

THE ECONOMIC TIMES

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VITAL ROLE FOR CO-OPS

THE MINISTER OF INTERNAL AND FOREIGN TRADE, MR. T. B. ILLANGARATNE, HAS DRAWN UP A COMPREHENSIVE SCHEME TO REORGANIZE AND REVITALIZE THE CO-OPERATIVE MOVEMENT IN THE COUNTRY. THIS IS BASED LARGELY ON THE PROPOSALS IN THE THRONE SPEECH. THE PRIMARY AIM IS TO ENSURE THAT THE CO-OPERATIVE MOVEMENT PLAYS A MAJOR ROLE IN THE ECONOMY OF THE COUNTRY, ESPECIALLY IN RURAL DEVELOPMENT.

The basis of the new scheme is the formation of large and economically viable societies with branch organisations. Such large societies will be created by the amalgamation of the existing societies within a given area of operation. But the activities of the large Societies will be decentralised so that members will be able to obtain the services from a number of branches located more or less in the same place where independent small societies exist today.

The identity and the individuality of the local branches would be preserved by a system of local membership meetings and local Committees, the emphasis being that the organisation at the central and the branch level will be truly people's organisations.

The law will be amended shortly to provide for voluntary and compulsory amalgamation of societies and other provisions necessary for the implementation of the scheme.

Existing Defects

The Minister points out that the formation of small societies and the consequences following therefrom are the most significant factors in the present unsatisfactory situation. The fact that of the Co-operatives engaged in Consumer and Agricultural activities 16.8% are defunct and 49.3% are operating at a loss is enough proof of inefficiency, the Minister states.

EXCLUSIVE

Salient features of the large Societies

Among the major defects and deficiencies referred to are:—

- * Many societies are far too small to be viable units.
- * General apathy of members which tend to result in the election of Committees which are inactive, incompetent or dishonest.
- * The occurrence of fraud and other forms of corruption are noticeable.
- * Insufficiency of supervision and guidance from the Co-operative department's field staff.
- * Lack of capital and managerial competence.
- * They do not carry stocks of all goods required by members.
- * There is no system of research and planning with regard to consumer activities.
- * With regard to agricultural credit Committees have been lax in the granting and recovery of loans.

Salient features of the large Societies

The work of the large primary Multi-purpose Society will be organised under five main departments viz.,—

- 1.—Consumer services.
- 2.—Agricultural services, supply and marketing.
- 3.—Credit (for agricultural and other purposes).
- 4.—Industrial activities.
- 5.—Education and cultural activities.

As regards consumer services, the large primary society will make direct purchases from the C. W. E. District Depot, the Food Commissioner and other apex level suppliers such as Salu Sala, State Corporations, local manufacturers, etc., and distributed to the consumer through the various Branches

The People's Bank will play a major role in the new set-up. Every large society will set up a Rural Bank to serve the area

Marked increase in money supply

In the first half of 1970 the money supply recorded an increase of Rs. 106.8 million as compared to Rs. 4.7 million in the corresponding period last year. The average monthly level of money supply which amounted to Rs. 1,932.4 million was 1.6 per cent higher than that of the first half of 1969.

According to Central Bank sources, the increase in money supply in the period under review stemmed largely from the increase in bank credit to the domestic sector. In sharp contrast to the corresponding period of 1969, time and savings deposits of co-operatives were drawn down. Bank Credit to the private sector recorded an increase of Rs. 115.3 million as compared to Rs. 81.3 million during the same period last year.

of the society in collaboration with the People's Bank.

Qualified and competent personnel will be appointed as General Managers, Accountants and Executives. They will be the king pins for ensuring efficiency in management.

At present there are over 5,800 multi-purpose societies and it is aimed at reducing this number to about 550.

(See pages 4 and 5 for more details and a summary of the main proposals)

Public debt keeps rising

Ceylon's Public Debt—both external and domestic, has risen consistently from January to June this year, except for a slight decline recorded in March '70. The total external debt rose from Rs. 1522.0 m., in May to 1,535.2 m., in June this year, while the Domestic Debt rose from Rs. 6,583.4 to Rs. 6,683.9 m., during the same period—Thus showing an increase of Rs. 100.5 million, according to Central Bank statistics.

The total amount of foreign loans utilised in June 1970 was Rs. 23 million, consisting of Rs. 5 m., of project loans and Rs. 18 m., of non-project

(commodity) loans. Total foreign finance utilised in the corresponding month of the previous financial year amounted to Rs. 25 m., comprising of Rs. 14 m., of project loans and Rs. 12 m., of non-project loans.

In the first nine months of the current financial year utilization of foreign loans amounted to Rs. 234 m., of which Rs. 74 m., was by way of project loans and Rs. 160 m., by way of non-project (commodity) loans. In comparison foreign loans utilised in the corresponding period of the previous year totalled Rs. 287 m. consisting of Rs. 75 m., of project loans and Rs. 212 m., non-project loans.

The receipts, net of repayments, in the first nine months of the current financial year were lower in respect of both project loans and non-project loans, when compared with the corresponding period last year. Meanwhile, the repayments in respect of both project and non-project loans were higher

I.D.A. Assistance to India

Assistance to India from the International Development Association touched a new high during 1968-70. The amount was \$ 227.5 m., equivalent to nearly Rs. 1,710 m. In addition, the World Bank gave a loan of \$ 40 m., i.e., about Rs. 300 m. to the Industrial Credit and Investment Corporation of India.

The Annual Report of the World Bank and its soft-lending affiliate, the I.D.A., states that, with this aid, India becomes the largest recipient of Loans and Credits from these organisations. The assistance given to India by the International Development Association was 27% of I.D.A. total commitments during the year.

U. S. Foreign Assistance Programme for the '70s

Text of President Nixon's Report

Commences in this issue (See page 4 & 5)

Rs. 22 m. Grant from China

The People's Republic of China has agreed to give Ceylon an outright grant of Rs. 22 million for the setting up of a textile mill in Ceylon.

An agreement to this effect was signed in Colombo on October 15, by the Ambassador of China in Ceylon and the Permanent Secretary to the Ministry of Planning and Employment.

This grant is being made available under the China-Ceylon Aid Agreement signed 13 years ago. China has also agreed to give Ceylon an outright grant of Rs. 5-5 million in addition to the grant it had already given to meet the increased costs of the Bandaranaike Commemoration International Conference Hall.

Meanwhile Salu Sala's Chairman, Mr. D. Perera, left for the Canton Trade Fair to negotiate with the Chinese Government, the purchase of textiles valued at Rs. 43 million under a barter agreement.

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MARKET PRICES

COLOMBO CLOSING PRICES 10.10.70

TEA (Rs. Cts. Per lb.)			
Approximate range of prices (including teas sold Ex-Estate)			
BOPS		B. O. P. Fs	
High Grown	1-60	3-75	1-55
2 at 3-90	1 at 3-80		1 at 3-50
3 at 3-95	1 at 3-95	1 at 4-10	1 at 3-50
Medium Grown	1-42	2 10	1-47
Small leaf Low Grown	1-30	1-54	1-38
Tea for Price	1-00	1-35	1-05
Leafy B. O. P.	1-22	1-53	
	F. B. O. Ps.	F. B. O. P. Fs	
Tippy Teas	1-33	1-62	1-38
	1 at 1-63	1 at 1-66	1 at 4-95
			1 at 5-50
			1 at 8-35

PRICES FOR THE WEEK ENDED 11.10.70
(Rs. cts.—per lb.)

RUBBER	Closing Quotations	Avg. todote 1970	Avg. Same Period 1969
RSS No. 1	81 3/4	92	105
RSS No. 2	75 1/2	87 1/2	101 1/2
RSS No. 3	73	85 1/2	100

COPRA (Rs. per Candy)		High	Low
Estate Copra	No. 1.	248.50	253.00
COCONUT OIL (Rs. per ton)		High	Low
October		1660	1575
November		1600	1575

DESICCATED COCONUT (per lb.)
October and November 62 cts.

Prices for the week ending 12. 10. 1970			
Commodity	Buyers	Quotations	Export Duty
Cardamoms	22/00	24/50	40% on true F.O.B. value
Cloves	19/00	20/00	
Clave Stems	4/00	4/25	
Mace	8/50	8/75	
Nutmeg (Shelled)	5/25	5/50	
Nutmeg (Unshelled)	2/75	3/00	
Pepper (Black)	5/16	5/22	
Pepper (White)	15/00	15/50	
Papain (White)	15/00	15/50	
Papain (Brown)	9/00	9/50	
Cinnamon H/1	3/30	20% on true f.o.b. val.	
Cinnamon H/2	3/30	-do-	
Cinnamon Quillings No.1	3/50	-do-	
Cinnamon Quillings No.2	2/50	-do-	
Cocoa	232/00	Export Duty 40% on true f.o.b. value	

Commodity	Per Cwt.	Export Duty
Coffee	361/00	
Kapok (Clean)	130/00	
Kapok (Unclean)	39/00	
Croton Seeds	125/00	130/00
Essential Oils		
Cinnamon Leaf Oil	23/50	
Cinnamon Bark Oil	24/00	per oz.
Citronella Oil Estate Quality	6/25	per lb. 10% on true f.o.b. value
Citronella Oil Ordinary	6/10	per lb.

SUBSIDIARY CROPS — WEEKLY PRICE LIST POYA ENDING 14/10/70

The undernoted quotations are the Wholesale Buyers Prices paid in Colombo and is maintained only as a guide to the trade. Every effort has been made to be as accurate as possible.

Cereals (Per Bag 154 to 158 Lbs)		Per bushel
Paddy-		
Samba	16/00	—
Other Varieties	13/00	—
Rice-		
Par Boiled	68/00	—
Country Rice No. 1	78/00	— 80/00
Country Rice No. 2	75/00	—
Samba Rice	90/00	— 98/00
Kora Rice	100/00	— 110/00
Maize-		
Pulses	44/00	—
Red Gram (Toor Dhal)	40/00	— 45/00
Black Gram (Undu)	61/00	
Bengal Gram	46/00	
Green Gram	53/50	
Bombay Cowpea	40/00	

TEA REPORT

Auction No. 39 held on 9th and 10th October, 1970.

The total quantity offered was 5,657,005 lbs., comprising 3,125,557 lbs., Leaf Grades, 469,197 lbs. Dusts, 103,738 lbs. Reprints, 80,209 lbs. Sundry Lots and 1,982,042 lbs. Ex Estates. There was a good standard of tea from Western districts but Uvas continued to decline in quality and were generally plainer and greener. There was a good general demand.

High-Grown Teas : Best Western Broken with Russian support dropped 10/20 cents compared with last week's higher closing levels. Coloury Dimbulas were dearer but light liquoring teas declined in value. Good liquoring Uda Fannings were irregular and often easier but there was a fair demand for the plainer teas. A few bright liquoring Uda Pussellawas invoices sold well but consecutive invoices of Uvas declined progressively in price. Pekoes sold very well.

Medium-Grown Teas : The few best Western Broken on offer were unchanged, others generally declined by 5/10 cents but the poorest were fairly steady. BOP Fannings were lower by the same margin but again fairly steady for the poorest.

Low-Grown Teas : Bright liquoring BOP's and BOP

Fannings showed little change in price but others dropped 3/5 cents and. Russian Gulf types declined by the same margin except for the best made teas which maintained last prices. OP's continued to be in good demand but stinky and bought leaf teas dropped 3/5 cents.

Tippy Teas : The best FB-OP's and small leaf FBOPF's were steady while the showy types were easier.

Off Grades : These were fully firm.

Dusts : There was a good demand at dearer rates.

RUBBER REPORT

Week-ending 11th October '70

Continuous heavy rains were experienced in most planting districts during the week under review thereby hampering tapping operations.

RSS No. 1 opened 1/2 cents easier at -81 1/2 cents per lb. despite the reduction in duty by 2 cents per lb., declined further fairly sharply the following day to touch -79 3/4 cents per lb., but recovered thereafter in line with overseas advices to close at -81 3/4 cents per lb.

Approximately 544 tons of LATEX CREPES were offered at the Two Sales held during the period under review, a slight increase of 28 tons compared to the previous week total. At the First Sale, best latex crepes declined by 1 cent per lb., but the F.A.Q. Offerings improved by 1/2 cent per lb., Duller and inferior sorts however were quoted sharply lower by 3 to 7 cents per lb. At the following Sale, best latex crepes recovered by 1/2 cent per lb., but the F.A.Q. types were 1/2 cent per lb. easier. Duller sorts were 2 cents per lb. steeper, but inferior types were again 2 cents per lb. lower.

Approximately 174 tons of SCRAP CREPES were offered, a decrease of 14 tons compared to the previous weeks total. At the First Sale, continued absence of fresh demand resulted in prices being marked down substantially by 5 to 8 cents per lb. The following Sale saw a further drop of 2 to 5 cents per lb.

Approximately 16 tons of SOLE CREPE were offered an increase of 6 tons compared to the previous week's total. All F.A.Q. Offerings once again sold at fully firm to dearer rates on continued good general demand.

remained unchanged at Rs. 190/- per cwt.

6,946 lbs. of PEPPER were on offer and the market eased slightly with the No. 1 quality being quoted at Rs. 4/85 per lb.

Approximately 67 Cwts. of COFFEE were on offer with good quality Robusta being quoted at Rs. 361/- per cwt. and off grades being quoted at Rs. 265/- per cwt.

The market for NUTMEG was neglected with 665 lbs. of Nutmeg being withdrawn due to lack of suitable bids.

483 lbs. of CLOVES which were on offer were withdrawn due to lack of suitable bids.

COMPANY MEETING REPORTS

The Economic Times regularly features Company Meeting Reports.

Annual Reports of Companies may be addressed to :

Editor, (Company News)
C/o. The Economic Times
(1st Floor.) 157,
Jayantha Weerasekera
Mawatha,
Colombo 10.

Produce Report

Week-ending 10th October '70

6,532 Pounds of CARDAMOMS were offered at the Sale of the 5th October, a decrease of 1622 lbs. compared to the previous week's total. The market was stronger this week with buyers competing for good quality Cardamoms and the No. 1 quotation was made at Rs. 22/- to Rs. 24/50, an increase of Rs. 2/- to Rs. 3/- per lb. Next best grades were transacted at Rs. 20/- to 21/50 per lb. whilst Off Grades remained weak and were quoted at Rs. 9/- to Rs. 13/-

per lb. A superior lot of bold green cardamoms fetched Rs. 36/50. Seeds were slightly dearer and fetched Rs. 26/05 per lb.

Approximately 33 Cwts. of COCOA were offered, a decrease of 63 Cwts. over last week's total. Buyers showed lack of interest and one large lot of No. 1 quality Cocoa was transacted at Rs. 232/- per cwt. at which price the quotation was made. Next best grades were quoted at Rs. 215/- to Rs. 220/- per cwt. while darker and poorer grades

	Per Bushel
Millets	
Finger Millet (Knakkann)	10/50
Sorgum	Per Cwt. ... 440/00 per ton
Soya Beans	700/00
Spices / Condiments	Per Lb.
Mustard	8/00 8/50
Chillies	Per Cwt.
Dried Long	275/00 320/00
Dried Round	200/00 160/00
Dried Off Grade	100/00 100/00
Goraka	15/00
Vanilla	100/00 Per Lb.
Tamarind	300/00 310/00 Per Cwt.
Nuts Cashew	Per Lb.
Groundnut	65/00 Per 80 Lbs.

FAO Tea talks

Ceylon opposes quota increases

Mr. Doric Souza, Permanent Secretary to the Ministry of Plantation Industries, Ceylon's chief delegate to the Tea Exporters' Group meeting in Rome, took strong objection to any increase in export quotas, except in respect of distributable short-falls.

Mr. Souza's standpoint was that if any country disregards the conditions imposed by the "Mauritius Agreement" or fails to expand its internal market to accommodate production increases, it cannot make this a ground for increasing export quotas.

Mr. Souza stated that: "The core of the Mauritius Agreement is a regulation in exports in order to achieve firmer and reasonable prices. These aims have up to now been achieved, any action which attempts to increase export quotas and thus release to the world markets additional supplies will negate the effect of the Agreement."

Ceylon would like the Agreement to cover ten years with intermediate review as and when necessary."

Any request for an adjustment of quotas fixed in Mauritius and readjusted in Rome in December 1969, must be justified not on the basis of short fall, but in some other way which would be of benefit in the long-run to all exporting countries. The cost of the concession for Ceylon would be substantial if the price indications given by the UNCTAD Secretariat can be taken even as an approximate guide," Mr. Souza added.

Allocation of Shortfalls

Kenya and Malawi recorded an excess of production, thus creating for themselves a disposal problem.

Certain priorities governing the allocation of shortfalls were agreed to, both in Mauritius and in Rome, subject to a overall total of 1,311 million pounds. At Mauritius it was decided that a total of 3,000,000 pounds would be available to Kenya, but not to any other country. This decision was changed in 1969.

In the total of 1,311 million pounds, an overall shortfall of 1 per cent or a little more than 13 million pounds was envisaged. Building this into a quota system it was made possible to increase the quota of Kenya by 5,000,000 pounds, that of Turkey by 4,000,000 pounds and that of Tanzania by 2.5 million pounds while Camerouns were allocated 2,000,000 pounds. This figure with an estimated shortfall of 1 per cent adds up to the Mauritius tally of 1,311 million pounds. It was also agreed that Turkey should have first call on any additional shortfall.

Rubber - Main trends

Rubber Production in Ceylon during Jan/August 1970 totalled 101,757 tons, a substantial increase of 4,800 tons compared to the corresponding period in the previous year.

Consumption of Natural Rubber during Jan/August 1970 totalled 2,263 tons, a slight decrease of 57 tons compared to the corresponding period in the previous year.

Actual Exports of Rubber during Jan/August 1970 was 102,963 tons, a substantial increase of 9,247 tons compared to the corresponding period in the previous year.

TEA: WEAK MARKETS AHEAD?

Cheering aspects of the Tea Market in Colombo last week were the continued presence of the Russian Buyer, and the strength of the Dust and Off Grade markets. The Russian Buyer was very selective, only bidding on the good Dimbulas and the few best Uvas and Uda Pussellawa invoices. It looks as though there will be continued keen enquiry for well made black grainy Dusts, and it would behove most Medium and Low-grown estates to clean up the BOP Fanning grades by removing any powdery tea and including it in the good Dust grade.

A leading Brokering firm comments that: "We are not so sanguine about the strength of World markets for the next few months as we were two or three months ago. There are various factors influencing the weakness of the London Market which in turn affects Auctions in producing countries."

The Gauhati Auctions for Assam teas will remove increasing large quantities from the Calcutta Auctions and thereby speed up the disposal of the North Indian crop. Indian production is certainly ahead of last year but on the other

hand internal consumption in India can easily absorb this increased production if incentives to export were not availed of by Indian Producers.

The growing use of instant tea, tea bags and tea vending machines is cutting down consumption through lack of wastage compared with the brewing of "loose" tea which was prevalent in the past.

These various factors, with growing U.K. stocks, lead us to think that there might be rather weak markets, except for the best teas, in London and Colombo for sometime.

Ceylon blows hot in Canberra

"Guess work is not very satisfactory when it is applied to such a sensitive area as trade. After all the FAO is an independent organisation and whatever figures it puts out would influence the market."

So stated Mr. Gamini Senewiratne, Senior Assistant Secretary, Ministry of Plantation Industries, at the 10th FAO Conference for Asia and the Far East, held in Canberra. The topic of discussion was the "Prospects for main export commodities of the Region

Mr. Senewiratne maintained that the FAO projections for tea have proved wrong. He said that the basis on which these projections were worked out is in some cases naive and perhaps disingenuous. He pointed out that it is fruitless to describe prices in terms of a simple relationship between supply and demand while other vital factors are glossed over. For instance, operations effecting shipping and freight charges often aggravate and

sometimes even create commodity problems for the developing countries. The auctions procedure is another aspect of the process of marketing that determines prices;

He therefore urged the FAO to initiate a comprehensive study of all aspects of marketing which would place the countries of the Region in a better position to solve the problem of earning and saving foreign exchange.

Crop Diversification

In regard to the diversification of export commodities, Mr. Senewiratne sounded a note of caution against the danger of diversifying from one crop into another in which there might well be a glut on the world market. Diversification should be preceded by an adequate study of marketing prospects.

NATURAL RUBBER PRODUCERS MEET

Dr. Colvin R. de Silva, Minister of Plantation Industries represents Ceylon at the first meeting of the Association of Natural Rubber Producing Countries (ANRPC) in Malaysia. (14th to 16th Oct., 1970).

ference was summoned prior to Ceylon's participation at any International Meeting. (Contd on page 10)

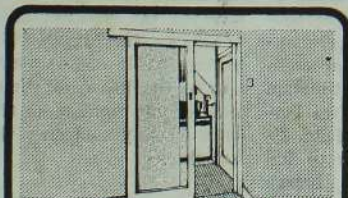
SHARE MARKET REPORT

The Share Market showed little change from the easier conditions of the previous week, according to the Report of the Colombo Brokers Association.

	Previous Price Rs. Cts.	Oct. 12 Rs. Cts.	+ or - Rs. Cts.
TEAS			
Doomoos	6-50	6-50	
High Forests	7-00	7-00	
Uplands	5-50	6-00	+50
TEA CUM RUBBERS			
Golindas	4-50	3-00**	-1-50
Pelmadulla Valleys	6-00	7-00*	+1-00
Saffragams	7-25	6-75	-0-50
Talangawellas	3-75	3-25	-0-50
Watapotas	4-50	3-25	-1-25
RUBBERS			
Procesters	14-50	10-00	-4-50
COMMERCIALS			
Ceylon Brewery	20-00	20-00	
Cold Stores	16-50	15-00	-1-50
Ceylon Tobacco	18-00	17-75	-0-25
Browns	10-50	10-50	
Collettes	9-00	9-00	
Chemical Industries	24-00	24-00	
Lambrettas	7-75	6-50	-1-25
Rowlands	6-00	6-00	
Reckitt and Colman	37-00	22-00	-15-00
Kandy Textiles	11-00	10-00	-1-00
Colombo Fort Lands	18-00	18-00	
Commercial Banks	8-75	8-50	+0-25
E. B. Creasy	13-50	13-50	
Hayleys	15-00	15-50	+0-50
Ceylon Investments	7-00	7-50	+0-50

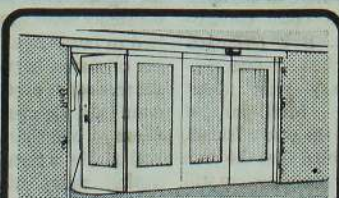
There was no business in Preference Shares and Government Loans.

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Foreign aid for the 'seventies - Text

I am proposing a major transformation in our foreign assistance programs. For more than two decades these programs have been guided by a vision of international responsibilities conditioned by the aftermath of World War II and the emergence of new nations. But the world has been changing dramatically; by the end of the sixties, there was widespread agreement that our programs for foreign assistance and not kept up with these changes and were losing their effectiveness. This sentiment has been reflected in declining foreign aid levels.

The cause of this downward drift is not that the need for aid has diminished; nor is it that our capacity to help other nations has diminished; nor has America lost her humanitarian zeal; nor have we turned inward and abandoned our pursuit of peace and freedom in the world.

The answer is not to stop foreign aid or to slash it further. The answer is to reform our foreign assistance programs and do our share to meet the needs of the 'seventies.

A searching re-examination has clearly been in order and, as part of the new administration's review of policy, I was determined to undertake a fresh appraisal. I have now completed that appraisal and in this message I am proposing

a set of fundamental and sweeping reforms to overhaul completely our entire foreign assistance operation to make it fit a new foreign policy.

Such a major transformation cannot be accomplished overnight. The scope and complexity of such an undertaking requires a deliberate and thoughtful approach over many months. I look forward to active discussion of these proposals with the Congress before I transmit my new assistance legislation next year.

Reform No. 1.—I propose to create separate organizational arrangements for each component of our assistance effort: security assistance, humanitarian assistance, and development assistance. This is necessary to enable us to fix

responsibility more clearly, and to assess the success of each program in achieving its specific objectives. My proposal will overcome the confusion inherent in our present approach which lumps together these separate objectives in composite programs.

Reform No. 2.—To provide effective support for the Nixon doctrine, I shall propose a freshly conceived international security assistance program. The prime objective of this program will be to help other countries assume the responsibility of their own defense and thus help us reduce our presence abroad.

Reform No. 3.—I propose that the foundation of our development assistance programs be a new partnership among nations in pursuit of a truly international development effort based upon a strengthened leadership role for multilateral development institutions. To further this objective,

—The U.S. should channel an increasing share of its deve-

lopment assistance through the multilateral institutions as rapidly as practicable.

—Our remaining bilateral assistance should be provided largely within a framework established by the international institutions.

—Depending upon the success of this approach, I expect that we shall eventually be able to channel most of our development assistance through these institutions.

Reform No. 4.—To enable us to provide effective bilateral development assistance in the changed conditions of the 'seventies, I shall transmit legislation to create two new and independent institutions.

—A U.S. International Development Corporation, to bring vitality and innovation to our bilateral lending activities and enable us to deal with lower income nations on a business-like basis.

—A U.S. International Development Institute to bring the genius of U.S. science and

technology to bear on the problems of development, to help build research and training competence in the lower income countries themselves, and to offer co-operation in international efforts dealing with such problems as population and employment.

Their creation will enable us to phase out the Agency for International Development and to reduce significantly the number of overseas U.S. government personnel working on development programs.

Reform No. 5.—To add a new dimension to the international aid effort insuring a more permanent and enduring source of funds for the low income countries, I have recently proposed that all nations enter into a treaty which would permit the utilization of the vast resources of the seabeds to promote economic development.

Reform No. 6.—I propose that we redirect our other policies which bear on development to assure that they reinforce the new approach outlined

n this message be to expand contribution of trade and p and to increase of government iprograms pro lopment proce changes are n

—I propose promptly tow a system of f for the exports products of t countries in t of the industri

—I am ord nation of thos tions on pr hinder our guarantee pro port of U.S. pr in the lower in

—I propose countries take requirement t be used to pur services produ providing the untying of aid must be taken other nations; begun discuss

CO-OPERATIVE MOVEMENT IN CEYLON

Co-operative Societies have been in existence in this country for 58 years. Hence, a scheme of re-organisation should retain those features which have contributed to its strength and should check those features which have contributed to its weakness.

Since 1942, the Co-op activities have played a significant role in the economic life of the people in providing consumer services, credit for agriculture and small industries, agricultural and industrial supplies, mechanisation of the Fishing Industry and in Agricultural and Industrial Marketing. The formation of Multi purpose Co-operatives in 1957 and thereafter was a step in the right direction. The interest of the people as cultivators and artisans, are inseparable from their interest as consumers. Marketing of agricultural and industrial products by the Society which grants loans to the producers would facilitate the recovery of loans whilst the supply of consumer requirements at reasonable prices would help the producer to make the best use of his income. This would also help in lessening his dependence on the trader. Hence, it is vital that Multi-purpos: functions should be retained as a desirable feature of Co-operative Societies.

The Aim

The scheme of reorganisation will therefore aim at developing the Multi Purpose Co-

operative Societies as the most viable instrument for the economic, social and cultural development of the people. Whenever feasible the M.P.C. Societies would also assist in industrial development.

A large primary Multi-purpose Co-operative Society will be created by the amalgamation of the existing small societies within a given area of operation. But the activities of a large society will be de-centralised so that members will be able to obtain the services they require from a number of branches located more or less in the same place when independent small societies exist today. Where the existing Society is too small for operation even as a branch, it may be necessary to amalgamate it with the neighbouring branches. The identity and the individuality of the local branches would be preserved by a system of local membership meetings and local Committees, the emphasis being that the organisation at the central and the branch level will be truly people's organisations.

AREA OF OPERATION OF A LARGE PRIMARY SOCIETY

An important issue to be settled at the outset is the size and demarcation of a large primary Society. It is proposed that normally there will be one Society for the area of a Local Government Authority i.e. a Village Commi-

tee, Town Council, Urban Council or Municipal Council. There are 638 such Local Government Authorities in the Island viz:

Village Committees	513
Town Councils	79
Urban Councils	34
Municipal Councils	12
	638

Apart from the geographical demarcation the population has also to be taken into account in the formation of large societies. A study of the distribution of population according to the Local Government Authorities indicates that there are 2 Urban Council areas, 14 Town Council areas and 34 V. C. areas

PATTERN OF REORGANISATION

where the population is below, 3,000 and obviously some of them may have to combine with adjacent Local Government areas. It is estimated that the process of amalgamation may yield about 550 large Multi-purpose Societies for the whole Island.

It is proposed that the area of a large primary Society will coincide with that of the Development Councils proposed by the Ministry of Home Affairs, Local Government and Public Administration, and the Ministry of Planning. The existing small primary societies would become branches except where they are too small to operate economically

even in branches. In such event they would be amalgamated with another branch.

METHOD OF REPRESENTATION AND RELATION BETWEEN BRANCHES AND THE LARGE PRIMARY SOCIETY

A large Multi-purpose Society would operate through a number of local branches. The branches of a large primary Society will be located so as to serve its constituents in the most effective manner whilst ensuring the economic viability of such branch.

In order to ensure the widest participation, it is suggested that the value of a share will be brought down to Re. 1/-.

However, a number desirous of obtaining credit facilities for agricultural, industrial or consumer needs would be required to invest in a larger number of shares, in proportion to the services he expects to obtain from his Co-operative. Purchase of one share of Re. 1/- will entitle a member to full voting rights at a branch general meeting, to be a delegate to the Central General Meeting and to hold any office in the Society.

The general body of the large primary society will be a meeting of delegates representing the branches.

The members served by each branch will also meet

separately in review the activities of their branch as well as of the society as a whole. They will be provided an opportunity of making suggestions for improvement. The members of each branch will elect their own Branch Committee of 9 members.

The General Body will elect a Board of Directors which will be a policy making and supervisory body. This Board will consist of 15 persons of whom 9 will be elected, 5 will be ex-officio and one a nominee of the C. C. D. The ex-officio members will be the local representatives of the Departments of Agrarian Services, Agriculture, Industries, Education and Rural Development. The Board of Directors which will be res-

ponsible to the General Body will give policy directives to the General Manager and will supervise the implementation of policy. The Manager will be responsible and accountable to the Board of Directors for the working of the entire Society including the branches.

The Branch Committee will enrol new members, organise and execute educational and cultural activities, suggest to the Branch Manager ways and means of improving the services, entertain and deal with members complaints, express opinion on matters referred to it by the Central

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Committee of its own initia SUMMARY

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The Bran preserve their ow duality. The large s be truly a people's tion.

Text of President Nixon's message (Part 1)

In this message. Our goal will be to expand and enhance the contribution to development of trade and private investment and to increase the effectiveness of government programs in programs promoting the development process. A number of changes are necessary:

I propose that we move promptly toward initiation of a system of tariff preferences for the exports of manufactured products of the lower income countries in the market of all of the industrialized countries.

I am ordering the elimination of those trying restrictions on procurement which hinder our investment guarantee program in its support of U.S. private investment in the lower income countries.

I propose that all donor countries take steps to end the requirement that foreign aid be used to purchase goods and services produced in the nation providing the aid. Complete untying of aid is a step that must be taken in consent with other nations. We have already begun discussions with them

toward that end. As an initial step, I have directed that our own aid be immediately untied for procurement in the lower income countries themselves.



President Nixon

The Foundations of Reform

These are the most fundamental of the many far-reaching reforms I propose today. To understand the need for them now, and to place them in perspective, it is important to review here the way in which we have re-examined our policies in light of today's requirements

Two steps were necessary to develop a coherent and cons-

tructive U.S. assistance program for the 'seventies:

—As a foundation we needed a foreign policy tailored to the 1970's to provide direction for our various programs. For that, we developed and reported to the Congress in February the new strategy for peace.

—Second, to assist me in responding to the Congress and to get the widest possible range of advice on how foreign assistance could be geared to that strategy, I appointed a distinguished group of private U.S. citizens to make a completely independent assessment of what we should be trying to achieve with our foreign aid programs and how we should go about it.

The Task Force on International Development, chaired by Rudolph Peterson, former President of the Bank of America, drew upon the considerable experience of its own members and sought views from members of the Congress and from every quarter of U.S. society. In early March the Task Force presented its report to me, and shortly thereafter I released it to the public. The task force undertook a comprehensive assessment of the conditions affecting our foreign assistance program and proposed new and creative approaches for the years ahead. Its report provides the basis for the proposals which I am making now.

Rights privileges and contracts.

There will be no intermediary organisation between the large primary and the C.W.E. on the one hand and the Food Commissioner on the other.

The large primary M.P.C.S. Society will also be the wholesale supplier to the private retailers.

Consumer as well as agricultural supply and marketing, credit and, wherever feasible, industrial services will be channelled through the branches of the large primary societies. Social, cultural, educational and recreational activities will be undertaken by the Branches.

Every large Society will set up a Rural Bank to serve the area of the Society in collaboration with the People's Bank.

Wherever necessary and feasible, the industrial and fishing societies will also be reorganised in large units.

There will be no retrenchment of employees in the process of reorganisation. There will, however be redeployment. New posts at the higher executive levels will

I also have taken into account the valuable insights and suggestions concerning development problems which were contained in the Rockefeller report on our Western Hemisphere policy. Many of the ideas and measures I am proposing in this measure in fact were foreshadowed by a number of policy changes and program innovations which I instituted in our assistance programs in Latin America.

The Purposes of Foreign Assistance

There are three inter-related purposes that the U.S. should pursue through our foreign assistance program: promoting our national security by supporting the security of other nations; providing humanitarian relief; and furthering the long-run economic and social development of the lower income countries.

The humanitarian concerns of the American people have traditionally led us to provide assistance to foreign countries for relief from natural disasters, to help with child care and maternal welfare, and to respond to the needs of international refugees and migrants. Our humanitarian assistance programs, limited in size but substantial in human benefits, give meaningful expression to these concerns.

Both security and humanitarian assistance serve our basic national goals: the creation of a peaceful world. This provide avenues of promotion to present employees and avenues of employment to unemployed persons.

The managerial practices will be reorganised so as to cast managerial responsibility on the General Manager and to provide him opportunities for initiative, while the Board of Directors will be a policy making and supervisory body.

A transferable service will be set up for the general managers, accountants, secretaries and personnel managers of the large primary societies. Large societies will enable the payment of better salaries to employees.

Investments of large primaries will be made in conformity with priorities decided upon by the Local Development Council proposed to be established by the Ministry of P.A.H.A. & L.G. Education and Ex-operative Department will be strengthened and intensified to support the reorganisation programme.

A Research and Planning Unit and a Management Advisory Service will be set up in the Department of Co-operative Development.

EXCLUSIVE

interest is also served, in a fundamental and lasting sense by the third purpose of our foreign assistance: the building of self-reliant and productive societies in the lower income countries. Because these countries contain two-thirds of the world's population, the direction which the development of their societies takes will profoundly affect the world in which we live.

We must respond to the needs of these countries if our own country and its values are to remain secure. We are, of course, wholly responsible for solutions to our problems at home, and we can contribute only partially to solutions abroad. But foreign aid must be seen for what it is—not a burden, but an opportunity to help others to fulfill their aspirations for justice, dignity, and a better life. No more abroad than at home can peace be achieved and maintained without vigorous efforts to meet the needs of the less fortunate.

INDIA'S EXAMPLE IN IMPORT SUBSTITUTION

A study made by the Directorate General of Technical Development of the progress of Import Substitution during the years 1968 and 1969 shows that, though there was a large reduction in foreign exchange allocations, industrial production registered a substantial rise, and several new items were produced and new ranges of production undertaken.

The study is in continuation of the review on "import substitution and its impacts", published last year by the D.G.T.D. covering the years from 1960 to 1967, and was undertaken at the instance of a high-level Committee on Import Substitution.

An earlier assessment for the period from 1960 to 1967 had said that, while allocations of foreign exchange had been reduced by 40%, the value of the production during the period had increased 2 1/2 times and savings in foreign exchange expenditure had amounted to Rs. 4000 m. The present study shows that the Index of Industrial Production for Industries looked after by the D. G. T. D., which had risen from 110.4 in 1961 to 192.0 in 1967 (base year 1960—100) rose to 203.7 in 1968 and 215.0 in 1969, i. e. by 5.5%.

Steady progress recorded

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The increase in industrial activity was more pronounced in Chemical Industries, whose Index of Production increased from 216.8 in 1968

to 235.0 in 1969, i.e. by 9%. The corresponding indices for Engineering Industries were 240.0 and 250.1

Foreign Exchange Saving

The study for the period 1960-1967 covered 79 Industries. Another 33 Industries were added on to the study conducted for 1968-69. Taking all 112 Industries together, the overall Production in 1969 was 13.3% higher than in 1968, while in terms of value of production the allocation of foreign exchange fell by over 4%. The value of Production rose from 23,000 nad

Rs. 8 m. in 1968 to 26,079 in 1969. At the full value of the production increase, the savings in foreign exchange due to increased production are estimated at Rs. 3071 m.

In a number of Industries the production increase was as much as 5% or even higher. These include metallurgical machinery, paper grade pulp, P.V.C. resin, wattle extract, synthetic tanning agents and industrial screens.

Results in the direction of the furtherance of exports as an integral part of import substitution have been encouraging. For example, the exports of various Engineering Products increased from Rs. 264.7 m. in 1964-65 to 414.7 m. in 1967-68. In the year 1968-69 Exports more than doubled and reached Rs. 859.7 m. in Exports 1969-70 totalled Rs. 1050 m.

The Minister of Internal and Foreign Trade, Mr. T. B. Illangaratne has drawn up a comprehensive scheme to reorganize and revitalize the Co-operative Movement in Ceylon

We publish here excerpts of the proposed scheme which deals with the pattern of reorganisation and also a summary of his main proposals.

(Also see page 1.)

Committee of the Society or on its own initiative.

SUMMARY OF MAIN PROPOSALS

The Multipurpose type of Co-operative Society (hereinafter referred to as the Society) shall be the main instrument of economic, social and cultural development of the people.

The Multipurpose Societies will be reorganised in large units by amalgamating a number of existing small societies. The large society will operate a number of branches for the convenience of members. Persons served by each Branch will elect a Branch Committee.

The Branch Committee will serve as an advisory body in respect of the operations of the branch, entertain and deal with complaints from members, make representations and suggestions to the Board of Directors and the General Manager and organise educational, social, cultural and recreational facilities for members served by the Branch.

The Branches will preserve their own indivisible duality. The large society will be truly a people's organisation.

Where the population is large enough to render a society economically viable the area of a large society will coincide with the area of the Local Government Body. Where the population is not sufficiently large two or more such areas may have to be included in one society.

The membership will be open to all persons of the age of 18 years and above. The value of a share will be fixed at Rs. 1/-. Every person who holds at least one share will have a vote in the election of the Branch Committee and in the election of delegates to represent the Branch at meetings of the General Body.

The Board of Directors will consist of 9 elected members, 7 ex-officio members and one nominee of the C.C.D. & R.G.S. The Branch Committee will be a fully elected body consisting of 9 members.

The large primary societies will purchase direct from District Wholesale Depots of the C.W.E.

The assets and liabilities of M.P.C.S. Unions will be divided among the large primary societies as also their

The shirt industry in Ceylon

From small beginnings in 1954 the shirt industry in Ceylon has grown until today it is recognised as one of the more important industries in Ceylon, catering not only to Domestic but also to Export markets.

In 1954 only imported shirts were available to the Consumer and internationally known brands such as Arrow, Manhattan, Van Heusen, Fable, etc. were freely available in the market at prices ranging from around Rs. 10/- to Rs. 40/- per shirt.

The late Mr. Hentley C. Joseph established a private limited liability company in 1954. This was a 100% Ceylonese company and was the first company set up for the purpose of manufacturing shirts in Ceylon from imported fabrics. This company named Hentley Garments Limited, starting with 8 machines and 14 machine operators has over the years established itself as the largest shirt factory

in Ceylon with over 250 machines and 7000 employees working two shifts, manufacturing Hentley shirts for the Domestic and Export markets.

In 1956, The Ceylon Dia Shirt Co., Ltd. was formed as a public limited liability company with financial and technical collaboration from a Japanese manufacturer to make the 'Dia' shirt in Ceylon. Thereafter the number of shirt manufacturers began to steadily multiply and today there are 16 large scale manufacturers and many hundreds of small scale manufacturers.

Main Obstacles

The first obstacle that Ceylonese manufacturers had to face was competition from imported brands and the necessity to wean consumers away from these imported brands to locally made shirts. It was obvious that if this was to be done successfully it was necessary for Ceylonese manufacturers to manufacture a shirt

to the same quality or nearly the same quality as the imported variety. Further, it was obvious that as the shirt industry was extremely new in Ceylon, local manufacturers would have to turn to foreign sources for this technical know-how and, in 1956, Hentley Garments Ltd. were the first to sign a Technical Agreement with Trubenised (Great Britain) Ltd. for the supply of technical information, machinery and other ancillary equipment for the manufacture of Trubenised semistiff collars.

Trubenised had a worldwide name for quality collars and the introduction of these collars on locally made shirts was the first step towards turning consumers away from the foreign article to the local article. Other shirt manufacturers followed suit and entered into various technical industry entered a period of rapid technical advancement.

In 1958, as an incentive to the shirt industry, the Government completely banned the import of foreign made shirts. As a result of this ban there was a tremendous impetus for local manufacturers to increase

freely available but, was as good as the imported shirt he was able to purchase earlier and in many instances, at a much cheaper price.

In 1960, Hentley Garments Ltd. set up an Associate Company, Messrs. United Garments International Ltd. for the manufacture in Ceylon of the Manhattan shirt under licence to the Manhattan Shirt Co., Ltd. of New York. The Licence Agreement enabled United Garments to manufacture a top quality product because foreign technicians were sent to Ceylon to train local personnel; local personnel were trained in Manhattan factories abroad; and Manhattan's wealth of technical know-how and experience in the shirt industry was available, to the local licensee.

By 1965, the shirt industry in Ceylon was well established and the Consumer had a choice of over 50 different brands in a price range from as low as Rs. 5/- for a man's cotton shirt to Rs. 60/- for a very high class Terylene drip-dry non-iron shirt.

More Employment

The shirt industry is now directly employing nearly 20,000 persons whilst a further 15,000 are employed in ancillary industries such as box and label making, button making, etc., which feed the shirt industry. Most of the employees in the shirt industry are women between the ages of 20-30 years and in most cases they are secondary wage-earners in the family with a result that their incomes are supplementary incomes to that of the main wage earner.

Exports

In 1965, the local shirt industry received a tremendous boost when Hentley Garments Ltd. signed the first export order for Ceylon made shirts. The value of this first order was nearly Rs. 1 million and the shirts were exported to the USSR. Since then Hentleys have continued expanding their Export Markets and today they export garments to the United States, East & West Europe and Canada and earn badly needed foreign exchange for the country. One other company, Lanka Weaving Mills Ltd. have also exported a small order to the USSR in 1968, but on a barter basis.

The Government, realising the potential of locally-manufactured shirts, has over the last few years, through the Development Division of the Ministry of Industries, and the Marketing and Export Promotion Council, fostered Exports by liberal tax and duty concessions and other forms of incentives. Encouraged by this Government activity more local manufacturers are seeking foreign markets for their products and there is a possibility that other shirt manufacturers too will be joining Hentley Garments Ltd. in the ranks of Exports.

BY



R. N. CHOKSY

output and quality, and over the next few years the quality of locally-made shirts improved appreciably. Manufacturers began introducing the latest fabrics and styles and soon the consumer found that the locally made shirt was not only

GROWING

we can't stop

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PEOPLE'S BANK
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AN AUTOMATIC WINDSCREEN WIPER

Motorists will be delighted to hear that switching windscreen wipers on and off in changeable weather is no longer a tiresome necessity. Electronics specialists in Hoopete, a small village near Hamburg, have developed a wiper system that thinks for itself.

It switches itself on the windscreen gets wet and switches itself off the moment it is dry again. All the motorists need to do is have the device installed.

"We had nothing of the kind in mind", the managing director of this small, specialist firm, recalls. It suddenly materialized in the middle of laboratory tests—entirely by chance, the *Hannoversche Allgemeine* reports.

How It Works

The miniature electronic miracle is straight forward enough. The core of the mechanism is an electronic feeler little larger than a couple of postage stamps and a millimeter and half thick.

The plate is fixed to the surface of the windscreen from the inside and linked by wires to an integrated circuit ampli-

fier the size of couple of matchboxes. The amplifier operates the wiper motor.

In terms of electricity the electronic feeler is merely an extended condenser making dielectric use of air. As soon as the screen becomes wet the capacity of the plate changes. A signal is relayed to the amplifier and operates the motor. Once the glass is dry the condenser regains its original capacity and the wiper is switched off.

Washing Machines to Medicine

It could also prove invaluable in regulating liquid levels, controlling spin-drying in single-tub washing machines and operating alarms for machinery endangered by water condensation.

Sliding roofs could open and close automatically according to the weather and underwater cameras could be protected in time from water penetration.

Specialists also feel that the device could prove useful in medicine too. The conventional method of testing whether a patient is still breathing seeing whether his or her breath steams

up a mirror—is no longer considered to be entirely reliable. The ultra-sensitive electronic feeler could provide 100 per cent certainty.

NEW SCOPE CAN SEE INSIDE OF KIDNEY

An optical instrument to observe the interior of the kidney has been developed by Olympus Optical Co. in cooperation with Hisai Takayasu, a professor of Tokyo University's Faculty of Medicine, it was announced at a press conference at Tokyo Prince Hotel recently.

The instrument is named "Pycoureteroscope" and is composed of flexible glass fibres covered with special synthetic resin.

The new endoscope permits direct observation and photography of the upper urinary tract including ureter, renapelvis and the calyces.

The newly devised instrument is 75cm. long and the diameter of its working section only 2.5 mm. The diameter of each of the glass fibres which from the working section in a bunch is nine microns.

SCIENCE AND TECHNOLOGY

U. S. Astronauts to seek moon water

Water on the Moon? Preposterous! Or is it?

America's Apollo 14 astronauts next February plan to conduct the first experiment that could provide clues to the presence or absence of water locked in rocks deep below the lunar surface.

They will set off several small explosions on the lunar surface. The resulting seismic vibrations will give scientists new geologic data about the moon, as well as helping in the quest for water.

So far there is not a shred of evidence water does exist there. The lunar surface rocks and shallow cores brought back by the Apollo 11 and 12 astronauts were absolutely waterless. By contrast, even earth's driest rocks contain minute traces of water.

A boon

Finding water on the moon would be a boon to lunar exploration. Future astronaut scientists and moon colonizers

could tap local sources for drinking and other purposes instead of bringing water from earth.

Some scientists believe concentrations of ice may lie buried near the lunar surface. The Apollo 14 search for such ice will be carried out by astronaut Edgar Mitchell using a technique much like that used by oil prospectors to locate oil-bearing layers on earth.

He will set off a series of small explosions whose shock waves, penetrating deep into the moon and bouncing back to the surface, will be picked up by geophones. The character, or "signature," of the returned signal will be a clue to the presence or absence of water.

The water quest is a bonus experiment secondary to the main purpose of the explosions, which is to gain new information on the shape, structure and thickness of the moon's outer crust.

MANAGEMENT

OBJECTIVES VS. TASKS

Some job descriptions do provide objectives for each job, and this is all to the good. But it is not enough. Each superior should talk over the objective of his group with each subordinate and make plain the contribution expected. In doing so he should relate the objective of each job to broad company objectives and show how it contributes to their attainment.

It may be, of course, that his own superior has never taken the trouble to do the same thing with him, but this need not stop him from doing so. He can analyse the matter for himself, decide what his objectives should be, and then take the initiative in discussing the matter with his superior.

To begin with he should realize that the real objective of the company is not simply to produce X or Y product at a present profit. More realistically he can say: "We're in business to create and to retain customers by satisfying their wants competitively and profitably."

BASIC QUESTIONS

This implies a fundamental orientation towards the market rather than a turning inward toward the convenient role of getting out production or simply following procedures. Then he should ask himself the following questions:

1.—What wants do we really satisfy? For example, in purchasing the services of an advertising agency, a company is not buying simply copy, art, placement of it in media. It is hoping to buy increased sales. Agency account executives who realize this often use the knowledge to help customer with their complete plans, and if they succeed in producing sizeable increases in sales, they may turn a small customer into a big one.

2.—What advantages do we have over our competitors? Quality? Price? Service? Or if we seem to have no special advantages, what advantages could we provide? When the National Steel Company was organized, Ernest T. Weir (National's founder), knew he could not hope to compete with the U.S. Steel on its own terms. Instead he provided personal attention for smaller customers whom the larger company didn't find it worthwhile to cultivate intensively.

3.—What advantages do our competitors have that we don't possess, and is it possible that we could minimize these advantages in some way?

4.—What groups of companies and/or individuals make up our present and potential customers? Are their numbers growing or declining? And if the numbers are declining, are there other groups we might

serve if we did things a little differently or if we could reduce our costs enough to put our products in their price range? Or could we perhaps fill their orders a little faster?

The next step is to determine where our departmental contribution most logically fits in. A production man can make a distinct combination to profitability by improving quality, by obtaining more production from the same machines and the same people, or by reducing the lead time on delivery. If the sales department suggests a change in the product to make it more saleable, he can try to think how it could be accomplished without too great added expense or disruption in his department rather than spend his energy thinking up reasons why it can't be done.

The production head of a small but successful chemical company talks on the telephone to the sales manager every working day to be sure he's making what can be sold rather than asking the sales manager to sell what he can make. When the sales manager told him that he had a big contract in production of a certain product could be tripled within a short time, he immediately called a meeting of his foremen to decide how it could be done. Together they worked out the way and did the trick without any expensive capital investment, by putting on a second shift and pressing some unused equipment into service.

SALES—TWO FOLD OBJECTIVES

Sales managers of industrial products frequently score by developing new applications for their products, and those who are marketing consumer products have an opportunity to open up new types of outlets for their company's goods. They can also help by passing on customers' comments about the merchandise. Most sales managers probably think they do this, but frequently their tendency is to pass on complaints when they need an alibi for not selling and to take credit for the sales achieved because of the product's good points.

In everything they do, sales managers should keep in mind the twofold objective of creating and retaining customers. Some sales managers have instituted contests that focus attention on only one aspect of this objective—offering attractive prizes for new accounts but providing no penalties for losing old ones. As a result their salesmen have neglected good customers while they were shasing after prospects.

Managers of some departments or sections may feel that they're too far removed from the primary functions, production and selling, to make any real contribution to profits. They think of themselves and their groups as necessary evils rather than as positive contributors, and as a result, others in the organization consider them in the same light.

This is the 10th instalment in the series "TECHNIQUES OF MODERN MANAGEMENT" which concludes the Chapter on Objectives Vs Tasks.

Look out for more instalments in this series in our next issue.

Staff departments are particularly prone to mourn their inability to show direct and measurable contributions, and often develop more and more programmes of the type that irritates the line simply because they feel they must show they're doing something. If they would remember that they make their contribution by helping the line to achieve company objectives, they would no longer find it necessary to be active just for the sake of being active. When a staff department is ready and able to provide help where the help is needed, it need not worry about the fact that its contributions are not measurable. Everyone will be conscious that it is something more than a necessary evil.

Once the department head or section manager has analysed his contribution to company objectives, he should check with his superior to ensure that his understanding is correct, and that he has placed his objectives in proper order of importance. Where top management itself does not practice management by objectives, misunderstandings are possible.

E. E. C. against Britain's request for special tariff quotas

The EEC has come down against a British request for special tariff quotas for certain imported raw materials after joining the Community.

Instead the Commission has come up with its own suggestions for the treatment to be accorded to each of the list of 12 products on which Britain is reluctant to apply the Six's Common External Tariff.

The British Government has submitted a list of the products for which it wanted tariff quotas shortly after the membership negotiations opened in July.

It pointed out that the products concerned ranging from raw aluminum to news print, at present enter the U. K. duty free and that British industry would have to bear considerable extra costs if the Common External Tariff were to be applied.

The Commission in a document it has sent to the six major Governments, does not reject the British request for special treatment for the 12 products, but it makes it clear that any tariff quotas, or other interference with the Common External Tariff, must be organised on a community basis, not just for Britain alone.

US RECESSION; DEBATE GOES ON

Washington

It looks as though the debate over whether the U. S. economy has or not, been technically in a recession over the past 12 months will continue undecided.

Last week the U. S. National Bureau of Economic Research, a prestigious independent organisation highly regarded by professional economists turned its collective mind to the subject and failed to come up with a decisive answer.

The NBER has built up a considerable reputation over past 40 years as the ultimate authority on the terminology of economic movements and its verdict this time has been awaited with more than usual interest.

However, the Bureau's analysts have failed to satisfy either the advocates or the critics of the recession theory. They have in fact been driven into coining a new term, which may well pass into the body of economic jargon. 'the growth recession'.

The Bureau commented that "Recessions generally have been characterised by the economy's switch into reverse followed by a sustained drop in overall economic activity. The NBER is also equivocal

This is not likely to trouble the British negotiators too much. The main aim is to avoid sharp increases in the prices of imported raw materials and it does not seem to matter much whether this is achieved by special exceptions

over whether the slowdown has reached its end and the economy is ready to turn up against. But it does make the point that in the view of analysts, the fully fledged recession of the kind which the world has known in the past 40 years may now be a thing of the past in the U. S.

FIAT, FORD OFFER COLLABORATION

New Delhi

India's public sector car project is evoking more and more interest among manufacturers abroad.

A sign of this was the call made by the chairman of Italy's Fiat Company. Dr. Carelli, on the Industrial Development Minister, Mr Dinesh Singh, recently. The Italian Ambassador in New Delhi was also present at the meeting.

As an upshot of the meeting Fiat is expected to submit collaboration proposals for the ministry's consideration.

Another foreign auto manufacturing firm bidding for collaboration is Ford. Representatives of the firm had already been in touch with senior ministry officials. Beside Ford, a Japanese auto firm is also stated to have sent a brochure on one of their models.

The ministry is expecting more inquiries from firms abroad. Under plans announced in Parliament by the minister, the Rs 20 crore project will have a capacity of 50,000 cars a year and the model will be based on a proven foreign design.

The Government have drawn attention of several embassies in New Delhi and also written to its own missions in Germany Italy, England, Japan Yugoslavia and some other countries, to sound car manufacturers in these countries on possibilities of collaboration for the manufacture of a small car in the public sector.

The Government is understood to have just received a proposal from the Hindustan Motors, envisaging manufacture of a more roomy, more sturdy car, the Opel of America's General Motors, PTI adds. It is at present manufacturing an old model of a Morris car of England. The proposal, it is believed, is now under examination in the Ministry of Industrial Development

for the Common External Tariff in favour of the U. K. or by other arrangements on a Community basis.

The Common Market at any event also appears to be prepared to negotiate a mutually satisfactory solution.

U.K. FIRMS MAY MAKE MACHINE TOOLS IN INDIA

London

Some British manufacturers are having negotiations with India firms to explore the possibility of making their brands of machine tools in India for importing into the U. K. and for selling them in foreign markets.

The high cost of labour in the U. K. is one of the reasons for British manufacturers to shift their production elsewhere

Britain is also looking for Indian sources for the supply of rough and machine castings.

A six-member delegation of the machine tool and casting industry will soon be visiting India to assess the potentialities of manufacturing products there as well as increasing the range of machine tools now being imported from India.

India's machine tool exports to the U. K. totalled Rs. 4.1 cores in 1969-70. The scope of increasing these exports already exists. The U. K. imports machine tools worth Rs. 91 cores every year.

CHINA—A MISUNDERSTANDING

The foreign feature on "Taiwan's example to developing countries published in our last issue objectively created some misunderstanding.

The Government of Ceylon recognises only one China, and that is the People's Republic of China. Territorially too, Taiwan is an integral part of China.

It is regretted if any misconception has arisen in this connection.

Editor

YUGOSLAVIA TRADE WITH ASIA AN ALL TIME RECORD

Belgrade

During the past ten years Yugoslavia's economic relations with the Asian countries have taken on broader and more varied forms and trade in 1969 reached an all time record value of 180 million



dollars (exports amounting to 78 million dollars and imports 102 million dollars).

The total value of trade last year was three times that of 1960 when exports were valued at 31 million dollars and imports 32 million dollars. Asian countries share in Yugoslavia's foreign trade increased from 4.5 percent in 1960 to 7 per cent in 1969.

For purposes of illustration we shall quote the fact that the scope of Yugoslavia's trade with all Asian countries taken together was last year equivalent to the value of her trade with Czechoslovakia alone, and only slightly above that with Austria.

India, Iran Pakistan, Japan and Malaysia, accounted for 163 million dollars of trade with Yugoslavia or 90 per cent of her total trade with Asian countries. The remaining 12 Asian countries accounted for only 17 million dollars of her total trade with Asia.

Yugoslavia's trade with Asia would have been greater but for a severe decline in recent years in trade with Indonesia, which dropped to 4 million dollars in 1969 from 60 million dollars in 1962.

Although her trade with Burma averaged 5 to 7 million dollars annually, there are certain possibilities of increased trade with that country. Trade with Cambodia was some what smaller last year while Yugoslavia's trade with Ceylon had increased. Little was, however, done to exploit the opportunities offered by the Thailand and Singapore markets for promoting more trade. Trade between Yugoslavia and the Peoples Republic of China showed a welcome rise from 1.2 million dollars in 1968 to 1.6 million dollars last year.

CANADA'S GRAIN EXPORTS GAIN GROUND

Ottawa

Grain exports from Canada are expected to reach a record 700m. bushels or more in the mid 1970-71 crop year.

Mr. Otto Lang, Federal Minister in charge of the wheat Board forecast here, last week. The previous highest was 685m bushels shipped in 1963-64. In the year ending July 31, 1970, a total of 474 m; bushels of all grains were exported.

Mr Lang said demand for Canadian grain has been exceptionally strong in recent months with firming prices for both wheat and food grains

Exports of wheat would probably be in the range of 400 m. or 550 m bushels. But overall, Mr Lang said he was confident the 700m. target could be reached.

£500m U. K. BALANCE OF PAYMENTS FORECAST

London

Recent Treasury forecasts predict a current balance of payments surplus for the United Kingdom of £500m. in the year upto mid 1971. This is very similar to the surplus in the previous year.

Work is now going on the new round of world forecasts prepared each autumn. But the £500m. figure is still the latest official estimate available.

Some deterioration is, however expected in the current account of overseas sterling area countries which had previously improved to a dramatic extent.

There may be some improvement in capital inflows to these countries but an increase is expected in capital outflows from the U. K.

The growth of imports into the UK is expected to be moderate over the next few months, but will accelerate in the first half of 1971, due partly to the end of import deposits and a bunching of imports of Boeing 707s. On the other hand it is hoped that the present pause in export deliveries will prove temporary and then upsurge will later take place.

64, 218, 770 VISIT EXPO DURING 183-DAY RUN

Tokyo

The Japan Association for the 1970 World Exposition announced that the Expo '70, which ended its 183-day run on 13th September 1970, attracted 64, 218, 770 visitors. The attendance was the largest recorded for similar world exhibitions held so far. Of the world fairs held since the war, the Brussels exposition in 1958, attracted 41,540,000 people, the New York exposition in 1964-65 - 51,620,000 and the Montreal exposition in 1967- 50, 300, 000. The association estimated 1,700, 000 foreigners visited EXPO '70.

(Japan Times)

India exports more processed food

Export of Processed Foods at Rs. 115.4 m., during 1969-70 against Rs. 96.7 m., during 1968-69 showed an increase of 22%. Fruit Juices, particularly Mango Juice, Instant Tea and Instant Coffee, Guar Gum and non-Alcoholic Beverage bases, have recorded an impressive rise in Exports. The Export of Canned

and Bottled Fruits and Vegetables at Rs. 19.4 m., against last year's figure of Rs. 10.2 m., showed an increase of 90%. The Export of Instant Tea at Rs. 5.4 m., also has almost doubled since last year. The overall Target of Rs. 115 m., for Processed Foods for 1969-70 has been fulfilled.

BUSINESS OPPORTUNITY

Messrs. Soni's Enterprise, P.O.B. 334, 156 Laan van Nieuw Guinea, Utrecht, Holland offer their financing loan programme for the setting up of any kind of industrial plant or project with Know-How.

Details of this offer are available at the Ceylon Chamber of Commerce.

becoming increasingly difficult to hold out hopes of satisfactory results in the immediate future from our Export Department.

The imposition of an export duty of 30% on coir fibre calculated on an *ad valorem* basis combined with a floor price for Bristle Fibre above current world market values has, unquestionably, had adverse repercussions throughout the coir fibre industry. It is hoped that a more rational approach to the whole question of floor prices and export duties will be adopted without delay.

Insofar as the manufacture of agricultural spraying equipment is concerned, estimated results for the first five months of our current financial year indicate that the turnover of the department will continue at a satisfactory level and it would appear that the present rate of return, though meagre, will be maintained throughout the financial year. The profitability of our Galle subsidiary is likely to be adversely affected during the current year as a result of the handling charges paid to shippers of sheet rubber by the Commissioner of Commodity Purchase falling short of the actual expenditure which continues to increase for reasons outwith our control. Every effort is being made to ensure that the Haychem factory, which formulates locally agricultural chemicals, household pesticides, etc., reaches a level of optimum production, which, combined with an aggressive sales campaign now in force, could increase the very marginal profits which have accrued thus far to the extent necessary to obtain a reasonable return on our investment.

NEW APPOINTMENTS

Mt. Stanley V. Wanigasekera took over on October 15 as Chairman, Ceylon Tobacco Company Limited. Mr. Wanigasekera who has served on the Directorate of the Company, chiefly as its Financial Director since 1962, joined the Company in 1957. He is a Chartered Accountant and a Bachelor of Commerce.

Mr. Anura Weeraratne, Advocate, Secretary and Legal Adviser of Lever Brothers, was appointed Chairman of the Ceylon Ceramics Corporation.

Company Meeting Reports

Hayley's Ltd. show good results

The Report and Accounts of Hayleys Ltd., in respect of the financial year ended on 31st March, 1970, was presented recently. In the course of his review the Chairman stated that the profit before taxation was on much the same level as that for the preceding year. Excerpts of the Report are given below:—

"During the year under review, conditions in the field of export in which the Company is engaged were not as favourable as in the previous financial year and this resulted in decrease in our return on our very substantial investment in the coir fibre trade. It is however pleasing to note this reduction in earnings was offset by corresponding increases in other departments.

The results from the Import and Sales Department were better than in the preceding year and this can be attributed almost entirely to a considerable larger volume of business having been transacted due to many of the items in which the Company is interested being available under Open General Licence.

Due to the improvement in output in the Colombo Harbour, ship owners whose agencies the Company holds were able to make more use of the facilities available in the Port and consequently our Steamship Agency Department enjoyed a successful year. Our Agricultural Spraying Equipment Division was able to increase its turnover during the year, profits were reduced owing to rising cost of raw materials, wages and other expenses. The tax-exempt period of five years, to which this manufacturing operation was entitled, ended on the 30th September, 1969 and, in consequence, only profits of the first half of the financial year will qualify for distribution free of income tax.

Subsidiaries

Trading conditions for our subsidiary in Galle, Chas P. Hayley & Co. Ltd., were difficult during the second half of the financial year and it is gratifying to be able to report that the result achieved is not unsatisfactory. Although the

Company and its subsidiaries Hayleys Engineering Co. Ltd., and Chas. P. Hayley & Co. (Lighters) Ltd., operated at a profit during the period covered by these accounts no dividend is being recommended as the Directors are of the view that the finances of Chas. P. Hayley & Co. Ltd., should be further strengthened.

The results achieved in the first year of operation by Haychem Limited, our subsidiary which formulates crop protection, household and public health chemicals, can be considered reasonably satisfactory although the accounts for the year ended 31st March 1970 reveal a small loss. I am sure shareholders will appreciate that such losses are virtually inevitable in the early stages of operation in a nascent industry of this type which, in this instance, was further handicapped by a levy of 55% on Foreign Exchange Entitlement Certificates required for the purchase of raw materials, as against a preferential rate of 44% on the import of competitive finished products.

Taxation

Provision has been made for the payment of income and dividend tax, totalling Rs. 1, 496,401/- which amounts to 63% of the net profit before taxes.

Dividend

It is the recommendation of the Directors that a final dividend of 7½% on the ordinary share capital should be paid, making a total effective dividend of 15% for the whole year — the same as for last year. 2½% of the final dividend is being paid out of the profits of a tax-exempt undertaking of the Company and consequently will be free of income tax in the hands of shareholders.

Prospects

My task of forecasting results for the current year would be a simple one if it depended solely on the energy and efficiency of the staff at all levels, but this, unfortunately, is not the case as everything today hinges on the extent of restrictions imposed by the government on normal trading. As explained in my memorandum to shareholders dated 25th May 1970, it is

EXPORT INTELLIGENCE

The firms named below wish to contact local manufacturers/exporters of the goods listed:—

Country	Goods	Name & Address
U.S.A.	Men's Shirts, Underwear and Socks, Women's Underwear, Blouses, Sleepwear.	Lisim Pacific Coast, 586 A Street, Hayward, California 94541.
FRANCE	Coconut Shells, Coconut Shell Charcoal, Mica Waste, Graphite, Monazites, Nux Vomica and Crude Drugs.	H. S. Sokoloff, 33 Rue Perthus, 92 Clamart.
MAURITIUS	Crepe Sole Rubber (for shoes)	Issop Hassam Rajah, P. O. Box 126, Port Louis.
JAPAN	Dried bonito	Vonec S.A., 4-13, Akasaka, 1-Chome, Minatoku, Tokyo.
MOGADISHU	Pineapples juice and slices	Mohamed Ahmed S. Dola & Sons, P. O. Box No. 526, Mogadishu.
LIBYA	Tea	Taher Areby Ahmed, P. O. Box 3510, Tripoli.
DOHA - ATAR	Tea, Spices and Desiccated Coconut	H. M. Sadegh Hamedyan & Sons, P. O. Box 161, Doha-Qatar.
ARABIAN GULF	Tea in Packets, Copra, Desiccated Coconut, Cardamoms and Sugar Confectionery	Damoerdas Lakhumal Gajria, P. O. Box 299, Dubai, Trucial States.
SYRIA	Tea	Dibo & Abdul Hamid Hammany, P. O. Box 784, Aleppo.
SINGAPORE	Tea Dust	West Ocean Co. (Pte) Ltd., 11-C, Hongkong St., Singapore-1.
SAUDI ARABIA	Fruit Juices	International Trade Agencies, P. O. Box 356, Jeddah.
SAUDI ARABIA	Tea & Cardamoms	Nooreddin M.K. Husami, P. O. Box 441, Jeddah.
LIBYA	Tea in Packets	Ennasr Agency, P. O. Box 1010, Benghazi.
PAKISTAN	Tea	M. S. Ispahani Ltd. Ispahani Bldg., Agraabad, Chittagong.
PAKISTAN	Coconut Oil	Eastern Trading Co. P. O. Box No. 483, Chittagong.
ARABIA	Coconut Oil	Rashed Al-Khazal Establishment, P.O.Box 20427, Kuwait.
FRANCE	Frozen Lobsters Tails	Noel Souprayen, B P. 265, Saint-Denis Ile de la Reunion.
GREECE	Sea Shells	Nicolaos Halcoussis, T.T. 1 Piraeus, Leoharous-7.
SINGAPORE	Handicrafts & brasswares	Vasta Co. (Pte) Ltd., 220 A, Tanjong Katong Road, Singapore 15.

Trade Fairs and Exhibitions

28th Exhibition of Hong Kong Products 1970 will be held from 9th December 1970 to 12th January 1971 at Wan-chai Reclamation.

Tokyo International Trade Fair will be held from 16th April to 5th May 1971. Literature on the above Fair is available at the Chamber office

Ponzan International Fair will be held from 13th to 22nd June 1971 in Poland. The closing date for sending in application for participation is January 15th 1971.

A booklet containing rules and regulations for participation in the above Exhibition is available at the Ceylon Chamber of Commerce.

THE ECONOMIC TIMES

Editorial Department
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COLOMBO-10

CO-OP. MOVEMENT

In keeping with the promise held out in the Throne Speech of the United Front Government, The Minister of Internal and Foreign Trade has come out with his proposals to revitalize the Co-operative Movement in the country. This is most opportune and indeed very welcome as the co-operative movement as a whole is fast decaying—today many Societies have either collapsed or are well on the way to extinction.

It is unfortunate that successive Governments failed to bring about the much needed reform, and as a result, the co-operative movement failed dismally in its primary tasks, apart from playing any major role in the economy of the country. Although there was some form of reorganisation in 1957 with the formation of M.P.C. Societies, the inherent deficiencies of structure and management continued to exist. As the Minister himself points out: "Some Multi purpose Societies are in fact NOT 'MULTI-PURPOSE' as they have been confining their activities to a single function like consumer or agricultural services."

The root cause of the existing deficiencies is perhaps the system of representation obtaining at present. *The weakness in the system has enabled "cliques" that are not truly representative of the membership to remain in power and run the societies according to their own whims and fancies and invariably in their own interests as well.*

Management of the affairs of the societies by honorary elected office-bearers instead of by skilled and competent personnel has contributed largely to the existing inefficiency.

As a result of such "cliques" creeping into the movement and manipulating affairs there has been general apathy on the part of members to take an active interest in the running of the Societies. This has resulted in inactive, incompetent and/or dishonest Committees being elected and they have carried on regardless!

Accordingly, the scheme of reorganisation which the Minister proposes should place emphasis on eliminating the root cause of the trouble. It would appear that the proposed scheme has this end in view insofar as it states that: "It will be possible to re-organise the out-moded system of management in our co-operative societies where many of the day to day managerial responsibilities fall on the Committee Members and elected lay-men." It is hoped this clause would form the very basis of the re-organisation envisaged in the proposals.

Once the new scheme is introduced one could well expect many of the ills that plague the Co-operative movement to be eradicated. The large and more economically viable units could provide the answer to consumer needs and also pave the way to revitalize the rural economy. The proposed reforms are far reaching and every aspect of the Co-op Movement comes in for radical change—which will indeed be a change for the better if the right persons are put on the right job.

In this context it may be mentioned that inefficiency and corruption is not something that is peculiar to the co-operative movement alone. It is well known that the Public Sector in general (*i.e.*, most Government Departments, etc.) take pride of place in this respect. In fact inefficiency and corruption form the highest common factor in the Public Sector. Hence, it is imperative that an all out effort should be made to eliminate these retarding factors in the first instance. It is only then that any reorganisation scheme in the Public Sector would prove to be successful, or have any meaning.

MORE AID TO DEVELOPING COUNTRIES FROM BRITAIN

The volume of official aid from Britain to developing countries seems likely to go up this year for the first time since 1966, when balance of payments constraints brought a temporary flattening of the long-term upward trend.

A Government White Paper forecasts that the level of gross official disbursements will reach £ 224 million in the calendar year 1970 and, possibly, £ 238 million in 1971.

Since repayments of earlier loans are expected to amount to £ 7 million less this year than last, net disbursements in 1970 should amount to some £ 200 million, compared with £ 179 million in 1969.

In November 1969 an increase in gross official disbursements to £ 300 million in the financial year 1973/74 was foreshadowed in an announcement by the then Minister of Overseas Development, Mrs. Judith Hart.

Up to standard

Reviewing Britain's aid performance during 1969, the White Paper says Britain complied, "by a good margin," with standards recommended

by the Development Assistance Committee in 1965 that were aimed at reducing the burden on recipient developing countries of interest payments and repayments of capital.

Ninety per cent of commitments entered into by Britain last year were in the form either of grants or of loans at effective rates of interest of three per cent or less, and 9 per cent comprised grants or loans with maturity periods of 25 years or more.

Britain also "nearly complied" with a third provision laid down by the Development Assistance Committee in 1965 regarding the grace period that should be accorded on loans.

Untying aid

The document also remarks that last year Britain more than complied with two new alternative targets on aid terms and conditions laid down by the DAC in 1969. These relate to the percentage grant element in official development assistance commitments.

The document also touches on the vexed question of aid

tying—that is, the provision of finance by donors on condition that it is spent in the donor country. At the recent DAC high-level meeting in Tokyo a big majority of the major aid-giving nations declared themselves for the first time in favour of untied aid.

The British document asserts that Britain is ready to participate in any measures for liberalising procurement practices which may be organised on a joint basis by all DAC members. It reports that last year 43 per cent of United Kingdom bilateral aid was tied to British goods and services, compared with 45 per cent in 1968.

This figure naturally leaves out of account payments, such as those for British technical assistance, which are, from their very nature, "tied."

Food aid

The calendar year 1969, says the report, covered part of the first two harvest years of the Rome Food Aid Convention under which Britain has an annual obligation to provide 225,000 metric tons of grain (or cash for its purchase) for the benefit of developing countries.

The British contribution in the first harvest year was wholly in cash and resulted in the purchase of the equivalent of 263,500 tons of wheat.

The allocation of the second year's obligation will involve grants of £ 1,200,000 to India, £ 958,000 to Ceylon, and £ 500,000 to Pakistan.

Ceylon's external trade: First half

In June 1970 the value of total exports was Rs. 190.9 million and that of imports was Rs. 183.4 million, resulting in a merchandise trade surplus of Rs. 7.5 million as against a deficit of Rs. 78.9 million in June, 1969.

Table I below provides selected data on Ceylon's foreign trade.

The value of imports (Customs data) when adjusted for

RUBBER EXPORTS

Actual rubber exports in August 1970 increased to 24,299,653 lbs., as against 21,365,911 lbs., in July 1970. Total exports for the period Jan/August '70 amounted to 270,639,350 lbs., compared with 209,920,571 lbs., for the corresponding period last year—the increase being 20,718,779 lbs.

Source:—Colombo Rubber Traders Association.

Rubber talks....

(contd. from page 3)

The formation of the ANRPC was mooted by Malaysia at a time when prices of natural rubber had dropped to a very low level. Membership of the Association includes: Malaysia, Singapore, Ceylon, Vietnam, Cambodia and Thailand.

The main purpose of the Association is the formation of Joint Regional Meeting (System. Malaysia submitted a Memorandum which basically proposed to link the markets in the producing countries—mainly Djakarta, Bangkok, Kuala Lumpur/Singa-

Food Commissioner's actual imports of rice, flour and sugar show a merchandise trade surplus of Rs. 12.7 million in June, 1970 and a deficit of Rs. 198.0 million for the first half of 1970 as indicated in table II.

TABLE — I

Period	Exports		Imports	Rs. Million Balance of Trade
	Exports	Imports		
May 1970	181.6	1237.7		-56.1
June 1970	190.9	183.4		+ 7.5
June 1969	183.0	261.9		-78.9
Jan-June, 1970	1,018.1	1,223.6		-205.5
Jan-June, 1969	1,010.1	1,154.7		-144.6

(Source — Ceylon Customs Returns)

TABLE II

June	January-June	
	1969	1970
(Rupees million)		
Total imports (Customs data)	261.9	183.4
Difference between Customs and Food Commissioner's imports of rice, flour— Sugar	+30.4	+5.2
Total imports (Customs data) adjusted to Food Commissioner's	231.5	178.2
Total Exports	183.0	190.9
Balance of Trade (Adjusted)	-48.5	+12.7
	1,154.7	1,223.6
	1,136.8	1,216.1
	1,010.1	1,018.1
	-126.7	-198.0

INDO-U. S. TEXTILE PACT SIGNED

India and the United States have signed a four-year cotton textile agreement limiting imports to a ceiling of 120-million square yards,* making

The Memorandum states that the market pattern of trade between these producer markets and the consumer markets (New York, London, Japan, Europe and "others") would not change.

special provision for handloomed textile products.

The agreement signed recently by U.S. Assistant Secretary of State Philip H. Trezise and India's Ambassador L. K. Jhn, said that during the first year imports would be divided between Rs. 84.7 million square yards, fabric and miscellaneous goods and 25.3 million square yards of apparel.