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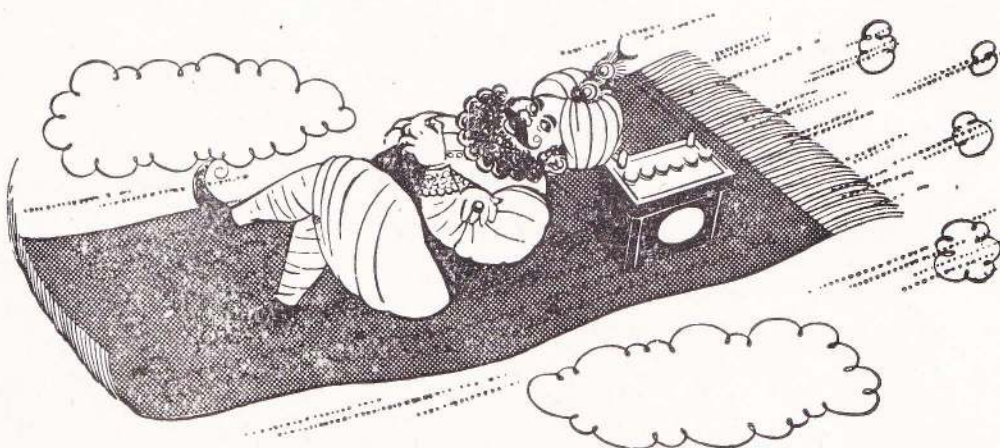
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Secretary to the Prime Minister

15.03.2006



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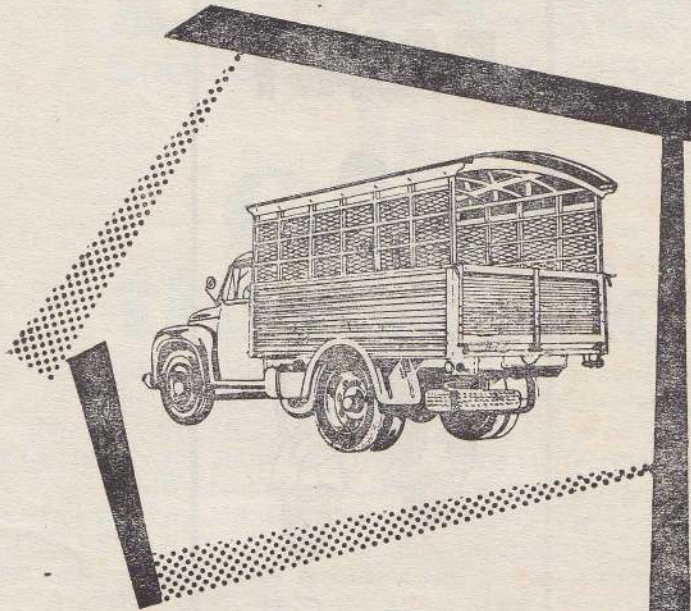


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EDITORIAL

Progress and Development in the First Two Years of the U.N.P. Government

Our economy had been stagnating since 1970 and had been completely run down during the last 2 years of the previous Government. Production had decreased in almost all fields. There were acute shortages of essential goods. Unemployment was estimated to be about 1.2 million or 20 per cent of the work force. To what extent has the present Government been able to resuscitate the economy during the last 2 years ?

In 1978, Sri Lanka's economy registered an impressive growth rate of 8.2 per cent. The growth was not confined to a few sectors as in the past. Practically all sectors of the economy registered impressive growth rates.

The increases in real output of the various sectors are as follows:-

- (a) Agriculture, Forestry and Fishing - 4.2%.
- (b) Mining and Quarrying - 32.2%.
- (c) Manufacture - 8.4%.
- (d) Construction - 31.0%.
- (e) Electricity, Gas, Water Sanitary Services - 20%.
- (f) Wholesale and Retail Trade - 9.7%.
- (g) Transport and Communications - 7.3%.
- (h) Banking, Insurance and Real Estate - 14.8%.
- (i) Public Administration and Defence - 8.1%.
- (j) Ownership of Dwelling - 3.9%.

Employment was provided for about 150,000 additional persons during these 2 years. Owing to the resurgence of the economy many persons were able to find self-employment. The consumer was provided with adequate amounts of all essential goods and there have been no shortages.

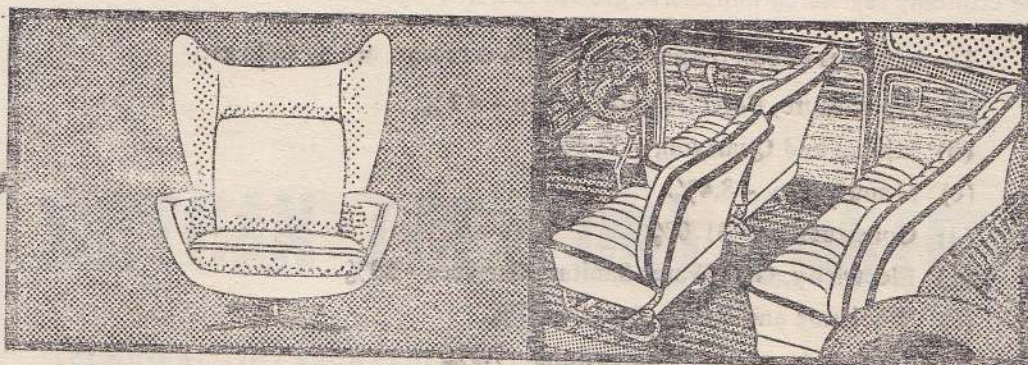
The Government has started 3 large projects of development which will provide the impetus for further development and employment for an additional 1/2 million people. These schemes are the Mahaweli Development Scheme, Housing Scheme and the Free Trade Zone. This is a record achievement of which any Government can be proud.

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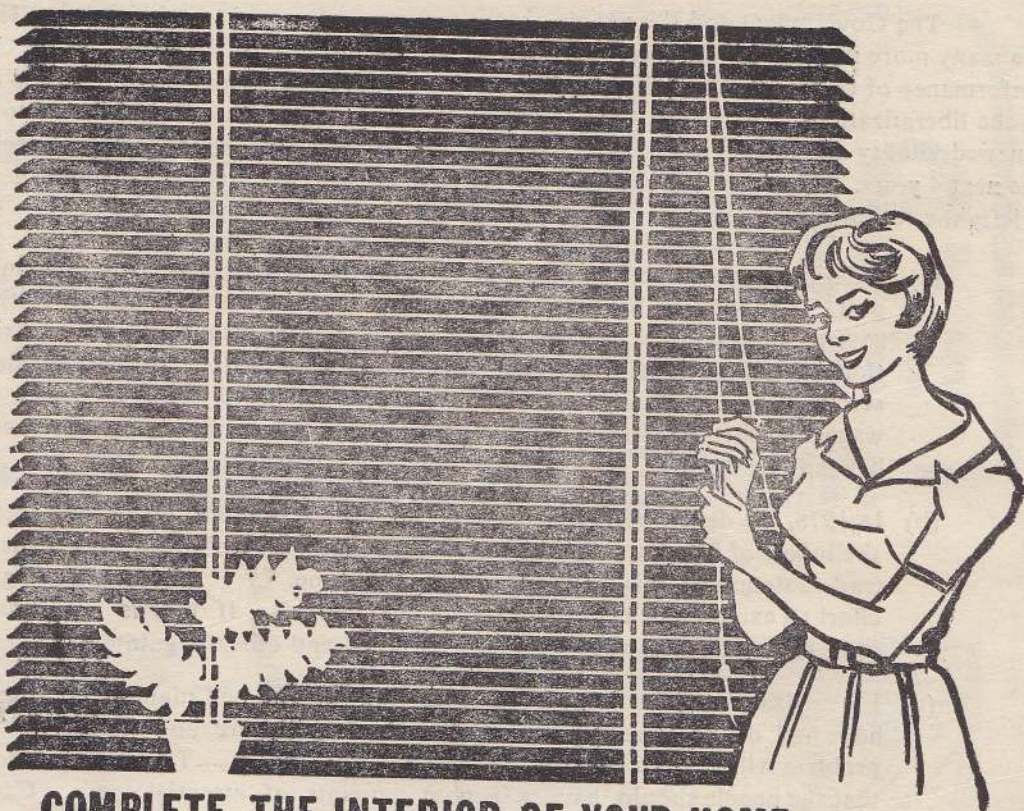
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The Government and the people cannot rest content with this achievement. There are many more problems to be solved in the next 4 years of office of the Government. The performance of the economy in 1978 may be a sudden spurt after years of stagnation due to the liberalization of exchange and imports. Whether this achievement is due to the renewed vitality and resurgence of the economy and its inherent strength will be seen in the next 4 years. The problems which will have to be tackled by the Government are briefly the following:—

- (a) Inflation—Today, the rate of inflation is much greater than at any time in the past. The rat race between prices and wages cannot be continued without adverse effects on the economy and causing greater inequity in the distribution of the national income. This problem will have to be considered seriously by the Government and measures taken to stabilise prices and wages as far as possible. We cannot always place the blame on factors beyond our control.
- (b) In 1978, the deficit trade balance was Rs. 2,143 millions which was met by the inflow of foreign aid and loans. No country can afford to incur deficit trade balances of this magnitude for a long time. We should make a great effort to expand our exports to match our imports. If this is not possible some luxury imports will have to be curtailed and others regulated.
- (c) Liberalization of the imports of both agricultural and manufactured goods have had disincentive effects on domestic agriculture and industry. This problem will have to be reviewed by the Government. There is no doubt that the people should have adequate amounts of essential goods. Can we not achieve this objective by regularising imports in such a manner that domestic agriculture and industry are not adversely affected?
- (d) The Government has a massive programme of industrialisation of the country. 2,458 industrial units have been approved. Foreign investment is estimated to be Rs. 2,224 millions and domestic investment Rs. 2,806 millions. The employment potential is estimated as 72,193. Further, another Rs. 1,000 millions of investment are expected in the second stage of development of the Free Trade Zone. If the Government can implement these programmes; it would be a very creditable achievement but there are two difficulties which will have to be met.
 1. The liberalization of imports would make these investments less profitable. Though they have obtained approvals, many may not invest owing to the uncertainty created by the flux of imports.
 2. The no-availability of sufficient credit and the high cost of such credit.
- (e) The liberalization of imports and the increase in trading activities may give us a wrong impression of the vitality and strength and economy as a whole. In fact, development has not penetrated to the rural economy of Sri Lanka.



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- (f) It will be observed that in 1978 there had been no appreciable increase in the ownership of dwellings. The slight increase is mainly due to the Government activities. Our object should be a house owning democracy. People should be able to build houses for their requirements in all parts of the country. Unfortunately, the prices of building materials are prohibitive. This problem should be seriously considered by the Government and prices of building materials should be brought down. By research, we should be able to find ways and means of using cheap building materials. All taxation on essential building materials should be removed.
- (g) We have the eternal problem of the antagonism between the politicians and the public servants. There had been many criticisms of the bureaucracy, especially by the politicians. The blame however cannot all be placed on the Government servants. Public service should come under the President. Recruitment of persons to the Government Service should not be left to individual Ministries. All recruitment should be done by the Ministry of Plan Implementation.

These are some of the problems which require the serious attention of the Government. We have no doubt that the Government will be able to solve most of these problems during the next 4 years. So far so good. We expect much more during the next 4 years.

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*Memorandum from the Ceylon National Chamber of Industries
To His Excellency the President.*

His Excellency J. R. JAYAWARDENA,
President of Sri Lanka,
Janadhipathi Mandeeraya,
COLOMBO 1.

Your Excellency,

Gift From
21st May, 1979.

Mahinda Bandusena
Secretary to the Prime Minister

15.03.2006

I. Domestic Industries and Reasonable Protection

The liberalisation of the imports of machinery and raw materials has provided great scope and stimulus for the expansion of a number of domestic industries. The Government has also provided tax incentives for the rapid industrialisation of the country. During the past most of the industries in the private sector had been working at or below 40% of single shift capacity. There was a shortage of all goods, essential and non-essential. The private industrial sector was strangled by arbitrary and unnecessary bureaucratic red tape and regulations which in its turn led to corruption and other abuses. The Government should be congratulated on its policy of liberalisation of the imports of machinery and raw material.

2. Most industries can now work to capacity. New small scale industries can be set up to meet the expanding demands for goods and services. The industrial sector can be diversified by setting up small scale industries in the districts and rural areas which can not only widen but also deepen the industrial process. The industrial sector can double its output and employment within a period of 3 to 4 years. Additional employment could be provided for about 100,000 to 150,000 persons. The yearly rate of expansion of the industrial sector could be about 20% and this could have accelerated the expansion of various other sectors.

3. Unfortunately, when the Government liberalised the imports of machinery and raw materials, at the same time it also liberalised the imports of finished manufactured goods giving an appreciable part of the domestic market to foreign manufacturers.

4. Under the liberalisation scheme no breathing space was given to industries in Sri Lanka to modernise, rationalise, improve quality and expand production to meet the foreign competition from the developed countries where goods are produced by sophisticated machinery on a mass scale for world markets by capital intensive (as opposed to labour intensive) methods of production.

5. We, as a Chamber do not advocate the protection of inefficient industries producing sub-quality goods at excessive prices. However we know of no country which has not given and does not continue to give some kind of protection to its local industries, at least on a selective basis. Even to this day developed as well as developing countries

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foster their own industries by a number of methods such as the imposition of high import duties, and more recently by the imposition of Import quota and licensing. As you know E.E.C. countries have a quota for each developing country such as for imports of garments and other items. New Zealand does not permit the importation of readymade garments in order to protect it's own garment industry. Some of the larger developing countries such as India have high tariff barriers and licensing on imports to protect their own local industries. There are a number of developed and developing countries which provide substantial incentives for export of goods manufactured in their own countries. In India in addition to direct export incentives in some industries, license for import of raw materials for their local consumption is granted on the basis of their export performance. Under these circumstances Indian companies are prepared to export even at a marginal financial loss in order to obtain license for local production. Further there are many free trade zones in developed as well as developing countries from which goods are imported into Sri Lanka. The rates of interest in other countries are much lower than the rates in Sri Lanka. Under these circumstances how can some of our local industries survive, unless some meaningful protection is given to them.

6. It is not our object to criticise the present imports and industrial policy of the Government. Government policy is determined by a number of complex factors and not by one factor alone. Consumer interest will have to be safeguarded. We do not wish a repetition of the controls and regulations of the past. Since we are a developing country and we require foreign aid for development, we would have to harmonize our policies with the policies generally acceptable to world institutions if we are to get the necessary aid. However, we wish to point out that while free trade can be a stimulus to development, it can also retard development. We quote below a passage from the book "Development and Under-Development" by Carlso Furtado, an eminent economist on development.

"The great laws of classical economists include for example, free competition and free exchange. Both constituted in the ultimate analysis of logical constructions based on fragmentary observations on simplistic psychological assumptions on a given social structure and on relations between expanding economies and others of a relatively stagnant type. Nevertheless by dint of sheer repetition these observations have become dogmas."

We are sometimes surprised when developed countries, though paying lip service to free trade and free exchange, adopt measures to safeguard their industries. We must realise that other countries are pragmatic and will not sacrifice their economic interests for the sake of a theory or dogma. We do not request any radical change in the present industrial and imports policy of the Government but only a modification of the policy based on pragmatic experience and practical considerations so that the industries in Sri Lanka may not be affected by indiscriminate imports and the industrial progress of our country can proceed as envisaged.

7. No survey had been made of the industries affected, except for some casual surveys made by the IDB, Peoples Bank etc. No attempt has been made so far to study the problems of the industries affected by imports. But, from the complaints received from

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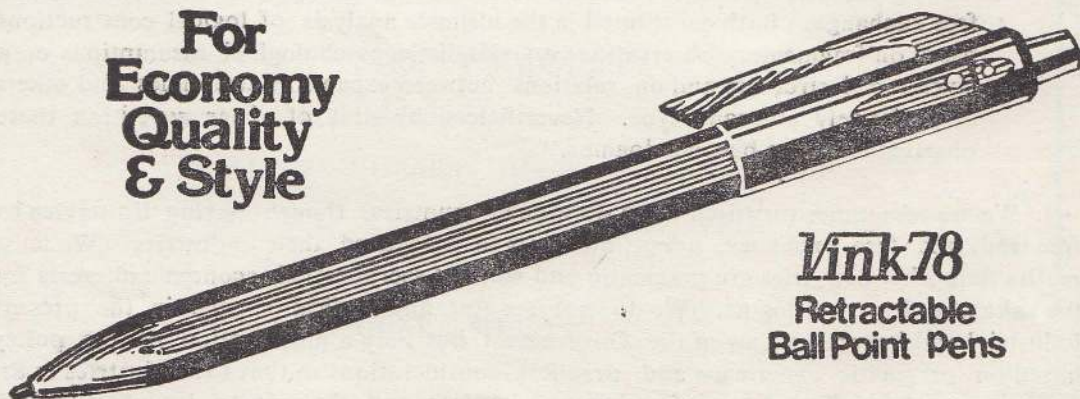
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our members, from the number of firms which have closed business or suspended production and from the survey made by the IDB we indicate below some of the industries which have been adversely affected by imports.

1. Handloom Weaving Industry.
2. Textile Printing Industry,
3. Pharmaceutical Industry.
4. Match Industry.
5. Footwear Industry.
6. Sewing Thread Industry.
7. Manufacturers of Motor Spare Parts.
8. Manufacturers of Components, Spares & Ancillaries for other industries.
9. The engineering industries which manufactured local machinery and spares.

II. Protection of Industries by Permitting Imports only under Licences.

8. A general policy of free imports of all manufactured goods though subject to tariff is not suitable for a developing country. The Government, in its discretion, should be able to regulate imports in order to protect domestic industries. At present certain goods are not allowed to be imported except under licences. Most of these items are in respect of products of public corporations. We see no reason why the same principle should not be extended to private sector industries also, where necessary and appropriate.

9. Where a licence is required to import any article it is placed in Column 3 of the regulations under the Import and Export Control Act No. 1 of 1969. Where an article is so placed, it does not mean that it cannot be imported. It can be imported if necessary, but under licence. The Government can issue licences to state trading agencies as well as to private firms to import these articles if there is a shortage or if a shortage is anticipated. The Ministry of Industries should be in a position to make recommendations for such imports well in advance having regard to domestic production and demand. We suggest that the following goods should be placed under Column 3.

- a) Where domestic production is sufficient to meet the requirements of the country and the goods are of reasonably satisfactory quality. These articles can be imported under licences issued by the Ministry of Trade if and when necessary.
- b) The Government has already specified in the gazette a list of articles, which it considers as essential. It should be the object of the Government to foster these industries by expansion of existing industries as well as by setting up new industries in these fields to meet adequately the domestic demands. No country should depend on imports for its essential and basic requirements. As long as imports are permitted freely, there would be no incentives for existing industries to expand or for new firms to be set up in these fields.

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- c) Strategic and dangerous goods, the imports of which should be controlled in the national interest.
- d) The manifesto of the UNP clearly states that it is its intention to set up a People's Small Scale Industrial Sector. These industries will be light industries producing either essential goods which are required for mass consumption or the inputs of other industries. They will be located in the rural areas outside urban centres. They will use intermediate technology and labour intensive methods of production to provide more employment. They will largely be based on local raw materials.

10. The present free trade policy of the Government is a deterrent to the setting up and functioning of these small scale industries. If existing industries with their expertise and years of experience find it difficult to compete with imports, how can we expect the small scale infant industries to do so? It will be useful to follow the Indian example in fostering rural based small scale industries. In India, not only are these industries protected from imports, but they are also protected from other large scale industries in the private sector by reserving certain articles for their exclusive production. In other words, even firms in the private sector are not allowed to produce the articles reserved for the small scale industrial sector. The last Budget of the Indian Government places great emphasis on rural industrialisation.

11. It is true that many people in our country have obtained approvals for new small scale industries. But they are now having second thoughts and may not start these industries approved. Even if they set up these industries, they cannot survive if they cannot sell their goods. They will be compelled to suspend production and suffer losses. It is for the Government to create a climate for such investments and this can only be done through regulated imports.

12. Further, tariff protection alone may not always be in the public interest especially in the case of essential goods which have to be imported to meet any deficiency or shortage. By increasing the tariff, we only make these goods more expensive to the consumers at a time when the cost of living is rising. On the other hand if we can regulate the imports so that we can get adequate quantities but not excessive quantities the public will not suffer while at the same time domestic industries will also be protected. It is necessary for an expert Committee to study all industries and to recommend the goods which should be placed in Column 3 of the regulations under the Import and Export Control Act and the goods which should be granted reasonable tariff protection.

III. Protection Through Tariff

13. The present BTN is an international classification which may be appropriate for the developed countries but not for developing countries. In a developing country, the tariff is not only meant for revenue but is also the instrument to stimulate, foster and protect domestic industries. Under the existing BTN classification, many items are included under one heading, especially in the case of raw materials and other inputs.

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Many of these items are used for different purposes. Some may be used for the manufacture of essential articles and some for non-essential articles. Some of the items may be produced locally while others may not. The items produced by us should receive the protection while the items which are not produced by us should be imported at low rates of duty. It is therefore necessary to consider each item having regard to its end use as well as to its production in Sri Lanka and where necessary the items should be distinguished under Sub-headings with different rates of duty. A more rational and scientific tariff schedule is required.

14. There are many anomalies in our tariff schedule. We have pointed out several such cases. For example the duty on a finished product say 'A' may be 10%, but the duty on the raw materials and components required to produce that product in Sri Lanka may be 50%. This amounts to a bonus to foreign manufacturers and a fine on domestic production.

15. It is therefore very necessary that we should introduce a tariff schedule which is well thought out and carefully prepared as early as possible. We suggest that the following basic principles should be followed in preparing the tariff schedule:—

- a) The basic raw materials such as chemicals, metals, cotton yarn etc., should be free of customs duties.
- b) In the case of other raw materials and components which are not produced in Sri Lanka, the maximum duty should be 5%.
- c) Where raw materials and components are also produced in Sri Lanka protection should be granted to the industries which produce such or similar raw materials and components. These duties can vary between 25-50%, but in no case should the duty on any raw material or component be more than 50% of the duty on the finished product.
- d) In the case of machinery and industrial equipment, the duty should be 5%. Where such machinery or industrial equipment is also produced in Sri Lanka, a higher rate of duty should be fixed according to the merits of the case. This is to grant protection to engineering and equipment manufacturing industries in Sri Lanka and to foster and develop such industries.
- e) In the case of finished manufactured goods, there are a number of factors which should be taken into consideration in fixing a duty which will give reasonable protection to the domestic industries. Before we think of protection, we must think of a duty which will place the domestic manufacturers on an equal footing with the foreign manufacturers. The foreign manufacturer does not pay BTT. He is given a refund of the customs duties paid by him on his imported raw materials and components. In many countries exports are subsidised. In some countries like India, there is an appreciable export bonus. It is the usual practice to price exports at marginal cost. The overheads are not charged to exports. This is done for patriotic motives not only to earn foreign exchange for the country but also to enable the country to achieve the advantages of industrialisation.

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16. In fixing the tariff we should also take into consideration the differences in company taxes, the rates of interest, the returns expected on equity capital etc., in foreign countries as well as in Sri Lanka. There should be a rate of customs duty which would place the domestic manufacturer on an equal footing with the foreign manufacturer. This would eliminate the disadvantage of burdens placed on the domestic manufacturer as against the foreign manufacturer.

17. Protection should be granted to domestic industries for the following reasons:-

- a) The social advantages of employment, foreign exchange savings, the diffusion of technology, skill and education and the change into a modern industrial society.
- b) The infant industry argument for protection which is well known.

18. To get a clear understanding, it is necessary to divide the customs duty into components.

- a) The duty required to place the domestic manufacturers on an equal footing with the foreign manufacturers and
- b) The duty which is considered to be reasonable protection in view of the social advantages, foreign subsidies etc.

19. Dumping is very common today. There are many cases where the price of the raw material is very nearly the same as the price of the finished products. In certain countries, steel is sold to the domestic manufacturers at a price lower than the export price. In addition there are certain countries which give appreciable export bonuses to promote their exports and dump their goods in foreign markets. Recently we brought to Your Excellency's notice the case of matches. In India matches are retailed at 28 and 32 cents. Indian manufacturers are able to sell matches to Sri Lanka at a c.i.f. price of about 10 cents per box. Even without Government aid, individual firms when faced with excessive stocks may dump their goods in foreign markets irrespective of the costs of production. Such cases are not rare. There should be countervailing or anti-dumping duties to protect domestic industries in such cases.

20. The liberalisation of the imports of machinery and raw materials has promoted the industrialisation of the country. What stands in the way of the rapid industrialisation of the country is the indiscriminate liberalisation of the imports of finished products. A radical change in the present policy may not be possible but modifications may be done on the lines suggested above. There should also be flexibility in policy whereby each case can be considered on its own merits and suitable action taken without delay.

IV. Monetary Policy

21. The present policy of high interest rates while it brings many other benefits is a disincentive to investment and the expansion of the private industrial sector. The Government pays 18% interest on fixed deposits in the National Savings Bank which are gilt-edged securities with no risks. An investor in the private sector would require a return

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of more than 18% since the investment is less liquid and more risky. He would require at least 20%. Adding 5% more for reserves and other factors, the capital invested in the private industrial sector should yield a minimum of 25% nett of tax. The Company tax at present is 50%. Therefore the gross return required is 50%. A 50% gross return cannot be earned from ordinary industrial investments and therefore the present level of high interest rates combined with a 50% company profits tax is a disincentive to investment.

22. We made representations to the Hon'ble the Minister of Finance before the last budget:-

(a) to reduce the company profit tax from 60% - 40%.

(b) to reduce interest rates from 18% to 10 - 12%.

The Hon'ble Minister was good enough to reduce the company profits tax from 60 to 50% and thereby grant some measure of relief. We were told that it would not be possible to reduce the interest rates for some time owing to other factors such as the balance of payments, and the necessity for more savings to prevent inflation. We agree with the Hon'ble Minister of Finance and will have to bear up with high interest rates for some time longer.

23. However, the Government has provided two other incentives which to some extent provide relief to the industrial investor.

(a) Tax holiday for five years. This will apply only to new companies. This will not give relief to existing companies which require additional capital for expansion.

(b) Credit Guarantee Scheme - This scheme was inaugurated by the Central Bank to provide cheap credit to the industrial sector.

When a commercial bank gives a loan to a firm in the industrial sector, it can discount the loan at the Central Bank at 6% rate of interest. Therefore the commercial bank should be in a position to lend to the industrial sector at about 8% rate of interest. Unfortunately, for certain reasons of their own the commercial banks are not implementing the scheme effectively. They still continue to lend to industrial firms in the form of overdrafts at the usual 17-18% rate of interest. We brought this to the notice of the late Mr. Tennekoon, Governor of the Central Bank who expressed surprise and promised to issue instructions to the commercial banks. But still the commercial banks are continuing the practice of lending at 17-18% rate of interest.

24. Sufficient credit is not made available by the banking system to expand production and employment in the private industrial sector. The standards of security and credit worthiness adopted by the banks are severe and many industrialists and intending industrialists are not able to obtain sufficient loans.

25. We shall be grateful if Your Excellency will be so good as to issue the necessary directives to ensure (a) that the banks give credit to the private industrial sector under the Credit Guarantee Scheme at about 8 to 10% rate of interest and (b) that the banks should make available more credit without applying stringent tests of credit worthiness and security.

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V. Free Trade Zone

26. When this proposal was originally made during the latter part of the 60's by the then UNP Government, we wholeheartedly welcomed it. Subsequently also we had welcomed the establishment of the FTZ. It was clearly understood that the firms in the FTZ will not be allowed to sell any part of their output in the Sri Lanka domestic market and that their entire output should be exported. We understand that under the agreements entered into by the GCEC with certain firms, these firms have been given the right to sell a percentage of their output in the Sri Lanka domestic market subject to a customs duty of 75% of the normal customs duty. It is unfair to allow this concession to the firms in the FTZ when they are given many tax concessions and incentives which are not available to the manufacturers outside the zone particularly in cases where such goods compete with other locally manufactured goods. However on representations made we now understand that in future new firms in the FTZ will not be given this concession. We have no objections to Government permitting imports from the FTZ under a licence subject to appropriate customs duty so that other local manufacturers outside the FTZ are not adversely affected.

27. Certain foreign countries grant quotas and other concessions to industrialists in developing countries. EEC is one example. The firms in the FTZ should not be given any part of these quotas and concessions. They should find their own markets. We are glad to inform you that on representations made the Hon'ble Minister of Textile Industries has already made this decision.

28. Many firms outside the FTZ had pioneered the development of industrial exports. They had suffered losses in the first years but they persisted and built up export markets and connections. These firms also earn foreign exchange and give employment just as much as the firms within the FTZ. These firms should be given similar tax concessions and other incentives as those given to firms within the FTZ. The FTZ should be fostered and developed without detriment to the existing firms which had pioneered the export business. We shall be grateful if Your Excellency would be good enough to appoint a committee to look into this aspect of the matter so as to place the exporting firms within the FTZ as well as outside on the same footing.

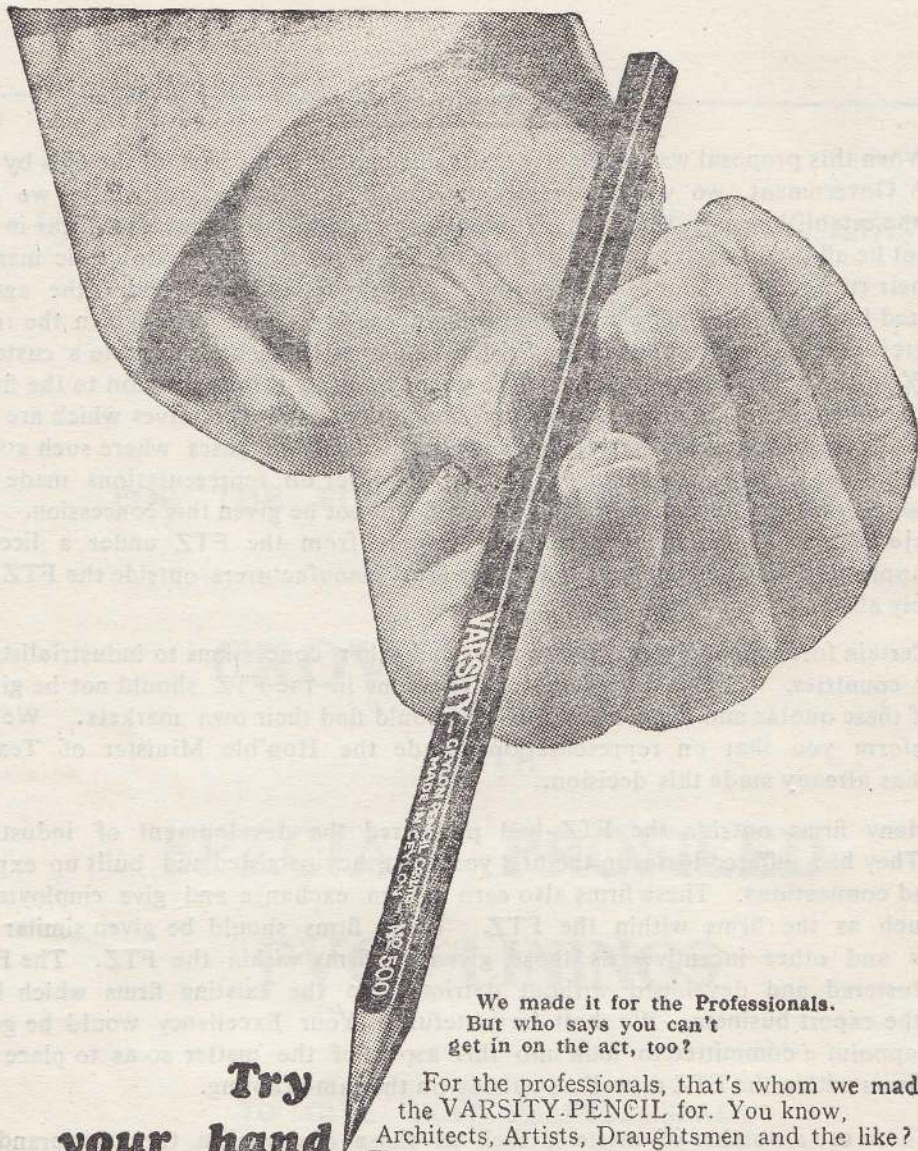
29. There are a number of matters, such as those discussed in the memorandum which need the urgent consideration of the authorities. It is our hope that our proposals for a Tariff, Import and Industrial Policy Advisory Committee are accepted, so that the numerous problems facing industry in Sri Lanka can be speedily dealt with.

30. The members of our Chamber offer Your Excellency's Government the fullest co-operation and wish the Government all success in accelerating the development of the country and providing more employment.

Thanking you.

Yours faithfully,

G. Jayasuriya,
CHAIRMAN.



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*Memorandum from the Ceylon National Chamber of Industries
To His Excellency The President*

29th May, 1979.

His Excellency, J. R. JAYAWARDENA,

President of Sri Lanka,

Janathipathi Mandeeraya,

COLOMBO 1.

Your Excellency,

**Proposals for a Tariff, Imports & Industrial
Policy — Advisory Committee**

We take this opportunity to express our appreciation of the various steps taken by your Government since July 1977, to create conditions in which the private industrial sector could develop and expand, and in doing so generate a substantial volume of additional employment and participate meaningfully in the overall national development efforts.

We enclose a memorandum indicating certain problems that have arisen and are affecting many groups of industries. As indicated in the memorandum, certain groups of industries have been severely affected and some in fact have been forced to curtail employment on a substantial scale. We feel that in many cases these adverse effects are due to the fact that decisions are made by several Ministries or Departments under them) each acting independently to fulfill their primary responsibilities and sometimes overlooking the overall effects. For e.g. the Ministry of Finance deals with matters of fiscal and monetary policies which have vital effects on the private industrial sector. The Minister of Industries & Scientific Affairs has the responsibility of safeguarding and developing industries including licensing, where necessary. The Ministry of Textile Industries has a similar responsibility in regard to the production of textiles. The responsibility of the Ministry of Trade is inter alia to provide the consumer with adequate goods of a reasonable quality at reasonable prices. The responsibility of the Ministry of Rural Industrial Development is to foster and develop the rural small scale industrial sector. The G. C. E. C. is mainly concerned with the development of the export-oriented industries in the F. T. Z.

The cumulative effects of the policies and action taken by these several Ministries and the Departments under them have caused fairly widespread distress both to the industrialists and their employees. It is our considered view that there should be some co-ordination at a higher level whereby all conflicts and inconsistencies can be ironed out.

We therefore suggest for Your Excellency's kind and favourable consideration that there should be a Central Advisory Committee responsible to you, to which representations can be made by industrialists and consumers who may be affected by decisions made or contemplated by these Ministries with regard to the matters indicated above.

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The Committee may be called "The Tariff, Import and Industrial Policy Advisory Committee". We suggest the following composition of the Committee:-

- (a) An independent Chairman appointed by Your Excellency.
- (b) The Secretaries or Additional Secretaries of the 5 Ministries mentioned above.
- (c) A Director of the G. C. E. C.
- (d) 3 representatives of the Industrial Chambers of the private industrial sector.
- (e) 2 members appointed by Your Excellency to represent public and consumer interest.

The Committee can form itself into Sub-Committees to deal with problems of individual industries. The Committee or Sub-Committees should study the problems of the industry concerned in depth, assess capacity, demand and quality, determine the necessity or otherwise for imports etc. It should be in a position to recommend appropriate action regarding subjects such as customs duties on imported finished products, components and raw materials for local production, BTT, provision of capital at special rates of interest for selected groups of industries, tax exemptions for specified periods etc.

Any industrialist or a group of industries or any Chamber representing industrialists or any Association of consumers should be able to make application to the above Committee for relief. It is desirable that such applications be given publicity e.g. by publication in the Government Gazette so that any industrialist or consumer protection society which is likely to be affected by the application may be able to make representations.

It is desirable that the above Committee should give a hearing to the applicant, and objectors, if any, before a decision is made. It is also desirable that the Committee should give the reasons for its decision and copies of the decision should be sent to the applicants and the objectors. If there is any major issue on which the conflicting interest of the various parties cannot be harmonized, the Advisory Committee could refer the matter to Your Excellency and we are confident that you will ensure suitable action in the matter.

If our proposals are accepted, this Committee will also perform the functions of the present Tariff Review Committee the powers of which are of necessity limited in scope.

Some of the matters referred to in the enclosed memorandum are of an urgent nature and we suggest they receive your Government's urgent consideration.

Thanking you,

Yours faithfully,

G. Jayasuriya,
CHAIRMAN.

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KEY NOTES FOR INDUSTRIALISATION

BY

A. R. P. Wijeyesekera

There has been a tremendous upsurge of activity in the country over the last two years. No longer is the country in the doldrums. No longer are the people lethargic. There is a feeling that it is worth one's while to attempt something. There is confidence that one can reap the benefits of one's efforts. Businessmen are left free and are encouraged to use their talents lawfully for the development of the country. They are free to work hard, they are free to compete.

The freeing of the economy has brought several freedoms in its wake. Foreign exchange is available more freely. Imports of raw materials for industries can flow in freely. The existing industries can now work to capacity. New small-scale industries can be set up to meet the expanding demands for goods and services. There can be a concentrated effort to set up small-scale industries in rural areas. The liberalisation of the economy has undoubtedly given a much needed shot in the arm to the majority of existing industries in this country but it also introduced a factor which is counter productive from the point of view of Industry.

Free imports of many types of consumption goods have made available several essentials which had not been seen in the Island over many years. So far so good. There have also been many cases of flooding of the market with types of goods which have been manufactured by local industrialists for several years amidst attendant trials and tribulations. These industrialists had been subjected to strangulation by bureaucratic red tape and corruption. Freeing of the economy did not bring them relief. On the contrary, it shut down many small factories.

Government policy in respect to industry has been clear. There must be sufficient competition between industries within the country to eliminate shoddy and inferior goods and to keep prices reasonable. Where such competition is adequate, tariffs could be fixed at rates which will make imports uncompetitive. Where local competition is inadequate, tariffs could be adjusted carefully and frequently to restrict the level of imports to a percentage which will spur on local industrialists to improve their products. The policy is to control imports by variations of tariffs alone. This is excellent in theory.

Even in developed countries, no Government allows its industries to be destroyed by imports from foreign countries. Nobody attempts to practise in toto the classical theory of free trade and free exchange which is only a dogma based on assumptions related to a particular country and a particular period. Development is a complicated and complex phenomenon. The freeing of imports to such a level that it could act as a retardant to the industrialisation of Sri Lanka would be equivalent to suicide. The quality of life in Sri Lanka cannot be improved by the successful implementation of an agricultural programme alone. Agriculture is the essential base for successful industrialisation. Industrialisation is vital. There cannot be industrialisation without some restriction of imports.

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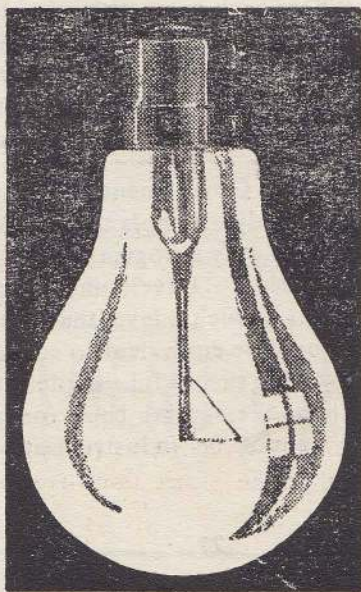
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The instrument which the Government uses for regulating imports is the Tariff Review Committee. There have been various recommendations relating to changes in the structure of control. One recommendation is a Tariff Commission with a full time secretariat. And there is the establishment of an Imports Restriction Advisory Committee. A recommendation from the Private Sector suggests the appointment of a Central Advisory Committee responsible to the President.

Let it be a Tariff Review Commission. Such a Commission should include private sector representation. There has been objection to such private sector participation on various untenable grounds. The days when the bureaucrats functioned as a super-body leading the legislators with guile, and kicking all others up the behinds must necessarily be consigned to the past. The masses at grass roots level, and in this case the private sector industrialists must have representation at the decision making level. The forum in this instance is a Tariff Commission. Attempts to shoot down a Tariff Review Commission with private sector representation must cease forthwith. Private Sector representatives will introduce a breath of fresh air into what has up to now been the musty preserve of bureaucrats.

Presidential interest in decisions relating to Tariffs would be most useful. As it is the cumulative effects of the policies and actions of different Ministries and Departments has caused distress and disillusion. There are sometimes conflicts of interests which can only be reconciled at Presidential level. The Ministry of Trade has to provide the consumers continuously with adequate goods of reasonable quality at reasonable prices. The Ministry of Rural Development has to foster and develop the small-scale industrial sector which is very sensitive to imports as well as local monopolies. The GCEC which concentrates on exports sometimes seeks a share of the local market. The Ministry of Finance needs Revenue. The Ministries of Industries and of Textiles must safeguard and develop industries. Co-ordination is best carried out through a Tariff Review Commission directly responsible to the President.

What is required immediately is a pragmatic approach to industrial development. Local industries must be built up quickly to produce adequate amounts of quality goods at reasonable prices. Money must be made available freely and adequately at low rates of interest to existing industrialists and potential entrepreneurs so that Capital Goods for the industrial sector will flow in-in increasing quantities. There should be special encouragement in the form of easy access to Capital for import of Machine Tools and Equipment which will enable the country to produce its own machinery and equipment for its industries. There should be very special concessions for small industries in rural areas. In the last category, tax incentives alone are by no means sufficient.

The greatest possibilities for employment in industry lie undoubtably in the rural sector. There should be special incentives. A specified percentage of the fixed capital for an industry in a rural area could be given as a grant. Banks could be instructed to give 95% of the investment as a loan on liberal terms. All income from small industries in rural areas could be free of income tax over the next five years irrespective of the year in which they commenced production. Such small industries should receive preferential

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treatment in public sector procurement. Their Research and Training needs should receive very high priority from Government organisations, which must necessarily provide very efficient extension services, if small-scale industries are to thrive.

It is imperative that the Government gives serious consideration to making outright Grants in support of industries in rural areas. The Government must differentiate substantially between consumer subsidies which it is eliminating, and Production subsidies which are essential for industrialisation. The whole Mahaweli programme and other irrigation projects are all subsidies. The fact is that water down channels develop the country and there can be no development without this water. The clearing of land for settlement is a Production Subsidy. Provision of infrastructure of many types is a subsidy towards industrialisation. The point made now is that rural industrialisation can be accelerated many times over by direct Grants for setting up and expanding factories.

The Government's primary objective in its massive development effort is the creation of employment opportunities. The basic policy was defined by the President at Lunugamvehera, an year ago, as "Employment first, employment second and employment third." He has said more recently that unemployment and underemployment, and its attendant political and social problems are one of the biggest obstacles to development. "It is one of the main causes of poverty." The necessity to maximise the creation of jobs overshadows all other aims of investment.

The Greater Colombo Economic Commission and the Foreign Investment Advisory Committee must both bear this in mind when they attract and approve foreign investors. The Industrial Development Board operating on a lower key, on what are labour intensive projects, will help in job-creation in the rural areas. The Ministry of Industries as well as all other Ministries and Departments involved to any degree in the Industrialisation of this Country must act always with the primary objective of job-creation in the forefront of planning and decision making.

One of the most important aspects of Infrastructure which can foster industrialisation and accompanying employment opportunities is ready access to Electricity. What Industrialisation requires is not the two line 230 volt supplies which are strung around the country and named rural electrification. Industry requires 400 volt three-phase supplies and these must be available off transformers in as many villages and small town centres as quickly as possible. When China started rural electrification in a big way to bring light into remote villages there was an unexpected and unanticipated spin-off. Many were the small scale industries which sprang up all over the country as a result of ready availability of electricity.

The high cost of obtaining three-phase supplies in rural areas has driven many an industrialist into siting his industry around Colombo rather than at a centre of raw material supplies. Therefore, in pursuance of a policy of developing the rural sector rather than the towns, the Government should direct that the full cost of providing three-phase supplies, upto 50 KVA, within 10 miles of a HT line, outside any municipal or major town limits, should be borne in future by the Ceylon Electricity Board. It will not end with one line to a customer. Other customers will be attracted by a line which is readily

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available. Cost of such three phase supplies should not be recovered from customers. The Government must give the CEB a Grant annually to cover costs including the cost of transformers and circuit breakers. The tremendous impetus to industrialisation of the rural sector which ready availability of electricity to industrialists will bring, is a worthwhile pay-off for the Government's Grants to the CEB.

Successful implementation of plans for expansion of roads, housing, communications, water supplies, and transport to cover village centres are also vital for industrialisation of the rural sector. District Ministers must continuously develop such infrastructure in advance of industrialisation, if industrialisation is to gain momentum in their areas.

Basic metals, basic chemicals and cotton yarn which together comprise the major portion of essential raw materials for industries should all be imported free of duty. This is not all. If entrepreneurs in rural areas are to be attracted into industry they must have ready access continuously to such raw materials in adequate quantities at competitive prices. State Trading Organisations and private sector importers must compete to eliminate shortages. The Ministry of Industries must carefully monitor the availability of raw materials.

The liberalisation of imports exposed local industry to unfair competition from abroad without a time-lag in which local industry could prepare itself by modernising, rationalising, improving quality and expanding production. It would assist capital-formation if the government were to review its policy and allow lump sum depreciation to continue for a few more years. Further, those industrialists who fall into line with the government's policies of broadbasing ownership and avoiding monopolies in manufacture, should receive full encouragement through lower company taxes which in the best cases could be as low as thirty per cent.

In the long run, it is impossible to reduce unemployment and improve the living standards of the people without industrialisation. It is also vital that industrialisation of the rural areas be carried out with maximum speed if the aspirations of rural youth are to be met and they are to find satisfaction in their own environment. A large number of jobs have to be created in industry quickly. Industry must be labour-intensive.

The best incentive for the use of labour in preference to machinery-sophisticated or otherwise—is a tax concession which all industrialists, and especially small industrialists will find very effective. Companies and other organisations in industry should be allowed to deduct for tax purposes double the wages bill instead of only actuals as at present. There could be a check through EPF payments. Audit by approved firms would be an additional check. Such a concession will encourage increased capacity utilisation through more use of two or three shifts. Further employers will have less cause to resist wage increases. This is not a new idea. It has the support of a Board, a Ministry and an international organisation.

Local industry needs protection from the depredations of robber barons. With the liberalisation of imports and the disbanding of controls monopolism is bound to raise its ugly head. Government must move in quickly on greedy and irresponsible behaviour.

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Local consumption alone cannot provide the markets necessary for rapid and appreciable industrialisation of the country. Export markets must be developed. Exports must receive every possible encouragement. All exports of non-traditional goods should be duty free. All earnings from such exports should be free of income tax over the next five years, irrespective of when the exporter commenced business. Such incentives are still insufficient. The more the exports within the next few years, the greater the gain. There should therefore be an export rebate of 15% on FOB prices on all non-traditionals with an additional rebate of 10% in the case of local high quality handlooms - or items made from such handlooms. These export rebates of 15% and 25% should only apply to cases where there is proof of a nett foreign exchange gain of at least 25%.

The Government has taken firm strides in pursuit of a solid base for agricultural development. It has also taken action to promote industrialisation through an Investment Promotion Zone. The Government has displayed a marked ability to take action necessary to achieve the goals it sets. The time is ripe for the Government to take gigantic steps in aid of its own industrialists and small men who await assistance and guidance in rural areas. Let the Government give entrepreneurs the incentives and other support they need to take a great leap forward in the industrialisation of Sri Lanka.

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1.00 Dyeing and printing are ancient arts of the Orient and today several classes of dyes depending on the artist's choice for any particular design and fastness requirements have been developed. Together with the development of dyes, the dyeing and printing techniques have also developed. A fabric could be printed to give various design effects by using many methods. In all these cases the artist transfers his creative talent on to the fabric in the form of combination of colours and patterns.

The popularly known methods are as classified below:—

- i) According to the ancient method, the designer transfers his design to the fabric by applying a wax film, resinous matter or other brittle material to the textiles, cracking the film and then dyeing the fabric or by 'tyeing and dyeing' the fabric. Thus designs could be constructed by direct painting, 'resist printing' or 'tie and dye' styles.
- ii) According to the second process the designer transfers the design to a medium which is again used as a working diagram. Three main methods are used in practice.
 - a) block printing - to raise the design on a flat surface.
 - b) engraved metal surface printing - to cut the design below a flat.
 - c) stencil and screen printing - to cut the design on a flat metal.
- iii) The third and the most modern stage of development involves a progressive increase in the degree of mechanisation - reciprocal and rotary.

1.10 The 'resist' technique, which is popularly known as the "Batik Craft" is used for many centuries, in the East for producing coloured patterns on cloth. The first Batiks were probably made in Egypt or China spreading gradually towards Persia, India and other countries. The Javanese people of Indonesia made batik for hundreds of years for clothing. Batiks developed in this country became a part of the lives of the people. In Java the batiks were originally, in fact, prepared by the daughters of Javanese nobility. In Batik manufacture certain types of designs and combination of colours came into use in certain countries which made a batik to be easily identified.

1.20 The Batik industry has become an important industry in Sri Lanka, with over 200 registered manufacturers engaged in the manufacture and export. Certain designs of hand worked batiks can take as long as a month or sometimes as much as an

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year to complete. Such specially and patiently worked batiks, usually results in ingenious designs and are considered to be more desirable especially to be worn for special occasions, or attractive decorations.

Traditionally fabrics ranging from voile, poplin, lawn to silk are used as the base material in Sri Lanka for batik manufacture. As most of today's fabrics are mixtures of synthetics and cotton and as synthetics do not dye well unless special processing techniques are employed it is better to avoid fabrics which contain dacron and nylon. Silks also need special dyes, and processing techniques.

- 2.00 Base material for batiks:-** The base material for Batik dyeing should be first prepared by suitable washing with detergent and water, to remove all fillers and finishing material. The method of preparation of a fabric for dyeing or printing varies with the type of fibre. Depending on the origin of the fibre of the base fabrics, various impurities may be present eg. natural, non-fibrous etc. The method of impurity removal ie. the scouring and or bleaching methods may also vary. In large scale dyeing or printing, special equipment may become necessary and as such it is desirable to buy the material scoured and bleached ready for processing. In the case of cotton fabrics which are 'finished white' with starchy material, this would require removal.
- 2.10** Other standard methods used in the preparation of cotton for batik dyeing or printing are mercerisation and causticisation. In the case of mercerisation the cotton material is treated either prior to or after bleaching in a strong solution of caustic soda of 33° Be'. The cloth is held sufficiently under tension to prevent it from shrinking. The caustic soda is then washed out after immersion in the solution. Mercerisation makes the fibre to swell or gives a more lustrous cotton fabric or significantly increases the uptake of dyes.
- Causticisation requires less complicated equipment and involves padding in a weaker solution of caustic soda of 12° Be'. The fabric is allowed to lie for a short while and washed off. Causticisation does not give the same degree of lustre as mercerisation. However, the improvement in dye uptake is quite marked.
- 2.20** The natural silk when received in the grey state contains both natural and adventitious impurities which must be removed before printing to ensure a smooth and even pattern. The sericin is removed by a de-gumming or boiling off operation. If bleaching is required it is carried out after de-gumming. Properly de-gummed natural silk has a very high substantivity for dyes printing deep shades presents no problem.
- 2.30** A simple scour to remove any yarn lubricant is sufficient in the case of Nylon and Polyester Fibres. Woven viscose fabrics however contain wrap size and thus must be thoroughly removed otherwise the absorbency will be poor. Lightweight linen may be treated with the scouring treatment described for cotton.
- 2.40** The foregoing discussion shows that different fabrics calls for widely different cleaning treatment but most of the sequences have many common points, eg. Emulsification disperses waxy and oily matter; saponification converts fatty matters into

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water soluble soap; hydrolysis splits fats and proteins into smaller and more easily handled molecules.

- 2.50 The following types of base materials are popularly used in Sri Lanka by the Batik industry for the end uses as listed and are worthwhile noting.

<u>Item</u>	<u>Base material</u>
1. Shirt	poplin, lawn, voile, silk
2. Sarees	voile, silk, lawn, poplin
3. Scarves	silk, voile, lawn, poplin
4. Wall hanging	any suitable cotton material, silk
5. Dress length	poplin, lawn, silk, voile
6. Cushion covers	poplin, sheetings
7. Ties	suitable silk and cotton
8. Table cloths	sheetings, poplin
9. Bed spreads	sheetings, poplin
10. Handkerchiefs	voile, silk, lawn, poplin

In the case of poplin and voile, the constructional details, scouring loss, shrinkage etc. recommended are as given below in, Annex I.

It is very apparent from the various materials recommended for a given end use that Sri Lanka has been using traditionally smooth fabrics like voile, lawn, silk and poplin. These fabrics has the property of taking details by making the wax to penetrate well because of the close weave construction. In batik design, different fabrics could be used to create different and interesting effects. Coarse and heavy fabrics can also add interesting texture for certain end uses eg: wall hangings. Pilled fabrics such as corduroy and velveteen also make interesting wall hangings. Because of the thickness of the fabric, and the depth of the pile, colour can be built up in layers creating an effect like a painting.

- 3.00 **Batik dyes:-** In view of the nature of the wax resist process the dyes used for batik work must be capable of being applied from a cold dyebath. The following classes of dyes which are of interest to the batik industry are discussed below.

- a. Azoic Dyes
- b. Cold dyeing vat dyes (Indigo and anthra-quinonoid vat dyes)
- c. Reactive dyes

- 3.10 **Azoic Dyes:-** Azoic dyes in general are used for dyeing or printing mainly cellulose fibres. The characteristic feature of Azoic dyes is that they are formed in situ within the fibre by the reaction of two components ie. the diazo component and the coupling component. The popular azoic dye used in the batik industry is the Naphthol, which is easy to apply with good fastness properties. The Naphthols and the subsequent members developed since, have an affinity for cotton when dissolved

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in alkalie. The ease of application of azoic dyes has been increased by the introduction of already diazotized second components which are produced by dye manufacturers in a stabilized form and require only dissolving in water.

Azoic dyes are suitable for long runs and heavy and brilliant shades. The choice of colours is wide and includes some extremely bright shades, particularly reds and scarlets, where the vat dye range is sometimes weak. Under proper workmanship dyes are very fast to washing light, and rubbing.

- 3.20 **Cold dyeing vat dyes:-** Vat dyes are insoluble in water and contain Keto groups. In alkaline solution a reducing agent eg: sodium hydro sulphite will produce a leuco compound. It is the sodium salt of the leuco compound which dyes into the fibre. To obtain the vat dye back in its original form an oxidation treatment is necessary. It is therefore first necessary to convert the vat dyes to a form in which they are soluble in water to dye cotton and to possess the affinity for the cotton by the above process. The actual solubility and affinity varies with the dye and may necessitate variations in the quantities of hydro-sulphate and caustic soda used to dissolve the dye in preparation of dyeing. The process of converting the insoluble vat dye into the soluble compound used for dyeing is termed vatting and the solution so produced is called a vat. Vat dyes are expensive and are used for the highest class of light and washing fastness eg. for shirts, sarongs and dress pieces.

The application of vat dyes gets simplified by the introduction of solubilized vat dyes. There are normal vat dyes modified by the dye manufacturer to give water-solubility. In general they possess poor affinity for cellulose materials and should therefore be applied with the minimum amount of water or by padding. This being an expensive variety of dye their use is restricted to pale shades and in the solubilized form the dyes and dyeing are light sensitive.

Indigo is a vat dye traditionally used in batiks. It does not have outstanding fastness properties on cotton but it is cheap and easy to apply in bulk dyeing once the dye bath is prepared.

- 3.30 **Reactive Dyes:-** The Reactive dyes owe their names to their ability to undergo a chemical reaction with cellulose fibres. This produces a covalent dye-fibre bond which gives dyeing and prints of excellent washing fastness. Reaction with silk is also possible. With nylons although some of the dyes fix well, the molecular size of certain dyes is too large to penetrate the nylon efficiently. The 'Procion' dyes offer considerable scope for batik but only those of the cold-dyeing type ('Procion' M dyes) are sufficiently reactive to fix under air drying conditions. 'Procion' dyes possess in general fairly low substantivity and for very heavy shades, it may be necessary to build up the shade with several dips. The dye uptake on unmercerised cloth is fairly low. With 'Procion' dyes and cotton, efficient batik dyeing requires a proper control of heat, moisture and alkalie. However this is a simple procedure as at room temperature fixation may proceed on the fabric for several hours but the rate could be speeded up in warm humid atmosphere.

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4.00 Batik Processing, Design and Quality Control:- The manufacture of Batik employs the 'resist' technique of printing, which is obtained by applying wax. The dyeing is carried out in the cold to avoid melting of the wax, thus confining the colour to the unwaxed areas. Different colour combinations and increasing depths in colour could be built up by selective, further waxing and redyeing. Paraffin and bees wax are used commonly. Paraffin is more brittle than bees wax. This property is used to make the resist in different proportions of paraffin and bees wax to obtain the required crackle. The commonly used mixture of bees wax and paraffin is three parts bees wax to two parts paraffin.

The wax used as 'resist' needs to be removed after final dyeing. This is done by immersing the cloth after the dyeing operation in a suitable bath of very hot or boiling water, followed by treatment in a hot solution of soda ash to remove the remainder. The wax that is removed by hot water is skimmed off for further use.

4.10 In Sri Lanka, Batik dyeing is done on cloth already torn into suitable lengths. The length could be a saree, dress, lungie or sarong length as the case may be. In large scale production of batiks, a continuous roll of cloth could also be fed into a duplex roller printing machine. The wax is kept in molten condition in colour boxes, containing the wax which are kept heated. A patterned design could be created with wax coating both sides of the cloth. This could be done in one operation which is followed by a cracking operation on the waxed cloth after drying. These machine made batiks could be mass produced, made freely available at a cheaper price and is becoming increasingly popular in certain countries. These batiks can imitate quite well the hand made batiks but cannot of course, replace the hand made ones where each piece can be of a unique design, with a unique colour combination, created with special care and skill.

4.20 Sri Lanka's batik industry and the designs chosen, reflects the cultural background of the nation. The traditional oil lamp, coconut trees, dancing girls, the elephants, birds, Kandyan dancing, the Kandy perahera, etc. are quite common. Ideas for batik designs may be adopted from traditional posters, embroidery patterns, cultural drawings or simple abstract designs. The Batik craft could also easily take advantage of the nature of wax i.e. the crackled areas, thick and thin layers of wax, different temperatures of wax etc. to form suitable design effects.

Modern batiks especially with competition from other countries, need to be planned according to the use of the end product. However, the nation's culture and the traditional combination of colour could also be brought out, wherever appropriate. Batiks in certain countries are manufactured on a much larger and stamped commercial scale today. The designs are stamped with very elaborate brass stamps to simulate hand drawn batiks. The Java batik is also produced by block printing the designs on both sides of the fabric, using two types of wax, each of which may have several components, whose exact proportions differ from one batik printing establishment to the other.

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Wax could also be applied on both sides of the fabric. To make sure that the design will finally appear sharper on the edges, it will become necessary to allow the wax to penetrate the cloth. A brush, funnel or tjanting may be used to apply the wax. It is desirable to use quality brushes with synthetic bristles. Hotter the wax thinner the layer it forms on the cloth. On the other hand, very cold wax tends to remain on top of the fabric. Thus fabrics covered with one layer of very hot or very cold wax will become tainted when dyed.

The batik should be dried well after the first dyeing to set the dye, and the excess dye should be washed out. The wax should finally be removed as far as possible and should not exceed 0.5%. Any further residual wax could be renewed with a suitable solvent. Flammable solvents which remove wax are white gasoline and naphtha benzene. Care should be taken to store away these solvents away from heat.

- 4.30 Unevenness in dyeing can occur due to any mechanical, physical or chemical damage of the fabric. Unevenness can also occur due to differences in fibre affinity and could be distinguished from that caused by bad dyeing. Unevenness can be caused on cellulosic textiles, by change in the affinity of dyes due to over bleaching. Uneven mercerizing can also lead to uneven dyeing.

While dyeing the fabric it is therefore very necessary to take precautions against any fibre damage and also that if necessary, the extent of any such damage. The attack of cellulose material is estimated by the viscosity of its solutions in Cuprammonium hydroxide. This reagent is made by dissolving copper in ammonia and it is capable of dissolving cellulose. The viscosity of the cellulose solution in cuprammonium gives an indication of the degree of damage of the fabric.

- 4.40 A batiked fabric may be required to withstand a considerable number of different influences depending on the end use. Batik fabrics like shirts, scarves, dress lengths which have to be fast light can be evaluated by standard methods, by exposing the dye patterns to day light in accordance with CS 62: Method for the determination of colour fastness of textile materials to day light. For batiks which have to be fast to washing eg: shirts, sarongs, handkerchiefs and sarees, a series of standardised washing fastness are given in CS 55: Method for colour fastness of textile materials to washing at 95° C for 30 minutes. Items like cushion covers, sarongs and bed spreads need to have high fastness for rubbing, while items like shirts in addition to various other fastness requirements should also be fast to perspiration. The standard test methods used to identify these parameters are given in the following standards issued by the Bureau.

1. CS 63 Method of determination of colour fastness to textile materials to rubbing.
2. CS 67 Method of determination of colour fastness to textile materials to perspiration.
3. CS 88 Method for the determination of colour fastness of textile materials to bleaching with hypochlorite.

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5.00 Conclusion

The foregoing discussion emphasizes that to the batik manufacturer, a knowledge of fibre properties of textiles, dye characteristics and 'resist' dyeing techniques are essential to produce quality batiks. The decorative styles of the Sri Lanka batiks while keeping abreast with fashion and everybody's interest in clothing from a psychological point of view also contributes greatly towards the promotion of Art and Cultural Development. While satisfying these desires the batiks should also meet the physiology of clothing providing body comfort, It is emphasized that this is only possible by the use of suitable base material.

However, one can confidently say that the Sri Lanka Batik Industry is developing along the correct lines with a sound footing as a rapidly expanding industry, not only promoting art, developing the culture of the nation, providing employment but also earning very valuable foreign exchange.

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TABLE 1 — REQUIREMENTS FOR BASE MATERIAL (POPLIN AND VOILE)

CHARACTERISTIC	REQUIREMENTS			METHODS OF TEST
	POPLIN	VOILS	TOLERANCE	
(i) Constructional details (a) Count or yarn in tex warp — weft —	15	10	} + 5% —	CS 44*
	15 or 20	10 Combed		
(b) Threads per 10 mm warp — weft —	from 42 to 56	from 25 to 28	} + 5% — 2.5%	CS 41**
	from 28 to 23	from 9 to 11		
(ii) Scouring loss (max)	2%	2%	—	CS 87***
(iii) Shrinkage (max) warp wise weft wise	1%	1.6%	— —	CS 47+
	1%	3%		
(iv) pH of aqueous extract	6.0 to 8.5	6.0 to 3.5	—	CS 86 ++

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Chief Guest: **Hon. LALITH ATHULATHMUDALI**
Minister of Trade & Shipping

Honourable Minister of Trade and Shipping, Distinguished Guests and fellow members of the Chamber,

We feel honoured to have with us today, the Hon. Minister of Trade and Shipping as our Chief Guest. The Hon. Minister, as you know, has had a brilliant academic career both at the University of Oxford and at the Harvard Law School. He has had the rare distinction of being the President of the Oxford Union. He has given up a lucrative practice at the Bar to enter politics to serve the people of our country. On behalf of our chamber I wish to thank you, Sir, for finding the time to be with us today, inspite of your heavy work load and responsibilities.

Our Chamber has a membership of some 350 industrialists consisting of large scale, medium scale and small scale industries and we are the largest industrial Chamber in Sri Lanka. We represent primarily industrial and manufacturing interests.

However, a manufacturing industry must, of necessity, be intimately concerned with Trade, for we must sell what we manufacture, or we will be out of business. Thus, we are Sir, vitally dependent on your Ministry and it's policies.

The Annual Report of the Chamber is with you. It deals in detail with the progress of the industrial sector and the problems and difficulties faced by it. I do not propose to repeat these facts and figures.

Ladies and Gentlemen, for the first time in our history, the private sector has been invited by the Government to participate in the Accelerated Development Programme of our country. The Government, has, in pursuance of this policy, given the industrial sector, the where-withal to develop. I refer specifically to the relaxation of import controls of raw materials and machinery.

What has been equally important is that the Government has created a climate in which the private sector feels welcome to make whatever contribution it can, to the development of our country. I think Sir, you will agree, that the industrial sector, has already made some contribution, as will be seen from the Annual Report of the Central Bank for 1978. The growth rate of the industrial sector in 1978 was 8.4% compared with

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1.4% in 1973, 0% in 1974, 2.9% in 1975, 1.8% in 1976 and 1.1% in 1977. The fact that the industrial sector in Sri Lanka had been able to achieve such a high growth rate of 8.4% after years of stagnation, is an indication that we have responded very quickly to the invitation of our Government. This growth rate has been achieved despite a number of difficulties such as lack of capital, high interest rate, and competition with free imports of finished goods.

Sir, we can, and we will, play even a greater role in Development in the years to come. In doing so, I would like to make an appeal to our members, that it be done with a sense of responsibility, that we share the fruits of our efforts with the rest of society, and in particular our employees who make success possible. We must not be unmindful of the necessity to broaden ownership, and avoid the concentration of capital in fewer hands. Unless we do something about these matters, the time may well come, when the private sector, as we know it today, will cease to exist.

You will agree, Sir, that the image of the private sector has improved in the last year or so. What we need, ladies and gentlemen, is to further improve that image. This can only be achieved by the conscious and concerted efforts of the totality of the private sector and in particular by all the Chambers of Commerce and Industry in our country. I am aware that my colleagues in our sister Chambers are making a contribution to this end.

I have earlier referred to the participation of the private sector in the development of our country. We have recently made some recommendations to the government to make our participation even more effective and meaningful. Our representations were addressed to His Excellency the President for the reason that the matters contained therein concerned a number of Ministries. Copies of our memorandum were sent to the relevant Ministries. To make participation more effective and meaningful, it is, in our view, necessary to participate at an early stage of the decision-making process. To this end we have suggested that the Government appoints a high-powered Advisory Committee on Industrial, Trade and Tariff Policy, consisting of representatives of the Ministries of Trade, Industries, Finance, Planning and Small Industries as well as 2 or 3 representatives of Chambers of Commerce & Industries and appointees to represent consumer interests. Such a Committee, because of its representative nature, would be in a position to advise, having considered all aspects of a given problem. Further, it could come up with new ideas, within the broad frame-work of Government policy. It could help in Company Law reform, in activating the share market, in identifying new growth areas, and so on, but, what is most important is, that such an Advisory Committee can work as a team to achieve common goals. It would be a meaningful participation of the private sector in the common cause of the development of our country. I am very glad to say that the Honourable Minister of Trade and Shipping has not only accepted the principle of private sector participation, but has already given effect to it as was evident last week by the appointment of private sector representatives to the Export Development Board. Sir, we not only thank you for doing so, but, congratulate you in giving the lead. There are a number of other areas in which we can make an effective contribution in the decision making process and we hope, Sir, that your Cabinet colleagues will follow your example.

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Sir, I will fail in my duty if I do not bring to your notice some of the effects of the liberalisation of the import of finished goods into Sri Lanka. At the onset, I would like to say that in principle we welcome such a policy. We do not hold a brief for inefficiently managed industries, nor do we hold a brief for local industries which make excessive profits. All we ask, is that we be permitted to compete on equal terms with imported finished goods. There are a number of areas in which we do in fact compete successfully with imported goods. But, in the light of our experience in the last year or so, there are a few areas in which local manufacturers are placed at a disadvantage compared to imports. This is neither the time nor the place to go into details. But, let us take a general example; let us say that the import duty on a finished article is even as high as 30%. On the face of it, it would appear, that such an import duty should suffice to protect any local industry. Let us examine a situation for example, when goods are imported into Sri Lanka from a Free Trade Zone, say in Taiwan. Such a foreign manufacturer, will pay no import or export duties, he will be exempted from income tax and dividend tax, he pays no business turnover tax, he does not find it difficult to borrow money and he would pay interest at something like 9% or 10%. He will have the advantage of modern machinery and equipment. On the other hand, a Sri Lankan manufacturer, pays import duties on his machinery and raw materials (I am glad to say that most of these duties are nominal but, they add up). He will pay income tax at 50%, a dividend tax of 33 1/3%, a business turnover tax ranging from 1 - 15%, he finds it very difficult to borrow money and when he is able to do so, has to pay about 18% interest. Under these circumstances, it is not surprising that some local industries are in a disadvantageous situation. We know of very few countries that do not effectively protect their home industries. The E.E.C. has customs duties as well as a quota system. U.S.A. has import duties, quotas and licencing and so has India and a host of other countries.

What we request, Sir, is that these matters be studied in depth and, that areas needing special consideration be identified, and suitable action be taken to enable such industries to get on their feet, keeping in mind also the necessity to safeguard consumer interest.

Another area that needs study urgently is the relationship between industries within the Free Trade Zone and those outside it. We wholeheartedly support the Free Trade Zone and indeed a number of our members have substantial investments in a number of projects in the Zone. However, we would like to ensure a situation where our existing export oriented industries are able to compete on equal terms in the overseas markets with industries in the Free Trade Zone.

Export is a subject in which your Ministry and our Chamber are vitally interested. I am aware, Sir, of the concerted efforts which are being made by you to stimulate exports. We offer our wholehearted co-operation to the newly set up Export Development Board. One of the greatest difficulties faced by exporters of non-traditional goods is the difficulty in obtaining credit and the high cost of such credit. We request, Sir, that credit to exporters of non-traditional goods be classified as "Priority Investments" and that credit should be provided under the Re-Finance Scheme of the Central Bank at about 9% interest. We hope this matter will receive your sympathetic consideration.

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Finally, Sir, on behalf of our membership, I would like to say, that we are very eager to participate in your Government's efforts to achieve a better life not only for a few, but all our people in this country.

I would like to thank once again our Chief Guest and other distinguished guests for their presence here today. I also take this opportunity to thank the various Ministries and Government departments for the ready co-operation they have given the Chamber during the course of the last year. I take this opportunity to thank the members of the Press who have, at all times, shown us consideration and spotlighted our problems with understanding.

In conclusion, I wish to thank the members of the Executive Council for their active co-operation and assistance during my period of office as Chairman. I also wish to thank the Chief Executive and the staff for the efficient and enthusiastic manner in which they have carried out their duties.

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Address by the Honourable Minister of Trade and Shipping

AT THE
Annual General Meeting
OF THE
CEYLON NATIONAL CHAMBER OF INDUSTRIES
Held on 23rd August, 1979

Members of the Ceylon National Chamber of Industries, Ladies and Gentlemen,

First, let me thank you for inviting me to be present at this important meeting of yours. I accepted the invitation because of my fundamental belief that in any society those in charge of Government and those involved in industry, whether private or public, must work closely in co-operation and I hope always in co-operation and with great confidence in one another. If we do not have faith in each other, if we are not frank with each other and if we try to dodge one another, then I am afraid that the basis upon which there can be achievement for mutual benefit will not be there. Your Chairman in his remarks spoke about the changes that have taken place in the overall scene of the economy in 1978 and so far in 1979. I do not think that there would be many who would disagree if we claim that there have been significant changes in direction, quantity and quality in almost all fields of economic endeavour in the last two years. Your [Chairman referred to the growth rate of the National economy. I think that it would be even more relevant to point to what has happened to Industry in the last year. According to the Statisticians of the Central Bank - and one need not sneer at them because I find that they are the only people who have some form of statistics - taking especially the so called non-traditional items, the growth was 1 per cent in both 1976 and 1977 but 11 per cent in 1978. This growth was very nearly the same in both the public and private sectors - one slightly below and the other slightly above the 11 per cent average. Employment in industry increased by 13 per cent in the public sector and by 17 per cent in the private sector - the overall average being 15 per cent. It is an unprecedented and remarkable rate of growth. To-day, industrial exports are as important as rubber in the country's export table and very much ahead of coconuts. So, when we talk of the tripod of tea, rubber and coconuts, we are talking really of yesteryear; this is not the export make-up of to-day.

Having said all this, I think one cannot sit back content. I was pleased that your Chairman drew attention to various matters which he thought were relevant. He talked about credit, about competition from abroad and about the lack of capital. Before I come to deal with these, I want to talk about a more fundamental question. In my view, there is still insufficient acceptance or understanding by the people of the country - and I mean not the ordinary people but even people in very important and responsible positions - about the role of industry in Sri Lanka. Many responsible people, if you talk to them about industry, will tell you - to use a phrase - "Seenibola Industries".

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They will tell you that it is all only packaging or assembly as if it is some kind of derisive form of manufacture. There are others who say "What can we manufacture? We have no raw materials". There are others who say that agriculture is the only answer for Sri Lanka. They will refer to Parakrama Bahu, and say "You know, in his time, things were wonderful". They will refer to D. S. Senanayake and say "D. S. Senanayake believed in agriculture". I think that we must be quite clear in this country as to what we mean by the role of agriculture and the role of industry.

There are some fundamental facts which cannot be altered. One is that this country consists of only 16.25 million acres. Unless you are prepared to invade India or the Maldives, you will not have more land. To-day we have 14 million people. Parakrama Bahu, despite what they say in literature, obviously did not have 14 million people; certainly we know that Mr. D. S. Senanayake had to contend with a country of between 5 and 6 million people. The density of population per square mile is more than 500 persons. No agriculturally prosperous country has a density of this amount. People talk of the United States and say "look, how well they are doing in agriculture". The density of population is about 50 persons per square mile. Those who are left minded will talk about the Soviet Union. The density per square mile in the Soviet Union is about 10 or 15, if my memory serves me right. So, even if you develop all the land in this country, cutting down all the forests, and settle the people on the land, you will have roughly one acre per person. The Mahaweli Scheme which is the greatest and the last great frontier in agriculture and irrigation will give you 900,000 acres. We can have one crop or 2 crops in the new land. With all the will in the world, at the level of agriculture, Mahaweli cannot house more than say a million people. Please do not get me wrong. The density of population that we have means two things, one is that for every square inch of land that we cultivate we must get the maximum benefit. For example, if our agricultural yield in paddy is 50 bushels per acre then by some means we must raise it to 75 or 80 or 90 or 100. We cannot be satisfied with our present yields because we have little land to develop. Our Rubber production per acre is good but not good enough when we think of the problem we are faced with.

No doubt we have to develop our agriculture to the maximum but that does not mean we must have what is called Parakrama Bahu syndrome. Without any disrespect to the great king, we cannot solve our problems in the way he solved them. Since we have this density of population, there is no answer for Sri Lanka except through industry. Any one who thinks otherwise will be disappointed because with all the agricultural development in this country, ultimately the majority of the people will still be poor. It will be wonderful if we could only develop through agriculture. If we had 5 million people or 6 million people as Mr. D. S. Senanayake had, I would say that the main thrust in this country must be agriculture.

When we have 14 million people and hardly any land to cultivate, it is not good enough to say that we have million acres in Rajarata which is small in real terms. Already, I have been informed by my colleague the Minister of lands that in the Wet Zone, the forest cover has fallen to 9 per cent when the recommended area of the U.N. is 20 per cent. There is already a great crunch on land. Industry provides the only way out. It is the quickest or the major way to make a sharp drop in the level of unemployment.

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According to the Statisticians, there are 900,000 unemployed. Let us take the Free Trade Zone. It has given more jobs in 600 acres than any other 600 acres in the country and that too within a period of 18 months. There is another reason for industrial movement forward. Our economists will tell you that there are things called the terms of trade. They will tell you that the terms of trade almost always move against the agricultural countries. This is one of the peculiar things about the terms of trade, that they move all the time against primary producers and agricultural producers. Most countries which have industrial sectors do not have to face serious problems of the terms of trade moving against them. That is why many countries of the 3rd world, particularly in Asia and South East Asia, have set themselves targets to move forward to industrial exports. Philippines has a target of 50 per cent by 1985 that is 50 per cent of the exports of the Philippines will be industrial goods. We talk of Taiwan as being a country which has managed to raise itself by its boot straps. More than 50 per cent of its exports are industrial goods. We talk of Korea and say that Korea has shown the way how a third world country can move forward. Well, more than 50 per cent of its exports are industrial goods. I am not speaking of Singapore and Hongkong because they can obviously be only industrial centres as they have no land worth talking about.

It is important that we spread around the idea that agriculture of maximum efficiency must be married to a significant industrial thrust, if we want to raise incomes of the masses of the people of this country. Any body who thinks otherwise, I am afraid, with all good intentions will not contribute to the prosperity of the masses. Then there are some other views that are expressed about industry. They say that industry or the owners of industry consist of a bunch of unscrupulous exploiters and that these exploiters really should not be protected by anybody. Now that really is a half truth. I am not saying a whole falsehood. In any kind of endeavour, you get people who do not actually make a great contribution from the point of view of integrity, but we must be careful not to drive away people who have entrepreneurship. In any society, not many people have entrepreneurship and not many people are prepared to take risks. I think we have to safeguard entrepreneurship and not the individual. We have to safeguard the talents which they have and to encourage them to take risks. Of course, it does not mean that you give in to them always. Sometimes they start as entrepreneurs and when they acquire so much of money and power, they can turn around and start oppressing people. Of course when they start oppressing, you start hitting them. But don't hit them before they have established themselves. So what I am saying is that it is the duty of the Government and industry to try and promote entrepreneurship. When we talk of entrepreneurship, I do not think of only the very big people. Entrepreneurship arises even from the ordinary man. It is to encourage and promote entrepreneurship that I introduced the new Copyright Law, designed to promote what I may call inventive entrepreneurship.

There is another unfortunate thing about Sri Lanka's industry. Many people ask the question "What can we manufacture? What can we export? After all, we have to bring the raw materials from outside, as if there is something terribly wrong in an industry which brings something from outside, and as if we can only industrialise on the basis of whatever comes from our soil or grows on our soil. The other day my good friend Mrs. Judith Hart, former Minister of Overseas Development of Great Britain came here and said that Sri Lanka should concentrate on agriculture and agro-based industry.

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When I had her for lunch, I said "these are my figures, how can I get the maximum from agriculture unless industry draws off the people from the land". She agreed that if Sri Lanka's agriculture is to be prosperous at least half a million people must be moved from agriculture into industry. Otherwise agriculture will be overcrowded. The amount of land which is available for cultivation per individual is too small to get anything going. Therefore we must seek to convince the people that we must develop industry in Sri Lanka even if we have to get down raw materials from outside. Of course, it would be preferable if local raw materials, are available. If local raw materials are not available, we will be extremely happy if we can import our raw materials, add value and re-export. My personal philosophy for industry in Sri Lanka - you can take it if you like - is that we will import anything from anywhere, if with that raw material we can add one rupee value or if in the processing of that raw material we can provide one additional job and then re-export. Don't ask for more from the beginning. One more job and one rupee value added and re-export. This is the way in which all countries whether in the West or in the East managed to break through into industry and become industrial nations of the world. If we confine ourselves only to raw materials that are available here, you will be prospering as rapidly as the frog prospers in its own well.

Your Chairman referred to lack of capital, lack of credit and competition from imports. As regards the lack of capital, I am afraid, you are partly to be blamed because most industries, I don't mean all, look for sources of capital in a far too narrow way. You go round the banks, you go round the traditional investors but you don't go far to try and attract capital from a large number of people. I am afraid, the private sector has not done enough to attract savings into industrial investment. In this respect, I must say that the public sector, the banks and the National Savings Banks have done a far better job. I feel much more can be done but certainly I think they have done more to attract the savings of the small investor than the private sector,

The Government intends to introduce legislation to create what is called the Employees Trust Fund. It would be similar but quite distinct from the E.P.F. The E.P.F. is a security fund but the Employees Trust Fund will be an investing fund where the mass of the workers will make contributions through their pay sheets. There will also be a levy from the employer. I have talked to the private sector people and they have welcomed it. We had discussions about 8 or 9 months ago and some of you were present. From this Fund, we on behalf of the working masses of the country, would be able to invest in an orderly and organised way in a large number of projects which are considered to be valuable and useful by the Managing Committee which will consist of responsible people.

I know that you have had some problems with the Company Law. At the moment, the Ministry of Trade has produced a draft of the Company law. We have sent it to the Ministries for comments. When we receive the comments, it will be sent to the Cabinet. After the Cabinet has agreed to the basic principles, the draft will be made available, because we believe that there must be co-operation between the Government and private sector in these matters. Thereafter legislation will be introduced. You are aware that we have brought in a new copy right law and we have updated the Trade Marks Law, the Patent law, and the Industrial Designs law. These will be operative from January, 1980. I hope that we can go through the mechanics of the new Company Law so that it

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can also be operative from January, 1980 or at least some where in 1980. We are also working on the whole question of the stock market and stock exchange. This is some what of a pioneering work. We hope that more funds will come into the capital market.

You know that if we have run away credit, we will have run-away inflation with it and consequently run-away prices. While industrialists and self-employed may probably be able to ride it, people with fixed incomes will have to bear the strain. The Government is keen not to make the fixed income people to bear more strains than is necessary. Therefore it has become necessary to place tight limits on credit. If we could have 11 per cent expansion in industry and 11 per cent expansion in capacity utilisation with all this tight credit, it really cannot be that tight to prevent you from going ahead.

Another thing referred to by your Chairman was competition from imports. I know that this is a kind of sixty four thousand dollar problem that keeps turning up like a bad penny. I think industrialists have not understood the impact of import liberalisation on industry. You were a protected group. As a result of protection, you enjoyed handsome returns and because you enjoyed handsome returns people looked upon you with some disfavour. Even now, you will find politicians who speak of you as being ruthless exploiters. I think, the blame should really go to the Government which created such opportunities rather than to the industrialists. You were encouraged to think that import substitution was the way ahead of you. To my mind, this was a tragic error which this country made in 1961. Industrialisation based on import substitution came to Sri Lanka on account of the foreign exchange crisis and exchange control. It was not planned. It descended upon Sri Lanka like a cyclone. Some people took the opportunity, went ahead and made profits. It was not entirely devoid of benefits. People got technology and know how. They learnt to organise factories and to manage them. They even went into international competition. This kind of error had happened many times before. I will give you an example of what happened in another field.

Way back in 1945 we told everyone "learn Sinhala, forget about English." Thirty years later, having created this group of people, we are now saying that they must know English as well. What we are saying now is the truth, that is you must know both Sinhala and English in order to survive in business. The same is true of industry. Having been told for 17 years "don't worry, don't look for exports, look only for import substitution," now the truth is being told that Sri Lanka's industry must be basically export oriented. The scope for import substitution industry in Sri Lanka without an export factor attached to it is limited. We are only a nation of 14 million people. The per capita income is low. The domestic internal market for industrial goods is limited. Very few industries can really survive if they have to depend on the domestic market only. There is no way other than moving into the export markets as far as possible. One of the factors of industrial growth in Sri Lanka is that to-day up to about 20 per cent of the industrial output is exported. I would like to see that you set for yourself a target where 50 per cent of industrial output is exported at the end of say 5 or 6 years. But if your attitude is "please protect us from foreign competition" much as the heart may sympathise with you, the

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head will not because as His Excellency the President always says "how many consumers, how many industries?." There are many more consumers than industries. The Government has to look after the interests of the many rather than the few. I find that no industry that as gone into exports is complaining.

There are many things which we can do to-day. Just before I came here I went to a rather strange function, i.e. the first export of garments by Lanka Salu Sala. This is the reason why I got a few minutes late for your meeting. I asked them from where they got the imported cloth. Because Salu Sala imports all the cloth, I thought they must have imported the cloth to make the garments for export. I was surprised to learn that they have used Welka cloth made locally. The garments made out of local cloth have been exported to foreign buyers. It shows the kind of things which you can do with initiative. You are men and women with initiative. Persons with initiative have fresh ideas and can break into new fields. You must not ask to be mollicoddled like babies. You are only insulting yourself. I have great confidence that you can think afresh, that you can break new ground and that you can lead this country forward in the field of industry and industrial exports.

The Government will work with you hand in hand provided that both understand the rules of the game. I am personally of the view and the Government is also of that view that we should have a close and honourable relationship between the Government and the private sector. The first commitment of the Government is to the country and to the consumer. You can help the Government to honour this commitment. In helping, the Government to honour this commitment, you will undoubtedly help yourself also you are concerned about helping yourself. But the Government is concerned as to how while helping you it can help the broader objective of the Government. So let us go forward to a new phase in Sri Lanka's industrial expansion, not to the introverted the introspective, and the inward looking import substitution phase, but to something where we look beyond our shores, something where we are outward looking. We produce the world's best tea and we can sell it against anybody. Our cinnamon sells at a premium over that of anybody else. Our cloves - we have changed the Indian market in 6 months. We are producing ceramics which can stand on its own in the world markets. We are producing and exporting garments which nobody says is less than the best. We have imagination. We have an extremely skilled labour force. Our people learn skills faster than anyone else. I would like to think that our business community is as quick in imagination in adopting itself and in initiative to go forward. You see a new beginning everywhere. You must not look back. You must look forward. If you will look forward, I think we can all go forward even quicker, and if we do that, 900,000 people who have no jobs to-day will be behind machines taking money back home. If that happens, the Government, you and everybody will be much happier than to-day.

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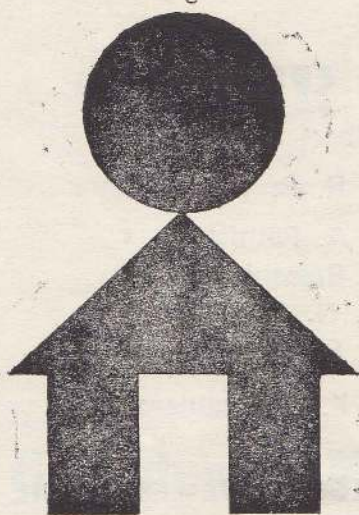
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Packaging is an integral part of the marketing concept. It's a specialized technique which seeks to protect and promote your product.

Ceylon Polythene Industries offers you a service which will meet your most exacting requirement.

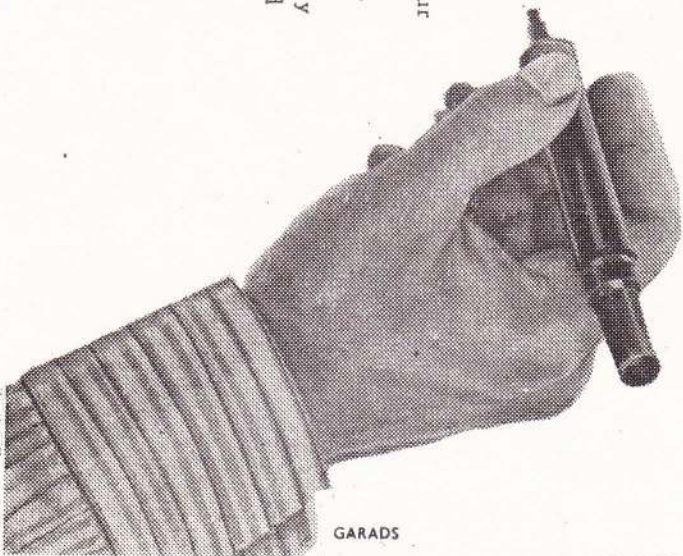
A film that is clear, coloured, gusseted or slitted – in colours that are gay and exciting. In bags which are plain, printed or gusseted.

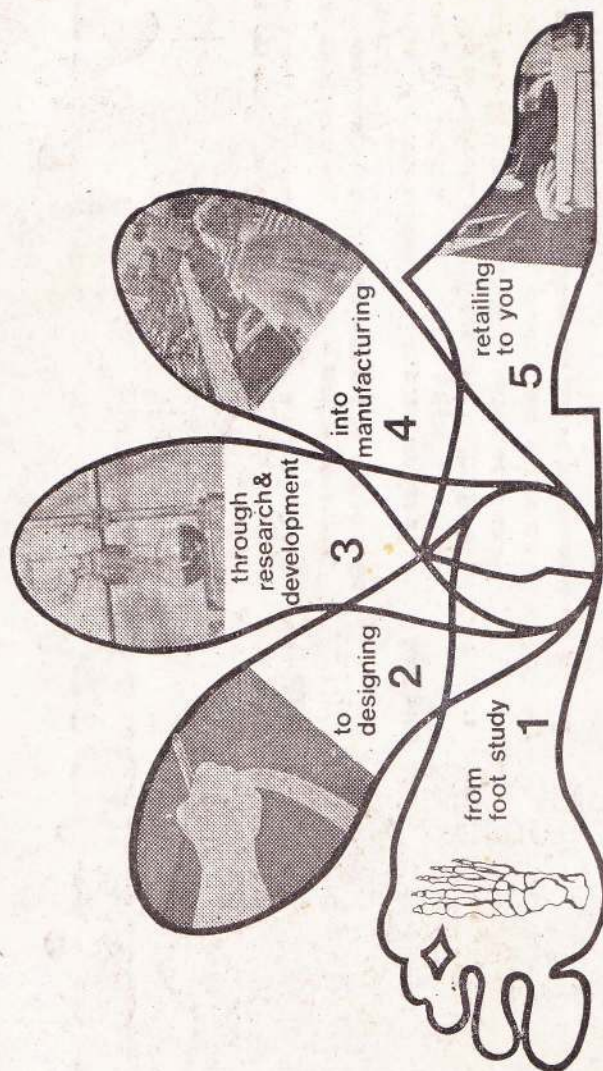
When it comes to printing, our expertise is at your service. The highly versatile rotogravure printing machine can take on polythene or alu-foil and give you single or multicolours.

Our advice and attention to your product speciality makes Ceylon Polythene Industries your best choice, in fact your partner.



Ceylon Polythene Industries
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Bata understands quality