

TRIBUNE

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CEYLON NEWS REVIEW

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● CEYLON PRESS

● FLYING SAUCERS

● GEM AND CURRENCY RACKET

● REVOLT IN CEYLON '71

● BANK CREDIT TO FARMERS

Interpol & FBI operatives join CID investigation

LOCAL MASTERMIND BEHIND BIGGEST MULTI-RACIAL CURRENCY RACKET

NEW LIGHT ON CEYLON'S BIGGEST MULTI-RACIAL CURRENCY RACKET

Interpol here to crack open the gem racket

CURRENCY INVESTIGATION WIDENS

More questioned, stay-patience orders, telexed codes

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FLEW IN HIS OWN JET

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The Great Big MYSTERY!

WEEKEND INVESTIGATION

Gem Smuggled no for Hippies

Gem-cum-currency racket

POLITICO, LAWYER QUIZZED IN DPL mission

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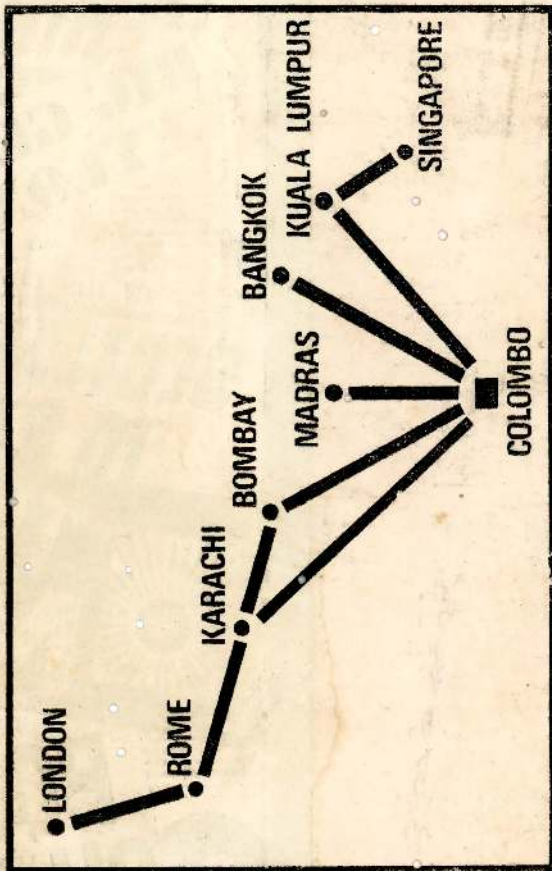
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AIR CEYLON IN ASSOCIATION
WITH BOAC AND QANTAS

From the Editor's Desk


THIS ISSUE of *Tribune*, like the last, is behind schedule, but it has caught up a little with time. With the next two issues, we hope to be able to be right on time. Every

periodical and every weekly published in Ceylon has, in the last two or three years, stumbled more than once. *Tribune* had suspended publication from November 1970 to the end of June 1971, and even after it had resumed publication it has only taken faltering steps. But we are confident that *Tribune* will in the very near future appear on the dot—so far as schedules are concerned.

The currently prestigious (United Front) publication *Nation* has had a chequered career. It is now in its seventh volume, but many of its earlier volumes were not regular or complete, but in recent months, with a heavy doze of advertising, governmental and even private sector (now dependent on government licensing for economic activities), the *Nation* has picked up momentum, as it is the weekly which reflects the thinking of an influential section of the United Front. Primarily LSSP-based, the *Nation* seeks to be the "voice" of SLFP's pro-UF wing of politicians and bureaucrats (and technocrats). Journalistically still very heavy-handed, the *Nation* is read because it reflects official thinking which is contemporaneously on the up and up in the United Front government.

The CP-based weekly, *Forward*, which functioned as the English-language mouthpiece of the United Front, during the days when the UF was in the opposition and in the early days of the UF government (at a time when the *Nation* had only appeared fitfully), had not made its appearance since early April, this year, ever since its editor, Mrs. Maud Keuneman, had died. But it has made its re-appearance recently—at a time when there were strong rumours of a rift between the CP and other members of the UF. The *Forward* has vigorously denied that there was any such rift. The *Aththa*, the un-official daily organ of the Communist Party, had become increasingly critical of certain leading personalities of the LSSP and the SLFP alleging that they were slow and tardy in implementing the Common Programme of the United Front. *Aththa* had carried on this campaign with such harshness that the Government is reported to have withheld advertising from the *Aththa*. This is something of a family quarrel within the United Front coalition, but it is strange that Government should so easily succumb to the temptation to tie-up advertising with editorial policy.

SO FAR AS political journals and periodicals in English are concerned, the *Nation* and the *Forward* reflect major trends within the United Front. The UNP and the Opposition do not have an English-language periodical to present their point of view. Even their Sinhala or Tamil weeklies and periodicals make little or no impact. The UNP and other Opposition Parties like the FP still depend on the so-called "national" daily papers to place their views before the



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public—but unlike in the past these daily papers find it more and more difficult to act as the mouthpiece of the UNP and its allies. In fact, the three big groups seem to be in a dilemma just how they should behave (and what exactly they should say) at the present juncture. The *Lake House* group, for understandable reasons, has endeavoured to woo what it considers the most powerful grouping within the UF—and its difficulties have been great because even the most astute political observers cannot foretell just which of the pressure groupings within the UF have the most dominant voice in shaping policy and action. The *Lake House* group of papers has undoubtedly the largest circulation based on the best local coverage of news and features—and efficient business administration—but its readers are today sceptical about taking the views and comments made in these papers with any degree of seriousness. This is unfair because *Lake House* papers often make very constructive and useful comments and suggestions, but in the current fitness of things it will be a long time before *Lake House* will be able to wield the influence which the circulation of its newspapers enjoy should evoke. Much as *Lake House* wants to display journalistic detachment and objectivity, its efforts have so far not proved convincing or impressive. Like protesting too much, anything overdone, loses its flavour, and all *Lake House* papers have at the moment lost their flavour. *Lake House* today works under difficult circumstances, with the sword of Damocles in the form of a threatened take-over hanging perpetually over it, but it is the capa-

city to survive under trying circumstances, with one's back to the wall, that shapes the future of any organisation and the men who control its destinies.

The *Times* group is inhibited by other handicaps, mainly financial. Politically, the *Lankadipa* has always had a pro-SLFP orientation and it has thereby been able to cushion the ultra-UNP leanings of the English daily papers after May 1970. The *Daily Mirror* and the *Times of Ceylon* had stuck their necks out for a UNP victory in the 1970 elections, but were able to make their peace with the UF—fairly easily because of the greater defaults of the *Lake House* group. But the *Times* group does not seem to be able to overcome the financial burdens arising from running a business in the red.

LAST YEAR, and also the year before, the largesse from the North Koreans for publishing Kim Ill Sung's writings had undoubtedly helped the *Times* group, but this kind of advertising subsidy has faded from the scene this year. The rotary machines of the *Times* group are old and need replacement and unless new and dynamic capital was forthcoming to build the *Times* group anew, it can only stagger along a long way behind *Lake House*.

But capital is shy and it is difficult to see just how the *Times* will solve its problems. In the meantime, the *Daily Mirror* is read for the OPINION column on the front page (with melodramatic empty spaces caused by the blue pencil of the Competent Authority) and a few bits of news

on the first and last page. The *Times of Ceylon* makes little or no impact, but the *Lankadipa* has its customarily steady readership and is able to free-wheel along on its old record.

The *Gunasena-Dawasa* group had supported the SLFP and the UF in the May 1970 elections and had emerged into the era of the United Front as the unofficial-official newspaper group behind the new Government. But the *Dawasa-Sun* group was inhibited by its affiliations with big business, on the one hand, and certain political pressure groups, on the other. In addition to this, a crippling strike, which had lasted several months in the 1970–71 period had robbed the *Sun-Dawasa* group of a first class opportunity to make good. Circulation-wise it still lags far behind the *Lake House* papers and even the overdose of governmental advertising it receives has so far not helped the *Dawasa* group to acquire the proficiency and the excellence of a newspaper which will stand the test of time.

The *Dawasa-Sun* papers, especially its weekend publications, go in heavily for sensation, sex and crime, but the cheesecake, with local and foreign female forms, fails to make the grade because of indifferent printing and unattractive presentation. The Dhanapala touch in such circulation-gimmicks is no longer with the group, and unless something dramatic or noteworthy revolutionises the *Dawasa* group, it will continue its plodding way—whilst the caravan of history rolls swiftly along in the turbulent days we live in.

IN THE WORLD OF JOURNALISM, like in so many other fields of activity in Ceylon today, bleak desperation and total frustration seems to be the order of the day. Mounting costs of newsprint and other printing materials, soaring wage structures, heavy taxation of a crippling nature, the loss of advertising subsidies and a host of other problems have taken away the magic from the business of printing and publishing newspapers. But, in the nature of things and contemporary human affairs, even newspapers have to learn to pull through lean times and lean years—hoping for a better future even on the distant vista.

Dreaming about the future and about the world outside is, in Ceylon today, a form of escapism. But the desire to make good, to make a success of any project in the real sense, is a laudable and desirable objective. Personal profit is often incidental, but when it overwhelms the participants there is chaos. Personal profit is not merely a capitalist evil: even in nationalised state enterprises such as dominate the scene in Ceylon today, the inherent obsession for personal profit takes many forms, and covers a wide range from corruption to nepotism, from political subservience to managerial inefficiency and bureaucratic red-tapism to downright chicanery.

Some of the events in the world outside Ceylon stir one's imagination. Even in the field of journalism. Take the monthly magazine *Playboy*. It had started weakly in the 1950's as a small two-man effort to compete with the prestigious *New Yorker* and

similar magazines of that kind. But the *Playboy*, with the Hefner "formula of sex and pop hedonism," has made good in a big way in less than twenty years. *Playboy* has many offshoot enterprises. In a few weeks, *Playboy Enterprises Inc.* will offer stock on the market for the first time, and this has brought estimates of the wealth the surviving partner Hefner has piled up.

One share is expected to be offered at \$ 25, and on this basis "*Playboy's* creator and chief stockholder will have a paper worth about \$160 million. That makes Hefner, at 45, one of the half a dozen or so richest self made men in America." After the sale of stock, Hefner will retain 71.9% of the shares. The "tiny annual dividend of 11 cts on a share will provide about \$80,000 a year to go with his salary of \$303,847. As chairman, president, editor and publisher, he has another \$ 372,934 tucked away in his profit-sharing account. In addition, his mansions in Chicago and suburban Los Angeles are owned by the corporation and used for 'promotional activities.' The *Playboy* is still the most profitable part of Hefner's expanding empire. The magazine accounted for more than half the corporation's \$132 million revenue last year, and most of its \$9,200,000 net income. Pretax profits from 17 key clubs dropped slightly last year from \$ 3,400,000 to \$ 3, 200,000."

But the Company's hotel operations dipped into the red last year, but nevertheless Hefner was pushing his hotel operations and was planning a new hotel costing \$ 29.5

million in New Jersey, fifty miles from downtown New-York. Hefner has expanded into a music-publishing and phonograph-record division, and has ploughed more than \$ 3,000,000 into financing Director Roman Polanski's film version of *Macbeth*, and is looking for more movies to finance. Next year, *Playboy* is expected to go international, starting European editions in French, Italian and German. About two-thirds of the material and most of the nudes will be from the U.S. *Playboy*, although Hefner wants to tap European talent as well.

THIS IS A FAIRY-TALE for people in Ceylon. Even the *Playboy* nowadays only filters into the country when some visitor brings it in or a *Playboy* enthusiast persuades a friend abroad to send it along. We can certainly do without the *Playboy* when we are now compelled to do without so much of other essential reading material. And books have become so expensive that only the very rich can afford to buy them. If the present state of affairs continues for much longer, Ceylon will indeed become a veritable "cultural desert."

Besides, there is so very little to read in the daily papers. Advertisements cover most of the columns and for the rest there is not enough to cover the news and developments in Ceylon—leave alone world events. And what is worse, each of the newspaper groups, big and small, is plugging a line currently favoured by particular pressure groups. The weekly political papers are participants in the political game, and for a paper like *Tribune* to stand

on the side outside the storm and stress of controversy and observe the developing trends and pick out significant features, is not easy.

Much has happened since the last issue of *Tribune*. In Ceylon, the SLFP celebrated its anniversary—the 20th—with special supplements in all the newspapers. The House of Representatives discussed the Emergency and the Insurgency, in an indirect way, when the *On Account* budget was presented on September 7. Mr. Maithripala Senanayake leader of the House, accused the leader of the UNP, Mr. Dudley Senanayake, of being responsible for the bloodshed which had arisen from the armed insurrection on April 5—because the latter had not taken action on the Attygalle reports and also because the attention of the new Government had not been drawn to the existence of these Reports.

The Indian Foreign Minister, Mr. Swaran Singh, paid a visit to Ceylon, in the beginning of the second week of September. He had explained the meaning and significance of the Indo-Soviet Treaty and had stressed that this did not in any way detract from India's non-aligned policies. Ceylon's Prime Minister had also made it clear that this country was "neutral" on the Bangla Desh problem regarding it as an "internal matter" of Pakistan. India, however, had extended a Rs. 60 million credit line to Ceylon (Ceylon had hoped that it would be Rs. 100 million), and selected joint ventures in the industrial field were to be established in Ceylon with Indian collaboration.

Certain technical officers in the Petroleum Corporation had

gone on strike compelling a shut down of the Refinery. But, the Chairman of the Corporation, and the Board of Management had stood firm and had not succumbed to the blackmail!—they had obtained rush supplies of petroleum products from outside and had even made arrangements to get down technical officers from the UAR to run the Refinery. In the face of this strong attitude taken by the management, the strikers climbed down and had returned to work as "new employees." It was a happy and welcome augury that the ma-

agement of a state undertaking had stood firm when a privileged group of highly paid workers attempted to hold the country to ransom.

Internationally much more has happened, but *Ariel* will deal with them in the next issue of *Tribune*. *Serendib* too will examine local developments in some detail in the next number. In this issue, we have the first instalment on the GREAT BIG-MYSTERY about gems and smuggling, whilst a new columnist Agastya makes his debut in our pages.

CONTEMPORARY NOTEBOOK

- SRI LANKA ● FLYING SAUCERS
- LOST ATLANTIS ● MISSING WAGGONS
- JOBS

By Agastya

CEYLON is a small dot on this planet. The island is not known to thousands of millions throughout the world. Many think of it only as a tiny speck on the continental shelf of the sub-continent of India. Many others have heard of *Ceylon Tea* but do not think of Ceylon as a separate political and geographical entity. A minority of the knowledgeable in the world of today know some facts about Ceylon, more often wrong than correct.

All this notwithstanding people in Sri Lanka (or many of them) think of Ceylon as the very centre of the universe.

All that matters to them in this world is Ceylon. Everything of significance and consequence for mankind has taken place in Ceylon—during the last 2500 years. And we like to think that the eyes and ears of the world today are focussed on Ceylon. We are a chosen people and we behave that way—although the rest of the world may laugh at us behind our back.

People in Ceylon also like to pride themselves on their sense of humour (they have a little no doubt), but neither humour-invested objective detachment nor a capacity to laugh at the insular frog-

in-the-well big(sri) Lankaesque postures we regularly adopt, helps us to see ourselves as others see us. We are content to sit back and reflect on the 2500 years of the Mahavamsa, Culavamsa and what not. Whatever the present tribulations we lead the world—as we have done for 2500 years.

FLYING SAUCERS. Even the super-beings for whom time and space do not seem to matter appear to have decided that Ceylon is an important place; and if the *Weekend* and the *Sun* newspapers of the *Dawasa* (Gunasena) group are to be taken seriously, flying saucers (UFO to use technical jargon) are now keeping sriLanka under close surveillance. From mid-July or even a little wee bit earlier these UFOs seem to have been checking on places like Hewaheta, Deniyaya and the like. Reputable and reputed planters, film directors, servicemen, policemen and a whole range of others have testified in these papers that they have seen these UFOs. Even photographs have been taken of them. World space authority, Arthur Clarke, according to the *Weekend*, 5/9/71, claims to have seen ten such objects so far. There cannot be the slightest doubt that people have seen some mysterious objects in our skies which have behaved in the most peculiar and inexplicable manner.

But those who claim to love sriLanka fail to understand why the super-beings who ride these UFOs have ignored Ceylon for twenty three years after this island had attained independence, and had thereafter begun a new chapter of light and illumination after 450 years

of darkness under conquerors from the West and intermittent periods of similar darkness earlier created by Chola incursions from across the Palk Straits.

Why have the UFOs appeared in our skies only now? Is it the insurgency of the Che Guevara movement which has tickled the curiosity of the UFO peeping Toms? Or have they become interested in investigations into the world-shaking gem-currency-narcotics smuggling frauds now being carried on in Ceylon by the Interpol and the top police brass of five countries (including Ceylon)?

UFOs had come, it is said, to Ceylon in the distant past—over two thousand five hundred years ago and more. Even the Buddha had paid his visits to Ceylon on some invisible UFO propelled by his supra-human (it would be unbudhistic to say divine) powers. The ten-headed Ravana had levitated between India and Ceylon on some machine of this kind. The ancient chronicles about Ceylon have recorded all this. But unfortunately, for over two thousand years these UFOs seem to have by-passed Ceylon.

And now they are here again. And it has fallen to the lot of the *Weekend* and the *Sun* (and their Sinhala and Tamil counterparts) to record these uniquely fantastic happening in cold print. They have started where the Mahavamsa and the other chronicles had stopped. A new and glorious era in Ceylon's history is likely to unfold itself—now that the UFOs, the flying saucers and the mysterious beings who travel in them,

have decided to bring Ceylon once again into the orbit of the celestial map for special attention.

THE LOST ATLANTIS?

The UFOs is not the only thing which has made the *Weekend* seek to rouse the national pride of sriLankans. With the rather defensively-apologetical headline..... **LOST CONTINENT ATLANTIS BENEATH OUR WATERS?—CLARKE AND WALSH TO EXPLORE SEA BED AT TRINCO....** the *Weekend* 5/9/71 stated that Arthur Clarke was shortly going to Trinco with the world renowned diver Commander Donald Walsh to see whether "the lost continent of Atlantis was beneath the sea at Trincomalee." It would appear that Clarke had long toyed with the idea that "Atlantis was off Trincomalee."

The *Weekend* with the fines touch sriLankasque selfglory, declared that "the mission, Mr. Clarke and Commander Walsh are due to embark on is kept bush-hush. It might be a rare find which will consequently put our land on the map of the world with pride of place." The *Weekend* did not not leave it at that. It offered a little bit of meat (as evidence) to make its readers feel that Ceylon had indeed once been a V.I.P. (a very important place). "According to Mr. Clarke a seventeenth century map of Atlantis bears a resemblance to the map of Ceylon. If this is so, is Ceylon part of the lost continent of Atlantis?"

Atlantis, according to Mediterranean legends had disappeared (paradise lost) in prehistoric times and it seems strange that Arthur

Clarke should rely on a 17th century map to conjecture that Ceylon was part of Atlantis. Geographers talk of the lost continent of *Lemuria*, which spread across the Indian Ocean (and of which Ceylon was a part) at a time when the Himalayas and a part of the Central Asian land *massif* was sea. During the formative stages of the earth's crust, when the Himalayas and Central Asia, were thrown up, *Lemuria* had gone down. Copper plates found on the seabed from the Cocos Islands to Madagascar are said to be evidence of *Lemuria*.

Ceylon, however, would be only a speck in *Lemuria*. It is better to feel that we are the surviving remains of "the legendary Atlantis" acknowledged to have been "once a powerful kingdom in Asia Minor." Explorers have been looking for Atlantis around the Straits of Gibraltar right up to the Canary Islands, on the one hand, and Turkey on the other. It will certainly excite our "pride" to feel that Ceylon was once Atlantis but have we any justification for indulging in such speculative conjectures?

Off Swamy Rock in Trincomalee are the remains of an earlier temple of Koneswaram which went down under the sea during one of the marine denudations which had shaped the present coastline of India and Ceylon. Arthur Clarke, Mike Wilson and Rodney Jonklaas have taken under-water pictures of this Hindu temple under the sea. There is conjecture whether these were part of the ruins of the temple which had been in existence at the time of Ravana, but *Ravana* himself is a legendary figure of shadowy mystery of

the earlier period of UFOs and it is difficult to build any theory about the granite pillars and copper figurines found in the sea-bed off Trincomalee.

MISSING RAIL WAGGONS. Whether the lost Atlantis will be found off Trincomalee is a problematic question, but the missing railway waggons and carriages, 375 of them, is a reality which has foxed the Auditor General of Sri Lanka. It would appear that the Chief Mechanical Engineer of the Ceylon Government Railways had informed the Auditor General, Mr. D. R. Settinayake, in reply to a query, that according to a census carried out on June 4, 1970, "375 carriages and waggons were not traceable." The Auditor General did some sleuthing on his own and traced 56 of the missing 375, and thereafter has called upon the General Manager of the Railways to furnish him with a report on the balance.

It is time that people realised that it would be in the immediate national interest of Sri Lanka to venture on a quest (and exploration) to find out what has happened to these 375 (less 56) carriages and waggons (that is, 319 of them). It is not easy to spirit away railway carriages and waggons. It is not even easy to cannibalise them and remove the parts. One can cannibalise one (or even ten) of them, but that is about the giddy limit. Where have these 319 carriages and waggons gone? They cannot disappear into thin air. Could it be that the super-beings in the UFOs who visited Ceylon took them away for some unknown reasons.

According to the *Weekend* (leaning heavily on Arthur Clarke) "it therefore cannot be concluded that flying saucers do not exist and that space beings from some unknown planet to not make 'excursions' with a view to edifying themselves of the structure of the Universe." Our missing railway waggons and carriages cannot add to knowledge of the "structure of the universe" of the space beings who have begun to haunt the Ceylon skies, and it seems unlikely that the UFOs have pinched the missing railway carriages and waggons.

Or will Arthur Clarke and Donald Walsh find these 319 railway carriages and waggons (together with other good things from Sri Lanka) tucked away in a corner in the lost kingdom of Atlantis in the sea bed off Trincomalee? May be there are some super-beings from the lost kingdom of Atlantis still alive—having mastered the art of living under the sea—and it may be that they sneak into the contemporary kingdom (soon to be a republic) of Sri Lanka and take away things like railway carriages and waggons, important files from government departments, and so on and so forth—and thereby create work for people like the Auditor General, the Police, leave alone other interfering busybodies who make a nuisance of themselves in this country.

GETTING JOBS A BROAD
Though Sri Lanka is a wonderful place, many young and not so young people, are looking for jobs abroad. Even the Government wants to send some of its educated youth to find jobs in Africa

But the Government's decision to permit doctors (and other technically-qualified persons) to find jobs abroad, if they remitted a percentage of the hard-currency earnings back home, has created a crisis in our medical world. Over three hundred doctors had quit the country in a hurry—and there has arisen an acute shortage of doctors in the health services of the country. Now the Government has placed a ban on doctors leaving the country—until they have served a minimum of ten years in government service after qualifying.

But this has only increased the desire to find some means of getting out of this country—this desire is not confined to elements who are often described as “anti-national” by enthusiastic supporters of the contemporary status quo in Ceylon. All this naturally compels even this columnist to glance at situations vacant advertisements in foreign papers that come his way. A recent edition of the Straits Times had the two following ads—just one after another:

YOUNG DANCE HOSTESSES REQUIRED. Air passage, food, accomodation provided. Malaysian citizen. Proven monthly income than M \$ 3000 nett. Interested please apply full particulars and a recent photo (non-returnable) to lucky Cabaret and Night Club, Box 569, Sandakan, Sabah.

FACTORY GIRLS WANTED. Skilled girls on piece rate plus transportation allowance 40 cents a

day. Unskilled four weeks training \$2.40 a day—Bring Identity Card for interview to: Great Malaysia Mfg. Co, Ltd., No. Tanglin Halt Close, Singapore 3.

The choice was clear and readers can draw their own conclusions. But there are equally intriguing ads in Ceylon papers. In a recent edition of *Weekend*, there were two ads, nicely juxtaposed:

WANTED FAIR GIRL to make offerings to Devas—and attend to clerical work With security. Salary over Rs. 150/- — 44, L. S. Road, Anuradhapura.

WANTED WELL EXPERIENCED GIRLS to build new radio sets and convert battery into trans and mains. Salary over 350/- Rupa, 44 L. S. Road, Anuradhapura.

It would be interesting to visit this radio conversion factory at Anuradhapura where offerings also seem to be made to Devas.

WOULD YOU BELIEVE IT? In Ceylon, we are so full of our country (and it's 2500 years) and ourselves (in the era of socialism) that we tend to ignore important things which take place in the rest of the world.

The New York Times, recently reported (after the Reston Adventure in Peking) that open heart surgery was performed on a woman in China without the use

of an anesthetic. The patient felt no pain and was fully conscious throughout the operation. Acupuncture needles were used instead of a conventional anaesthetic. The needles were inserted into the nerves in the areas involved. Two were inserted in each wrist and one in each forearm. Why the needles cause a numbness so that the pain in a serious operation is not felt is not yet understood by western medicine men.

Can acupuncture help us to forget the rising cost of everything we least and every thing we need?

It is said that on an average \$115 is spent yearly on each of the 26,000,000 canine pets in the United States—a total of \$3,000,000,000. This is one way of money going to the dogs.

In Ceylon money goes to the dogs in several other ways—than what is spent on our canines.

Today, the English language has the largest and most varied vocabulary of all languages, about 600,000 words. Most people use only a small fraction in everyday speech. English has incorporated words from many languages into its vocabulary: piano from Italian, fiesta from Spanish, vodka from Russian, sauerkraut from German, tomahawk from the American Indian, igloo from the Eskimo, blue from the French, and these are only a few of the thousands of words taken over.

No wonder Minister Badiudin Mohamud now wants English made compulsory in Ceylon!

● **Snow Balling Saga of Crime,
Fraud and Forgery**

● **Political Overtones Threaten
to Envelop this Multi-Racket**

by Tribune's Private Eye

FOR OVER TWO MONTHS, this has been the talking point in political, diplomatic and business circles in Colombo.

It all started very innocently towards the end of June (or thereabouts) when a foreigner who had come to Ceylon sometime in March was arrested on a complaint that he was trying to leave the country without paying his hotel bills which had amounted to very nearly Rs. 60,000. He had been at the hotel with his family and had endeavoured to do big business in exporting lobsters and prawns and even produce a film on Ceylon. Most of the family had left; the wife and some children to Australia; and whilst he was stopped when trying to get to India through Talaimannar, one of his sons accompanied by a friend was taken off a plane in the most dramatic manner at Katunayake.

This gentleman was produced in Court for trying to sneak out of the country without paying his hotel bills and his Counsel in Court had made a cryptic remark that it was

safer for his client to be in remand than to be enlarged on bail—which was fixed at very nearly the sum the hotel claimed he owed them. But, on the pair taken into custody for questioning at Katunayake are said to have been documents of the most explosive nature.

It had, as stated earlier, started very innocently with a civil claim for unpaid hotel bills. But it intrigued many, at that stage, how any hotel would have let any inmate to accumulate bills to total over half a lakh of rupees. Every hotel in the world, and Ceylon is no exception, insists that hotel bills are settled every week, even by the best of customers. And, the cryptic remarks of the lawyer had made many to sit up.

IN THE PAST, Ceylon has one or two crimes of embezzlement and fraud which had drawn world attention. In the 1953-54 period, Emil Savundranayagam had created crime history when he collected few millions in sterling from the Chinese government on a shipment of oil which had never taken place. On bogus bills

of lading in favour of a company in Ceylon, floated only for that purpose, the great Emil had persuaded a bank in Europe to pay for a shipment that was never made. A Chinese who had come to "look into the matter" disappeared from the General Hospital in Colombo without a trace.

Emil later repeated the story with rice shipments to Goa, but on that occasion he was hauled before the Courts in Belgium, but he managed to get away on various technicalities of the law. Emil, with other exploits of a lesser calibre to his credit, created history in England when a super-duper Insurance Co. he ran collapsed with millions of pounds vanishing into thin air. But the arm of the British law is long, and Emil could not get away this time. He is now serving a prison sentence in Wormwood Scrubs.

He has been ranked as one of the top brains in the global hierarchy of men who think that it is easier (and better) to make money quick by driving a "coach and four" (in the words of the great Emil) through the law to cheat some rich people or some wealthy government of a few millions. Emil has a chapter all to himself in a book published sometime ago about international crime in post-second-world war period.

BUT EMIL was a lone ranger. He operated on his own with one or two willing associates who were dependent on him for brains and money. It would be difficult for any country to produce the likes of him twice in the same century, and even Ceylon would not be able to do better.

But the story which has now begun to unfold itself even between the lines, ever since a foreigner was held for not paying his hotel bills—threatens to put the saga of Emil Savundranayagam into the shade. It does not seem to be one single brain that has master-minded the most fascinating story in the annals of crime but a collective effort hinging on greater and lesser brains which seem to have been afflicted by the prevailing malady to get rich quick anyhow, anytime.

From reports which have appeared in the newspapers, foreign con-men who get *ad lib* credit in hotels, leading hoteliers, lawyers, gem merchants, financiers, contractors, textile magnates, brokers, contact men, politicians, bureaucrats, retired officials, dazzling beauties in the cocktail circuit, have all been questioned—and some are said to be held *sine die*.

It started with stories of straightforward gem smuggling. It went on to exchange control evasion and the blackmarket in foreign currency. It was spiced with narcotics. Then came a bombshell with a political flavour with the financing of the insurgency movement. Stories of cheques which bounced (in foreign banks), of forged cheques, of forged drafts and even blank forged cheque leaves on internationally reputed banks all came tumbling in one after another. Then came counterfeit US dollars and Ceylon rupees—with a hoard of Rs. 12 million counterfeit Indian notes thrown in good measure. Commissions on contracts for major projects added spice to the gossip.

From Colombo the investigations had gone to London, Paris, Singapore, Hongkong and Bangkok. The US secret service in charge of counterfeit notes came into the scene. It is reported that the Singapore Police, the Indian Police, the Scotland Yard and the Ceylon Police had to put their heads together with the INTERPOL lending more than a hand in the investigations. Many countries have come into the picture in Asia, Europe and America—including Spain (Ceylon has no extradition treaties with Spain), Switzerland, West Germany, Australia and even a country in Eastern Europe. All this makes a tangled mass of confusion.

THIS CRIME OF THE CENTURY, against this country and its people, (and perhaps other countries and its peoples), burst open at a time when the country had not yet recovered from the armed insurrection which had begun on April 5. Nearly 14,000 persons are still in custody for political reasons, and nothing can be published without the leave and licence of the Comptent Authority.

This censorship of news has undoubtedly assisted the police in their investigations, and has prevented many from being alerted prematurely, and documents could not be destroyed. And now, even Court proceedings cannot be reported without an *okay* from the CA. This is no doubt intended to prevent the premature publication of news—setting out names and the like. Until the Police have a water-tight case, it may be inadvisable to publish names of those held or questioned—and these might transpire in court proceedings.

Big names and big personalities are involved. The case may even impinge into the realm of politics and the insurgency. Much as one would desire a free press, where everything fit to be printed can be printed, it is clear that we live in troubled times when the news has to be filtered through the sieve of what is considered “national interest”.

The mystery is growing day by day. It would be best to trace the highlights from published press reports.

THE FIRST HINT, that something “big” was brewing came in the *Weekend*, July 7, 1971, with the headline **INTERPOL HERE TO CRACK OPEN THE GEM RACKET**. This is how the report read: “Top Notch Interpol operatives are due here to crack down on the International ring suspected to be master minds behind the gems by book post. Interpol men it is learnt, will meet the Police, Customs, Postal and other authorities here in order to collect vital information that will help them bare the international crooks behind the operation.

“Ceylon recently sought Interpol help following the detection of three packets of gems worth over three million rupees. These gems were concealed in paperback novels and were to be air-mailed to Singapore. Criminal Investigation Department officials who are probing into this matter along with Customs authorities have found that the sender's name given in these book parcels were fictitious. An investigation team is likely to go to Singapore.”

After that, there were little bits and pieces in the papers, but it was in the *Weekend* of August 22, 1971, that it became clear that the affair had begun to SNOWBALL —after an important link had been taken in for questioning on August 17/18. The report read: "Scotland Yard assistance is to be sought to track down on a self-styled aircraft magnate who has diddled Ceylon to the tune of several thousands of rupees in foreign exchange. This playboy aircraft magnate is said to have come to Ceylon in a jet powered aircraft in March, this year, and spent a month frequenting our beaches and night spots. He had made two abodes, one at Negombo and another in a posh suburban hotel and had been shunting to and from in his aircraft. On a day in April, he is said to have motored down from his hotel to the Ratmalana airport where his aircraft was and taken off after informing officials he was heading for Katunayake.

"He had, however, not proceeded to his destination but instead is believed to have proceeded to Madras leaving behind a bill of several thousand rupees in foreign exchange. This was for refuelling and servicing facilities to his aircraft for one month. This aircraft magnate is believed to have described himself as a Britisher.

"Criminal Investigation Department operatives who are probing a powerful smuggling racket suspect this self-styled aircraft magnate to be a courier. They believe he could provide the answers to some 'interesting' questions that have come up during their investigations. Hence the appeal to Scotland Yard. A dossier

on this 'magnate', it is learnt, is being prepared for Scotland Yard perusal".

What seemed a straight forward crime story began to have a political flavour by the end of August. The *Weekend* of August 29, 1971, reflected this in a report with the headline: TREASON CHARGES ON BIG TIME RACKETEERS. The report stated:

"Charges of treason are to be framed on certain persons who are alleged to have been involved in a multi-faceted racket involving foreign exchange frauds, smuggling and espionage, the WEEKEND reliably understands. The WEEKEND in its issue of July 30 exclusively revealed that the Criminal Investigation Department has been called in to crack the crust of what is believed to be one of the biggest multi-faceted rackets in the country. The CID it is reliably learnt has successfully obtained the assistance of the Interpol to track down the whereabouts of certain big names who are wanted in connection with this case. Arrangements are now being initiated to bring them back to the country.

"According to informed sources charges against the persons involved are to be made immediately the investigations are completed. Several persons have been questioned and their statements recorded, the sources added. Criminal Investigations Department operatives are understood to have conducted a thorough search into the books of accounts and other documents in the possession of a leading business magnate in this connection recently".

What the *Weekend* had started in its issue of July 30, had only stressed the "multi-faceted" character of the crime under investigation, and even what was stated in the *Weekend* report of August 29, did not make many realise the political overtones which had begun to envelop the affair. Under the headline: LAWYER IN CUSTODY OVER CHEQUE DEAL WITH FOREIGN EMBASSY, the *Weekend* of September, 5, stated "A prominent left wing politico who is also a lawyer has been taken into custody by the CID for questioning over an alleged cheque deal amounting to Rs. 100,000 with a foreign embassy—".

THIS MADE many to sit up and think and the mystery began to deepen with another item in the same issue:

Under the headline: INTERPOL & FBI OPERATIVES JOIN CID INVESTIGATIONS.....LOCAL MASTERMINDS BEHIND COUNTERFEIT DOLLARS.....NEW LIGHT ON CEYLON'S BIGGEST MULTI-RACKET. the *Weekend* reported: "Was a city resident, who has made big money in the sport of kings, the master mind of a large scale racket in printing counterfeit American Dollars and Ceylon Rupees in Singapore? This appears to be the sensational turn the CID investigations have taken following another week of inquiries. Top CID investigators now probing what is believed to be one of East's most sensational cases involving smuggling, espionage and currency rackets, have discovered that these fake dollars and rupees have been printed in Singapore in the bigger denominations.

"According to informed sources, the Interpol, Federal Bureau of Investigation of the United States and the Singapore Police have been called in to follow up the case. Interpol and Singapore officials, these sources said, are already here and an FBI agent is expected sometime next week. CID investigators have questioned several VIPs in regard to this case including a known name in the banking circles, a Bank official, head of a state corporation, a distinguished citizen in the textile trade, a well known figure in financial circles, an employee of a Fort Jewellery firm, a well known financier and his wife. Many others, it is learnt, are to be quizzed.

"In addition to the well known name in the sport of kings those who are understood to be under detention, it is learnt, are a leading hotelier a lawyer cum small time politician, a business man and an American. A searching probe into this multi-faceted racket began with the detention of two foreign nationals at the Bandaranaike International Airport in July, this year. A team of senior Customs officials headed by the Principal Collector of Customs, Mr. D. B. I. P. S. Siriwardhana, who apprehended them when they were about to board an aircraft, it is understood, took into possession certain valuable documents. Following this CID operatives were called in".

On that Sunday, September 5, the *Observer* and the *Times Weekender* had also spread banner headlines on the front-page about this affair which had become the talk of the town. The *Observer* (5-9-71) with the heading: MULTI-MILLION

DEALS PROBED.. FAR FLUNG INVESTIGATIONS STILL GO ON... reported that: "A massive, far-flung Investigation conducted jointly by the customs, Police, the CID, and International Organisations including Interpol and Scotland Yard during the last few weeks has exposed a multi-million rupee operation covering a range of illegal activities. Investigations (which are still going on) cover, among other activities, the following:

"Gem smuggling; dealing in foreign currency and gold; Narcotics; Espionage; Diversion of foreign money to political purposes; Financing of insurgent activities.

"So far among the persons taken into custody are a hotelier, a well-known bookie, three lawyers, a businessman with international connections plus a director of a manufacturing concern with export connections in non-traditional goods and a foreign project contract man. International organisations have also helped in the questioning abroad of some Ceylonese nationals including businessmen owning flats in the East and a politico with business connections in the West. In the City last week speculative estimates of the racket ranged as high as £9.3 million.

"It is understood that persons taking part in one illegal operation were unaware that monies gained were being utilised to finance other deals. It is also understood that investigators have reason to believe that forged dollar notes have been circulating in Ceylon, and had been used to finance certain operations. These notes, naturally, have duped local personnel dealing in the black-

market who have shelled out in local currency. Forged Cheques on foreign banks have also been used.

"The investigations, which began with the arrest of a foreigner who had valuable documents listing some operations, grew wider and wider when under questioning more and more names emerged. Persons questioned have included public figures, top public sector men, top lawyers and businessmen.

"Top Government sources have indicated that under no circumstances will there be any interference with the investigations that are now going on wherever the interests of national security are involved. The houses too of certain personnel have been searched including those of non-national businessmen, manufacturers and prominent professional men. Special investigations have centred so far around the international businessman, exporters and gems tourist trade in the Far East currency—as well as the possibility of Ceylon being a distributing centre for narcotics. There is also the belief in the City that one person wanted for questioning has evaded investigators abroad and is now believed to be in Spain. Investigators have made it known that there will be no let-up in their probe until all the various divergent aspects have been fully exposed".

No names were mentioned but the description of the persons in custody had set the ball rolling—in a guessing game in which knowledgeable persons were able to hit the bull's eye every time.

On the same Sunday, the *Times Weekender* hit the news-

tands with the banner headline: **BIG GEM RACKET: 'YARD' TAKES CEYLO-NESE FOR QUESTIONING: DID ANTI-NATIONAL ELEMENTS BENEFIT?...** reported that:

"Have large-scale gem smuggling and forged foreign currency rackets helped anti-national elements in the country? This is the matter now being probed by top Criminal Investigations Department officials with the help of Interpol. Big businessmen, lawyers, jewelers and several others are being grilled by the CID who are carrying out relentless investigations to find out whether these rackets had any connexion with anti-national activities in the country.

"The investigations follow an outright drive by the Government to combat illegal activities of this nature. A thick veil of secrecy envelops the inquiries of the CID who have grilled suspects for several weeks. From the investigations made by CID officials who are assisted by Interpol it has been revealed that three wealthy Ceylonese are suspected of being involved in a gem-smuggling and forged foreign currency racket involving several million rupees. A person taken in for questioning has been removed to Scotland Yard.

"An official investigator from Interpol is now in the Island probing the assets of these three people, both in Ceylon and abroad. Several allegedly incriminating documents in connexion with this racket are now in the hands of Interpol. Investigations are also being centred on Ceylonese and foreigners who are suspected to have met these people here. The Customs have also for the

past few weeks conducted raids on several business establishments and printing presses in various parts of the country in this connexion".

On September 6, 1971, the *Ceylon Daily Mirror* stepped in with a front page banner: **GEM- CUM- CURRENCY RACKET.....POLITICO LAWYER QUIZZED IN LONDON....**and stated...."A Ceylonese politician and a lawyer have been questioned in London by a team of British detectives and placed under surveillance in connection with an allegedly massive gem-cum-currency racket. They have been banned from leaving London until further orders. The questioning of these two persons is understood to be linked with a top level probe into the gem-and-currency racket involving several highly-placed persons in Ceylon and abroad. Interpol and the Secret Services of certain countries working together are reported to have uncovered the massive racket which had evaded detection for years.


"These concerted investigations have, it is understood, stumbled on information of great political significance. Its ramifications could lead to repercussions in the international arena in relation to the recent uprising in Ceylon, according to informed sources. The political aspect of the probe is believed to revolve round a 50,000 dollar cheque drawn in favour of a foreign bank by a foreign Embassy and cashed locally before April this year. Did the bouncing of this cheque start a chain of events which led to the present probe? Did the belated honouring of the cheque cause panic in certain quarters which resul-

ted in the cat being let out of the bag? Answers to these and other questions are being sought by investigators in the capitals of a number of countries".

The fat was in the fire.

The story began to snowball in a big way by leaps and bounds. Politics had become entangled with crime.

To be continued



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HEADLINES

August 21 — August 31

SATURDAY, AUGUST 21:—The curfew which had been relaxed to operate only in the Western Province, was re-introduced from today in Anuradhapura, Puttalam, Vavuniya, and Polonnaruwa districts. Wide powers will be vested in the Minister of Education in the running of the new integrated University of Ceylon which will absorb the campuses at Peradeniya, Colombo, Vidyalankara and Vid-yodaya. Several parts of the country are faced with the threats of the floods and Ratnapura and Avissawela are virtually cut from the rest of the country. The Prime Minister, Mrs. Sirimavo Bandaranaike, is reported to have made it clear to those who requested the Government to recognise the "Bangal Desh Govt" that the Ceylon Government would not officially intervene in any matter connected with the "Bangla Desh" issue as it considers it an internal matter for Pakistan to settle. India has asked Ceylon to initiate proposals on the joint projects the two countries should undertake. Egypt, Libya, and Syria yesterday agreed on a constitution for the Federation of Arab Republics which they plan to set up next year. Leftwing workers yesterday set up their own military command to defend the Government of President Juan Torres as a right-wing revolt flared in Eastern Bolivia. Indian Prime Minister, Mrs. Indira Gandhi, is expected to visit Washington in the Autumn to confer with President Nixon. Soviet Communist Party Chief Leonid Brezhnev will discuss China with President Tito during his visit to Yugoslavia.

SUNDAY, AUGUST 22:—Aquisition of land has been temporarily suspended by the Land Commissioner's Department, after the Prime Minister's recent order that the indiscriminate aquisition of land should be stopped forthwith. Foreign Exchange for travelling abroad for purposes of export promotion, will be granted. According to Customs sources one lakh of rupees is repatriated to India daily allegedly by 'agents' of certain non-national textile and garment manufacturing

tycoons using the simple method of the parcel post of the GPO. The Army has resumed its campaign against illicit immigrants and smuggling with the usual vigour. Employees of the Ceylon Transport Board totalling about 76,000 will soon enjoy pension rights and the concession of free railway warrants. According to *Weekend*, the "flying saucer" which could well be the same one that was spotted earlier at Hewa heta, was seen over Mawarala yesterday by several security servicemen who were at night duty at the policy station. In a press statement issued yesterday the Ministry of Justice denied news reports published in certain newspapers that large number of persons, now being held in custody for suspected insurgent activities, will be released shortly. Rumanian President Nicolae Ceausescu, speaking at the 150th anniversary of Rumanian Revolutionary movement, said that the Soviet Union could no longer be the one world centre of communism. Israeli Defence Minister Moshe Dayan yesterday urged Israel to make efforts towards a political settlement with it's Arab neighbours as an alternative to renewed warfare. A Soviet journal yesterday accused China of attempting to divide socialist countries in Eastern Europe, and warned that Russia was not alarmed by the Western flirtation with Peking.

MONDAY, AUGUST 23:—Sweeping changes are to be made in the island's Defence Forces and the police with Ceylon becoming a republic. The second stage in Ceylon's Petroleum exploration project will get under way early next year. Recruitment to the Ceylon Transport Board will be frozen at the present level until the Board's finances climb out of the red. According to National Youth Service Council, the services of 25,000 youths between the ages of 14 and 25 are to be utilised for National Development. Bombay onions will be available in the market soon. Janata Committee Commissioner, Mr. Lionel Fernando, said yesterday that Janata Committees will be kept above party politics and that the nominations sent by every political party for membership will be judged purely on merit. The Mahanayake Theros of Malwatte and Asgiriya Chapter boycotted the ceremony of unveiling by Minister of Cultural Affairs, Mr. S. S. Kulatilake, of a plaque on one of the pillars demarcating the Maligawa and Palace Square area as a Protected area. Ceylon gained one of her greatest victories in Sport with a 5-3 triumph over World Ping-Pong Champions

China in the Second Test at Jaffna yesterday. After fierce fighting between loyalist troops backing left-wing President Juan Torres and rebel forces, the loyalist troops surrendered to Rightist Army rebels yesterday night. Israel last night officially announced a 20 per cent devaluation following a dramatic 4-hour night session of the Cabinet. Pakistan's Foreign Secretary Sultan Mohammed Khan has denied that China and his country were concluding a defence treaty.

TUESDAY, AUGUST 24:—Ceylon's willingness to help stop any further escalation in tension and ensure peace in East Pakistan has been conveyed by the Prime Minister, Mrs. Sirimavo Bandaranaike, in a letter to Pakistan's President Yahya Khan. Clerical servants with ten years service could soon sit for the competitive Ceylon Administrative Service Examination. In an emergency session today, the Ceylon Monetary Board will decide on what steps Ceylon should adopt to weather the international monetary crisis following President Nixon's decision to suspend temporarily the gold backing of the US dollar. A chain of folk museums are to be set up in the provincial capitals. The Dept. of Railways will shortly embark on a new development programme prepared for the electrification of railways. The Government is actively considering the setting up of a free trade zone in Trincomalee. The Minister of Education, Dr. Badi-ud-din Mohmud, has recommended the abolition of the General Certificate of Education (Advanced Level) Examination from next year. Rightwing Army factions were in firm control of Bolivia yesterday after ousting leftwing President Juan Jose Torres in a 4 day revolt which left an estimated 100 people dead. Vice President Nguyen Cao Ky withdrew from South Vietnam's October Presidential race yesterday finally dashing American hopes for a contested election. Indonesia yesterday devalued the Rupiah by 9.5 per cent against the American dollar.

WEDNESDAY, AUGUST 25:—The Minister of Finance, Dr. N. M. Perera, said yesterday that the foreign exchange rate of the Ceylon rupee to the dollar and other foreign currencies would be reviewed forthwith. The Government is now formulating a scheme to establish a new bank—the Agricultural Development Bank of Ceylon. Under a new programme worked out by the Industrial Development Board, every electorate will have

a minimum of three Industrial projects. Government Agents will have a new designation soon and they will be known as Commissioners of Development and they will be given full powers under the Divisional Development Councils to initiate, implement and supervise projects undertaken by the Council. The Holidays Bill was passed by the Senate yesterday. The Ministry of Education has decided to take over 38 estate schools. The strength of the Royal Ceylon Navy and its fleet is likely to be increased substantially in the near future. The Ministry of Justice has decided that the Judiciary should dispose of Appeal cases in the order in which they are filed instead of catering to the convenience of the lawyers. Japan today ruled out any revaluation of yen in the immediate future. The Press Foundation of Asia Assembly, now being held in Bali, debated relations between Press and Government in national security matters with relevance to current problems in India, Ceylon and Singapore. Washington, Paris, London, West Berlin and Bonn yesterday welcomed the four-power agreement on the status of Berlin. India beat England for the first time in the Final Cricket Test yesterday to win the Series.

THURSDAY, AUGUST 26:—The Government is now examining a blueprint on the lines on which the Collective Farms should be set up. The Central Committee of the Ceylon Communist Party, in a resolution recently passed at its meeting which discussed the events of April 5th, has stated that the armed attack, launched on 5th April, 1971 in order to overthrow the United Front Government was, in essence, reactionary and potentially counter-revolutionary. Finance Minister, Dr. N. M. Perera, will present his second 'Mini-Budget' to the House of Representatives on September 7. An estimated 34,450 unemployed persons would be found employment in the country's transport services under a five-year expansion programme worked out by the Transport Committee of the Ministry of Planning and Employment. For the first time in the Education history a Teacher-Training School for Aesthetic Studies is to be set up by the Government. Mr. Walter Jayawardene QC, Permanent Secretary to the Ministry of Constitutional Affairs, will be Ceylon's first Ambassador to Yugoslavia. The Indian Prime Minister, Mrs. Indira Gandhi, has written to the Prime Minister, Mrs. Bandaranaike, requesting her to use her good office to ensure the safety of the East Bengali leader

Sheik Mujibur Rahman. Soviet Communist Party Leader Leonid Brezhnev will pay an official visit to France in October. The European Common Market gave notice yesterday that it reserves the right to retaliate if President Nixon's temporary surcharge on imports into United States is not quickly removed. Sydney surgeons have performed a successful open-heart operation on a 2-day old baby boy at the Royal Alexandra Hospital.

FRIDAY, AUGUST 27:—In a dynamic re-organisation scheme, the Boards of Directors of all industrial corporations under the Ministry of Industries are to be scrapped and in their stead, a single director will be appointed to head each corporation. Several more rehabilitation centres are to be set up to house those who are in custody in connection with insurgent activity. All private and public sector industries will come under the administration and control of eight separate corporations known as the Sectoral Development Corporations. An expanded program of Indo-Ceylon economic co-operation including joint industrial ventures and local goods for Indian markets is expected following an exchange of correspondence between Prime Minister Mrs. Bandaranaike and Indian Premier Mrs. Indira Gandhi. The Minister of Finance, Dr. N. M. Perera, announced yesterday that the number of pawn brokering branches of the People's Bank will be increased shortly. The Government has decided to take strong measures to prevent the employment of illegal immigrants and non-Ceylonese whose visas have expired. The Soviet Government yesterday accused China of trying to impede European security and gain ideological allies by shaking up the Communist bloc. Deposed President Juan Torres of Bolivia flew to exile in Peru last night, calling on his supporters to conserve their strength for the next round of the struggle against "fascist aggression". Senator Edward Kennedy said yesterday that the Nixon Administration should consider breaking diplomatic relations with Pakistan.

SATURDAY, AUGUST 28:—The Prime Minister, Mrs. Sirimavo Bandaranaike, has in her capacity as Minister of Planning and Economic Affairs approved the establishment of 258 development projects in the agricultural and industrial sectors by Divisional Develop-

ment Councils. Reconsideration of the proposals to set up Collective and Co-operative Fannas has been advised by Professor Rene Dumont who was assigned by the Ministry of Planning to examine Government's Agricultural Proposals for 1972-1976. The Minister of Industries and Scientific Affairs, Mr. T. B. Subasinghe, who went to Jaffna on a 3-day visit, was given a rousing welcome. The Trade Ministry has decided to standardise prices to provide the large majority of consumers with essential items cheaper. Every village will have the services of a Justice of Peace when Janata Committees begin functioning from next month. Every Bill for a law will be published in the Gazette in Sinhala and in Tamil translation at least 7 days before it is placed on the Order Book of the National Assembly which would be set up under the New Republican Constitution. James Reston, Vice President of the *New York Times*, on his arrival from China yesterday, said that President Nixon is unlikely to get anything out of his visit to Peking in terms of any concessions by China. Prime Minister Kirti Nidhi Bista of Nepal resigned last night following criticism of the Nepal Parliament by King Mahendra. The Japanese Finance Ministry in a dramatic announcement last night, said that Japan would allow the Yen to float from Saturday.

SUNDAY, AUGUST 29:—The Minister of Education, Mr. Badi-ud-din Mahmud, in a press interview, has stated that teachers would be given political rights from next year. *Weekend*, pointing the sudden departure of five top leaders of the Communist Party (Moscow Wing) to the Soviet Union, raised a big question whether this sudden secretive 'vacation' has been arranged by the CP top echelons to persuade Mr. Pieter Kueneman, the Minister of Housing and Construction, to agree to the proposed breakaway from the United front Government. According to the the Ministry of Plantation Industries, local spices will get a big boost in the foreign market soon. Tamil Officers of the Official Language Department have asked the Prime Minister, Mrs. Sirimavo Bandaranaike, to appoint a committee to enquire into their allegation of anti-Tamil activities by the Departmental Authorities. Mr. Arthur Bottomely, Commonwealth Secretary in the last Labour Government in Britain, arrived in Ceylon yesterday afternoon on a 3-day private visit. The nomination for Ratnapura by-election has been post-

poned because of the operation of Part II of the Public Security Ordinance in the area comprising the Ratnapura Electoral District. Indonesian Foreign Minister Adam Malik said yesterday that Indonesia would release 22,000 Communist detainees by the end of this year. The Soviet Union yesterday launched "Cosmos-435" to carry on scientific explosions in the near-earth space. Chinese Prime Minister Chou En-lai has denied press assertions that the Peking-Washington dialogue could lead to tension in Europe.

MONDAY, AUGUST 30:—The Permanent Secretary to the Ministry of Defence and External Affairs, Mr. Arthur Ratnavale, said yesterday in a press interview that the Government would clamp down on any attempts by the foreigners to use Ceylon as a base for anti-Pakistan propaganda. Simultaneously with the promulgation of the Republican Constitution, legislation will be introduced by the Govt. delegating the powers, privileges, immunities and rights now held by the Queen to the President and members of the Council of Ministers. The Cabinet Committee on the Cost of Living has directed the Ministry of Industries and Scientific Affairs not to agree to a price revision of locally manufactured synthetic textiles. Waste and corruption in Government Departments, Statutory Boards and Corporations will be made public offences. Most of the undeveloped lands in Jaffna, mainly Crown lands claimed by the private parties on doubtful deeds, will be acquired and utilised for various development projects. No private contractor will henceforth be given contracts in local bodies and in territorial development schemes. Sudanese President, Gaafar El Nimeiry, has asked Egyptian President Anwar Sadat to mediate between Sudan and the Soviet Union. Prohibition ended last night in the South Indian State of Tamil Nadu after being in force for more than 23 years. Indian Prime Minister, Mrs. Indira Gandhi, said yesterday that the recently signed treaty with the Soviet Union would deter Pakistan from any "rash adventurism" against India.

TUESDAY, AUGUST 31:—The Government has decided to withdraw the concession allowed to old entrant public servants to retire prematurely as they had not acquired proficiency

in the Official Languages. The new insect pest-Promecotheca Cumingii, which attacks coconut trees is spreading at an alarming rate. Three Co-operative Farms will shortly be set up in the Colombo District. The Co-operative Wholesale Establishment is to cease operating its net-work of retail shops shortly. The Ministry of Education is considering a proposal for setting up of an Institute of English with a view of intensifying the training of English teachers. The Government has refused visas to the South Indian film star, M. R. Radha, and a party of 32 to visit Ceylon for a series of stage performances. Soviet President Nikolai Podgorny will lead a Soviet Communist Party and Governmental delegation on a friendly visit to North Vietnam at the beginning of October. The world's fourth Bangla Desh mission was officially opened in New Delhi yesterday. The Central Committee of Arab Socialist Union yesterday approved the draft Constitution of the Federation of Arab Republics embracing Egypt, Libya and Syria. About 1,100 people have died in the monsoon floods ravaging Northern and Eastern India.

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APPRAISAL: WHY COALITIONS BECAME NECESSARY ?

by Urmila Phadnis

This is the concluding instalment of a paper read by Urmila Phadnis, of the School of International Studies, Jawaharlal Nehru University, New Delhi at the SEMINAR ON POLITICS OF COALITION GOVERNMENT IN INDIA, sponsored by the Indian Institute of Advanced Study, Simla, at the end of last year. This paper was entitled POLITICS OF COALITION GOVERNMENTS IN CEYLON, and it had been included in the Seminar's programme because the politics on the Indian continent are in many ways inter-linked with the politics of Ceylon.

It is interesting to note that the highly participant literate electorate of Ceylon has sought change but within a framework. It has favoured neither new parties nor the too radical ones. The complete rout of the 'non-recognised' CCP (Peking Wing) and the LSSP (Revolutionary) in 1965 election as well as of the communal D.M.K. and Sinhala Maha-

jana Pakshaya (SMP—Sinhalesé People's Party) in 1970 elections, along with the gradual diminution of personality parties, like the MEP and the JVP, bear testimony to this. To some extent the electoral laws of Ceylon, giving certain special concession to recognised parties during elections, have also discouraged in effect, the emergence of election-eve mushroom parties. As such, however, a large number of parties, those with political credibility, are neither high today nor seem to have the potential of becoming higher tomorrow. And it is out of an interaction of these 'recognised' major-minor parties that coalition governments have emerged.

The common impulse behind the formation of coalition governments undoubtedly has been the urge to share power. Certain compulsions however, differentiate one coalition from the other. Thus, for instance the rationale for the coalition in 1947 can be found in the anti marxist orientation of the parties that came together to form the government. The MEP coalition in 1956 was formed on the basis of anti-UNPism. That it fielded only 60 candidates for an elected house of 95 indicated that it was not

making so much a bid for power as for recognition as a credible political force against the UNP, with a radical programme primarily intended to differentiate it from the governing party.

The major motivation of the SLFP behind the formation of the 1964 coalition was to sustain the political power it had enjoyed so far as a majority party, through alliance with one of the opposition parties and in the bargain divide the left parties in opposition. It was possible for the LSSP to join the coalition because the SLFP was resilient enough to adopt left postures. The adaptability of the SLFP provided the LSSP with an opportunity of sharing power without tarnishing its left image in its support base.

The Senanayake coalition of 1965 belongs to yet another category; the major impetus on the part of the UNP was to provide a stable and broad-based government. With his 66 seats plus 5 seats of the LPP, coupled with the support of 6 nominated members, Senanayake could muster 77 MPs on his side. The UNP could have had requisite majority by offering concessions to one or the other minor parties and Independents but this would have been far too tenuous for a purposeful government. More over, the support of Tamil parties helped Mr. Senanayake to project the image of a 'National', intercommunal government, along with an assurance of stability in numerical terms.

The present United Front government of 1970 is different from Senanayake Coalition

government in more than one way. It has evolved out of the electoral alliances between the constituents hammered out for the first time in 1956. Its distinctive feature is Common Programme evolved after negotiations for 3 years as well as joint campaigning during elections, committing each party to the programme as a blue print for a future UF government.

In Ceylon we thus find a political equilibrium, with the major parties on either side and the minor parties acting as balancers. Such an equilibrium may get upset if one of the major parties becomes too strong or too weak through intra major-party alliances or through a serious erosion in the support-structure of one of the major parties, by a split. Neither of these seem likely in the near future. As such, given the present system, the options open to the minor parties are of alignment with one of the major parties in opposition or in coalition.

A major dilemma of the small parties, as minor partners in coalition, has been that of identity, preservation and resource mobilisation. For them, the price of coalition has often been in terms of their adopting a moderate stand on issues vital to theme as a political party. The urge of political survival within a restricted framework of a government propel them to implement measures effectively and speedily commensurate to their image either as a left party or a regional one. As such, the role of minor parties in accelerating change becomes significant. That they have not always succeeded in this is

evident from the occasional break-up in the coalition. To the extent they have succeeded has also led to an increasing enlargement of the 'consensus areas' among the coalition partners.

Apart from the parties' role in the development of 'consensus areas', certain historical and social factors have also facilitated this process. To begin with, the recent origin of virtually all the political parties has prevented parties from acquiring rigidity in their postures. The absence of long drawn tradition and conventions tend to make parties resilient enough to evolve a common ground on several points. The emergence of such consensus points becomes easier by virtue of a fairly homogeneous social structure despite its racial-religious plurality and economic inequalities. A fairly developed communications network in a relatively small country has also facilitated a more cohesive political community.

Perhaps the absence of extremes in regard to economic policies explains, amongst other things, the proximity of the UNP-SLFP on the party continuum. This proximity has been maintained over the past decade and a half; this is because if the SLFP has moved to a left of centre position, the UNP has also moved forward from its earlier position, keeping almost a constant area of differentiation between the two.

In this process, while the major parties have moved leftwards, the left parties have gravitated towards the centre. Parliamentary institutions have become gradually acceptable to them because of the compulsions of power and the parties have made a skilful use of the parliament as a forum for articulating their policies. More than often, the left parties have stood up in defense of the parliamentary democracy. This partly reflect a fear of subversion of the parliamentary system by the right; to some extent this is a defensive attitude symbolic of their reconciliation with their minor party status.

The concern for the preservation of democratic institutions among the parties may not have found expression had it not had the sanctions of the Ceylonese electorate. Steeped in the tradition of the supremacy of the ballot box, the electorate has, as it were, developed a stake in the continuity of the political system which, has shown itself capable of absorbing changes of a radical nature.

—Concluded

OWING TO TECHNICAL DIFFICULTIES THERE ARE MANY SHORTCOMINGS IN THE PRODUCTION OF THIS TRIBUNE. THESE WILL BE REMEDIED IN COMING ISSUES AND THE USUAL TECHNICAL EXCELLENCE IN PRODUCTION WILL BE RESTORED.

INDIRA GANDHI WRITES TO CHOU

New Delhi.

The breaking of the news of the Prime Minister's communication to Mr. Chou En-lai has had a positive impact in so far as this move indicates a level of maturity in the handling of foreign affairs.

Ten years ago, the distortion in India's foreign policies was brought about by the mounting Right-Wing offensive for a tie-up with the West in the wake of growing Chinese bellicosity which reached its climax when Chinese troops came down to Bomdila in 1962. In between, there were occasions when there were opportunities for a settlement such as when the Chinese Premier visited New Delhi early in 1960—but these could not be availed of because of the entrenched Right-Wing both in the Government and public life.

ANGLO-US PLANS.—US arms help emboldened the Right Wing lobby which was in a hurry to write the epitaph on non-alignment. They did not realise that even when cornered, Jawaharlal Nehru

would be able to salvage non-alignment as he did, with the help of the Colombo Powers whose intervention could at least checkmate the massive pressure for an open alliance with the West. The Western Powers too, could not accommodate India as they wished, because they stuck to Pakistan as their sheet-anchor in this part of the world. This was evident from the Anglo-American plan of 1962-63 for bartering away of Kashmir in exchange for common Indo-Pakistan defence against China. It was about this time that Peking's *realpolitik* also came in full view when it denounced India as a camp-follower of US imperialism but at the same time made friendly overtures to Pakistan despite its membership of CENTO and SEATO.

The slide-back in India's foreign policy was halted for the time being, but the danger emerged again in the years following Nehru's death. It was the prompt Soviet initiative that helped in a large measure to stave it off at Tashkent; for, otherwise, the Western Powers would have made use of the Indo-Pak conflict of 1965 to have a bigger hold on India's foreign policy. The mass awareness of the Western perfidy was clear from the jubilation over the captured Patton tanks, whose display led the US Ambassador to complain, much in the same manner as Mr. Keating's lamentations, in the latest issue of *American Reporter*, over the public revulsion against US arms aid to Yahya Khan today.

However, the western lobby was not inactive. What it could not achieve frontally, it tried to manage through the backdoor. The 1966 devaluation

of the rupee at the behest of the World Bank, coupled with many concessions to US private capital, thanks to the persistent efforts of the lobby that extended from Mr. Asoka Metha to Mr. L.K. Jha marked a new phase when India's foreign policy was sought to be subverted through the pressure of the dollar on the plea of economic compulsions of a backward economy.

NEW TREND—Again, it was the intervention of mass consciousness that saved the independence of our foreign policy. The Congress reverses in the 1967 General Election was largely due to the nation-wide feeling that the country's economy, including the value of the rupee was being mortgaged to the US, a feeling which offended the basic anti-imperialism of the Indian masses.

Mrs. Gandhi drawing the correct lessons from the 1967 poll verdict, realised the need for a shift away from the pro-West direction. The new trend first became noticeable with the firm stand India took on the side of the Arab against Israeli aggressions, backed by USA in the summer of 1967. It gathered momentum until one saw the exit not only of Mr. L. K. Jha but of Mr. Asoka Metha too without even a whimper. Once again the interaction between foreign policy and internal development was provided.

From the day the Syndicate was served with the notice to quit, it was clear that the India's foreign policy would not only be restored but would be strengthened in its independent approach. The theory that a country with a paucity of economic resources could hardly play a sig-

nificant role in foreign affairs on its own, has little relevance if one takes into account the fact that the majority of the world's population even today live in regions which are still denied of resources thanks to centuries-old exploitation by the imperialist powers. This has always been the chronic mistake of Rightist propaganda, doled out by the half-forgotten gallery ranging from Mr. Minoo Masani to Acharya Kriplani.

THE TREATY—This has been clearly demonstrated in their reaction to the Indo-Soviet Treaty, as they could not believe that our country could honour a Treaty and at the same time retain its independence of action. This inability to comprehend the real character of the Indo-Soviet Treaty is due to their ingrained obsession with Western style treaties: their twenty-year-old campaign against non-alignment was the product of their pro-West attachment, and is today leading them to further alienation from the mass mood which has given its total approval to the new turn in India's foreign policy as signified by the Indo-Soviet Treaty.

This warped outlook is betrayed also by the strange chorus in New Delhi demanding settlement with China after the Nixon decision to visit Peking. The gist of this mentality is that whatever the US does should be good for us, and we must follow the Washington example: Dulles denounced non-alignment as sin, and so we must do the same. Mr. Nixon wants to pay court to Mao and we must do the same.

This entire lobby and not only this lobby, also if we look at CPM, has been taken aback by the disclosure of Mrs.

Gandhi's letter to the Chinese Premier. The interesting thing to note is that when Parliament was discussing the Indo-Soviet Treaty, this entire lobby was so overawed by the massive nation-wide support for the Government stand that they could not pluck up sufficient courage to plug their favourite theme: otherwise Mrs. Gandhi would have perhaps disclosed that she had already written to Mr. Chou En-lai, and that such a step did not militate against either the letter or spirit of the Indo-Soviet Treaty.

TAKING SHAPE—What these critics of our foreign policy do not seem to discern is that the Prime Minister did not write to Mr. Chou En-lai on a sudden impulse nor as an after-thought when Mr. Kissinger's diplomatic *coup* came to be known. In fact, New Delhi's China policy has been quietly taking shape for the last three years. The old angry stance had long gone; the heroics about recovering "every inch of occupied territory" has not been heard for a very long time from any official spokesman. When Dr. Shelvankar was posted at Hanoi two years ago, it was not just a stunt move; while cultivating Vietnamese friendship and understanding has become a major plank in India's foreign policy, it has also been the objective to watch out for positive signs to normalise relations with China. When India's Ambassador in Moscow met his Chinese counterpart that too was not just an isolated initiative: at many other capitals, the green signal was given for talks to Chinese diplomats. Even in New Delhi, as the gates of the Chinese Embassy were slightly opened, there was

no lack of interest on the part of South Block in reading the meaning of every utterance from the Chinese whether made before officials or selected newsmen. Chairman Mao's hand shake and good wishes were studied with care, and Mr. Mishra our present man in Peking is not a raw diplomat but alert and perceptive.

But all these signs did not interest the Right-Wing critics because in those days Mr. Nixon had not come down from his high horse to seek an audience with Mao. It was only after Dr. Kissinger's visit that a sudden wave of "settle with China" demands has come. And it demands, at the same time, that we must stay away as far as possible from Moscow. What is not realised by the Right-Wing is that any rapport with China does not have to be at the expense of our *entente* with the Soviet Union: when Mr. Kosygin went to Peking it was not behind the back of New Delhi, just as Mrs. Gandhi's letter to the Chinese Premier was not kept away from our Soviet allies. Throughout this period of New Delhi's painstaking efforts at mending fences with Peking there has been no attempt to keep things away from Moscow just as the Soviet authorities have kept the Indian authorities regularly informed of the progress, or otherwise, of their attempt to normalise relations with China. Hence, the assessment of the present Peking posture in the world scene naturally formed an item on Mr. Gromyko's agenda for discussions in New Delhi.

SLOW PROCESS—The maturity in New Delhi's foreign-policy labours is to be seen also in the fact that

there is no expectation of quick results in the overtures to Peking on the part of responsible circles. There is neither disappointment nor annoyance to Mr. Chou En-lai's delay in responding to Mrs. Gandhi's initiative. Because it is realised that the process of rapprochement has to be slow and will require considerable patience. No short-cut success is envisaged.

It was therefore all the more a matter of surprise for the

Foreign Office to find senior newsmen with long experience of perambulating in the recesses of the power centre in New Delhi rushing to file fairy-tale stories about Mr. D. P. Dhar having air-dashed to Peking and ascribing these to "most reliable sources". Apart from the absurdity of the story since Mr. Dhar was on a week-end of recuperation in a local clinic—and it was not a very hush-hush affair either, the political assumption behind it

betrays wishful thinking, that just because the Prime Minister wrote a letter to Peking, it had to be followed up by a dramatic air-dash by the newly appointed Policy-Planning chief of the Foreign Office. The Kissinger stunt seems to have bowled over even those of our newsmen who claim to be critical of US policy. Fortunately for Mr. Dhar, they have not gone for the further concoction that he was having acupuncture in Peking for his cardiac ailment.

CALENDAR-CHRONICLE

Revolt in Ceylon '71:

May 4—May 7

TUESDAY, MAY 4:

The 50th day of Emergency. The curfew was lifted at 4.30 a.m. and was reimposed at 7.30 p.m. The Senate met at 2 p.m. and immediately adjourned proceedings until May 12. The House of Representatives met at 2 p.m., concluded the debate on the Throne Speech and adjourned until tomorrow.

The deadline for the 4-day surrender period ended at 4 p.m. today. The Ministry of Information and Broadcasting had announced that up to yesterday 1610 had surrendered in various parts of the country. The official communique stated that terrorist attacks on villages and public buildings had increased. "...These fresh attacks were probably meant to prevent their rank and file from surrendering to the authorities....". 32 terrorists had been killed yesterday in an "engagement between Army-Police patrols and insurgents at the Kekirawa-Moragoda junction. Other terrorists had destroyed Dorawake sub-post office and burned down three houses at Yattegoda—both in the Kurunegala district. A bakery at Maho was burnt

This *Calendar-Chronicle* is based on factual reports, official communiques and ministerial statements from the English-language papers published in Colombo — the *Ceylon Daily News* (CDN), the *Ceylon Daily Mirror* (CDM), the *Sun*, the *Ceylon Observer* (CO), the *Times of Ceylon* (TOC), and the weekend editions, the *Ceylon Observer* (Magazine Edition), the *Times Weekender* and the *Weekend*. Relevant extracts have also been taken from the broadcasts of the *Ceylon Broadcasting Corporation* (CBC). No comments, editorial or otherwise, have been included in the *Calendar - Chronicle*: nor any extracts from reports and comments in foreign newspapers and journals. Some significant items of international news have been included in the *Calendar-Chronicle* every day after March 16 to make our readers aware of the international setting in which events unfolded themselves in Ceylon.

down yesterday and the Talawa Village Committee office was burnt down on May 1. Stock of explosives to blow up Diyatalawa police station was seized by the Police following a confession made by a captured terrorist. According to the Tourist Board, terrorist activities had adversely affected the tourist industry at the end of the season. Government had lost nearly a million rupees in foreign exchange in April because several charter flights had been cancelled and tourists in the island had been evacuated.

The International Red Cross had decided to fly urgent medical supplies to Ceylon to all those affected by the recent disturbances. Mr. Roger Du Pasquier, now in Ceylon, said that he had visited many government hospitals and was satisfied that those held in custody were being treated as normal civilians and was in accordance with Article 3 of the Geneva Convention. The *Sun* and other dailies published extracts from foreign papers which commended the action of the Ceylon Government in extending an amnesty during which the terrorists could surrender themselves. A government communique was released on this. The *CDN* also published extracts from an article written by Dr. Colvin R. de Silva, Minister of Plantations and Constitutional Affairs in the May Day issue of the *Nation*. "The insurgents aimed basically only to replace the government of the day with another—a dictatorial government which would abolish all democracy in the name of abolishing parliament and rest entirely on the bullet and the gun.....the predominant impression one gets of the entire enterprise is one of immaturity and even naivete.....Did these ill-armed forces.....really believe that by surprise alone.....they could overwhelm in one short swift blow (just one night) even the un-alerted forces of the state?....Were there other forces which, with the assault, they expected would come to their aid?—forces from within 'the enemy' ranks, that is to say, from within the ranks of those on whom the Government would rely at least for conducting the initial stages of its own defence?....."

The Senate which met at 2.30 p.m. adjourned the sitting until May 12 owing to the current situation in the country. In the House of Representatives which also met today at 2 p.m., the adjourned debate on the Throne speech was continued and was concluded with its approval without a division. During the course of the debate the member for Galle, Mr. W. Dahanayake, had raised the question about the detention of the MP for Kiriella, Mr. Vasudeva Nanayakkara (LSSP) from April 15. It was stated that there had been a breach of privilege as the House had not been informed. The Speaker said that he would give his ruling tomorrow. Mr. Felix R. Dias Bandaranaike, speaking for the Government, said that the situation would be well under control by the end of May. He appealed to all parties and people to rally round the government and work for the common good. They of the UNP and

the SLFP had been pursuing cheap victories so far by trying to outmanoeuvre each other in debate or at the polls. They should forget such 'gimmicks' now. "What we are debating today is the total denunciation of all Throne Speeches since 1947...." He also stated that Colombo had escaped by a hair's breadth from the Che Guevarists thanks to the Prime Minister being alert. What people wanted now was not debate on irrelevancies or theories of socialism or government, but action to get something done to pull the country out of the rot.

Earlier in the debate, Mr. J. K. Jayawardene, leader of the Opposition, had offered cooperation to the Government and wanted everybody in the House to sink their differences and pull together to extricate the country from the mess created by successive governments. Mr. V. N. Navaratnam of the FP thanked the PM and the Cabinet for saving the country from the terrorists. In the course of the proceedings, Mr. Dudley Senanayake had made a 45-minute speech in which he answered his critics and tabled a long letter he had sent the PM on April 23 on the situation in the country. This letter, he said, answered his critics who had castigated him for having been silent. Certain commentaries relayed over the CBC, he said, had insinuated that he and his party were involved with the insurgents. Mr. Senanayake analysed the causes behind the insurrection and said that most of the rebellious youth subscribed to the ideologies of some of the constituent parties of the present Government.

Over 5,000 anti-war demonstrators had been arrested yesterday in Washington. More were being arrested as these demonstrators had tried to tie-up the city's traffic. Pope Paul again offered his help to bring about a Middle East peace settlement. US Secretary of State William Rogers and King Hussein of Jordan held talks in Amman yesterday. Walter Ulbricht, 77-year leader of the GDR communist party, yesterday stepped down in favour of Erich Honecker who had been his assistant for some years now. In the municipal elections in Delhi, the Jan Singh won a surprise victory over the Congress which had swept all electorates in Delhi at the General Elections in March.

WEDNESDAY, MAY 5

The 51st day of Emergency. The curfew was lifted at 4.30 a.m. and was re-imposed at 7.30 p.m. The House of Representatives sat today.

The official communique stated that over 1000 terrorists had surrendered yesterday and the total had reached 2734. More figures had to come in before the final tally could be made. In the meantime, terrorists had resorted to violence and robbery on a mass scale, and there were such reports from Kekirawa, Polonnaruwa, Minneriya, Medigiriya and Giritale of such attacks. At Rambukkana, terrorists had blasted a viharaya.

The House of Representatives met today at 2 p.m. The Business Take-Over Bill was passed with the Government refusing to accept any amendments. When the Army Amendments, Bill was taken up, Mr. J.R. Jayawardena, whilst assuring the Government of co-operation insisted that no excesses should be committed, even during the present kind of crisis. Mr. Felix R. Dias Bandanaike stated in a war it was not possible to weigh in the golden scale the degree of self-defence one could exercise in terms of the Penal Code. He dubbed as mere rumours stories relating to crucifixion, burning, summary execution and floating of dead bodies down the Kelani river. Every allegation of of this kind had been investigated and found to be false or exaggerated. He also said up to date the total captured, arrested and surrendered was over 7000. The Speaker reserved his ruling on the breach of privilege question relating to the detained MP for Kiriella.

Dr. N. M. Perera returned to the island today. Tourism Minister Kalugalle estimated the losses from cancelled tourist bookings for the off-season from April to October at Rs. 9 million. The Tourist Board would embark on an intensive campaign of propaganda to salvage the island's tourist image.

China's official party paper today attacked the US policy over Taiwan as indicative of US hostility to the Chinese people. The arrests in Washington of anti-war demonstrators had crossed the 7000 mark.

THURSDAY, MAY 6— The 52nd day of. Emergency. The curfew was lifted at 4.30 a.m. and was re-imposed at 7.30 p. m. The House of Representatives met today.

The official communique stated that with over 2400 surrenders on the last day, the total surrender for the four-day period was 3978. Even this figure was provisional as figures from some remote areas had not come in. Terrorist attacks on civilians had intensi-

fied in the last few days. Insurgents were being housed at Vidyodaya and Vidyalankara Universities and after the initial screening they would be sent to rehabilitation camps. The CO published a first-hand on-the-spot survey by Kirthie Abeysekera about the EIGHT DAYS OF TERROR AT MAHO. The CO also published a late government communique stating that 65 terrorists had been killed in Kekirawa and that a clash had occurred seven miles from Vavuniya.

In the House of Representatives, today, the Speaker had ruled that there had been no breach of privilege in the Vasudeva Nanayakkara matter and that it was enough for the Prime Minister to inform the Speaker as she had done, and that no disrespect was intended because the House was not informed immediately. Government spokesmen outlined a plan for providing jobs for 100,000 this year. The member of Habaraduwa, Mr. Prince Gunsekara, wanted a cease-fire for Wesak as it was done in Vietnam. The House adjourned until May 21.

The Anglican Bishop of Colombo, Rt. Rev. Harold Charles Wilfred de Soysa, had died in London yesterday. The full text of Mr Dudley Senanayake's letter to the Prime Minister on April 25 and tabled in the House on May 4 was published in the daily papers. In the letter he praised the statements made by the Prime Minister and Mr. Mathripala Senanayake, and although he did not agree with everything they had said, he appreciated the statesman-like manner in which they had analysed the situation. But he had been amazed by the statements of some other Ministers over the radio about a situation of this gravity. He had borne these comments with patience because he understood the logic and tactics of these Ministers. But he was disturbed by the commentaries which came over the CBC (presumably in the BEHIND THE NEWS). These commentaries "are so blatantly characterised by such distortions of fact and by such misinterpretation of the truth that it is disgraceful that it should have been permitted to be broadcast at all." He cited two passages from these commentaries which sought to expose the groups and forces behind the insurgency. It was agreed that the youth had been misled, but the question was, "as to who misguided or misled them to engage in the desperate acts in which they are involved ... The commentator alleges that the outburst of terrorist activity was contrived to

prevent the implementation of the United Front Manifesto. Throughout the period 1965 to 1970, particularly in the main seats of higher education, the youth were incited to react against the Government. It does not require tremendous powers of memory to recall the various incidents that took place in the Universities. The passions of the youth were roused and they were encouraged to be dissidents. Political interests kept close contact with their catspaws. Even their own mentors, the academic staff of the Universities, many of whom have received their reward in high public office, worked incessantly in fomenting discord and leading the youth astray. Their extremism received sympathetic support both in Parliament and outside it. You might recollect the identity of these persons. You will find them among members of the Parties that now constitute your Government. You might have received information as to the identity of the immediate leaders of the youth whom you describe as terrorists. I suggest that you study their histories and records both in institutions in Ceylon and outside and the names of their close political associates and you will understand the part they played in organising terrorist action. Your commentators ignore the mass of evidence that is available and the persons responsible for this tragic situation by alleging that these activities are motivated by those who do not want social change. Perhaps the inability of the Government to carry out the promises made to the people, promises that were incapable of fulfilment within the resources of the country; the rising cost of living, the shortages in articles of daily use covering even such items as rice sugar, salt, flour, chillies and the common varieties of textiles, the realisation that leaving alone solving the problem of unemployment, further unemployment was being created by the policies of Government both in relation to the public sector as well as the private sector, caused a sense of desperation that the aspirations of youth would not be met. This youth then are or were the followers of the United Front Parties. In these circumstances to suggest that other forces were responsible, to say the least, fatuous. I would not insult the youth of this country by alleging that they had been motivated by blackmarketeers and such like anti-social elements. While I do wholeheartedly deplore and condemn the means they have adopted to achieve their ends, the techniques of violence and terrorism that they have preferred, I do not feel that

they are the unwitting tools of black marketeers. I do feel, however, that their economic desperation was taken advantage of by certain unscrupulous elements. Is not the root cause for the adoption of terrorist procedures the pernicious philosophies which encourage the abuse of authority, the advocacy of the disintegration of society, the base of which is the family, the training and indoctrination in subversive techniques received in foreign countries, the assiduous use for parochial political ends, the sensitivity of the youth to social and economic want, the undue interference in the internal affairs of the country by foreign agencies as part of the game of international politics. Therefore, I say again, please study the known records and histories of the young men who have emerged as leaders of this section of unfortunate youth and you may find the answers..

"... The immediate aftermath of the general election of May 1970 was a reign of terror throughout the country during which people who were suspected to have voted for the United National Party were subjected to murder, assault, rape and violence. . . ." Mr. Senanayake also answered the charge that his Government had shut a blind eye to the growth of the insurgent movement between 1965 and 1970.. (These excerpts are taken from the text published in the CDN with the deletions made by the Speaker - Ed).

Chinese Prime Minister Chou En-lai had yesterday called for close unity among Indo-Chinese leftists to fight against the United States. United States Secretary of State William Rogers started talks last night in Cairo on the question of reopening the Suez Canal and an overall peace settlement with Israel. The crisis over the US Dollar reached acute proportions today when the West German Federal Bank decided to suspend dollar operations.

FRIDAY, MAY 7 — The 53rd Day of Emergency. The curfew was lifted at 4.30 a.m. and was re-imposed at 7.30 p.m.

The official communique stated a full-scale offensive would now be resumed against terrorist hideouts. Surrenders were being accepted on the same terms as before. Terrorists had damaged property at Kumbukgate in Kurunegala area, at Kudumulla and Galatara in Kegalle, and Navadegala in Galle. The 4000 odd insurgents who had surrendered

would be brought to Vidyodaya for investigation and classification. Four insurgents were killed and ten injured when security forces clashed with terrorists at Vavuniya.

The Sun reported that "the Aid Ceylon Consortium had endorsed the United Front Government's development strategy and has agreed that Ceylon needed substantial external assistance, particularly commodity aid." The TOC stated that "the Federal Republic of Germany which was one of the seven countries in the Aid Ceylon Club has decided against giving new aid to Ceylon." The other countries had pledged to continue the aid that they had given before. The CO continued

the on-the-spot stories in the Maho area. The headline was TODAY... MEET MAJOR MALLIKA and CANDID CONFESSIONS OF AN INSURGENT — I BOMBED A POLICE STATION.

The arrest of anti-war demonstrators in Washington had topped over 12,000 and the demonstrations were now said to be fizzling out. The crisis over the dollar inflow into Western Europe had become more acute. Germany had threatened to go it alone if the EMC Council, which was to meet tomorrow, could not hammer out a common programme. London raised the price of gold in order to meet the dollar crisis.

IN INDIA

Bank Credit Brings New Life to Villages: A Novel Experiment in Rural Development

By TREVOR DRIEBERG

With acknowledgements to the *Hindustan Standard*, we reproduce an article by the well-known journalist, Trevor Driberg, a Ceylonese long settled in New Delhi, about "A Novel Experiment in Rural Development"—where "Timely Bank Credit Brings New Life To Villagers". There is much talk and propaganda today in Ceylon about Agricultural Credit to farmers and peasants, but this is unfortunately tied up with red tape, bureaucratism and outdated banking rules (meant to help the rich to get richer) — so far as the big State Banks are concerned. The Co-operative movement, however, operates agri-

cultural credit more elastically and more purposefully than the commercial banks in Ceylon.

This article by Trevor Driberg shows how a big Commercial Bank in India set about helping a remote and poor village to effect a breakthrough in economic development. This is something from which the big Commercial Banks in Ceylon—State and otherwise—can derive many lessons. The Dept. of Agriculture too can see the dynamics of rural development and the imperative necessity of sinking tube-wells without waiting for big irrigation projects to help the farmers to get into production.

NANANSU is a village in Patiala district, Punjab. It is a new hewn out of dacoit-infested jungle in the mid-1950s. At the time, Bhunerheri development block in which it is located, was one of the most agriculturally backward parts of the district. Its inhabitants struggled to wrest a bare living from their small plots of land.

Then something happened in 1968 which completely changed their lives. K. Subramaniam, General Manager of the State Bank of Patiala, visited Nanansu to inaugurate the National Savings Campaign there. The villagers told him they had no savings and asked him to help them with resources for development.

Subramaniam was interested in their proposal. The bank

had been permitted to enter agricultural financing a little earlier and was working on plans to do this most effectively. He was particularly keen on aiding the small farmer whom commercial credit institutions usually shunned as a bad risk.

THE BANK thought that providing a package of inputs for better agriculture alone would not meet the requirements of a village like Nanansu. An all-sided approach was necessary, and this included involvement in developing the village infrastructure and helping social and cultural integration.

The larger package the bank had in mind was designed to benefit all segments of village society, including the landless labourer and the untouchable.

Subramaniam decided that the enthusiasm the people of Nanansu showed for such a programme merited launching the bank's agricultural support activities there. Nanansu thus became the crucible in which a novel experiment in integrated rural development was crowned with success.

It showed how a bold and imaginative departure from routine banking practice, combined with cooperation and a willingness to learn on the part of farmers, could give birth to a new concept of agricultural reconstruction which is transforming the countryside around Patiala.

Tests carried out with the help of the Punjab Government's agricultural advisory service and Punjab Agricultural University showed that the land and water resources at Nanansu met the demands of intensive cultivation. Other

information was collected to provide the basis for a three-year plan of production in cooperation with the State Department of Agriculture and the National Extension Service aimed at a tenfold rise in farm output.

The total outlay on the package project was fixed at Rs 8,60,000 of which the bank was to advance Rs. 6,20,000. This money was to be spent on boring 39 tubewells, organising a system of custom service for farm machinery and equipment providing inputs for cultivation at reasonable rates, a community warehouse for grain reclamation of shamlat (common) land, and setting up a poultry unit.

THE STATE GOVERNMENT agreed to provide funds and instructors for a small industrial centre for village artisans, who received individual loans of Rs. 2,000 each to buy better tools and materials.

The Veterinary Department agreed to set up a centre for breeding improved cattle with Jersey stud bulls. The bank offered to finance dairying projects and arranged for the surplus milk produced in the village to be sold to a nearby milkfoods factory. The Rotary Club of Patiala assumed responsibility for providing the village with sanitary drinking water, carrying out health measures and building a proper school. A prominent doctor of Patiala town offered free treatment to the villagers.

The bank arranged for electricity for street and house lighting and energising farm operations like irrigation and threshing. The village folk provided free labour to build

a new schoolhouse in three months. In the first year of the project 37 tubewells were bored and electrified.

IN THE FIRST RABI season, 1700 acres out of 1924 arable were sown to highyielding varieties of wheat and a package of practices prepared by Punjab Agricultural University was introduced. The project had aimed at 22,600 quintals of grain in the first harvest against 4,800 the previous rabi season. The actual harvest was 28,000 quintals, and the earnings of Nanansu's farmers rose by Rs. 17,00,000. Cropping intensity in the project's third and final year is expected to rise from 110 per cent to 230.

The bank is providing credit to big farmers to buy one 35-horse-power and five 50-horse-power tractors. A firm of tractor makers has established a workshop in the village to service farm machinery. Progressive farmers have had a 10-day training course in the use of machinery organised by the bank's extension staff. These farmers have created a machine pool and are providing custom service to smaller landholders who cannot afford to buy their own.

Thus even the smallest tiller in the village can get his fields levelled and other services like ploughing, harvesting and threshing performed mechanically. The village has been divided into custom-service zones, each of them under a progressive farmer who makes available such facilities to others at rates approved by the Village panchyat. Custom service has cut farm operation costs by half. Farmers who have no tubewells are assured enough water for irrigation from their

neighbours with wells, and this facility is available to members of the scheduled castes without discrimination. To avoid overlap, the bank has assumed the sole responsibility for giving credit to the farmers of Nanansu while the local agricultural cooperative supplies inputs, which it transports in bulk, to the village and stores there.

To discourage farmers from looking elsewhere for credit the bank secures mortgages on their land against the loans it advances. The community as a whole is responsible for repayment of loans to individual farmers through a system of mutual guarantees.

I VISITED NANANSU at the height of the monsoon with Bhagwandas Gupta, the banks Rural Credit Officer. A block development officer he is on deputation from the State Government. He is the chief executive authority of the package plan the bank is offering the villages it has adopted for overall development in Patiala and the neighbouring districts. Nanansu's fields were green and heavy with crops. Neat haystacks stood here and there in them.

The village headman greeted me warmly and took me around. His proudest moments were when he showed me the village school and flour mill.

The Nanansu approach to development is catching on fast. It now covers 30 adjoining villages with an area of 23,600 acres and 16,500 people. They will soon have 500 energised tubewells and 19 tractors for custom service. Government has stopped taccavi loans and crop credit to the adopted villages, lying along the Patiala-Kaithal road.

The bank's development programme for them is divided into three phases, each covering a year: irrigation and inputs; mechanisation and custom service; and multiple cropping. In full operation the three-year plan will be extended to 55 more villages, 30 of them close to Nanansu occupied almost exclusively by untouchables.

When the project is completed, it will bring Rs. 15 crores in additional earnings yearly to the farmers of the region. This will become possible by introducing four crops a year on at least half the cultivable land in the package villages. The smallest loan to a farmer is Rs. 200. Tubewell owners get between Rs. 10,000 and Rs. 15,000. An average crop loan ranges from Rs. 1,500 to Rs. 2,500. Interest is 9 per cent a year.

More than 1500 farmers had been financed up to the time of my visit, and not one of them, had defaulted. The bank's experience has been that the poor farmer, who has always been considered too risky for commercial investments is more prompt in settling his debts than those supposedly more creditworthy.

The show piece of the State Bank of Patiala's rural development programme is the village of Alipur Jattan, about 20 miles from Patiala on the highway to Kaithal. This village was founded by the bank in 1969 to settle 35 families of nomads called Bazigars. They derive their name from the fact that they are folk musicians.

The wanderers, who made a precarious living from hiring their labour for building construction and farm chores and music, needed little persua-

sion to settle down once they were assured they would get land to till. The State Government gave them 150 acres, which have now gone up to 250. The settlers built their own cottages of brick and mud and planted their first crop of rice in the Kharif of 1969.

The bank financed the boring of nine tubewells supply of all inputs, a tractor, a threshing and implements. The settler families work the land cooperatively and divide the crop according to the amount of work they perform. Buffaloes are used for ploughing, and the result of the cooperative effort is higher yields than those in the neighbouring villages.

MAHI RAM, the village headman, played small roles in films in Bombay. When the settlers called upon him to take charge of the new village he threw up his profession to join them, the land has been leased from Government for five years initially. At the end of this period, it will be leased yearly, but cultivation will continue jointly. The settlers have borrowed Rs. 100,000 from the bank, of which the first three instalments had been repaid at the time of my visit. Loan guarantees are provided by groups of 10 families, a new development in agricultural credit practice in India. "There is no need to ask them for payment," Subramaniam told me. "There is not a single defaulter among them. The bank is proud of their loyalty."

The villagers have built a rough track to link Alipur Jattan with the main road, but it is impassable in the rains. They want a surfaced road and plan to build one with their own funds. They

had installed fittings for electricity in cottages and were waiting for a connection with the Bahakra grid. Their tubewells were worked by oil engines which they bought with the help of the bank. This is an innovation in Indian land practice, for bank loans are not usually given for tubewells drilled on land the farmer does not own. All the settlers practice family planning. Fathers of more than three children have vasectomies. Mahi Ram, who is also president of the Punjab and Haryana Bazigars Association, said as we sipped tea in his scrupulously clean and tidy cottage, that there were 2 million Bazigars in these two States and Himachal Pradesh. "If they are given land, they will produce more than other farmerse and wipe out our country's food deficit," he declared. But only the State Bank of Patiala had helped them to lead a settled existence.

He said there were more than 10,000 acres of shamlat land in Patiala district which were in the hands of unauthorised persons. "If this is given to us, we can change sand into gold."

The Bazigars claim Rajput descent, but they lost all their property to the Mughals and were forced to take to the forests for a livelihood. Under British rule they were labelled criminals and wandered from place to place harassed and neglected. This is the lot of most of them even today.

When bank officials come to Alipur Jattan to distribute money they do not bring a police escort. The Bazigars provide a guard. Mahi Ram wants to start a handicrafts centre for the village

women, but there is no money to hire instructors and Government will not help.

He said the prime needs of the Bazigars were land and education. Without education, they were unable to make themselves heard in high political places. The bank has given the community a motor cycle for transacting urgent farm business.

THE COMMUNITY also owns five bicycles and 10 transistor radios on which they listen to the Farm and Home Programme from Jullundur station of All India Radio.

Karhali is an adopted village with 1800 people 16 miles from Patiala. The Community Development Department of Punjab has chosen it as a model of agricultural and social advance. It has a high school, surfaced roads a dispensary for humans and a clinic for animals, piped water, drainage and a panchayat office.

Bank loans have given the village 65 tubewells operated by electricity for irrigation. They also finance a cooperative landowning society for the scheduled castes. The bank helped the 11-member society get 18 acres of nazrul (ownerless) land for cultivation and has also given it a tubewell and a crop loan. The society grows wheat, maize and cotton and toria.

Members are paid for the labour they perform in the fields and the surplus is distributed equally among them. Their profits in the first year of activity was Rs. 1,000 each.

There are four privately owned tractors in the village and the cooperative society hires

them for its operations from their upper caste owners.

BHAGWANDS GUPTA introduced me to Sardar Bishan Singh as the "most progressive" farmer in Karhali. He had served in the First World War in Palestine and had been farming for 35 years. He started as a tenant, but now owned 50 acres. Short, white-bearded and with mild, questioning eyes, at 68 he was still very active in his fields, which he cultivated with his seven sons. He owned a tractor and a thresher and a spacious double-storeyed house. When we went to his house for tea, his daughters and daughters-in-law exhibited the richly coloured bedspreads and bags they wove by hand from locally grown cotton. Samrala is 40 miles from Patiala on the Ludhiana-Chandigarh road. A branch of the bank stands in a narrow alley and its head is Sohan Lal Uppal, a bundle of high powered energy.

He told me he had financed farm operations in 130 villages in Samrala and Doraha development blocks, handing out advances totalling Rs. 35 lakhs to 500 farmers in 99 working days in 1969. Among the projects he helped finance were the purchase of 35 tractors, boring 160 tubewells and equipping them with electric motors, 40 small dairies and piggeries, three poultry farms and one flock each of sheep and goats. He had advanced 105 crop loans and 15 private truckers facilities to buy vehicles to carry farm produce to the nearest railhead. There were 25 manufacturers of farm implements from hand hoes to threshers in Samrala whom the bank had set up in busi-

ness. The size of the farms to whose owners loans were given ranged from five acres to 75 and the amounts from Rs. 500 to Rs. 30,000.

Many farmers in the block had not grown wheat for seven or eight years, for lack of water. Their main crop was groundnut in the wet season. Now they were getting good wheat crops in sandy loam.

Uppal has financed purchases of hand carts, bullock carts and agricultural machinery. Most of the loans are unsecured.

RECOVERIES were "very satisfactory", he told me. Out of 192 midterm loans up to three years, 189 had been cleared.

"How do you judge a farmer's ability to pay?" I asked.

"My sole test," he replied without hesitation, "is how he works in his fields."

Many farmers who had received help from the bank had paid off their loans and were now financing themselves.

A bank must be able to meet a farmer's needs for credit adequately and promptly. If it fails to, do so he turns to the traditional village money-lender who charges Rs. 5 per Rs. 100 per month.

Uppal said the quickest loan he gave took only an hour to process. One look at the applicant's farm was enough. He once sanctioned a loan for a tractor in three hours.

When the Samarala branch went into agricultural financing Uppal hired a drummer to visit the surrounding villages and announce the news. Farmers come direct to his branch where he attends to them personally. No middlemen are encouraged.

We drove along the town's main road, on either side of which were small workshops. At one of them I met Pur Singh, a scraggy little man with a straggly beard in a banian and underpants.

At 72, he makes ploughs, threshers, levellers and seed-fertiliser drills with his sons. He, like many other owners of small shops in Samarala owes his existence to support from the bank.

Uppal introduced me to Santokh Singh, a landless peasant and an untouchable who cuts wood in the jungle and sells it to the townsfolk. He took a loan of Rs. 2,000 without security and repaid it in nine months after making a profit as big as his loan. He now finances his operation himself.

I met Buta Ram, a bald-headed cobbler crouched over his last with a hookah by his side. He borrowed Rs. 1,000 of which he had repaid Rs. 200. Ratan Singh, a bicycle and car repairer, took Rs. 1000 for an air compressor and had paid back Rs. 600 in six months.

Mangal Singh, a 50-year-old untouchable without land, took Rs. 700 for sheep and goats six months earlier and had returned Rs. 100.

The integrated package programme for rural development has proved it is possible to give credit to the small farmer who needs it most but finds it hardest to get, without any grave risk of losing one's investment. At the time of my visit, the bank had provided credit of Rs. 6.5 crores for crops, farm machinery, processing units, implements and irrigation equipment trans-

port to distribute farm produce and other rural services.

It had adopted villages for wholesale development and organised joint credit schemes under which farmers commercially listed as credit-worthy guaranteed the loans of those considered not worthy of credit.

This credit revolution introduced in 1968, is due in large measure to the initiative of General Manager Subramaniam. He had to take his courage in both hands and fight every inch of the way to reach his self-appointed goal. In the villages of Patiala district, his name is a by-word among thousands of grateful farmers whose advance towards modernised agriculture depends on the timely help and encouragement he has given them.

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