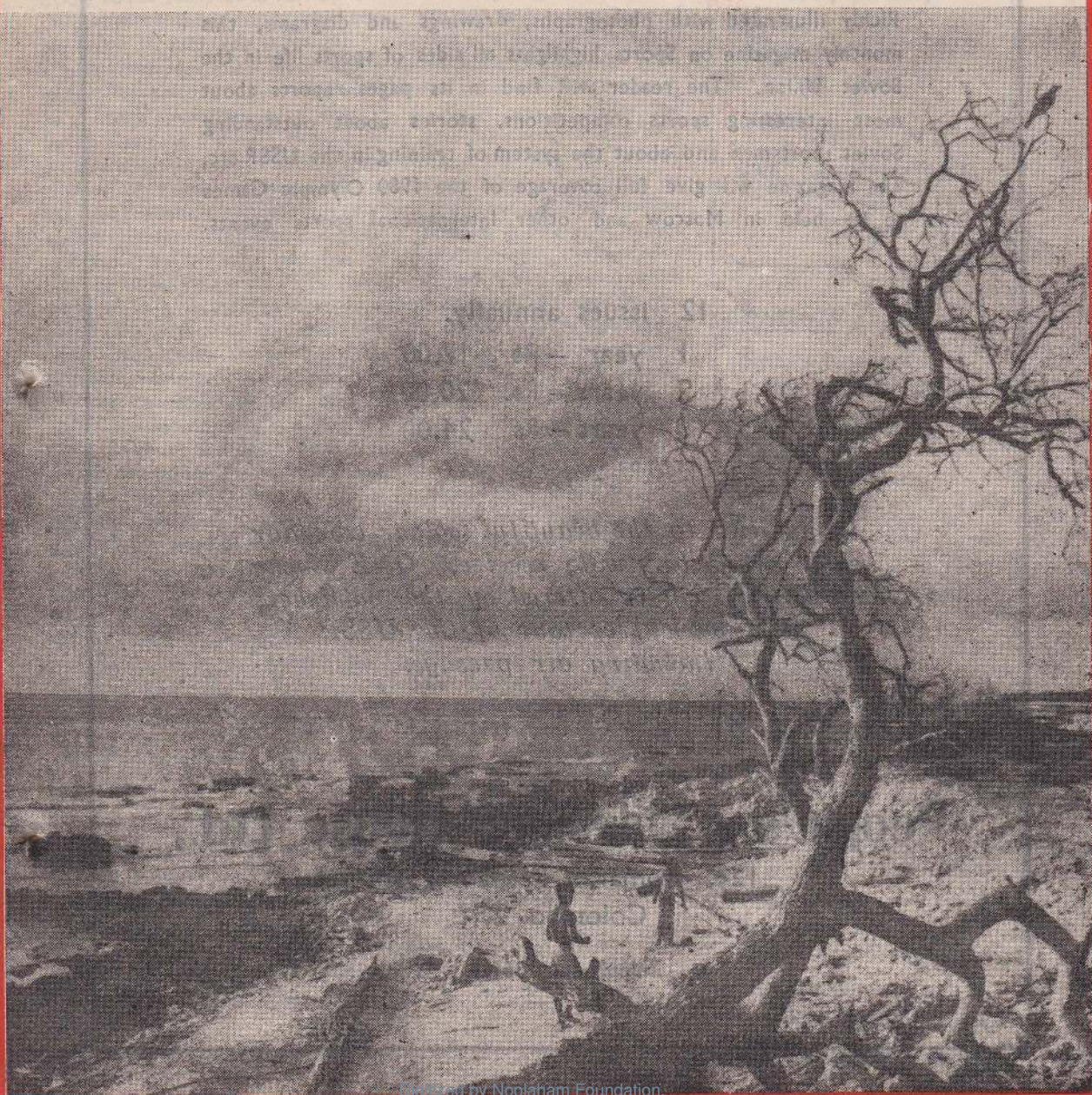


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# Letter From The Editor

FOURTEEN YEARS AFTER the devastating cyclone of December 1964 Sri Lanka was struck last week by an even more disastrous cyclone. The damage has not been fully evaluated and the total number of dead and missing persons is not known. To bring life back to normal in the affected areas will take a great deal of time, effort and money. The picture on our cover this week is a reminder that there are parts of this island, especially along its coasts, that bear the scars of ecological ruination no different from landscape after a cyclone has passed over it. *Tribune* moreover regrets that the superstitious prognostications it had mentioned as a possible consequence of the buffalo stampede in Anuradhapura at the Wap Magul ceremony on October 15 has unfortunately come true. We had said in our issue of November 11, 1978 (Vol. 23 No. 20): ".....that rural lore has it that such a buffalo stampede might mean unprecedented floods that can ruin cultivation? That this might have been in *Adharmista* times, but that it may not be so in the present *Dharmista* era....." A month after the buffalo stampede the main rice-producing areas have been afflicted by a cyclonic visitation that has taken many lives and has cost the country millions of rupees. *Tribune* does not believe in superstitions, but we had used the buffalo stampede only to preach one of our customary homilies against wasteful expenditure in organising tamashas. A butcher is a misfit in a Wap Magul but other odd men out haunt all tamashas. Cyclones come once in fifteen or twenty years, sometimes oftener, but tamashas which are in the long run more damaging to human values than cyclones have now become the order of the day in Sri Lanka. In the years after Independence, when winning seats in Parliament was the predominant preoccupation of politicians, tamashas have been used in the bid to fool the masses. Tamashas nowadays take many forms but they have all one common denominator—self-glorification of a handful of organisers and the deification of a few politicians. It is one thing to keep the public informed of what the government has done and what it intends to do, but it is a totally different matter to spend large sums of money on gimmicks and circuses in the belief that these will keep the crowds happy. In view of increasing public opposition to extravagant open air public tamashas, bureaucrats now have embarked on the new gimmick of exorbitantly expensive (advertisement) newspaper supplements in the daily papers, especially in the government-owned media. Every minister, every corporation chairman and every head of a government department thinks that each had the right to spread the glad tidings of their deeds of glory in such supplements. The photographs of these pint-sized demigods are featured large in these supplements together with self-congratulatory messages on the wonders performed and the miracles yet to be achieved. Ordinary MPs now buy full-page supplements to publish reports about how their electorates have progressed in the last six months or a year. The majority of newspaper readers do not read the messages, statements and write-ups in these supplements. It is time that government realised that these Supplements tend to widen the already big credibility gap. And what is worse is that the newspapers themselves have stopped writing objective, analytical and interpretative reports of newsworthy developments but await the ministries, corporations and departments to fill their pages with propaganda puffs which nobody reads but which bring revenue. Politicians and bureaucrats seem to think that newspaper supplements are enough to "convince" the people that much was being done when, in fact, they [only created mirages.

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## EDITOR'S NOTEBOOK

### The Cyclone And The Budget

Colombo, November 28,

The cyclone that struck Sri Lanka last week has left most people speechless. They did not think that anything like this was possible. With cyclones by-passing Sri Lanka several times in recent years to strike India or Bangladesh, with devastating fury, people here had been led into the delusory belief that Sri Lanka had divine immunity: that it would not happen here, in Dhamma Deepa inspired by dharmista ideals! But it has happened here. In less than 30 hours the storm that struck the Batticaloa-Kalmunai area cut right across the island in a straight line to the north-west leaving a trail of disaster.

For once the Colombo Observatory had risen to the occasion and not only gave ample warning of the oncoming cyclone but had also plotted the course of the storm with deadly accuracy. This was no doubt possible because the information made available to Sri Lanka by the US Tiros weather satellite system and the sophisticated equipment installed in the Colombo Meteorological Station. But for these warnings, the loss of human life would have been greater. Very large numbers had been evacuated from the Batticaloa area but a mere shifting of people to places close-by is of little avail against the kind of cyclone that struck the island. Winds howling at speeds between 60 and 100 m.p.h. and torrential rains the like of which has not been known before ravaged an area in the centre of the island about 120 miles in diameter. Although the

eye of the storm is said to have been about 40 miles in diameter, the outer perimeters were about 100-120 miles apart. Very roughly, the storm was most active and destructive in a central corridor including the hill country where all the rivers rise. Although the wind did most of the damage in the belt which the eye of the storm traversed, it was rain (with the consequent floods, landslides, wash-aways) that brought loss and destruction to very large areas.

Observers say that the November 1978 cyclone was far more severe and destructive than the December 1964 cyclone. For one thing the 1964 cyclone only affected a part of the northern sector of the island from Trinco to Mannar, but at that time the damage in South India in the Danushkodi area was far greater than the damage suffered in Ceylon. Archivists say that last week's cyclone was the most disastrous in the island's contemporary history. It has affected all communities residing in this island—Sinhalese, Tamils, Moors, Buddhists, Hindus, Muslims, Christians, Burghers, in fact all who have made this country their own—whereas the earlier cyclone had mainly affected only the Tamils and that only a small section of them.

The damage caused by the latest cyclone is incalculable. The number of deaths has been estimated, at the time of writing, at about 375. This is obviously an understatement based on the police system of body count of the bodies recovered. But most estimates place the number of the dead at over 1000—not including those presently on the missing list who, all know, have perished without a trace.

The government and the entire country face a tremendous challenge, first to provide relief to the thousands rendered homeless

and hungry, next to rehabilitate them as quickly as possible to enable them to resume gainful employment or purposeful cultivation and finally to rebuild a new society on the shambles and debris left behind by the cyclone. In the first task of providing relief many countries have rushed to Sri Lanka's rescue in double quick time. The President has very correctly decided that all those affected by the cyclone will receive free rations for a period of three months. The number so affected may number one million or more people and this will mean a heavy drain on the island's meagre resources. But even greater will be the amount of money, material and human effort, required for rehabilitation of the destitute and the displaced and the rebuilding of the economy in the cyclone-affected areas almost from scratch.

The Budget which was presented on November 15 was overshadowed in the news columns by two events that stole practically all the headlines as well as the available space for news analysis or comment. Within four hours of the first presentation of the proposals had come the DC-8 air crash. And within four days of the commencement of the debate on the second reading had come the most devastating cyclone that has ever struck this country. In the overwhelming confusion of the air crash and later the cyclone, even people deeply interested in the fiscal and monetary policies of the government were not able to pay due attention to the structure, policies and implications of the second budget of the UNP government. The air crash did no more than divert attention and provide the newspapers with sensational headlines and stories, but the cyclone, apart from stealing the thunder on every page of a newspaper, has knocked all budgetary calculations and esti-



mates into a cocked hat.

In the second reading, the Budget was approved, as scheduled on Monday (27/11/78) night, by a majority of 105 votes—the TULF and SLFP had voted against it. The TULF has now blossomed out as a champion of true and genuine (but non-Marxist, so it claimed) "socialism and berated the government for departing from socialist principles and policies. Whilst the SLFP did not formulate its criticisms in the high falutin ideological jargon used by the TULF, the Finance Minister and the UNP spokesmen stated without any inhibitory apologies that the Budget was directed to promoting private enterprise in an economy that had suffered from an overdose of public sector development for two decades. Though the TULF, SLFP and the Opposition Parties (outside Parliament) insist that the UNP was paving the way for the anarchy of unbridled capitalism, the UNP seems to believe that its dharmista society can be ushered in through a judicious mixture of private and public enterprise with the emphasis on the private even in the management of public sector undertakings—and this because of the undoubted inefficiency, incompetence and corruption rampant in many nationalised enterprises.

It is still difficult to see where the policies of the UNP would lead the country and what kind of dharmista economy could come into being. The SLFP and LSSP cannot complain of the large amount of foreign loans the present government has already obtained and has arranged to get because Dr. N. M. Perera had also obtained such foreign loans, but on more disadvantageous terms, viz., commercial loans at 12½% interest whereas the present government has been successful in obtaining soft loans from international agencies at low rates of interest.

Even Marxist thinking on foreign loans from the capitalist West and the UN Agencies like the IBRD and IMF has evidently changed with countries like China and Vietnam getting world bank aid, and countries like the Soviet Union arranging for investment loans and credits from western capitalist countries. In the cold war era of the fifties and sixties, there were assumptions about foreign loans and aid from capitalist countries which determined the policy declarations and programmes of Marxist and Socialist parties. In the era of detente, cold war barriers have been lowered even on the economic front. The struggle between socialism and capitalism for supremacy in the contemporary era has assumed new forms which has left nearly all of the older socialist and marxists bewildered and most of the younger ones confused.

The debate on the second reading was revealing in a number of ways. Among the speakers for the government, the Finance Minister presented the Budget and defended his proposals with his customary polemical vigour, but he did not get lost in the polemics. Minister Lalith Athulathmudali and Gamini Disanayake who made important contributions were so keen on demolishing their political opponents that they lost sight of the wider perspectives in which the Budget was framed. Prime Minister Premadasa in a noteworthy speech drew attention to the benefits the UNP government had already brought the people. But the two most outstanding contributions from the government side were from the former Finance Minister, M. D. H. Jayewardene, and the new Minister of State, Anandatissa de Alwis.

Mr. Jayewardene's contribution was a kind of eye-opener for over-enthusiastic loyalists who blindly hailed anything put forward by

the UNP leaders as the last word on the subject and as a panacea for all the ills of the country. M. D. H. pointed out many factors which could upset the budgetary calculations of Ronnie de Mel. He particularly drew attention to contractions inherent in an over high interest rate on Savings and a call for private investment for development. But more than anything else, MDH had uttered a warning that world economic changes or natural disasters could completely knock Budgets into smithereens. This has now happened as a result of the cyclone disaster which took no more than a day and a half to push back the clock of living standards and economic development not only in the cyclone affected areas but all over the country.

Undoubtedly the most thoughtful and significant speech during the Budget debate from the government benches had come from the Minister of State, Anandatissa de Alwis. He had sought to place the Budget and the Government policies in the context of the current situation and complexities of the politico-economic realities in the country. He pointed out that a new way had to be found and implemented for the country to move forward. It was a maiden speech; but undoubtedly one of the best ever made in the legislatures of this country.

What is left of Ronnie de Mel's Budget after the cyclone is yet to be evaluated. There is no doubt that we live in stirring times. The government of J. R. Jayewardene is undoubtedly beset with unexpected difficulties. The communal disturbances of August 1977 was a major blow at economic development. And now, the cyclone. What next? It is to be hoped that politicians and bureaucrats will forget tamashas, newspaper supplements and other gimmicks and get down to a job of work.



## FOR THE RECORD

## Tax Proposals

In his Budget for 1979 Mr. Ronnie de Mel, Minister of Finance and Planning, has provided for extensive tax reliefs on an unprecedented scale to win the whole-hearted support of all citizens in every walk of life in implementing the accelerated development programme of the country.

**\*Government Servants Relieved from Tax.** Of special significance to public servants and government pensioners is the announcement that they will be free from tax from the year of assessment 1979-80 in respect of the emoluments they receive from the Government. This tax exemption will also apply to Judges, employees in the Local Government Services, Statutory Boards, Corporations, Universities, and also to pensioners of these institutions. They will receive their pay-packets without any tax deduction. Over 75,000 employees are likely to benefit by this measure.

**\*Tax Exemption to Low-Income Earners.** The exemption limit for income tax has been raised from Rs. 6,000 to Rs. 12,000. On this basis an individual receiving an annual income less than Rs. 12,000 will not be required to pay any tax. A large number of persons who have been paying tax so far on an income falling within the range Rs. 6,000—Rs. 12,000 will be completely free from their tax burden from 1979-80.

**\*Wife and Children over 18 years to be assessed as separate individuals.** Another radical change from the existing pattern of taxation announced by the Minister is non-aggregation of the incomes of the wife, and, children over 18 with the income of the husband. The Minister's proposals indicate that the wife and every

child over 18 will be liable to income tax as separate individuals and that too only if their individual income exceeds Rs. 12,000 for a year. The same basis of non-aggregation is also to apply when computing Wealth Tax liability. The wealth of the wife and each of the children over 18 will be assessed separately in their own names. This change is to take effect from the year 1979-80. The income of children under 18 will be aggregated with the income of the father during the subsistence of the marriage. A new Income Tax Rate Schedule applicable to all individuals will also come into effect from next year.

**\*Tax Holidays.** The five-year tax holiday granted to small and medium-scale industries with a capital less than Rs. 500,000 in respect of an income up to Rs. 100,000 is being extended to cover industries with a capital investment not exceeding Rs. 1 million and in respect of an income up to Rs. 200,000. The earlier limits have been increased in view of the enhanced initial expenditure on fixed assets. Dividends declared out of the exempt income by these small and medium-scale industries during the tax holiday period will be also exempted from tax. New companies incorporated after 15th November, 1978, for manufacture and export of non-traditional products will receive a five-year tax holiday. It is intended that this relief will ensure a balanced development throughout the country.

**\* National Savings Bank Interest—Higher amount exempted.** From 1979-80 an individual will be entitled to a tax exemption in respect of the interest income received from the National Savings Bank up to an amount of Rs. 2,000 or one-third of the total interest paid to him by that bank, whichever is higher. This relief is available

to every member of the family. Presently, it is available only to six members of the family, while each member can claim an exemption from interest up to Rs. 1,000 for a year.

**\* A Higher deduction allowed from Income for Approved investments, Savings and Donations.** Tax relief presently available to persons making approved investments, approved donations, contributions to approved provident funds, life insurance, annuities, and for expenditure incurred by professionals on subscriptions to professional associations and in the purchase of books, etc. can now be claimed in respect of the total of all such payments by way of a deduction from the assessable income not exceeding one-third of such income. Under this proposal an increased amount of tax relief will be available as an incentive to invest bigger and bigger amounts in approved investments, etc. Investors in approved enterprises in the Free Trade Zone will also benefit by this higher tax relief. Presently investment relief is withdrawn if an investor transfers his ownership in an approved investment within five years. According to the new proposals investment relief already granted will not be withdrawn if the proceeds are re-invested in shares in another approved investment. In the case of donations to the Government, to a local authority, to a fund established by the Government or to a fund established by a local authority and approved by the Minister, or, any expenditure incurred on any project in a Development Plan of the Government with prior approval of the Minister, such expenses could be deducted in full from the income of the year without any limitation and any part of such expenditure as remaining unabsorbed could be car-



ried forward for set off against the income of the following years.

\* **Further Tax Relief for owner-occupied residences.** In vestment relief already granted during the ownership of a residence will not be withdrawn on its transfer. Presently such relief is withdrawn when the ownership of a residence is transferred within 5 years.

A person who purchases with his own funds one house for his residence or one building site for the construction of a residential house will be in future entitled to tax relief to the same extent as granted for the construction of a residential house. Any portion of the cost in respect of which relief cannot be claimed within the first year can now be carried forward for a further period of four years.

The capital gains realised on the first sale of one residence after 1.4.1978 will be completely exempt from tax irrespective of whether such residence has been purchased, constructed or inherited.

The new proposals also exempt from Wealth Tax the value of one residence.

The value of the residence of the deceased up to a sum of Rs. 300,000 is also exempted in computing the liability to Estate Duty.

\* **Tax Rates for Companies Reduced—Further Tax Incentives.** The rate of tax applicable to Resident Companies is reduced from 60 percent to 50 percent, while Non-Resident Companies will pay at a reduced rate of 55 percent. Small companies with an issued capital not exceeding Rs. 500,000 will also benefit by the new proposals. The first Rs.50,000 of their income will be taxed at 20 percent, the next Rs. 100,000 at 30 percent, and the balance at 40 percent. This substantial tax

relief is proposed by the Minister with the object of promoting the establishment of more and more limited liability companies in order to accelerate economic activities in the country. With the same objective in mind the Minister has also proposed to allow as a full deduction the company-formation expenses in calculating the profits of a company. The Stamp Duty on issue of shares is being reduced from one percent to half-percent while the Stamp Duty on transfer of shares is reduced to one percent.

Capital Gains on moveable properties including share will also receive the same concessions from Capital Gains Tax as capital gains on sale of immovable properties.

\* **Expenditure on Research** Full expenditure incurred on research will be now allowed as a deduction from income to all businesses, thereby promoting research and development in the commercial and industrial sectors, so as to improve the quality of products and also to pave the way for new products.

\* **Capital Allowance also for New Commercial Buildings.** Under the existing scheme, full cost of plant, machinery and fixtures, purchased and used in a trade, business, profession or vocation, is allowed as a deduction in computing the income. Full cost of buildings constructed as dwelling-houses for non-executive officers is also similarly allowed. In the case of other buildings constructed by Industrial and agricultural undertakings and approved projects, the allowance against income is 50 percent of the cost. There is, however, no capital allowance in respect of other commercial buildings constructed by undertakings other than Industrial or agricultural undertakings or approved projects. The Minister has, therefore, extended the grant of a capital

allowance in respect of commercial buildings constructed by any company for its use or for letting. As from 1.4.1980 a fixed rate of depreciation will be granted in respect of expenditure incurred on plant, machinery and buildings. In view of a fixed rate of depreciation being applicable with effect from 1.4. 1980 it is expected that during the period up to 31st March, 1980, there will be considerable building activity and an increased effort to modernise outdated and rundown machinery and equipment.

\* **Sale of Paddy to the Paddy Marketing Board.** Exemption of profits on sale of paddy to the Paddy Marketing Board has been withdrawn. This exemption has been granted earlier as an inducement for sale of paddy to the Paddy Marketing Board.

\* **Charitable Institutions.** The rate of tax on religious and charitable institutions is now being reduced from the present rate of 23 percent to 20 percent affording some relief to these institutions.

\* **Sports Clubs.** The net annual value of premises and grounds owned and used by sports clubs in the course of their sports activities is being exempted from income tax with the object of promoting sports in the country.

\* **Bank Debts Tax repealed.** In order to promote commercial activity without any hindrance, and, for the banking habit to spread throughout the country, the Minister has proposed the repeal of the Bank Debts Tax Act. A marked increase in Bank deposits is expected with this measure.

\* **Tax Amnesty.** The Minister of Finance and Planning has also announced a complete Tax Amnesty from all taxes and levies administered by the Inland Revenue Department. This Amnesty will



apply to undisclosed income relating to periods prior to 31st March, 1977, if such income is deposited in cash in special accounts at the National Savings Bank to be later invested in specified areas of investment after levy of a 30 percent tax. He has assured that this amnesty will not be administered by the Inland Revenue Department and that no questions will be asked. The National Savings Bank will be responsible for the administration of the Amnesty and for the remittance of 30 percent tax. Pending utilisation for investment in the specified areas, these deposits lying with the National Savings Bank will earn interest at the rate payable on Savings Deposits, i.e. 8.4 percent. Withdrawal for investment could be made only after the amnesty period. The period of operation of the Amnesty has been announced by the Minister as four months extending from 1st December 1978, to 31st March, 1979. The approved areas of investment under this Amnesty scheme have been indicated by him to include companies which have been registered by the Greater Colombo Economic Commission and approved investments in industries, agriculture, horticulture, fisheries, tourism, etc., investments in housing including projects approved by the Urban Development Authority, donations to the Government, and expenditure incurred on any approved projects included in a Government Development Plan. The money invested however, having benefitted from the Amnesty, will not be entitled to any other relief under the Inland Revenue Act.

**\* Delayed Refunds to be paid with 12 percent interest per annum.** Where a refund due to a taxpayer is delayed, the Minister has announced that the payment will be made together with interest at one percent per month

commencing from the year of assessment 1979/80. This indeed will be welcome news for all taxpayers.

**—Current Year Basis of Assessment.** From the year of assessment 1979/80 every taxpayer will be required under the self-assessment scheme, to furnish his return of income and pay his tax on his total income of the current year, that is, on the income of the year of assessment itself. This is a departure from the present scheme, under which a return is furnished and tax is paid in respect of employment income of the current year and income from other sources for the preceding year. This scheme assists the taxpayers considerably as the tax could be paid as the income is earned. Instalments will be allowed over a period of five years to pay the tax due on the non-employment income for the year ended 31.3.1979.

**\* A New Inland Revenue Act.** The Minister has indicated that he will introduce before Parliament shortly a new Inland Revenue Act incorporating the present Budget proposals and earlier amendments and removing the numerous old provisions that are presently not applicable. This new Act will come into effect from the year of assessment 1979/80. A simplified return from which any taxpayer could complete by himself will also be operative from next year.

**\* Substantial Tax Relief from Estate Duty.** The exemption limit for Estate Duty is now raised to Rs. 100,000 from Rs. 50,000.

Relief will be given from Estate Duty in respect of the value of one residence up to an amount of Rs. 800,000. The relief granted earlier was in respect of an amount up to Rs. 150,000. Further relief is also being given now by exemption—a part of the proceeds of a life insurance policy as is required to pay the Estate Duty. (a)

the value of a single annuity up to Rs. 10,000. (b) legacies to bona fide employees up to Rs. 10,000 if such legacies are paid within and income from other sources for the preceding year. This scheme will assist the taxpayers considerably as the tax could be paid as the income is earned. Instalments will be allowed over a period of five years to pay the tax due on the non-employment income for the year ended 31.3.1978.

The Minister has indicated that he will introduce before Parliament shortly a new Inland Revenue Act incorporating the present Budget proposals and earlier amendments and removing the numerous old provisions that are presently not applicable. This Act will come into effect from the year of assessment 1979/80. A simplified return from which any taxpayer could complete by himself will also be operative from the next year. two years from death. (1) bequests to an approved charity up to Rs. 100,000 if such amounts are paid within two years of death. (2) household and personal effects including jewellery up to the value of Rs. 25,000. (3) the value of the life interest passing on death relating to a property gifted to the Government. At the same time in order to prevent delays in payment of Estate Duty the rate of interest chargeable has been increased from the second year of default.

**\* Stamp Duty.** The Minister has indicated that he will introduce legislation shortly to impose penalties on notaries who do not place proper value on instruments with a view to avoid paying Stamp Duty. The Stamp Duty Ordinance is also to be amended compelling employers with large work forces to pay the composition duty on salary receipts. The present Stamp Duty Rate Scheme will be simplified. Receipts for Rs. 100/- and over



will require a stamp in future. The value of the stamp will be -/25 cts. Presently the duty is -/15 cts. on receipts for Rs. 20/- and over. Concessionary rate of stamp duty on cheque leaves will be increased from -/06 cts. to -/10 cts. per leaf. In concluding his Budget Speech, the Minister of Finance and Planning drew attention once again to the extensive tax incentives given for savings, investment and production, and made an impassioned appeal to every citizen in the country to work more and more and increase the output during the coming year. In view of the massive foreign aid that will go into the capital expenditure during 1979, he also stressed the extreme necessity for local savings and investments, too, to reach a matching scale as those foreign funds if inflationary pressure are to be avoided.

—Sunday Observer, Nov. 19, 1978.

## Grama Sastra—15

### Scribblings on Uva Villages

### Deep Calling On Deep

by Gammiya

Some time in August and in June this year—as far as I recall—I made mention of water and watery graves. *Grama Sastra* demands that we go a little deeper into the question of water: water, water everywhere, nor any drop to drink, with due apologies to S. T. Coleridge and some of his ilk whose poems were diluted with plenty of water.

Why is there no forestry school in Sri Lanka? If a forestry school had been in operation, it may well be that experts would have picked up forestry from a very early date, and would have done something for the country. A knowledgeable Dutchman once told me that if the Buttala, Moneragala, Mahiyangane and other areas languishing for lack of water, are forested

to the tune of 300-acre blocks of trees, which although they were eventually meant for timber, should be allowed full blossoming, even into flower and some into fruit. This would provide rain for more than twenty five miles each way. Because there are ever larger and ever-increasing areas coming under chena crops and under paddy and under cash-crops (generally owned and worked out by some mudalali with a tractor or two), rain gets less and less, and water recedes and recedes. No one bothered to take his plea.

Then again, there is real anguish among people who dig wells and don't dig wells, people who have helped their fellowmen to slake their thirst, as one of your letters revealed recently. The entire dry zone suffers from this problem and the *Tribune* of some years ago mentioned the name of a Mr. Fernando, an expert who could be asked to help but who is very busy.

There is also another side to this picture, but the problem is in the execution of the programme: there: when tanks are built, the water-pressure is such that for over four miles around, or three, depending on the size of the tank, wells could be dug and water is found just a few feet away from the surface. This water is perennial. Mr. RM, a friend in Obbegoda who asked 61 others to sign up with him to ask for the reconstruction of a tank for their collective 100 acres, was an expert farmer, i.e. an expert and a farmer, for he knew his soil, water, water-pressure, sluice-work, anicut level, etc. But such local farmers are hardly given a chance, hardly given any credence.

Now take the one-inch map of Timbolketiya, or Buttala, or Moneragala and the number of tanks abandoned are somewhat like "the sands of the sea and the stars in the sky." With the interest swit-

ched over in 1976 from food-crops to cash-crops, lethargy set in. Money was switched over from tank-reconstruction to culvert-strengthening and road-repairing (so that ten-ton trucks could tuck away tons of sugar-cane).

So, there you are, depth-seekers cannot be interested only in one well or 60 wells at the most, they have to see what we are to do to agitate before the Government, to re-route itself and think Dryzone, not just "talk rural and think urban." Loghead's approach of constant agitation is the right one. And such a presence is needed in those areas where the hopes are low, the spirit is there, but there seem so few interested in them.

While a former-party mudalali who did wrong is penalised, a present-party one may be connived at, his nefarious work getting both a blind eye and a constant encouragement, no, not by the top brass but by some local yokels in Uva. With one permit (which is hard to read, like an old prescription) I know of a mudalali-lorry-owner who cut down some of the best trees in those areas which once produced heavy, regular rain. Today, *illuk* (*imperata cylindrica*) makes imperious demands on its soil.

And the news-snippets get stacked up, uselessly: in 1966: we had 6.5 million acres forest cover in Ceylon; in 1970 it was 6.1 million acres. In 1977 (CDN, May 18th) we were told that 20% of the land mass is under forest cover, while in 1960's 44% was under forest cover. "With the destruction of every tree a hundred gallons of water that evaporate in the air, is lost" (*Sunday Observer*, Oct. 24th 1976).

Water must be got and got today, said Loghead. He is with the people. He knows their anguish. He is right.



## THE WORLD TODAY

### IRAN

**LIVING AND WORKING CONDITIONS OF THE MASSES.** After this appraisal of the White Revolution in various fields, let us have a look at the living and working conditions of the masses. South of Teheran, in poor suburbs, thousands of workers' families (a total of 500,000 men, women and children) live in hovels dug into former clay pits. Families of 5 to 9 people have to be content with a room of 9 square metres. The majority of these large families possess no more than 3 or 4 worn blankets to keep out of the cold. Poverty, hunger, filth and disease rule the roost in these areas. But it is the Teheran winters which reveal the full scope of this misery since they are very severe and consequently very hard for those who have nothing. What a heart-rending spectacle to see, not far from sumptuous palaces, wretched children, in rags, paddling in half-frozen pools of water.

These children are of school age but their parents haven't the means to send them there. In fact, very often children have to work 10 to 12 hours per day for a wage equivalent to 9p sterling in order to help their family financially. Wages generally are very low; a qualified metalworker, for example, earns no more than 62.50 to 75.00 pounds sterling per month. But many earn even less, above all women and children in agriculture and in the factories making the carpets famous for their beauty and also for their extremely high price. Working days of 12 and even 14 hours are current practice. This is the case in the coal-mines of Shaharoud in the North of Iran, where 12,000 miners work 14 hours per day in extremely

difficult conditions and in total insecurity.

In order to give an idea of the purchasing power of wages, we will quote from the semi-official daily *Ettelaat* (November 1977). "9 years ago, a worker earned 890 Rials per month (112 Rials = 1.00 pound sterling) and the price of a ton of rice cost 1000 Rials. Today this same category of workers earns 8,000 Rials per month and rice costs 100,000 Rials. Meat cost 8 Rials per kilo and bread 1 Rial against 660 and 50 Rials respectively today." During the last 4 years, prices have risen by 81%. According to official sources, rents presently swallow up more than 60% of workers' incomes. Less than a third of workers receive benefits or social security. Generally speaking, the laws concerning benefits and social security are in fact not implemented. In order to look after oneself properly, one must pay.

Many jokes are circulating in Iran on this subject. One often says that something is "as false as a social security card" or so and so is as friendly as a national health doctor" or even, "If you're not happy you'll be sent to a national health hospital."

The trade union movement and the working class movement in general—all trade union activity worthy of the name has been forbidden in Iran since the coup d'état of 1953. The Iranian Workers' Organisation (IWO), founded during the 50s in order to fool world opinion has never been anything else but a branch of the party in power. In fact, as well as the party in question, it depends entirely upon Savak. Its leaders at top and medium level are appointed by Savak. Also, this so-called trade union organisation is opposed to any movement in support of demands. However, the

regime, Savak, the party and the IWO have not been able despite bloody repression, to prevent the workers and the working class from demonstrating their existence (presently there are 5 million workers in Iran, 2 million of whom work in production). Savak carries on its repression relentlessly but the workers do not allow themselves to be intimidated and on the contrary their struggles are intensifying.

Very recently, the *Teheran Economist* violently attacked the workers, writing: "Underground parties (that is to say progressive organisations and above all the Tandeh party—Communist) after their failure in the political field, have widely penetrated the ranks of the workers and employees. This is why we are witnesses to many protest demonstrations and so-called strikes for wage increases". Last year, faced with these realities, the leaders of the regime, with the help of the Savak and the Minister of Labour, called the IWO Congress mainly in order to appoint leaders who were even more devoted to both the government and employers. But all these efforts come to nothing and workers unrelentingly continue their struggle.

As a result from 1955 to 1963 big strikes took place mainly in the oil fields: Abandon, Khark, Meched, Soleiman and in the textile industry, the building trade, coal mines, the teaching profession and post office in Isfahan, Shiraz, Recht and elsewhere. Since 1970, the movement of strikes and protests has grown enormously, involving every branch of production: oil, textiles, transport, building, metallurgy, from North to South, from East to West throughout the country.

It is also important to mention the strikes and demonstrations held



by students in every university in Iran. Very often, peaceful strikes and demonstrations end tragically following police intervention. But despite this one can say today that the Savak, IWO and the regime in general are being snowed under by the masses in revolt.

During the last six months alone (July-December 1977), more than a million workers, students and members of other sections of the population have taken part in mass strikes and demonstrations. The unrest is such that people such as the President of the Chamber of Commerce and Industry and dozens of senators and MPs have warned the authorities against certain "abuses". These semi-official press, notably the weeklies *Ettelaat* and *Keihan* criticise "those who have profited from the White Revolution."

In order to calm the masses, the Shah carried out a cabinet reshuffle in August 1977. But this demagogic manoeuvre fooled no one and the workers' struggles alongside students and all patriots unceasingly rise in number and size, for decent wages, housing, hospitals and schools, and for democratic and trade union liberties. The workers are demanding the release of thousands of Iranians who are imprisoned and often submitted to torture for the simple reason that they took part in a strike. These demands are increasingly gaining ground amongst all forces which are of all tendencies and of growing numbers which are rising up against the dictatorship and fighting for democracy.

Concluded.

—Liaison Committee of Iranian Trade Union.

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## FROM THE U.S. PRESS

*New York Times*, November 1,

Commentary by Fawad Ajami, Asst. Professor of Politics Princeton University.

The risk of acute cultural dualism is inherent in all strategies of accelerated development, whether capitalist or Marxist: it is the risk that regimes in a race with time, inspired by visions from afar—steel mills, nuclear power, modern armies—would forget the cultural base on which they stand and would try to close that gap either with terror or reliance on foreign support. The temptation of squeezing people and pushing them too hard is both cruel and clumsy. Cruel because it usually relies on repression and clumsy because it often produces the reverse of what it wants: instead of power and order it unleashes chaos and breakdown. Underneath the glitter and the illusions of power, deep problems accumulate, eventually dashing the big dreams and the inflated visions. All this has come to pass in Iran—an almost textbook case of cultural dualism between reigning regime and the society below. That the eruption was expressed in religious terms and that it was brought to the fore by Moslem Mullahs is no accident. It is partly due to the fact that Islam had not been "contaminated" by reality and partly to the lack of an alternative channel for expressing what are basically socio-economic political grievances.

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*Miami Herald*, November 8,

If the Shah has served a purpose, it is that he has promoted the modernization of Iran by supporting literacy, education, women's rights, and industrialisation. A natural product of modernisation is a people's readiness to steer society's course. What happens

now in Iran will be monitored especially closely in Washington because of Iran's geopolitical and petroleum importance. But monitoring should not lead to influencing. The State Department seemed Monday almost to endorse the military-dominated government appointed by the Shah. That was unnecessary. If we want to keep Iran as a trading partner and an ally the best approach is by privately urging the Shah to further democratize political processes.

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*Detroit Free Press*, November 13,

The Carter administration has endorsed the Shah's military government on the grounds that the civilian parties declined his offer to form a coalition. That seemed the best way to see order restored quickly, but in the long term the Shah probably cannot survive without liberalising and broadening his Government.

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*Christian Science Monitor*, Nov. 14, Commentary by Columnist Joseph Harsh

He (the Shah) remains a good friend of the United States. And some day his countrymen will probably change their present minds and thank him for most of what he has done. But as of today, any help the United States offered would be taken in Iran as one mark against him. And it would only associate the United States more than it already is with the Shah's own unpopularity. All that Washington really dare do is sit this one out and hope that somehow the Shah or his successor will be able to restore order and get Iran moving again—at a slower pace.

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Wall Street Journal, Nov. 10,

Commentary by Kenneth Bacon

The Carter Administration's policy of talk but no action to support the Shah of Iran creates the illusion that the US is a helpless giant. But this perception of US paralysis is simplistic and misleading. The US position reflects the complexity of the Shah's domestic problems and the conclusion that both the Shah and the US will be better off if he solves these problems himself.

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### PM'S OFFER TO OPPOSITION

Teheran, Nov. 10,

General Chohamreza Azhari, head of Iran's new military Government, has offered to meet the leader of the National Front opposition party, Mr. Karim Sanjabi. At the same time, Gen. Azhari reiterated that he would step down as soon as order had been restored in the country, wracked for months by anti-Shah disturbances. The Premier, who was giving his first interview since taking power on Monday, stressed that he was "100 per cent" loyal to Shah Mohammed Reza Pahlavi. On the arrest of the former Premier, Mr. Amir Abbas Hoveyda, in a crackdown on high-level corruption, Gen. Azhari said: "His Majesty (the Shah) decides the great principles, the Government decided whom to arrest." Reliable sources said that Mr. Hoveyda was accused of misuse of power during his term (1964-77) as Government Head.

Mr. Sanjabi left Paris for Teheran last night saying that "even the Shah himself" now recognises the revolutionary nature of the upsurge in Iran. But he has not, sources said, been able to reach an agreement on any strategy with Mr. Ayatollah Khomeini nor has he endorsed the religious leader's calls for the violent over-

throw of the Shah. A Sanjabi aide said the opposition parties and religious leaders have called for a nationwide general strike on Sunday. The Shah of Iran yesterday appointed a special commission to investigate the financial activities of royal family members. The Shah also appointed a separate panel to probe the dealings of the controversial, but prestigious charitable trust, the Pahlavi Foundation, which is reputed to have its fingers in many casinos, top hotels, housing projects etc. The Royal family corruption probe follows widespread public accusations that the Shah's own relatives were hiding behind the throne after amassing fabulous wealth through commissions in national deals and by investing in gambling dens, which are prohibited by Koran. The Shah has given special authority to the investigators to probe everyone of his family members' financial activities without hindrance. If anyone is found to have illegally acquired wealth, it would be confiscated. In late September the Imperial Court had released a secret circular the Shah sent to his family members ordering them to immediately halt all influence-peddling.

—AFP & AP.

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### OPPOSITION LEADER ARRESTED

Teheran, Nov. 11,

The Iranian military Government tonight detained Dr. Karim Sanjabi leader of the Opposition National Front Party as he was about to address a press conference here. Dr. Sanjabi, 74, was detained at his home by an Army General and four plainclothes men as journalists were gathering for the press conference following his return from talks in France with the exiled religious leader Ayatollah Ruhol-

lah Khomeiny. Also arrested was the chief spokesman of the National Front, Mr. Dariush Forouhar. Police kept journalists from entering Dr. Sanjabi's villa in North Teheran until after he had been taken away. In a statement which he was to have read to the press conference Dr. Sanjabi accused the Shah of going against the will of the people by appointing a military Government. A slogan contained in his message read "Liberation of the people from autocratic monarchy."

—AFP.

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### BREZHNEV'S WARNING

Moscow, November 18,

The Soviet Union, which traditionally maintains good-neighbourly relations with Iran, firmly states its opposition to outside interference in the internal affairs of Iran by anyone in whatever form and under whatever pretext. This is said in the reply of the General Secretary of the CPSU CC, President of the Presidium of the USSR Supreme Soviet, Leonid Brezhnev, to a Pravda correspondent's question on his assessment of reports appearing in the foreign press about interference by western powers, the USA particularly, in the events taking place in Iran, with the possibility of even military interference on their part. That officials of the states mentioned have not practically refuted such reports cannot but give concern, noted Leonid Brezhnev. Even when they do deny attempts at interfering in Iran's internal affairs, as was done the other day by the US President, reservations are instantly made which by no means exclude the possibility of such interference under some plausible excuse. The events taking place in Iran, Leonid Brezhnev went on, were of a purely internal character and the questions connected with



them must be resolved by the Iranians themselves. Here all the states must adhere to the principles laid down in the UN Charter, just as in a number of other fundamental international documents, and must respect the sovereignty and independence of Iran, of the Iranian people. "It must also be clear that any, all the more so, military interference in the affairs of Iran—a state immediately bordering on the Soviet Union—would be regarded by the USSR as involving the interests of its security," Leonid Brezhnev underlined.

—Tass.

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## IRAN: VANCE'S REPLY

Washington, Nov. 19,

The United States today responded to Soviet President Leonid Brezhnev's warning about western military involvement in Iran with a statement of firm American support for the Shah. Secretary of State Cyrus Vance said the US was confident that Iran could solve its own problems. In a statement read by a spokesman, he said: "As President Carter has indicated, the United States does not intend to interfere in the internal affairs of any other country and reports to the contrary are totally without foundation. We expect other countries to conduct themselves in similar fashion, and we note that the Soviet Union has said yesterday that it will not interfere in the affairs of Iran and will respect its territorial integrity, sovereignty and independence. As we have said, we firmly support the Shah in his efforts to restore domestic tranquility in Iran, and have confidence that Iran can solve its own problems. We intend to preserve and pursue with Iran our strong bilateral political economic and security relationship.

—Reuter.

## SEVEN MILLION POOR—2

### Rationalised Imports

—to bring down c.o.i.—

by R. Kahawita

IN A DEVELOPED COUNTRY the possession of a car, radio, dishwasher, refrigerator etc., is a status symbol defining the levels of poverty and economic well being. They are work-a-day necessities for their way of living. We cannot claim the same standards when the average citizen is a pauper, not by the western standards but the elementary standard of what a human being needs for survival.

Then may I ask the question, what is the necessity to import such luxuries as advertised in the daily papers? Can we justify our actions in the eyes of the people, when their day-to-day food items are not available freely, and when available, at prices beyond their means?

It is difficult to get through to these people that there is world-wide inflation; that we are caught in an international economic system; and our intensive development programmes are a concomitant to local inflation. Our economists and planners, may understand this but not our average man.

When we view the situation from his angle of vision, should we allow the imports of these goods when one such unit costs several times the cost of all his needs for several months? If a small minority—may be 10,000 souls out of a population of 14 millions, need these items, then why not make them pay heavily for owning such a luxury; a luxury a very few can hope to possess in their life time. Let me go further; a dish-

washer is an unnecessary extravagance in our country. One could do without one and yet maintain the social or economic status. For we have not reached that mass scale level of prosperity to measure one's status by the conveniences one possesses. This is what should pinch our conscience when we allow such imports.

I agree that some of these imports are necessary to keep the "economic cycle" moving; production, servicing, repairs, employment opportunities so forth and so on. Such theories will not convince a hungry people. We have seven million people at that level, and none of them are in a mood to understand the plight of our country. We have been telling them all along the line, that we have got everything to save them. Their question is when?

Let the people know that the import of such items, are allowed at a high cost to the owner to subsidize the import of food they need. What are their need? They are few and meagre—food and clothing. I have deliberately kept "shelter" out from the classical and off-repeated trio—"food, shelter and clothing."

SHELTER, in Sri Lanka today is beyond the reach of many more millions than the seven million that got into the picture in the recent survey of destitution. In tune with the high cost of other goods, cost of building materials is so high, only a few can think of adequate shelter. So let us forget it for the moment and see how we can provide adequate food and clothing to the people. Let us tell the people shelter is not our first priority—Food is.

In spite of what our economic advisers say about world trends and inflated prices, the import of the basic food and clothing should be liberalized and maintain



the supplies in excess of our requirements, so that the prices of these items will stabilize themselves and the government will be in a position to control prices in favour of the consumer.

Many of the items of food the average consumer needs cannot be hoarded for long periods without deterioration in quality. Hoarding is not an incentive to the dealers when they know supplies are regular and plentiful. The incentive then, would be to dispose off the goods as quickly as possible and have a quick turnover of the investments and earn greater profits by increasing the volume of business with the same investment.

So to help the consumer, by reducing the cost of needs, what the government should do is: Liberalize imports of these items while reducing and controlling the import of luxuries. Allow the private sector too to import the food items as well as the public sector. Once the import of basic needs now imported and distributed by government are open to the private sector the private sector will go into the importation of these items in preference to luxuries. They have gone into the luxury class because those are the only items open to them and such non-essentials as mechanical toys, flash lights, lamps etc. A change in the import pattern is now called for.

IN ADDITION to the government shops, the government recognition and assistance to the establishment of small scale distributors all over the country should be given. Let them also be issued the rationed items for distribution. Let the number of such distributors adjust itself. The unnecessary and inefficient elements will get weeded out in the face of com-

petition.

Increasing the number of private (in contrast to Government shops) distribution points will open a new avenue of self-employment, particularly in the rural areas, where the government has not been able to make a reasonable impression to reduce unemployment and under-employment. Except for the offer of the 50 rupees dole to the unemployed youth there is no scheme for rural employment. What we have done is not comparable to the change of the pillow for a headache.

The survival of the small trader will depend on individual's business acumen. Today there are no credit facilities available to the consumer, urban or rural, employed or unemployed. In any society some credit facilities are necessary for a consumer to procure the daily needs till the next pay-day, harvest, market day etc. This kind of credit accommodation has completely disappeared from the economic life of our people since government took over the distribution of the basic items of food for which he must pay cash and find the cash weekly as rations are issued weekly.

With the Government taking over the distribution of basic consumer goods, the small trader has put up his shutters. Some still survive on the black market but this is not what we want. The traditional village pattern of buying and selling has vanished altogether and with it the small scale producer of handicraft, cottage industries and vegetable production. The "exchange points" that used to be provided by the small scale village entrepreneur also disappeared. So the producer lost his marketing facilities as well and with it he gave up production. Easy and convenient

marketing facilities for rural produce also opens up opportunities for self-employment.

Creating self-employment opportunities is the largest field a government has today to find a solution to the unemployment problem of the country. It is foolhardy to think that jobs can be found for 1,500,000 people either in the private or public sectors.

Then, if we are to reduce cost of living: increase self-employment, opportunities, increase local production of vegetables, cottage industries, and such other simple necessities and to see to the convenience of the "consumer-producer-public" we should extend and encourage the setting up of small scale trading points in every nook and corner of the country. In order to maintain and stabilize such buying and selling points import of such basic needs of the people must be liberalized and regularity of imports maintained.

SUCH GOVERNMENT ACTION will certainly need controls, price fixation and even price support and subsidy for some items, to help the consumer, and to encourage the producer. The government should be more involved in this aspect rather than in trading, growing and distribution.

Earlier, I spoke of the consumer needing weekly cash to purchase his weekly rations. Our Government has been aware of this kind of weekly purchases for almost 30 years. Yet we have done nothing to ensure that wages are paid weekly to all employees. All the industrial countries have practised this for decades for very good and cogent reasons. Why should not Sri Lanka also adopt this as a wages payment policy? It will help considerably to reduce the cost of many consumer goods, also to some extent indebtedness for daily needs. Weekly payments means



more white collar jobs and a way of providing employment opportunities as well. Weekly payments will benefit the consumer, producer and will stabilize prices. This is a policy matter the government must consider for early action.

So far we have been speaking very broadly and vaguely about "basic needs" of the common man. It really means what a human being needs in the way of food to maintain his body and life together. What are they in the context of our level of poverty? To focus attention of the policy makers and their advisers let us list them now.

Their requirements can be divided into two groups A and B. In Group A, let us list those items of food and others that could be produced within the country and in group B items that must be imported, because they cannot be produced locally or to supplement what is available locally. These items are necessary to keep our people above the starvation level and provide them with two adequate meals, fairly balanced and wholesome.

In Group A we would include, rice, millets and other edible grains, "pulses, common vegetables, eggs, meat and fish processed or fresh, onions, chillies, yams and root crops, coconut, coconut oil and other edible oils, salt, pepper, mustard, ginger, turmeric, vinegar, tamarind, lime, oranges, tea, coffee, milk and a few other items not of much consequence, if they were to be missed out.

In Group B we would include: rice, wheat and wheat flour, pulses and lentils like dhal, gram, and protein rich beans, dry fish, maldiva fish, carliander, suduru, madhuru etc., the popular "thune paha", garlic, dry chillies, onions, red and bombay onions and sugar. Processed milk foods and infant foods,

and some other items, that may be considered not necessary but should be included to give the feeling of satisfaction that the government is doing everything possible for their welfare.

By and large these are the two groups that go to make up the dietary requirements of our people. Therefore, the governments, objective should be to provide these in plenty and at reasonable prices. It is this kind of effort of a government that the people will understand and begin to build up confidence in a government's ability to solve our problems.

Complaints of what happened in the past, economic theories, inflation, etc., are there, but a desperate society will not understand them. To keep the government going and the people to march on our side we must provide their simple needs which they should be able to buy with the current wage level of Rs. 7/- for an eight hour working day, as well save something out of that Rs. 7/- for other necessities of their simple lives. This is what the people demanded and expected to get when they cast their vote a year ago.

THE PROBLEM before the government now is to produce what can be produced within the country and import what cannot be produced locally or until we go into production. The necessary set-up incentives, inputs and so on must now be organised to go into production and the arrangements made to import others before we commit ourselves to do other things which will not benefit the people immediately, may be equally necessary for development. But what the people need today is priority one.

**Curtail import of unnecessary things like toys, torches etc. which we seen in plenty on the Colombo pavements today. Let them be replaced**

**by our immediate needs. With a liberalized import policy, but restricted to the import of the necessities of the average man the importers, wholesalers and retailers will get what is needed into the market. This will be a great step towards bringing down cost of living.**

THE OTHER ITEM what the people need most today is **clothing**. We are committed to improve the living conditions of the masses. Their needs are not silks, butter nylons etc. What they require is what the Indian textile manufacturers call "mill cloth", manufactured from low grade cotton. Our requirements are sarongs, shirts, cotton banians, "chintz" cloth, jacket material, long cloth, cotton poplins. Since many of these varieties are not produced locally, let their import be open and liberalized.

What the traders require are goods to sell so let them make their own arrangements to import them side by side with the public sector. What a Government can do in the present situation, is to see that policy is implemented, imports are within government policy and goods are distributed within the price structure stipulated by the government. This would be the basis to arrest price escalation of consumer goods.

I recollect, according to various estimates made in the past our requirements of textiles were around 12 yards per head per annum. This is what we imported when the textile market was open and free from controls. The several textile mills we have now in the country should be ordered to produce the "mill cloth" and given the facilities to import the raw materials and machinery to maintain production. The yarn manufacturers too should fall in line with this policy so that they pro-



duce yarn to meet the needs of the textile mills and that of the handloom industry. Our production and import target should be to have in the country about 12 yds. per head per annum.

A government earned the ridicule of the people over the rationing of 1/2 a yard per ration book and this kind of thing cannot be repeated. There will have to be controls to ensure that production and distribution patterns are maintained and profit margins are minimal on the "mill cloth." *In an open market and with free imports the prices will settle at a level based on consumer ability to pay and on consumer preferences.*

In a liberalized programme of imports, the priority should be food and clothing to meet the need of the seven million people whom we have classified as destitutes; being aware of this we have no excuse to do otherwise.

(To be Concluded)

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## THE BUDGET

### And Political Parties

#### SRI LANKA FREEDOM PARTY Massive concessions to capitalist class.

The most conspicuous feature of the first budget of the so-called democratic socialist government of Mr. J. R. Jayewardene, which the Finance Minister, Mr. Ronnie de Mel introduced in Parliament last Wednesday, was that it deliberately attempted to grant unprecedented and massive tax concessions to the capitalist class. Out of twenty three major inland revenue proposals outlined by the Finance Minister twenty one will directly benefit big businessmen and in-

dustrialists. Income tax relief and a ten percent salary increase to public servants were the only redeeming features to the rest of the community. No relief whatsoever had been provided for the village cultivators, non-fixed wage earners belonging to the low income bracket and agricultural sector workers. The first part of Mr. de Mel's marathon 5½ hour budget speech was devoted to an analysis of the country's economy which, according to him, "had started gaining momentum." There was little enthusiasm even from his own colleagues and the Party men. It was nothing more than a mere repetition of the oft repeated jargon such as the Greater Colombo Economic Commission—a more respectable term for the FTZ, the Urban Development plan and the Mahaveli. Although the Finance Minister went on to quote figures of possible employment opportunities from these schemes, the House seemed not much convinced, probably because he had hardly anything concrete to show for the first year of his economic stewardship.

When the house reassembled after the tea break, Mr. de Mel began to disclose his revenue proposals which in effect turned out to be an unending list of tax concessions and other incentives to the big businessmen and large-scale industrialists. Following are some of the major concessions to the capitalist class: \*Tax holiday for five years for export-oriented industries; \*Abolition of tax on all capital investments; \*Tax relief for the construction of commercial buildings; \*Capital gains tax to be abolished; \*Company tax reduced from 60% to 50%; \*Tax rebate for research by private companies; \*Tax relief for inauguration of commercial companies; \*Tax amnesty for investors; \*Wealth tax abolished for some categories

of persons. While granting these and many other substantial benefits to the affluent sections of the community, the Finance Minister heavily taxed the patience of those who listened to him by interposing irrelevant remarks and guffaws between sentences. One sometimes wondered whether he was speaking in Sinhala or in English. His frequent attempts at bilingualism clearly marred the seriousness and solemnity of the occasion. Mr. de Mel did not, however, try to conceal the economic philosophy of the Government. He made it clear that the Jayewardene Government was irretrievably committed to naked capitalism although a diametrically opposite view is expressed in its recently drawn up "Democratic Socialist Constitution." The Finance Minister made it clear that his economic gurus are Hayek and Galbraith whom he respectfully quoted off and on. He proved beyond doubt that he is a worthy follower of the great tradition set by these high priests of capitalism and laid the foundation for a lasting edifice to perpetuate their creed in this country. In this effort, he had obviously forgotten that he was the Finance Minister of a developing country and the fact he had to go round the world on his annual pilgrimage for 'alms' in order to finance the budget deficit, and displayed his solidarity to his class by promising them unprecedented concessions! In order to cover the true nature of his intention, he made it a point to give a salary increase to public servants and exempted them from income tax; in his enthusiasm he had forgotten the fact that nearly a three quarter of the population were village farmers and plantation workers who got no relief at all.

Mr. de Mel proposed to finance the deficit of Rs. 6,300 million largely by foreign loans and local



borrowings, but did not elaborate. Economic observers are doubtful whether he will be able to raise all these massive loans from abroad and from the local banking system. Will he not therefore be tempted to shift more burdens on the already distressed sections of the community by resorting to his usual device of 'gazetting' the increases in price of essential commodities? It will be recalled that the Finance Minister as well as other senior Cabinet Ministers went round the country during the last several weeks saying that all subsidies should be abolished if we are to prosper as a nation. Clearly their intention was to do away with whatever subsidies that are remaining. But the sudden decision to continue them may well be a strategy dictated by political expediency.

—The Nation, November 17, 1978

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## COMMUNIST PARTY

**Budget gives more to rich, sops for middles, deceit for masses**

Finance Minister Ronnie de Mel described the main themes of the second UNP Budget as "More and More Work. More and More Investment. More and More Saving." But in actual practice his Budget proposals give more and more concessions to the rich, some sops to the middle strata (especially the upper brackets) and a load of deceit for the masses. The Finance Minister made a big thing out of the fact that his Budget proposals have not placed any new direct burdens on the masses. A 'No Cuts Budget,' he quipped. What a hypocrite! For everyone knows the new UNP technique of introducing body-blows against the masses between Budget—so that they can claim that the Budgets themselves to not impose

new burdens. Between this government's first and second Budgets, for instance, the price of flour has been increased three times. Prices of cigarettes, beer and arrack were increased. Bus fares have gone up twice. Only a few days ago, postal and telephone rates were increased by Rs. 55 million. Prices of milk and milk products sold by the Milk Board were raised by Rs. 72 million. The subsidy on fertiliser was cut by Rs. 167 million. The price of Nespray also went up on the day after the Budget.

But this refers only to commodities or services which the government supplies or where it levies excise duties and taxes. With price control withdrawn, prices of everyday necessities keep going up and up in the shops, due to devaluation and other inflationary government policies. The cost of living rose 31% in 1977, according to official sources. According to the Finance Minister, it has risen by a further 9% in the first half of 1978. The government's inflationary policies of the past still continue. In addition, it proposes to finance its entire Budget deficit of over Rs. 6,000 million by internal and external borrowing. This is against a background where 16% of the revenue is already spent on servicing former debts. Thus prospects of any stabilisation or decrease of prices are remote. To compensate for this, the Government has sanctioned an overall 10% salary increase for state employees with a minimum increase of Rs. 50 a month. Even this is a direct result of the threat of a one-day protest strike last September. But the 10% increase will give the workers and other employees much less than the Rs. 150 a month pay increase that they asked for. In addition, this flat percentage increase is particularly unfair on the lower income brack-

ets, who will receive much less, money-wise, than those higher up in the salary scale.

The 10% pay increase will also not automatically be extended to the corporation and private sectors. "I propose", says the Finance Minister, "to leave the determination of wages in these sectors to the existing wage-fixing machinery and collective bargaining process, with the guide-line that the total wage increases should not exceed an upper limit of 10%". With the government working overtime to do away with their cherished trade union rights by new laws, the workers in these sectors will find it still more difficult to get even the 10% increase. Far from silencing the anger of the workers over the cut in their real wages through inflation and devaluation, the niggardly 10% increase is likely to generate a fresh round of trade union demands for adequate pay increases. The niggardly 10% wage increase will also help the government to withdraw rice ration books from still further sections of the most underpaid workers, who will reach the Rs. 300 a month limit with this increase. And apart from the wealthy those who earn their living outside the state, the public corporation, and the Wages Boards trades in the private sector, get no significant concessions. Even the tax relief previously given to profits earned from the sale of paddy to the Paddy Marketing Board has been withdrawn.

Some nominal sops are offered to the middle strata, with special emphasis on those in the upper brackets, and in staff officer and executive posts. The Finance Minister made it clear that his main intention here was to arrest the serious "brain drain" among these categories. The limit of income tax exemption has been



increased from Rs. 600 to Rs. 1000 a month. But, on the other hand, the deductions made hitherto in respect of the number of children are done away with. State employees will not have to pay income tax on their earnings from such employment in future. The "dis-aggregation" of husband and wife, where both are employed, in order to make their joint income up to Rs. 2000/- a month free of tax is also another proposal. But, in view of ever-rising prices of essential goods and services, it is doubtful whether even this very limited relief will be real for very long especially as the price rises are steepest in the range of commodities used by this strata.

As far as "development" is concerned, the Finance Minister's speech does not disclose any major progress in the last 15 months in respect of the 3 main projects that the government has undertaken. As far as the Rs. 11,000 million Mahaveli Project is concerned, the government "expects" that foreign countries and institutions will finance the foreign exchange component. Only some canal-cutting work has started, giving employment to about 10,000 people." The Free Trade Zone, on which Rs. 300 million is to be spent as infra-structural development, has so far signed 24 agreements with foreign firms. These projects, which have not yet started, are expected, "at capacity operation" to generate 26,000 jobs. Although 15 months have passed, the proposed building of 100,000 in one year has not yet started. However, we are assured that it will start next year. Thus, so far, all talk about "development" to provide "more and more jobs" has proved to be empty.

What the new UNP Budget does, in fact, do is to give more concessions to the rich and to take further steps to promote

the development of capitalism. A "really-no-question-asked" amnesty for black money is announced, in which such money will be deposited in the National Savings Bank, earn over 8% interest and be free from any scrutiny by the Inland Revenue authorities. Later, it is to be invested in approved projects. The rate of Company Tax is reduced from 60% to 50%. The scope of tax holidays is extended to bring in many new sections of capitalist production. A new Company Law and the creation of a Stock Exchange are promised. Capital gains reliefs, which were hitherto given for immovable property, will be extended to various forms of movable property. New concessions are also granted in respect of Wealth Tax and Estate Duty. Thus, on the basis of further deepening national indebtedness to finance one of the largest budget deficits on record, the UNP government has given further concessions to the rich. It is difficult to know what else they can be given. Indeed, the Minister of Finance has said that if the private sector does not respond to all the opportunities it has been given, it does not deserve to survive!

Government has tried to silence the middle strata with some "sops" whose temporary benefits will soon disappear. It has sought to keep the trade unions quiet, until it can effectively decimate them. And it seeks to create among the masses, already reeling under the body-blows they have received, a sense of "gratitude" that they were temporarily spared a knock-out punch. But all the time, the government is moving relentlessly forward in seeking, step by step, to remove, on the orders of the World Bank, the subsidies, social benefits and democratic rights that the masses have won in over 3 decades of struggle. As soon as the forthcoming local government polls

are over, the UNP government will once again embark on this policy. In fact, it is known that proposals to put up prices of flour and oil products were hastily postponed at an Emergency Cabinet meeting before the Budget debate, after this was exposed in the Left newspapers. Working class and democratic forces should, therefore, intensify their efforts unitedly to resist those attempts.

—Forward, November 14, 1978.

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## UNITED NATIONAL PARTY

### Govt. moves in right direction with open economy

In the last issue of the *Journal*, our comment was on the "Open Economy" policy of our Government, which has paid rich dividends. That comment was on the eve of the second budget of the UNP Presented by Finance Minister, Mr. Ronnie de Mel. In the wake of the proposals for the fiscal year 1979, we congratulate the Government on continuing with the Open Economy" policy that was rehabilitated after seven years of a rigid "Closed Economy". The evil results of this policy, followed vigorously by the Sirima Bandaranaike Government were numerous and the suffering of the masses was massive. Nevertheless, it is not our intention to repeat what was said earlier. Instead, we consider that the budget week has provided us with an opportunity to reaffirm our faith in the "Open Economy" policy. There were many who took the first budget cool. The initial opposition stemmed from the withdrawal of subsidised rice from a section of the population. Let us ask the question the opposition posed during the year. What did the first budget achieve? Let us add another question—what was the effect of the first budget on the people?



The Finance Minister, in an interview with the Press last week said, 'we took a firm decision last year to liberalise trade and free the economy. As a result, queues have vanished and scarcities are a thing of the past.' There were many more benefits the people got as a result of the "open economy" policy. We consider that the creation of job opportunities ranks highest. Unemployment was the most serious problem that all governments had to face but was least respected by the Sirima Bandaranaike government. The UNP promised during the election campaign, that it would endeavour to solve this problem. Fulfilling this promise was given the highest priority. In the public sector alone, approximately 150,000 mostly youth, were given employment. The expansion was more prominent in the private sector. According to figures during the first six months of 1978, employment in the private sector was 200 per cent more than that of the corresponding period of 1977. The free economy has brought about a welcome growth rate, which is double the growth rate during the period of the last government.

Contrary to what opposition critics predicted, the free economy did not get out of hand and the government could contain inflation within bearable proportions. After the initial reversal due to fear of free imports killing local industry, the trend now is for expansion. The permit system, the quota system, etc., have vanished and industrial raw material could be imported to suit the production capacity of the individual industrialist. The importing trade, too, has good stocks and, therefore, the industrialist need not block his money on huge stock for fear of bans, curbs and cuts. The industrialist can now plan

with confidence. The Government has also freed the export trade by allowing a large number of non-traditional items to be exported without governmental control. The items are: amber, beche-de-mer; empty bottles; bees' wax; animals, birds, reptiles, antiquities, cardamoms, cloves, cinnamon, pepper, nutmeg, maize, cocoa, papain-coffee, coral, cotton seeds, pharmaceutical products, flower, flower plants, fruit products gingerly seeds, empty gunny bags, kapok seeds, kurakkan, minerals, mustard, red onions, medicinal plants, precious stones, semi-precious stones, potatoes, synthetic textiles, synthetic yarn, used tyres and tubes, wastepaper, wires and cables.

We give the list in detail to show how the control system, which operated during the Sirima Bandaranaike regime, stifled agriculture and industry. If we develop a market for our pepper, mustard, red onions, potatoes, kurakkan, kapok seeds, etc., our peasants would have had an independent income and definitely this would have eased, even slightly, the unemployment problem. The "open economy" has resulted in more employment, more external earnings, and above all, the country and the people are not marking time. The people are moving and the government is moving, both together, in the right direction for a better 1979.

—The Journal, November 17, 1978.

## NEXT WEEK

- ① PALESTINE — International Day Of Solidarity
- ① YUGOSLAVIA — Anniversary

GEORGE MARZIPAN—7

## Getting A Certificate

by Glucorasa

I had skipped dinner. Reason—I had been to one of those conferences where there is more winning and dining and button holing than serious discussion. These talking sessions had become so wearisome that I wonder why all this is permitted. I was tired too.

Morris West is one of my favourite authors. That evening I was with his Devils Advocate. His easy, racy style keeps me enthralled. Who else is capable of writing "Tomorrow is the most doubtful word of all". Suddenly, I thought I heard a tinkle, but I continued to read. But, somehow I could not proceed. My thoughts were on another track now. This tinkle, I do not know why, reminded me of the church bell in the village where I was born reminding the faithful of their obligation on every Sunday morning. I remembered my mother who took me to this little church, her eyes invariably following me while I wandered, more closely than they did the Bible which she held in front of her.

The same sound again and so I thought I had better see. I walked across and on opening the door of my Flat, whom do I see? George Marzipan on his bicycle with the toothpaste smile decorating his face. Without that he would resemble a corpse.

"Hello George, how very nice to see you. When did you get back from Amparai after the Union meeting? Will you please come in".

"Good evening Sir. I got back last evening. I had a wonderful holiday at Amparai as the guest of the Union branch. I had to deliver the keynote address—frankly I hadn't a clue as to what a keynote address is. But I managed



to create an impression by blasting the bungling bureaucrats and praising the politicians—some Members of Parliament were on the platform. I think they all liked what I said."

"Fine George, Now let's have a drink" I said.

"I am sure I have disturbed you"

"It's always a pleasure to be disturbed by you, Marzipan. Would you like a Jaffna cigar for a change? It goes with Arrack". "I do not disagree with you, but I much rather prefer your Black & White cigarette" said George taking one for himself. While he lit his cigarette, I lit my pipe.

"Well George, apart from Am-parai and your free holiday what's the news today?"

"Something very interesting happened to me when I went to a government department to obtain a copy of a certificate"

"What? anyone assaulted you?" I asked him.

"That would have been preferable to what actually did happen. There was a well dressed chap seated at a table placed near the entrance. He could very well have been holidaying in Sri Lanka after a stint in the Middle East, I mused. Though somewhat overawed by his appearance—trendy, smart and aggressive—I plucked up some courage and asked him where I could get the certificate I needed". I waited for George to continue. In the meantime I poured him another drink.

"Sit down there—on the bench. The Chairs are for decent people and not for illicit immigrants" the chap shouted at me.

I shouted back "I am not an illicit immigrant. I come from Kosgoda."

"Because you are from Kosgoda, it does not mean that you are not an illicit immigrant?"

"Well George this type of behaviour in a public office is quite

common. The minor grade public servant complains that he is underpaid, but how on earth does he manage such sartorial elegance or shall I say flamboyance, which at times is positively vulgar."

"Ask me another. It is possibly oil, that special oil that makes wheels turn—money. Anyway, Sir, this is what happened. This fellow barred my way. Fill this form he said pushing one towards me. Before I even started filling it he barked "the copy will be posted to you in about two weeks."

"Well what happened then Marzipan?" I asked.

"I pulled out my purse and the rascal thawed. He even managed a smile. I knew at once that I was on the correct track. How much, I asked this fellow"

"Yes—go on. This is interesting" I urged George.

"For your certificate a tenner would do. The certificate will be in your hands this afternoon. I gasped, but that was cheaper than doing ten trips for this copy. I gave him the money and went away. I got the copy in the afternoon. What on earth are we to do? To obtain a copy that would cost only Rs. 2.50 I had to bribe the man with Rs. 10/-" moaned poor George Marzipan.

"You are lucky my dear chap. Worse things have been happening. I suppose you read the proceedings of the Presidential Commission in the newspapers. There is corruption all over. Whether it is the butcher who gives you an undercut while undercutting you, or the barber who would send you out like a clown if you failed to tip him the previous time, it is the same story. Forget it my dear fellow, forget it. Just try and get along."

"Is there no remedy? Why not have their hands or fingers chopped off?"

"Look Marzipan, this is a democratic country. If you chop off one rogue's fingers possibly a 100 votes could be lost! That is unthinkable my dear fellow".

"You are absolutely correct, Sir. One fine day we have to bribe the bus conductor to get into a bus," George laughed.

"Not unlikely" I said.

George looked at his wrist watch. "It is quite late, very nearly 10. I think I had better go and leave you with your Devils Advocate."

"As far as I am concerned George, the night is still young. Thanks for calling and don't try to reform the world. You will perish sooner than you need to. So take it easy, my dear chap, and as I said just try and get along. Goodnight George" "Goodnight sir" Marzipan called back as he sped away into the darkness. I got back to Morris West.

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## 61 YEARS OLD

# "I Have Been Over into The Future, And It Works..."

by Lev Bobrov

"So, you've been over into Russia?" said Bernard Baruch, and I answered very literally: "I have been over into the future, and it works."

This is what Lincoln Steffens says in his "Autobiography" (New York, 1931). The author, an offspring of a well-to-do bourgeois family who had graduated from the University of California and studied in Berlin, Heidelberg and Sorbonne, characterized it as a "book of the re-educated". The "re-education" of the former liberal and his disenchantment with the illusory values of bourgeois democracy were prompted by the bare facts of life, namely, the First World War and parti-



cularly the October Revolution, the banner event of the 20th century as another eminent writer, Charles P. Snow of Britain, once said.

This revaluation was largely stimulated by Steffens's impressions of revolutionary Russia in 1917-23. At the time he was in his fifties and apparently had a well-formed world outlook, far from sympathetic to communism, but, "Communism can resolve our problems," this eminent US journalist, one of the pioneers of muckraking, said later on. "Communism has resolved such problems in Soviet Russia. This is my credo of a muckraker."

Steffens was particularly impressed by his "trip to the future", as he characterized his visit to Soviet Russia in 1919. He saw the breakdown of outdated realities, struggle against domestic and foreign counter-revolution and the unprecedented "raking of the muck" piled up over centuries of autocracy. He discerned through a host of difficulties and troubles the bright horizons of the future, the confident advance despite numerous obstacles and the unity of the government and the people in tackling the extremely difficult tasks of construction.

Today the United States can take pride in the foresight of one of its citizens; while in those distant years his voice was drowned in the anti-Soviet ballyhoo. For instance, within a few years after the October 1917 Revolution, *The New York Times*, given to wishful thinking, made about one hundred predictions of the impending collapse of the Soviets and the Bolsheviks. Things went farther than propaganda "grave-digging": a massive intervention was launched against the Soviet Republic in 1918-20; following its debacle an economic blockade was mounted, which also ended in failure.

Unlike Steffens, the majority of Western observers saw no future for the "Soviet experiment". Even such a man of foresight as H. G. Wells, who sympathized with the Bolsheviks, was sceptical about their plans for reconstruction, in particular, the first ever countryside long-term economic development plan on the basis of electrification, paving the way for technological modernization, better working and living conditions and higher living standards. On his second visit to the Soviet country in 1934 Wells saw that his foresight had failed him, but in 1920 he got the impression of a great and irreversible tragedy and called his book about the Soviet Republic "Russia in the Shadows."

Indeed, the nations of the former Russian empire who had accomplished the socialist revolution got a somewhat worse legacy than that left by colonialism to the Third World. Illiteracy was about as high as in Africa today (over 70 per cent), but that was the average for the country; in Central Asia it stood at 94 per cent, twice higher than in non-Soviet Asia today. The situation was exacerbated by the economic ruin as a result of two devastating wars, namely, the First World War immediately followed by the Civil War. There were mass-scale famine, unheated homes, inflation and unemployment.....

Thirteen years after the October 1917 Revolution the country achieved total employment. It took Soviet Russia 16 years to make a transition from mass-scale illiteracy to universal elementary education. (Recently universal secondary education was introduced). In less than 20 years the agrarian country built a new, socialist economy and became an industrial power. Almost 20 out of the 60 years of the Soviet country's existence were taken up by wars im-

posed on it and by rehabilitation work. Nevertheless, in the 'thirties it became the second biggest industrial power in the world (after the United States). Today it leads the world in the output of oil, coal, steel, mineral fertilizers, locomotives, tractors, wheat, potatoes, sugar beet and cotton.

Before becoming the world's biggest oil and steel producer, however, the Soviet people took the lead in the number of scientists, engineers and doctors, in publishing and in reading (according to UNESCO data). It also is ahead of the field in education: in 1940 altogether 24 per cent of the population were studying; in 1970 the figure was 33 and in 1978, 36 per cent. Today almost 80 per cent of the employed population have higher or secondary (complete or incomplete) education as against 12 per cent in 1939.

After the Soviet Union launched the world's first artificial Earth satellite, prominent US observers Drew Pearson and Jack Anderson wrote the book "USA—Second-Class Power? The authors claimed that "Russia's emergence as a first-class power" and its leap from "the wheel-barrow age to the atomic age is the greatest miracle of modern times." But why "miracle" if such dynamic progress is intrinsic to socialism?

Professor Fred Neal of the US believes that the Americans have taken a wrong view of almost all the major events and phenomena in the Soviet Union since the Bolshevik revolution. According to him, the Americans did not force it and when it did take place, did not expect it to succeed. Neal claims that, when the Germans had invaded the Soviet Union, the Americans believed that the Russians would hold not more than six weeks, and when they pulled through the war, the pre-



## SRI LANKA CHRONICLE

Nov. 13—Nov. 22

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

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

## MONDAY, NOVEMBER 13:

Profits of the Janawasa Commission in the future will be shared by its workers who will play a more dynamic role in the management of the estates under a new program of expansion initiated by the Commission. An armed gang of five, suspected to be released ex-insurgents, had attacked the residence of the AGA, Tissamaharama in the early hours of Saturday morning. Sri Lanka has decided to expand and take effective action against poaching in its territorial waters; this decision comes in the wake of increased fishing activities now being undertaken by both the public and private sectors. The Minister of Industries etc said it was not his intention to create communal dissension as alleged by TULF MP's when he spotlighted the discrepancies in the marking of GCE Exam answer scripts, but to bring to book a crime committed against many pupils, as about 4000 Tamil students were given high marks due to over-marking. Tourism is now Sri Lanka's fourth biggest foreign exchange earner; it has beaten even coconuts and gems—CDN. The government will institute full scale

valent opinion, was that they would be unable to recover quickly. When Russia had quickly recuperated, the Americans thought that it did not have enough know-how to build missiles, and so on.

"The country that does the impossible"—that was how Anatole France characterized the Soviet Union. He was one of the few writers and thinkers in the West whom like Lincoln Steffens and a few other workers in culture, discerned in the "Soviet experiment" what many could not or would not see.

Socialism with its planned economy has proved its ability to make the future. Today few people doubt the practicality of Soviet plans. The backlash of old scepticism, however, is to be found in a new form: the West holds forth at length about the economic difficulties besetting the Soviet Union. Well, in the past we were faced with far more formidable difficulties, but defeated them all the same.

The Nazi aggression did appalling damage to the country. Between 1941 and 1945 the Soviet Union lost about 10 per cent of its population and 30 per cent of its national wealth. The West believed that rehabilitation work will take decades. But it was completed within a few years. Of course, the war brought to a head the shortage of labour, slowed down migration to the east and the development of Siberia. Small wonder that economic problems linger on. However, the country is coming to grips with ever new tasks.

For instance, the plan for 1971-75, aimed above all at substantially raising the standard of living, was in the main fulfilled, although four out of the five years were marred by crop failures. The confident and crisis-free advance continues

in the tenth five-year period (1976-1980). Its motto is better quality and efficiency, and its primary aim remains better living standards. The possibilities of the country are growing; between 1976 and 1990 its material and financial resources will double as compared with the preceding fifteen-year period.

The book "I Have Been Over to the Future" (foreign writers and workers in culture on the Soviet Union) quotes what Charles P. Snow wrote on the eve of the 50th anniversary of the Great October Revolution: "The October Revolution is the banner, trail-breaking event of the 20th century. It influenced the destinies of all of us. The very fact that the socialist state had stood its ground despite unfathomable difficulties and obstacles is of everlasting significance. Perhaps, we are yet unable to see it in a broad historical perspective. By the end of this century our children and grandchildren will be able to evaluate this gigantic process more accurately than we can. By that time the Soviet effort will reach new heights. Soviet society has always carried its confidence of the future through all difficulties, however numerous and enormous. This is what is valued most in that society by all people of goodwill." (Rephrased)

—APN.

## NEXT WEEK

① CGR—Tragedy

① MATHEWS—And University

Exams

① CHINA—New Developments



investigations into the discrepancies noted in the marking of Tamil medium GCE(AL) Science answer scripts of April 1978. The P.M. will shortly introduce legislation to reduce taxes that had been levied by local bodies in the past and which were considered prohibitive. The Chairman of the Port Cargo Corporation caused notice of introduction to be issued on thirty senior officers of the port when he found them sleeping during working hours—SU. The government will next week make a nationwide appeal calling upon the public to economise the use of fuel, particularly petrol and kerosene; the move comes in the wake of delays in the arrival of crude oil shipments. The SLFP yesterday officially announced the unanimous adoption of the Party's new constitution at the meeting of the All Ceylon Working Committee of the Party on Saturday. The PMB is to be decentralised from next January according to the Minister of Agriculture. The Colombo Municipal Council will recruit about 150 'barefoot doctors'—SU. Many supporters were disappointed to find that the leader of the Opposition who was expected back in the island yesterday did not come—VK. The Secretary of the Tamil Youth Front said that they would not accept MP's as their leaders but would treat them as mere MP's. Many of the shortcomings in the Batticaloa Hospital will be rectified by the year's end—DP. The government has decided to do away with all village and small town councils and to set up 250 area councils instead—DM. The Minister of Industries and Scientific Affairs has decided to explore oil deposits inside the island, the Norwegian firms that are now exploring off shore will extend their activities inland—LD. Uganda last night reported fresh hostilities on its troubled border with Tan-

zania despite mediation efforts and President Idi Amin's offer to pull his troops out of occupied Tanzanian territory within ten minutes. Angola would not hesitate to send troops to liberate neighbouring Namibia if asked, Angolan President Agostino Neto said—CDN. The US yesterday denied the Egyptian-Israeli peace talks were at a standstill and said intensive negotiations were still going on. Former Indian PM Indira Gandhi flies to London today to attend celebrations marking the 89th anniversary of the birth of her father, Jawaharlal Nehru—CDM. The Kenyan government issued a warrant for the arrest of missing national deputy police chief James Mungai said to have fled abroad to escape questions regarding his alleged key role in a plot to kill the late President Jomo Kenyatta and seize power—SU.

**TUESDAY, NOVEMBER 14:** A historic ceremony of offering buddha pooja with the rice earmarked for export was held in Kandy yesterday with the participation of Ministers, deputy ministers and other VIPs. The government has lifted export control on several items of non-traditional goods with effect from Thursday last. 6500 students will be admitted to the 18 polytechnic institutes and Junior Technical Institutes in January. The police and customs will soon be equipped with the latest devices used in the detection of narcotics smuggling. The President has ruled that all bills, legislative enactments etc required by ministers for their respective ministries should in the first instance be submitted to the Attorney General for report. Men wearing masks and carrying guns, kris knives and clubs entered the house of the High Priest of the Amman temple at Vaddukoddai on Saturday night and removed gold jewellery reported to be worth Rs. 5000. Mr. Ratnasiri

Wickremanayake was yesterday appointed General Secretary SLFP. Stop the further import of the Chinese Chicken by the CWE was one of the recommendations made at the Annual General meeting of Ceylon Livestock Producer's Association held last Friday. A gem worth Rs. 12 million has been unearthed from a gem pit in Elahera. The Foreign Minister of Cuba Mr. Isidoro Malmierca Peoli arrives in the island today—CDM. Amendments to the Special Presidential Commission of Inquiry Law No. 7 are to contain provisions to declare as valid the evidence that has been recorded so far. Mrs. Sirimavo Bandaranaike, now the sole authority of the SLFP has dropped some of her top stalwarts; they include her one time strongman Mr. Felix Dias Bandaranaike, founder member Mr. Badi-ud-din Mahmud, Mr. S. K. K. Sooriyarachchi and T. B. Tennekoon. The Leader of the Opposition and Gen. Sec. of the TULF Mr. A. Amirthalingam re-asserted yesterday that the Tamil community in Sri Lanka had been more secure during the past seven years of the previous government than in the past year of the present government—SU. The leader of the Opposition said yesterday that he had found out on his foreign trip that Tamils living abroad are determined to have a separate Tamil state—Tamil Eelam. The Chief Minister of Tamil Nadu Mr. M. G. Ramachandran has stated in London that interfering in Sri Lanka affairs would be a violation of international rules—VK. The private sector too will be granted permission to import fertilizer in the near future—DP. The leader of the Opposition said yesterday that there was no room for talk about the TULF joining the government because Tamil Eelam was their goal and Tamils living abroad agree to this and they have come forward in many ways to help



achieve this aim and that his foreign trip was a complete success—EN. The Technical school which is now being constructed at a cost of Rs.45 million will give a complete training to over 500 technicians a year—DV. Libya has rejected Rs.16 million worth of tea exported by the State as they were below standard; Libya is the biggest buyer of tea from the corporation—JD. Iran's military chiefs threatened yesterday to sack oil workers unless they halt a 12 day old political strike that is crippling the country's economy. Tanzania announced it launched a major offensive on Saturday night against Ugandan forces which had invaded its territory. Chinese Vice Premier Teng Hsiao-ping yesterday launched into talks with PM Lee Kuan Yew and was immediately warned not to meddle with Singapore's dominant Chinese population—CDN. Israeli PM Begin said yesterday Egypt had made new demands regarding the proposed peace treaty which were inconsistent with the Camp David accords reached in September—CDM. Pope John Paul II was formally installed a Bishop of Rome today. Former Indian PM Indira Gandhi begins a controversial visit to Britain surrounded by strict security following a hostile airport reception by Indian demonstrators—SU.

### WEDNESDAY, NOVEMBER 15:

The budget to be presented in Parliament this afternoon by the Minister of Finance and Planning will be geared primarily to national development; it will give further incentives for investment in the public and private sectors, grant higher wages and salaries and increase interest rates to encourage savings. The government will shortly take steps to help rural students to receive a better education in science by selecting at least one school in each rural area and raising it to a full fledged

Science college. Artists and authors will soon be given protection through royalties and other facilities. The budget will be debated for 25 days—approximately 197 hours commencing November 20. The Temperance Youth Organisation of Sri Lanka's campaign to enlist one million members was launched yesterday. Police reinforcements were rushed from Tangalle and Hambantota police stations to Tissamaharama yesterday to assist in the search for seven youths wanted in connection with last Saturday's raid on the AGA's residence. The 17-member panel of the SLFP will meet this week under the chairmanship of Mrs. Sirima Bandaranaike, its interim executive president to map out the strategy of organising party activities at district level—CDN. An all-round increase of about Rs. 100 is expected to be announced by the Minister of Finance today when he introduces in parliament the second budget of the UNP government. Gems and semi-precious stones to the value of Rs.38,256,290.87 cts were exported last month. Cuba which is preparing to host next year's non-aligned summit in Havana on a grand scale will send twenty cabinet ministers to all non-aligned countries carrying invitations. The security system and the restricted entry scheme into the Colombo International airport which was introduced last June is a 'total flop' according to informed airline circles—CDM. GA's have been instructed not to permit encroachments on state lands anywhere under any circumstances; those who violate are to be taken before courts immediately they are detected. The Foreign Ministers of Cuba and Sri Lanka in official talks yesterday agreed that economic affairs should figure prominently on the agenda of the sixth non-aligned summit meeting to be held in Havana next year. A daring

robbery of cash amounting to Rs. 17,000 has been reported from the Chenkaladi arrack tavern, ten miles north of Batticaloa. Reps of commercial and state banks in the country who met last week unanimously decided to extend their government's development efforts. The Minister of Fisheries is exploring possibilities of conducting fishing operations out of Sri Lanka's territorial waters—SU. Workers are confident that their pay packet will go up by at least Rs. 50 according to today's budget. The government is exploring possibilities of unloading all cargo which comes from India in the ports in the North to save time and money. A meeting of Tamil Elsiguar Peraval ended in disturbance and the police had to step in to maintain order; the meeting was held at Padirappu and there was difference of opinion between two factions—VK. There is no likelihood of sugar or flour going up in price under this budget—DP. The deputy Minister of Transport has decided to completely re-organise the administration of the main bus stand at Pettah—DM. The government is seriously considering a proposal by the Minister of Labour to have different working hours for government institutions, corporations, statutory bodies etc so that the over-crowding of streets and buses can be avoided—LD. President Carter last night blamed what he described as radical members of both the Israeli and Egyptian governments for frustrations in their peace treaty negotiations. Uganda has ordered its troops to withdraw from a strip of Tanzanian territory that was occupied two weeks ago. Rhodesia's biracial government is to decide today whether the long-promised year-end time limit for black majority rule can be met—CDN. The UN Security Council called on South Africa on Monday to counsel its



planned Namibian independence elections on December 4th. Israeli optimism, Egyptian pessimism and strong American efforts to prevent a deadlock marked the Washington Israeli-Egyptian peace talks—SU.

#### THURSDAY, NOVEMBER 16

The Finance Minister cut it fine yesterday pumping into government and opposition ranks an excitement built on shrewd innuendos and casual remarks that kept everyone guessing what would happen until it was all over. The 10% salary increase announced in the budget will bring bigger pay packets to 400,000 public servants and if the private sector follows the guidelines of this wage increase it will mean more money to the entire working class of this country said the Minister of Finance—CDN. An increase in salaries and wages by ten percent of the consolidated salary with a minimum of Rs. 50 per month to all government servants and pensioners including widows and orphans was announced by the Minister of Finance and Planning. Over 150 persons were believed killed when an Indonesian-bound Icelandic Airways charter flight carrying nearly 250 Haj pilgrims returning from Mecca crashed and burst into flames while coming in to land at Katunayake Airport; nearly 35 injured persons were rushed to Negombo Hospital. A Consumer Protection Law providing wide powers to the Commissioner of Internal Trade to protect consumers has been gazetted by the Minister of Trade. The Additional Secretary, Ministry of Defence and Chief co-ordinating authority of the Ministry accompanied by the Chairman of the proposed Sri Lanka International Airlines left for Singapore for the purchase of equipment and machinery for the Katunayake Airport—CDM. An Icelandic Airways DC-8 charter flight carrying Mecca pil-

grims to Indonesia crashed at Kimbulapitiya, between Minuwangoda and Katunayake a few minutes before midnight yesterday; at least 20 dead bodies and more than 67 survivors have been found so far by Air Force personnel who are conducting rescue operations. Mr. Anura Bandaranaike, second MP for Nuwara Eliya Maskeliya will not serve on the SLFP's Special Caretaker Committee, as its youth organisation's representative—SU. The Department of Civil Aviation is taking steps to set up signal lights around the Katunayake Airport to make it easier for aircrafts to find the airport—DM. Cnating demonstrators last night splattered former PM Indira Gandhi with eggs and forced her to cut short her speech in a West London suburban when Mrs. Gandhi attempted to address a public meeting—CDN. Fresh clashes were reported between troops and anti-Shah demonstrators in Teheran as the situation in Iran's strike-hit oil industry appeared to be improving. India's ruling Janata Party shaken by former PM Indira Gandhi's political comeback began a reappraisal of its performance with party President Chandra Shekar bluntly attacking his own government for its failures. Rhodesia's mixed race interim government put off a decision on a date for elections leading to black majority rule. Philippines President Marcos made an appeal to the Asians to break what he called 'the monopoly of the industrial countries in the news media sector'—SU.

#### FRIDAY, NOVEMBER 17:

President Jayewardene yesterday ordered an immediate inquiry into the air crash shortly after news of the disaster reached him and under his directions the directorate of the Civil Aviation Department assisted by the police and other state officials went into action to solve

the second air crash of Haj pilgrims in Sri Lanka within four years; last night ten members of an official delegation from Indonesia flew to Colombo for on-the-spot investigations and to assist the Sri Lanka inquiry. The first shipment of export rice from Sri Lanka was loaded in the cargo vessel 'Ikona Polly' for despatch to the west African Republic of Mali from Colombo Port yesterday morning; the shipment comprised 8,700 metric tons worth Rs. 30 million. President Jayewardene announced yesterday that the bill to ban strikes in the public sector will be introduced in parliament in three weeks time by the Labour Minister. The PM and two senior Ministers visited the scene of the air disaster and also the hospitals where the injured are warded; two plane loads of caskets have been sent to Sri Lanka from Jakarta to carry the dead back. The government has declared today a day of national mourning as a mark of respect for those dead in the air crash. Thirty six victims, majority of them females are being treated at the General Hospital Colombo. Two Indonesian aircraft were expected last night to take home the bodies of 200 dead persons in the air crash—CDN. The death toll of the air crash is now believed to be 203 leaving only 56 who miraculously survived death after the plane sliced through a coconut plantation 27 seconds before it was due to land—CDM. The second budget of the UNP government has been welcomed by the private sector, while many opposition political parties reacted with caution, declining any immediate comment. The Special Presidential Commission Bill contains provision declaring the recent judgement of the Court of Appeal and the issue of a writ of prohibition on the Special Presidential Commission as invalid—SU. "In order



to protect the Tamil soil we should carry out united action; we are about to call Tamil youths to come forward for united action" said the leader of the Opposition in a statement—EN. The Battala goda Paddy Research Centre has decided to recommend 800 kinds of paddy for cultivation next year—DV. The prices of all fertilisers will be reduced by ten percent under the new subsidy rates—DM. The President said the Labour Minister will table new laws shortly to encourage closer relations between employers and employees—LD. The price of Lakspay has been increased—JD. The PM will declare open Udaragama, the newly created village in the Mawatagama electorate on the 19th: 41 families will be settled in this village—IDPR No. 116. The Minister of Fisheries has decided to appoint Vigilant Committees for all fish stalls of the Fisheries Corporation in Colombo and its suburbs—IDPR No. 120. An American proposal for overcoming the main obstacle in Israeli-Egyptian peace treaty talks appeared to be in trouble after both sides signalled serious reservations. Bargemen and launch crew went on strike in Calcutta in advance of the nation-wide strike by more than 200,000 port and dock workers that is scheduled to start at midnight today. Rhodesian leaders flew to Pretoria to meet South African PM or their administration faced crisis over possible postponement of the transition to black majority rule—CDM. Exiled Iranian Muslim leader Ayatollah Khomeini warned his country's military that they faced the vengeance of the people; he also called on workers—officially stated to have gone back to work—to continue their strike—SU.

#### SATURDAY, NOVEMBER 18:

The government of Sri Lanka will not hesitate to take full responsibility if the inquiry into the Ice-

landic Airlines DC-8 crash reveals that the fault was due to the Department of Civil Aviation; the Minister of Lands, Land Development and Mahaweli Development making this announcement in Parliament yesterday asked the SLFP not to play the role of political scavengers by using the air tragedy to achieve political gain. Former Chief Justice Mr. Victor Tennekoon was yesterday appointed by the President to head the air crash probe team. The President said that the doors of employment in all sectors have now been opened to women; in the future women will be able to join the armed forces. Six Vice Chancellors will be appointed by the President to head the six campuses which will be elevated to university status following the passage of the University Bill in Parliament. The government has allocated the sum of Rs. 3.3 million for the purchase of the latest arms and ammunition for the police service. The government has through the Budget given the private sector of this country one last chance to reform itself; if it did not the private sector would be completely eliminated warned the Finance Minister. Two Norwegians are now in the island evaluating the existing data on the seismic surveys so far conducted in the search for oil and gas and will recommend to the Petroleum Corporation whether further seismic coverage is essential—CDN. The Cabinet will next week announce a new university admission policy after reports of favouritism in marking of answer scripts and difficulties faced by students in underprivileged districts in gaining admission—CDM. The landing approach lights at Katunayake Airport were not working at the time the ill-fated DC-8 aircraft was coming in to land on Wednesday night according to the Director of Civil Aviation. An

agreement on technical and scientific co-operation was signed yesterday between Cuba and Sri Lanka. Forty youth leaders of the Tamil Elaignar Peraval—Youth Federation—most of whom were members of the general council of the TULF have resigned from the TULF and various posts they held in the front. Two Hercules aircraft of the Indonesian Force arrived in the Katunayake Airport yesterday to airlift the bodies of the passengers and crew of the ill-fated aircraft; only 1&0 bodies were to be flown out as the remaining 36 bodies were charred beyond recognition. The Customs on Thursday foiled an attempt by a Pakistani national to smuggle the skins of six full grown leopards and the skin of a cub. The leader of the Opposition in Parliament asked for a full inquiry into the plane crash—SU. The aid extended by the Japanese government to Sri Lanka government has increased by 50%—DP. The Communist Party has issued a statement criticising the budget as helping the rich to become richer—ATH. The Minister of Industries etc said that the government will close down all government corporations and industries running at a loss. The government has increased the prices of infant milk food by more than 100%—JD. President Carter expressed frustration yesterday over obstacles blocking an Egyptian-Israeli peace treaty but said he hoped another Middle East Summit would not be needed. One of China's leading newspapers has written off the Cultural Revolution as a complete disaster. The US has been talking with other countries and the UN about possible moves to get Cambodia to stop its alleged violations of human rights. Iran's military PM General Ashari appointed more civilians to his 11-day old Cabinet as the armed forces prepared for a major



show of strength in the capital today—CDN. Miss Argentine, 19 year old Silvana Suarez last night became Miss World 1978. Intense fighting is raging between Tanzanian and Ugandan forces in North-east Tanzania—CDM. Rhodesia's transitional government comprising blacks and whites compromised on Thursday on the date for majority rule elections announced they would be held next April 20—SU.

#### SUNDAY, NOVEMBER 19:

Two giant Indonesian Air Force planes climbed into the pre-dawn skies above Katunayake yesterday taking the dead Haj pilgrims back home to their final rest; there was a catch in the throats of many people who had worked incessantly through Friday into the early hours of Saturday preparing the bodies for the final journey; the volunteers led by the Speaker worked tirelessly on what they said was both a labour of love and a religious duty. The President on Friday stressed the need to ensure the safety of planes landing at the Katunayake International Airport; referring to the DC-8 air disaster he said that the Katunayake airport needed improvement. The Acting Minister of Education has sought urgent government approval for the recruitment of 15,000 teachers immediately to prevent a serious deterioration of the country's schools system. The bodies of five more passengers of the Loftlander DC-8 were recovered at 5 o'clock last evening from under the wreckage of the aircraft. The Cuban Foreign Minister Mr. Isidore Malmierca Peoli yesterday defended Cuba's controversial support of Ethiopia against Somalia charging Somalia was flouting the principles of the Non-aligned movement of which all three countries are members—SO. A consignment of 1,000 tons of skimmed milk powder gifted to the National Milk Board by the

EEC is lying uncleared at the Colombo Harbour for more than a month. The Indonesian government has decided to pay 5000 dollars as assistance to each of the families of those who were killed in the Icelandic Airways DC-8 crash last Wednesday. Local government elections will be held in three stages beginning January next year; the PM has obtained government sanction for this. The government has decided that infant milk food should be sold to the consumer at the actual imported price without the state importing institutions incurring any losses. The government will soon decide whether MP's should be allowed to engage in professional activities while being the people's elected representatives in the legislature—ST. A senior counsel from the Attorney General's Department has recommended that disciplinary action could be taken against Air Ceylon employees found guilty by the Presidential Commission of Inquiry that probed the affairs of Air Ceylon. The Cuban Foreign Minister yesterday considered as a failure the North South dialogue between Western developed nations and Third World countries for a more suitable economic order. The British Airline Pilot's Association is endeavouring to put Colombo on the blacklist, its Chairman said today. Sri Lanka will gift the entire requirement of tea for the forthcoming Sixth Non-aligned Summit in Havana, Cuba next year—WK. The leader of the Opposition stated that the new budget benefitted only the rich and not the poor people—VK. Many people feel that with the increase of salaries next January a large number of people will lose their rice-ration books—CM. The Minister of State said that the number of tourists coming into the country will be restricted to protect our culture, environment etc

and also to protect our children from too much Western influence—RR. A High Court Judge ordered Pakistan's military rulers to release Mrs. Nurat Bhutto wife of condemned ex-PM Zulfikar Ali Bhutto—SO. Congressional investigators probing the 1968 murder of Civil Rights leader Dr. Martin Luther King said they had no evidence that he was killed by the FBI men. Tanzanian President Nyerere angrily demanded that Africa take action against Ugandan leader Idi Amin for the two week occupation of NE Tanzania. The Iranian army mounted a show of strength in the streets of Teheran yesterday and vowed to restore peace and security throughout the country—ST. Tanzanian President Nyerere turned down a Nigerian offer to mediate in his border dispute with Ugandan President Idi Amin—WK.

#### MONDAY, NOVEMBER 20:

The urgent amendment bills—the first amendment to the constitution and the Special Presidential Commission of Inquiry (Special Provision) bill will be debated in the parliament today. The Ministry of Finance had indicated its concern over the inflow of cars to the country and its effect on Sri Lanka's balance of payment situation. The 173 pilgrims killed in Wednesday's air crash in Colombo were buried in the South Kalmantan provincial capital last night with military honours. The JVP in a statement says that a news item appearing in the CDN regarding the attack on the house of the Tissamaharama AGA states that this attack was by ex-insurgents and the JVP wishes to point out that it had no connection whatever with this incident. The World Confederation of Labour one of the oldest international Trade Union Organisations will meet in Colombo today—CDN. Head of Interpol's Police Division feels that



Sri Lanka is still one of the few countries where one can still walk the roads safely at night. The British High Commissioner in Sri Lanka stated that Britain had pledged a significant level of assistance of 25 million pounds (775 million Rs.) as outright grants to Sri Lanka for 1978. A final decision to wind up the affairs of the 30-year old Air Ceylon is expected soon. The bodies of seven members of the crew of the ill-fated DC-8 aircraft were flown to Iceland in a special Cargolux aircraft yesterday morning—CDM. The private sector will be allowed to import unrestricted quantities of sugar the Food Commissioner said. The Ceylon Electricity Board is effecting temporary black-outs daily in the provinces during peak hours; this is being done as some generators are undergoing repair. The budget for 1979 seeks to strengthen the foundation of capitalism in Sri Lanka and bind it to international monopoly capital rather than to free our country from neo-colonial domination declares a statement on the budget issued by the SLFP. Twenty five survivors of last Wednesday's air tragedy are still warded at the General Hospital in Colombo and the Negombo Hospital. A five member team from the Loftleider Icelandic Airways arrived in Sri Lanka yesterday to examine the circumstances under which the DC-8 jet crashed just before landing at Katunayake airport. Rescue teams working round the clock last Saturday recovered five more bodies from the debris of the Icelandic airliner which crashed last Wednesday—SU. The leader of the Opposition speaking in Jaffna stated that he had heard that the Youth Front wished to sever its links with the TULF and he appealed to them to re-consider their decision as it would go against their aim of reaching the people's aim—DP. The Minister of Agriculture

has decided to allocate 80,000 acres to cultivate top grade rice for export; the government hopes to export 60,000 tons of rice next year—LD. In order to increase the proportional representation in minority areas a new organisation was born last Sunday; called the Ceylon Socialist Democratic National Movement, the inaugural meeting was held under the Chairmanship of Mr. V. Sivabalasingham in Jaffna. The head of the Ceylon Chamber of Commerce has stated that the budget was one which dissuaded the brain drain—VK. The government arrested four military officers who were considering King Juan Carlos and plotting to detain the cabinet. The world community approved a declaration of the UNESCO conference yesterday condemning all forms of racial discrimination including South Africa's Apartheid Policy—CDN. Israel TV said PM Begin's Cabinet is expected to reject Egypt's latest proposals linking a peace treaty with the Palestinian issue—CDN. An Indian Air Force transport plane crashed in Northern India killing 76 of the 78 military personnel on board. Four major Indian Ports remained paralysed as a national strike by dock workers entered its second day today—SU.

## TUESDAY, NOVEMBER 21:

The purpose of this amending law is to clear the doubts expressed by the judiciary about the intentions of parliament when it passed the law to set up the Special Presidential Commission to investigate the misdeeds of the previous government; the PM stated this when he moved the second reading of the Special Presidential Commissions of Inquiry (Special Provisions) Bill in Parliament. The first amendment to the Constitution was passed in parliament yesterday with a two thirds majority with 129 voting for and seven against the

bill. The Supreme Court has held that both Special Presidential Commissions of Inquiry Bill and the first Amendment to the Constitution need not be referred to the people for referendum because they were not inconsistent with the provisions of Article 83 of the Constitution. In a memorandum submitted to the Police Commission by the Police Central Welfare Council it is stated that the police service disagrees with the salary structure worked by the Salaries Commission of the previous government as the financial regulations conversion has brought in severe discontent among all ranks of the service. The first batch of 26 UN volunteer doctors from the Philippines arrives in Sri Lanka today; more from India and Pakistan are expected shortly—CDN. The Police will launch an intensive propaganda campaign shortly to induce farmers and others in rural areas who hoard cash at home to deposit their monies in banks; the main purpose of this will be to reduce the number of burglaries etc by gangs. No decision has been taken whether the 'Black Box' retrieved from the debris of the ill-fated Loftleider Icelandic Airways DC-8 aircraft could be sent to the US or the UK. A cyclone has developed 500 miles east of Trincomalee and is expected to move slowly in a North Westly direction—CDM. Sri Lanka's main constraint in securing official foreign assistance appears to be the lack of well-formulated projects said the Secretary to the Ministry of Finance. A team of experts from Canada will arrive here shortly to advise the government on the enlargement and modernisation of the Colombo Airport, Katunayake, the PM told Parliament yesterday—SU. Mrs. Sirimavo Bandaranaike, leader of the SLFP said that if they had committed mistakes they were even prepared



to be hanged, but any inquiry should be held in a just and fair manner and should not have political victimisation in mind—DP. The Committee appointed to look into the activities of the State Gem Corporation has recommended to the government to set up a National Gem Authority and to make the Gem Corporation a consolidated Company—LD. The Insurance Agent who investigated the Air Crash has recommended to his firm to pay Rs. 200 million for the Aircraft and Rs. 3 lakhs each to all passengers—DM. South African Premier Pieter Botha said in a TV interview that South Africa would go ahead with next month's General Election in Namibia despite a UN Security Council demand to call it off—CDN. Israeli PM Begin said yesterday that Israel would not accept new Egyptian proposals for peace agreement because they were not in accordance with agreements reached at the Camp David meeting. Acting Egyptian Foreign Minister Ghali said Egypt refused any bilateral or partial settlement with Israel that did not lead to a comprehensive Middle East peace settlement—CDM. Mrs. Indira Gandhi took the oath as a member of the Lower House of Parliament amid jeers and shouts from the ruling Janata Party benches. Saudi Arabi Oil Minister Ahmed Zaki Yamani said that his country intends to press for a freeze of oil prices for the third successive year when OPEC countries meet next month—SU.

### WEDNESDAY, NOVEMBER 22;

The Minister of Finance told Parliament yesterday morning, minutes before the budget debate commenced that the government was of the view that the recent increase in the price of milk foods has caused some hardship to the children of the less affluent class in this country; the government had therefore decided that it will continue to give the children of

the less affluent class in the country milk foods and infant milk foods at the same price which prevailed before the recent price increase was announced. Over 2 million workers in the public sector—excluding the estates—will benefit by the pay rise announced in the budget said the Minister of Trade; the SLFP in an official statement had hinted that the government had given pay rise to the capitalist class and he asked if all these workers were capitalists. The government has launched an expanded apprentice training scheme to train nearly 4,000 apprentices next year in all trades in the public sector. A program has been drawn up to produce the country's full requirement of seed potatoes. The Department of Credit Councils has opened 42 new local councils this year said the Acting Director of Credit Councils—CDN. The money spent by Sri Lanka on rice imports dropped from Rs. 524 million for the first half of 1977 to Rs. 292 million during the first half of 1978. Mr. Corbert Jayewardene, former District Judge and brother of the President will be ordained a Buddhist monk on November 25—CDM. The shortage of crude oil, which portended a major crisis for Sri Lanka and forced the oil refinery at Sapugaskande to shut down operations temporarily has at last been overcome as two deals—one with Iraq and the other with the US multi-national CALTEX—to obtain urgent supplies were concluded. The Minister of Trade told Parliament yesterday that the Sri Lanka rupee is acceptable to the world today and has better buying power following the government's budgetary policies. All the belongings, cash and valuables recovered by the Police from the site of last Wednesday's air crash at Kimbulapitiya have been handed over to the Indonesian Embassy. Special

Cultural Advisory Committees entrusted with the task of handling all archaeological activities in the 22 districts are to be set up shortly. A committee of Inquiry is to be appointed by the government to probe into the circumstances in which Tamil answer scripts of the GCE 'A' level examination had been sent to the paper Factory at Velachenai. A co-ordinating committee of all foreign branches of the so-called Tamil Eelam Movement has been set up in London according to reports from Jaffna—SU. The Minister of Justice raised the question as to why the demand for a University in Trincomalee claiming that it was the capital of the proposed Tamil Eelam had died down; he answered himself saying that it was because the last government had opened a campus of the University of Jaffna and he asked what the plight of the Tamils of the Eastern Province would be—DP. Due to the liberalised import policy of the government the chilli and onion cultivation in the North have been badly affected and the manufacturers of jaggery have also been similarly affected said the TULF MP for Nallur in Parliament. Orders have come from the top to give importance to Sinhalese in the nameboards of buses operating in the North—VK. The Ceylon Fisheries Corporation is to commence a system of house to house sale of fish in the city of Colombo—IDPR No. 133. The 34 rest houses managed by the local authority and coming under the purview of the Ministry of Local Government, Housing and Construction are to receive a new look on the directions of the PM.—IDPR No. 134. The price of a tin of Perakum-Condensed milk has been increased by cts 75 to Rs. 4.75. The President has appointed a Committee comprising four Ministers who are lawyers to look into the language used in courts as it is alleged that



English is more commonly used now. The Department of Immigration and Emigration is to conduct investigations to find out whether a secret organisation is settling 45,000-50,000 Tamils in the North and East of the island; they are to be deported to India under the Sirima-Shastri Pact—DV. One of Iran's most influential religious leaders has warned of grave disruption ahead unless the country's military government is replaced by a civilian one. The Algerian government said last night that President Boumedienne was seriously ill and hinted that the nine member council of the revolution was running the country. Uganda said yesterday that its border war with Tanzania was over. Thousands of Indian workers waving red flags and placards staged a demonstration outside Parliament in protest against a controversial Industrial Relations Bill which proposes a ban on strikes in key government organisations—CDN. British Chancellor of the Exchequer, Denis Healy said there were still major differences to overcome in the effort to create an European Monetary system. Nearly 400 members of a US religious sect were found dead yesterday at their NW Guyana HQ's where a US Congressman and four other Americans were shot and killed during the weekend. —CDM. UNESCO published a draft declaration on the mass media which upheld journalists' freedom to report and said they must have fullest possible access to information. Former PM Indira Gandhi was found guilty of breach of privilege and contempt of parliament for obstructing officials seeking information about her son's small car company. Ethiopia and the Soviet Union signed a friendship accord expected to pledge long-term Kremlin support for its ally in the Horn of Africa—SU.

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## IN THE TUB

by Diogenes

### Sri Lanka

The Master returned to his Tub after his thought-journey through time and space to the beautiful little island of Sri Lanka not unknown to the ancient Greeks and Romans. He wondered within himself whether the country really belonged to the natives or to the foreigners and tourists from abroad. The island had been subject for a long period of its history to the Portuguese, to the Dutch and to the British; and after Independence successive governments successfully frittered away the national resources and nature's bounty.

For a long time now this tiny little isle has been growing more and more dependent upon people from strange and foreign lands who keep invading the place as tourists and carriers of merchandise. With their meagre savings they enjoy themselves eating the choicest food and drinking the most delicious wines in five star luxury hotels while spending their pounds and dollars which the natives value like gold. They throw their cheap pennies much valued by the natives instilling into them a deep feeling of inferiority so much so that the Sri Lankans desire everything that is foreign in the sincere belief that everything good is found outside their land and everything bad in Sri Lanka.

They seem to be totally unaware of and are apparently indifferent to nature's bounty in this thrice blessed isle. They import anything and everything regardless of their use or necessity. Diogenes saw that in the not too distant future they may even desire to import their rulers even as their ancestors did.

The Master for all that could not help but love the natives of Sri Lanka. They were so much like the men of Athens. They were all very politically minded and like great many of the Athenians, they were clever and eloquent, for ever wearing a smile. Diogenes could never forget the smiling Sri Lankans in this sun-kissed isle. The natives belonged to many races, religions and castes. But the sharpest difference among them arose from their different political loyalties. They are so mixed that it is difficult to say at sight to which race any native belongs.

They have a National Anthem and a National Flag without any national unity, nor can it be said that after thirty years of freedom they have forged themselves into a nation. The majority of the natives at various times have the Elephant as their political symbol or the Hand, and, at the time of the Master's thought-visit to the island, the followers of the Elephant were in all the seats of power. It is the accepted habit of the natives that when the followers of the Hand are in power, they behave as though the country belongs to them only and now that the Elephants are in power, true to the native tradition, they behave as though they alone have a right to live under the sun.

But both the Elephants and the Hand have always been oblivious to the fact that during every regime, Elephant or Hand, the island belonged to neither and least of all to the people. It always belonged to the big business tycoons called Mudalalis in the language of the natives. It is these men who virtually sell out the island to foreigners for their own profit and advantage. The land produces enough food for the natives as nourishment but the tycoons collect all the sustenance and export them to foreign lands leaving the natives unfed and



undernourished. In return they import cars and luxury goods to satisfy their own vanity and the stupidity of their idle wives.

The waters surrounding the island once upon a time did abound with seafood but they have been denuded by interests from afar. The natives live on leaves and berries, while foreigners enjoy the crabs, lobsters, prawns and fish caught in their waters. Four wheeled cars keep running on the native roads by their hundreds and the Master observed that there are more such cars than cattle in the island.

The national wealth of the country was being squandered for the fortunes of a few, resulting in the misfortunes of the many. The ones who are unproductive to the nation possess all the wealth in the island whereas the ones who are productive bear all the burdens and miseries which successive governments and tycoons place on them.

While the intellectuals and the workers starve and sigh, the wealthy among them gorge themselves with fish, flesh and fowl imported from foreign lands and drink large quantities of the most exquisite wines purchased from the West. They transport themselves in luxury cars and women among them daub themselves with the most expensive imported perfumes on the cost of which a native can feed himself and his family for a year. The cosmetics used by such women cost a fortune to the nation and Diogenes mused that it would be more economical for the nation, while being healthier, for the females themselves, if they bathed more often and imported pretty looking masks for their faces.

Sri Lanka is the home of the Dhamma and the teachings of the Buddha are protected in the Constitution of the natives who can be seen on Full Moon and New Moon days clad in white offering flowers

and lighting lamps at the shrines. They are pious, good and religious by nature. On the other hand, some among them can be quickly aroused, it is said, by the politically powerful and the politically powerless ones to commit bloody crimes of violence.

At such moments a few among them can be incensed by a mad fury to kill, burn and rape their fellow beings for no reason whatsoever. There is a common mistaken belief among the natives that the spirit of their ancient King Dutugemunu enters their souls at such violent moments whereas in truth Diogenes found it was really the spirit of Kuveni, the Yaksha Queen, ravished and abandoned by Vijaya which drives them to perpetrate these horrible crimes. "Hell knoweth no fury as a woman scorned." The manly spirit of a great hero never enters their souls. It is the revengeful spirit of a woman scorned that drives them to kill and destroy defenceless women and children. These acts of violence seldom receive the condemnation of the politically powerful or the politically powerless ones. Even such inhuman acts are sought to be turned by some to their political advantage.

The Master was astounded to behold such bitter hatred and strife in places where he expected to find the practice of the noble eightfold path. The Master hoped that the natives will soon come to realise that this beautiful island is blessed to be the home of the Dhamma and feared that if they desecrated the teachings of the Noble One, national calamities will overtake the land and its people as the law of cause and effect operates slowly but surely.

Diogenes asked himself the question whether the Dhamma, the National Flag and the National

anthem will ever have any significance to the natives. He discovered that the country was bankrupt not only of foreign money but also of true unity, nationalism and patriotism. Tears rolled down the eyes of the Master when he contemplated on the Sri Lankans and their island home. They were being cheated of their great destiny and glory equally by those in power and by those who hope to come into power. "I wish I could warn the Natives," whispered Diogenes, "but I will be destroyed by both the Elephants and the Hounds as I am neither Jew nor Gentile but only a well wisher of Sri Lanka and her loveable people." With such thoughts, Diogenes was seen in deep meditation with sorrow and compassion writ all over his countenance.

## REVIEW

### Figure It Out For Yourself-2

by Jayantha Somasundaram

In 1962, when our story begins, the racial and religious breakdown of the Ceylon Army, as it was then known, was as follows. Out of a 112 senior officers both regular and volunteer, 63 (50 per cent) were Sinhalese, of whom 30 (25 per cent) were Buddhists. There were 22 (20 per cent) Burghers and 19 Tamils. In the Royal Ceylon Navy, out of a total of 60 officers, there were only 6 (10 per cent) Buddhists, the rest belonged to minority religions.

Nineteen sixty two is used as the base year because that was the year when what historians will probably call the N. Q. Dias-Doctrine, was introduced. In 1962



there was an attempted coup d'état by civil servants and officers of the Army and Police. Of the 22 who went up on trial all were Christians. The two officers who betrayed the coup and turned Queen's evidence were Buddhists, SP Stanley Senanayake and Maj. Weerasena Rajapakse. The coup attempt took place in an emotionally supercharged period. The language and religious rights of the minorities were being threatened on all sides, particularly via the official language act, the language of the courts act and the take-over of private, read Christian, schools. It is ironic that this Buddhist revival was spearheaded by Sam. P. C. Fernando, of the Diocesan Council of the Church of Ceylon and Felix Dias of the Grace Evangelical Church who were Cabinet Ministers.

Niel Quintus Dias was brought in as Permanent Secretary to the Ministry of Defence with one aim in view, to purge the Police and Armed Forces of the racial and religious minorities. His doctrine survived him, it has survived Felix Dias and Sam P. C. Fernando as well.

In 1967 Major General B. R. Heyn, the Army Commander, retired. In line of succession were Col. Roy. D. Jayatillake MBE and Col. D. Sepala Attygalle MVO. In October both of them were promoted Brigadiers. One week later, Brig. D. S. Attygalle was promoted Major General and placed in command of the Army. To the best of our knowledge he became the first officer in military history to win two promotions in one week—and this mind you at General rank; Not even in the heat of battle, when officers are falling like ninepins, are such generous promotions given. Brig. Jayatillake is a Christian, Lt. Gen. Attygalle is a Buddhist. Figure it out for yourself.

We shall now examine in some detail the racial composition of the officer corp of the regular Army in 1969, the half-way mark between the introduction of the N. Q. Dias Doctrine and today. In 1969 out of the 166 senior officers in the Army 137 (80 percent) were Sinhalese. Let us go a little further, examining in greater detail, the position within the three infantry battalions of the Regular Army.

Let us take the 1st Bn Ceylon Light Infantry. Out of 36 officers, 28 (77 percent) were Sinhalese, 5 Tamils 2 Burghers and 2 Muslims. On closer examination we find that four of the Tamils were Majors and only one was a lieutenant. The overwhelming number of junior officers, captains and lieutenants, were Sinhalese. These ranks were filled by post-sixty two officers.

We find a similar situation in the 1st Bn Ceylon Sinha Regiment. All the second lieutenants and all but one of the lieutenants are Sinhalese. Seven out of 10 captains are Sinhalese. The N. Q. Dias-Doctrine holds.

We next look at the 1st Bn Gemunu Watch. Out of 27 officers, 23 (85 percent) are Sinhalese, 1 Tamil, 2 Muslims and 1 Burgher. Two out of 9 lieutenants and second lieutenants are Muslims, the rest Sinhalese. There is one Tamil among 13 Sinhalese captains. Figure it out for yourself.

In 1958 the Army Training Centre was opened at Diyatalawa. It provides an 18 month course for cadets. It is modeled on the Royal Military Academy at Sandhurst which provides a three year course leading to a BA. and West Point, the US Military Academy where a four-year course, leads to a BS degree.

The graduates from Diyatalawa are posted as second lieutenants

to the combat and support units they are the professional soldiers who will assume command posts in their time. How successfully has the N. Q. Dias-Doctrine been applied in this area?

The class of sixty-nine consisted of 14 cadets. Nine (65 percent) Sinhalese, 2 Tamils, 2 Muslims and 1 Burgher. The next year's batch, the class of seventy consisted of 9 cadets. Eight (85 percent) Sinhalese and 1 Muslim. In the class of seventy-one the figures become even more telling, out of 13 cadets, 12 (92 percent) Sinhalese and 1 Muslim. The class of seventy-three is the classic memorial to the N. Q. Dias-Doctrine, 13 cadets, all Sinhalese — 100 percent.

Two things merit record before we leave the Diyatalawa statistics. First, when admitted to Diyatalawa, the minorities have topped their batches. The last Burgher cadet, Capt. Neville Shedden, SLE, topped his class of sixty nine. The only two Tamils in the class of sixty-five, Second Lieutenants Lakshman Nadarajasingham SLE and Mohan Rockwood SLLI topped their batch. Figure it out for yourself. Secondly, have we been unfair in confirming ourselves to the Army, what about the other services? The Air Force Academy had 14 cadets in their class of seventy-six, 13 were Sinhalese. Figure it out for yourself.

A few weeks ago the Inspector General of Police, Stanley Senanayake retired. The officer next in line was Rudra Rajasingham DIG. But another DIG was also in the running for the IGP stakes, Ana Seneviratne. He had endeared himself to the UNP during the 1965-70 regime when he was SP CID Special Branch. It was at this time that the Special Branch and their office on the Fourth Floor of the New Secretariat building assumed a notorious reputation.



This was the place incidently from which people like Dodampe Mudali and Cpl. Tillekeratne stepped out for want of exercise. When the UNP was returned last year Ana Seneviratne was given a range stretching from Jaffna to Nuwara Eliya whilst other DIGs had postage-stamp ranges to oversee.

Ana Seneviratne has now been appointed Inspector General of Police. Figure it out for yours'lf.

## ROMANIA

# Foundation Of A Unitary National State

THE ROMANIAN PEOPLE celebrates this year six decades since the Union of Transylvania with the Motherland, Romania, an event of crucial importance in its history, which marked the accomplishment of the unitary national state, opened the way to the unitary development of the Romanian nation. On Romania's territory, the society traversed, in its natural evolution, all social systems known in mankind's history.

Almost 2050 years ago, the centralized Dacian state was founded under the rule of Burebista, appreciated as the greatest of the kings who ever ruled in Thracia. That state witnessed powerful economic and social thriving characteristic of the ancient times, in the first century AD, under the rule of Decebalus. The political and military centre of Decebalus' Dacia was in the Transylvanian mountains. The Dacian civilization had broad relations of mutual influence with the great ancient civilizations.

Early in the 2nd century AD within fierce armed confrontations, for all the valor of the Dacians in the fights in defence of the ancestors' land, the Roman Empire managed to defeat them, turning Dacia into Roman province.

Along a complex historical process of conabitation of the Dacians with the Romans, of blending of the autochthonous Dacian civilization with the Roman civilization, the Romanian people would come into being. In the 4th-10th centuries, corresponding to the period of our homeland's territory being crossed by migratory populations come from Asia, the continuity of the Romanian people was uninterruptedly maintained and developed, leading to the crystallization first of statal nuclei, called voivodships, and then of the Romanian feudal states within the boundaries of ancient Dacia—Transylvania, Moldavia and Wallachia (also called Muntania).

Economic, cultural, political and military relations existed along the centuries between the Romanian feudal states. They always kept alive the conscience of the unity of kin and language, of the belonging to the Latin world. As a natural consequence of such permanent links, many Romanian voivods contemplated the union of the Romanian lands into a single country. This was for the first time and for a short period achieved by Wallachian prince Michael the Brave, who united in 1500 all the three Romanian principalities.

The historic circumstance was so that in the vicinity of the Romanian mediaeval principalities big empires came into being, which had most varied influences on their historical evolution. The Romanian people had to fight for centuries on end, in defence of its statal being, of its language and culture, of its ancestors' land. The Romanian people also developed relations of good neighbourliness with the surrounding peoples, actively participating in the development of the civilization in the South-East of Europe, in the life of the world community.

The first and decisive step toward the statal union of the Roma-

nian people was the Union of Moldavia and Walachia, of January 1859, known in the world history as the Union of Romanian principalities. The achievement of the full statal unity became on the eve of the First World War, an ardent demand, a crucial necessity for the march forward of this country economically and socially. The ideal of building the unitary Romanian national state would triumph under favourable international circumstances.

In Transylvania, the Romanian National Central Council was founded on October 31, 1918; regional and local national councils were formed all over Transylvania, just as national guard as bodies of the bourgeois-democratic movement, operating under the Romanian National Council, in view of taking over the power and uniting Transylvania with the Romanian homeland. At the same time, a big civic assembly was prepared, at the initiative of the Romanian National Central Council, in which the Transylvanian Romanians would express clearly, before the whole world, their will of union with the country. The assembly was held at Alba Iulia on December 1, 1918.

Apprecating the historical meaning of Transylvania's union with Romania, President Nicolae Ceausescu said: "The acme of our people's century-old aspiration after national liberation, a result of the fight waged by the most advanced socio-political forces of the time—within which the decisive role was played by the people's mass—the union of 1918 was a genuine cornerstone in the development of contemporary Romania", "opened up the prospect to a faster development of the productive forces of the country and also provided favourable conditions for the intensification of the activity of the progressive social forces, of the working-class, revolutionary movement."



# Confidentially

## Monkey Business in FTZ?

IS IT NOT TRUE that some of the goings-on in the FTZ will soon blacken the image of an honest UNP administration and government that President Jayewardene has set out to build? That a large number of FTZ stories, which reveal a state of affairs that cannot lead to a society based on high moralistic and idealistic values, have filtered into *Tribune*? That for sometime we had withheld all references to these obviously strange happenings in the hope that the soul force of the Jayewardene dharma would set matters right? That instead of any improvement matters seem to be going from bad to worse? That last week *Tribune* referred to the action by the Board of the GCEC stripping Working Director Paul Perera some of his powers during his absence? That what made matters worse was that of the Board of five, two of the Directors (one being Paul Perera and the other Gnanam) were out of the island? That this decision was made by a Board of three one of whom was sick in bed? That as a result of this illness a hurried (and allegedly highly secretive) meeting was held at the bedside of this Director in the bedroom of his house on November 24? That *Tribune* intrigued by this funny business of a bedside Board meeting and especially the hurry to hold it before the other two Directors returned to the island—set its sleuths and investigators on the job of discovering some of the facts? That the facts that our investigators have come up with will make many to sit up? (That if the

bosses of the GCEC think any of our facts are wrong, we would request them to send us for publication the facts they regard as true?) That *Tribune* investigators have found out that the matter so hurriedly discussed at the bedside meeting related to a contract in connection with the development of Negombo town? That to go back a little, it was on 11.7.78 that the GCEC wrote to three firms asking them to submit plans and proposals for planning, designing, project management and construction work pertaining to the development and expansion of Negombo town? That the three firms were (1) SELLECK NICHOLLS WILLIAMS (EEC) LTD., (2) SPECIE DATIGNOLLES and (3) ULSAN CONSTRUCTION AND DEVELOPMENT CO. LTD? That at that time the three firms were in Sri Lanka having tendered for a large housing project at Raddoluwa? That the three firms were asked to submit proposals before October 30, 1978? That thereafter, sometime in August 1978 the Director General of the GCEC, Upali Wijewardene, had added a new firm ASIAN EXPRESS LTD., to the list and asked this firm too to submit proposals for the development of Negombo town? That this firm was given additional time till November 9, 1978 to submit its proposals? That *Tribune* has not been able to find out whether the decision to add ASIAN EXPRESS LTD., to the list was arrived at a Board meeting or whether it was something done by the Director-General off his own bat? That a Committee was also appointed to evaluate the proposals. That the Committee was headed by Vitharne, the Secretary who had recently blossomed out to be Secretary-General (vide *Tribune* 25/11/78)?

IS IT NOT A FACT that soon after November 9, the Vitharne

Committee had met and recommended to the Board of the GCEC that the proposals of the ASIAN EXPRESS LTD., be accepted as the "most comprehensive"? That the Committee no doubt to have a safety and escape clause for itself, had added a proviso that the background and experience of ASIAN EXPRESS LTD., in regard to the kind of work involved in the contract was not known compared to the two other companies that had tendered for the job? (That one of the original three, viz. ULSAN CONSTRUCTION AND DEVELOPMENT CO., LTD., had not tendered for this job? That our investigators have so far not been able to find out what the depleted Board that met at the bedside of a sick member on November 24 decided? That this is the \$64 million question in the FTZ today? That the popular gossip is that the ASIAN EXPRESS LTD., is the company favoured by the Director General? That this company has a Malaysian base with expatriate Sri Lankan involvement? That if the contract is given to ASIAN EXPRESS LTD., it will be a scandal of the first magnitude? That though all the legal and technical formalities would seemingly have been adhered to in granting the contract to ASIAN EXPRESS LTD., very important moral and ethical questions arise? That if this kind of monkey-business is permitted to go on in the GCEC, the President's declarations about a dharma society will lose all validity? That if the President wants to preserve the image of an honest administration, he must look into the affairs of the GCEC?



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