to draft a new Civil Procedure Code to suit present day needs. The government is to clearly define the State's policy on language in the Republican Constitution; while Sinhala will continue to be the official language, both Sinhala and Tamil are to be embodied in the constitution as National languages—SU. The Job Bank has been unable to fill vacancies for mechanics, welders and stenographers in government departments and corporations; this is because the job bank has got very few applications for these jobs—DW. The Building Materials Corporation has raised the prices of 53 building materials by 75%—DK. A statue of the pioneer of the Sri Lanka labour movement, the late Mr. A. E. Goonesinghe will be ceremonially unveiled by the President on May 1—IDPR No. 40. Soviet Head of State and Party leader Brezhnev said yesterday that the Soviet Union will not produce the neutron bomb as long as the US does not do so. Israeli PM Begin yesterday warned Egypt of the possibility that Israel might replace its willingness towards almost total withdrawal from the Sinai peninsula by fewer concessions—SU. PM James Callaghan today announced a morale boosting 14% pay rise for Britain's thinly stretched and reportedly unhappy armed forces—CDM. The five western members of the Security Council yesterday welcomed South Africa's formal acceptance of their proposals for independence in South Africa—CDN.

**FRIDAY, APRIL 28:** Presidents of the Campuses of the University of Sri Lanka will be elevated Vice Chancellors with greater power to handle affairs of their respective campuses; this is one of the major features of the new Higher Education Bill now being prepared. The private sector is to increase its work force by 10% beginning May 1; this is according to a scheme of recruitment worked out by the Federation of Chambers of Commerce and Industry of Sri Lanka. The President said that two major shortcomings—one in the port of Colombo and the other at the Katunayake Airport—had been rectified during the past few weeks. The first death anniversary of the late Mr. S. J. V. Chelvanayakam was commemorated in Jaffna on Wednesday—CDN. According to the Controller of Immigration and Emigration nearly 13,000 passports were being issued monthly without any restriction to Sri Lankans seeking jobs in the oil rich Gulf States. A World Food Programme appraisal mission comprising members also from the FAO, WHO and ILO has arrived in Sri Lanka in connection with a government request for WFP assistance. The return of the Kapilavastu sacred relics to India is likely to be delayed by one month. All Co-operative Handloom and Textile manufacturing plants will in future be managed by the Department of Textiles; this follows a study into the difficulties of organisation and management experienced by the co-op sector. Mrs. Sita Parakrama, journalist, actress and painter died yesterday. The government has approved Rs. 8 million for work on the Southern Campus of the University of Sri Lanka—CDM. An island wide security network is to be set up shortly by the Ministry of Defence which has been conducting an extensive study of the pattern of the crime in the various regions.

Police have uncovered two arsenals specialising in the manufacture of hand bombs which they believe supply the major requirements of the country's underworld. The Ministry of Public Administration and Home Affairs has decided to mobilise rural participation in the restoration of small village tanks. May Day processions in the provinces have been banned. The government has decided to allocate Rs. 168 million for urgent development work in all electorates—SU. A Consumer Planning and Research Centre is to be set up under the Ministry of Trade shortly—LD. Almost 2000 Sri Lankans visit India weekly, after relaxation of travel regulations. The Minister of Fisheries has decided to impose fines upto Rs. 5 million on unauthorised trawlers fishing in our territorial waters—DM. Dissident military officers yesterday claimed they had toppled the government of Afghanistan of President Mohamed Daoud, but diplomatic sources said that the rebels were not in full control and fighting was raging last night in Afghan and Kabul. India's ruling Janata Party has proposed constitutional changes that will make it impossible for a state of internal emergency except in the case of armed rebellion. President Jimmy Carter's plan to sell American fighter aircrafts simultaneously to Israel, Saudi Arabia and Egypt is the focal point of talks which Israeli foreign minister Moshe Dayan opened today with his US counterpart Cyrus Vance—SU. The Lebanese President today overwhelmingly approved a controversial plan to ban private militias and curb Palestinian guerilla activity in the country—CDM. Israeli peace campaigners formed a 12 mile human chain through Jerusalem yesterday to pass along a petition urging Premier Begin to modify his hard-line peace policies—CDN.

**SATURDAY, APRIL 29:** Prisoners will be paid a provisional

pension on the month following the date of their retirement and widows and dependents of those government servants who die while in service will be paid their gratuity award within one week; these are the two major changes that will be affected in pension payment procedure. The GCEC has approved in principle seven industrial projects for its first investment Promotion Zone in Katunayake. In future shops are expected to work two shifts under the extended shop hours in order to give more employment. One of the ancient sites of Sri Lanka's civilisation was uncovered for the first time recently, while work was going on for the Construction of the Maduru Oya dam under the Mahaweli Development Scheme—CDN. The Ministry of Higher Education will gradually enlist support of parents in running the universities and institutions of higher learning said the Secretary to the Ministry of Higher Education. Farmers and workers will be entitled to read for degrees and diplomas of the proposed 'Open University'. The State Film Corporation has launched a Welfare Fund for the benefit of those in the film trade to mark international labour day on May 1—CDM. The Chamber of Commerce is to come to the aid of the government in its efforts to solve the problem of the bunching of ships in the Port of Colombo and the resultant payment of heavy demurrage—SU. The Secretary to the Ministry of Higher Education said that in the future if there was trouble in the campuses they will not be closed, but the students who were responsible for the trouble will be kept away from the University—VK. Two large new warehouses to store imported goods will be constructed in KKS and Trincomalee soon—DP. The Tamil Liberation Tiger Movement has claimed the responsibility for a great number

of killings including those of late Alfred Dumaiappa and the four police officers recently—JD. The Health Ministry which is getting a gift of 150 jeeps as a gift from England has decided to use them for the anti-malaria campaign—DM. Israeli foreign minister Moshe Dayan yesterday sharply criticised the Carter administration's dangerous proposal to sell war planes to both Israeli and Arab states—CDM. The rebel military rulers of Afghanistan who seized power in a bloody coup yesterday announced today that President Daoud and his brother were killed during the take over—SU. Six French air force fighter bombers arrived in the strife-borne African republic of Chad, apparently making further French commitment to its former colony. Britain's Conservative Opposition party yesterday swept to predicted victories in 2 by elections on the fringe of London, which left the ruling labour party with an overall minority of eight in the House of Commons—CDN.

**SUNDAY, APRIL 30:** The President has initiated action to substantially reduce drug prices effective from May 8; the Health Ministry said yesterday that a 40% reduction in the prices of over 1200 drugs imported by the State Pharmaceuticals Corporation is being implemented. Tomorrow's May Day will be one with a difference; instead of the customary May Day rally and demonstration the UNP and its trade unions will hold a cultural festival which will be preceded by speeches by the PM and President. The Janata Estates Development Board has initiated a major breakthrough by promoting 18 persons from among the estate's clerical staff, factory officers and field officers to positions in the executive cadres—SO. Police and army personnel last Friday found the white coloured Peugeot 404 in an elephant infested

jungle north of Vavuniya, about 80 miles away from where the bodies of the CID personnel were found three weeks ago. Nearly three million rupees in foreign exchange comes into the country every week as remittances from Sri Lankans employed abroad; this is equal to the higher exchange rate announced in the last budget—ST. Fresh fundamental rights and freedoms for the people of Sri Lanka will be enshrined in the present constitution; they will be adopted and enacted in the NSA shortly and have been drafted in the twin fold principles of Dharma and the Rule of Law. The government has decided to introduce a uniformity in regard to direct recruitment of both men and women into the State sector—WK. The Department of Census and Statistics has said that there has been a record decline in the population growth from 1971—RR. Rhodesia's new multi racial interim government dismissed one of the Black ministers today only two weeks after he took office; Bydon Hove, the dismissed Minister of Justice and Law has been the centre of controversy since he said that the judiciary and police should be restructured in the wake of the march 3 Salsbury agreement setting up the transitional government. Indian Home Minister Charan Singh generally regarded as No. 2 man in the government resigned today from the ruling Janata Party's National Executive and Parliamentary Board in a move that could lead to a serious split in the government—SO. Afghanistan's new military rulers are in uncontested control of Kabul two days after seizing power in a bloody coup d'etat diplomatic sources said today—ST. Developed and developing countries of the IMF are meeting in Mexico separately to prepare for the IMF interim committee meeting scheduled for the weekend; there will likely be wide



differences between third world countries and industrialized nations over a number of issues according to observers—WK.

**MONDAY, MAY 1:** The President in a May Day message said that it was the objective of the UNP, while protecting and guaranteeing the reasonable rights of the working population to eradicate unemployment and to provide for every person in this country employment in accordance with each one's ability. A statue of the pioneer of the Sri Lanka labour movement, the late Mr. A. E. Goonesinghe will be ceremonially unveiled by the President today. The PM in a May Day message said that the workforce should be paid a wage commensurate with their skills and sufficient to satisfy at least their basic needs—CDN. The government has decided to acquire 40% of the shares in the tea brokering trade. The ULF states in a May Day message that all democratic rights should be defended to ensure social progress by a rallying together of all radical and democratic forces. The CMU and the Revolutionary Marxist Party in a statement say that since it was not possible to secure the content of the leadership of the LSSP and CP for a joint rally they were holding it separately. Mr. Thondaman said in a May Day message that this May Day dawned amidst an entirely different horizon and that hoaxing heroes had been taught a lesson by being removed from public life. The Ministry of Higher Education has decided to start the third medical faculty in Sri Lanka at the Jaffna Campus in June or July—CDM. A 'Sangeeka' law dealing exclusively with ecclesiastical matters and disputes relating to the Maha Sangha will be introduced in the NSA shortly. Sri Lanka will get about six times the area of its land by way of sea resources once the treaty on the

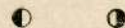
Law of the Sea is successfully completed said Sri Lanka's Permanent Representative in the UN—SU. There will be 7 demonstrations and 11 meetings to mark May Day in Colombo today. Of the 17 commissions appointed by the present government to investigate various matters, five have completed their work—VK. The health ministry is to recruit 800 people to be trained as nurses—DM. The Minister of Fisheries has said that Rs. 15 million has been set aside for the import of fishing nets—LD. Hundreds of students wearing red scarves appeared in the streets of Kabul where Afghanistan's rebel troops seemed in full control of the capital following Thursday's bloody military coup said diplomatic sources. A dozen Cuban officers are training Palestinian guerillas to use artillery and other modern weapons in South Lebanon according to reliable sources. Former Pakistan ruler Yahya Khan is seeking damages for the five years he spent in detention during the government of his successor Zulfikar Ali Bhutto who was ousted in an army coup in July 1977—SU. Seychelles police yesterday arrested a number of people believed to be involved in a plot to overthrow the government; former President James Mancham and 3 of his former cabinet ministers were involved—CDM. South Africa may take part in next weeks special UN General Assembly debate on Namibia, South African Minister Pik Botha said—CDN.



## The Uncomplaining Crosby

(a reply to Ralph Peacock, by 'GAT')

- 1) So Crosby complained not, did he?  
Of Vietnam, Watergate, et al!  
So a preening Peacock, tells me.
- 2) "He never complained", the Peacock claimed,  
Of famine or poverty.  
He just never did complain.
- 3) I ask you why, in God's name, why,  
Must Crosby complain?  
Because Fonda did and Dylan sang  
And paraded in the rain?
- 4) I heard not Peacock's pleas  
"While Cally's men  
Slaughtered the Vietnamese".  
Did Peacock help "in verse or song"  
Those who tried to right this wrong?
5. Look—Bing was no reformer  
or anti-war crusader,  
(He ne'er professed to be).  
He just sang his songs  
And sank his putts—  
A life-long entertainer.
- 6) "He ne'er admonished Bob Hope"  
Neither;  
Of course, for old pal Bob, just  
Entertained and wise-cracked:  
he never complained,  
Either.
- 7) The moral of this tale is this:  
Friend Peacock hark thee well.  
Dog eats not dog nor bird  
pecks bird;  
To each his own true business:  
Let Peacock flare his feathers,  
Let Crosby croon 'White  
Christmas!'



# Confidentially

## Felix's Diversionary Tactics

IS IT NOT TRUE that many political observers believe that Prime Minister Premadasa unwittingly fell for a gimmick that Felix R. Dias Bandaranaike (FRDB) had thought up to turn the focus of limelight on himself (FRDB) by stampeding the PM to give Galle Face Green and the NSA publicity to a letter in which FRDB alleges that Victor Tennekoon was the father, mother midwife and administrator of the CJC Act? That PM Premadasa had acted exactly in the way FRDB had thought he would act—by immediately holding up this letter to the full glare of publicity and focussing public attention on it with his own comments and observations? That in the process PM Premadasa set in motion the mischief conceived by FRDB to destabilise the appointment of Victor Tennekoon as the Chairman of the Law Commission? That if PM Premadasa had ignored the letter FRDB sent him as a May Day present and kept it for use on a suitable occasion at an appropriate date, FRDB would have continued to remain in shadows into which he has been cast? That it is an open secret that even the SLFP no longer gives him a platform? That in this situation, observers believe, FRDB had hit upon this excellent device not only to bring himself back into the focus of public attention—even if he ran the risk of being caught up in a maelstrom in the eye of a political cyclone? That PM Premadasa could not resist the temptation publicising FRDB's letter and thus satisfying the crafty megalomania of FRDB thirsting to stir up hornets nests everywhere

in the hope of diverting attention from the main matters that need investigation? That with this diversion public attention has been side-tracked to (a) the actions and activities of a bureaucrat Victor Tennekoon who was later the Chief Justice responsible for administering the CJC Act, (b) to the missing files from the Ministry of Justice, (c) to casting new suspicions on the former Prime Minister, Sirimavo Bandaranaike for her part in the working of the CJC Act, and (d) to starting a whole series of sensational and diversionary investigations on matters of lesser consequence at a time when the Presidential Commission on the abuse of power by the last government is about to begin its work? That many feel that FRDB would have been hoist on his own petard if PM Premadasa had merely turned in this letter to the Presidential Commission for them to make the necessary investigations at the appropriate time? That with Felixian cunning he had held out a bait by calling the CJC Act "draconian" and PM Premadasa no doubt felt that it was too much of a good thing not to make use of it at this stage? That PM Premadasa, an honest-to-goodness grass roots politician, will probably take a little time to understand the craft, cunning and wiles of Walauwa folk?

That, in any case, many believe that PM Premadasa's straight-forward action in placing FRDB's letter in the full glare of publicity will, in the ultimate analysis, boomerang on FRDB? That though FRDB will have the initial satisfaction of scoring a publicity gimmick, it will not be long before he faces a new kind of music? That hereafter the campaign against FRDB will be intensified by the present SLFP hierarchy even more than the UNP which will now be chasing many red herrings that FRDB has thrown into the arena? That Victor

Tennekoon has said that he would withhold comment for the moment? That he is no doubt handicapped by the absence of the relevant files? That the government and the Presidential Commission may not be able to hold FRDB responsible for anything more than not having made proper arrangements to safeguard important files and also for the vicarious ministerial responsibility for piloting Tennekoon's CJC Act through Parliament? That FRDB is likely to fling further diversionary time-bombs to distract attention from himself in regard to the way the CJC Act was worked? That FRDB, in the same way he has thrown Victor Tennekoon into the gladiatorial arena, will attempt to throw ruthless police sleuths, over-enthusiastic legal (including crown counsel) insurgency investigators and promotion-seeking bureaucrats into the fire of the Presidential Commissions' investigations? That if FRDB succeeds in this clever strategy, the Presidential Commission will soon be chasing shadows and not the real culprits and make the same mistakes the Shah Commission in New Delhi was guilty of and which reduced its work to a farce? That there is no doubt that FRDB is one of the cleverest political strategists in the country? That like all such wily politicians FRDB has the unhappy knack of over-reaching himself? That for seventeen years, from 1960 to 1977, he had held sway in spite of having been caught on many occasions with his pants down? That he was finally rejected by his own electorate which was virtually a pocket borough? That he has also been rejected by his own Party? That in spite of these setbacks and in spite of stink of the business deals (chickens, gems, eggs, rabbits, land etc.) of his close relations, some political observers think, that he may yet seek to stage a comeback?

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