

THE ECONOMIC TIMES

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Fruit processing plant in the offing

The Ministry of Industries and Scientific Affairs is planning to set up a fruit processing and a fish meal production plant with Yugoslav participation.

This follows discussions held in Belgrade last year, by the Minister of Foreign and Internal Trade Mr. T. B. Illangaratne.

Yugoslavia has agreed to provide machinery and technical services for this project and has also agreed to purchase the finished goods.

MORE PRESSURE ON

Shipping Lines call the tune

In recent months a series of freight increases and surcharges have been imposed on Ceylon by the various Conference Lines and still more are impending. These increased rates will have a crippling effect on the country's export earnings, thus aggravating the critical foreign exchange situation obtaining today.

These increases have been the result of increased stevedoring costs in London and the rise in operation costs in almost all ports, the Conference Lines maintain.

Subtle Attempt

Government circles however hold the view that the increased rates are discriminatory and that it is unfair for the Conference lines to pass on the burden of their rise in operational costs. It is also felt that these measures stem from

a subtle attempt to exert pressure on the Government so as to Compel Ceylon to conform to World Bank dictates as far as economic policy is concerned.

The cumulative effect of these surcharges will involve Ceylon to the tune of several millions of rupees in foreign exchange as the bulk of our export trade is encompassed.

A summary of the recent freight increases and surcharges are given below:

* **Ceylon—U.K. Shipping Conference:** 15 per cent increase on exports from Ceylon to London with effect from 4.1.1971, in addition to the 25 per cent surcharge imposed on imports from London to Ceylon which came into effect from November 30th 1970.

* **Australia - Ceylon - New Zealand Conference:** Freight increase of 15 per cent on all outgoing cargo to Australia and New Zealand with effect from 1st February 1971.

* **Bank Line:** An increase of 12 1/2 percent freight charges on outward cargo from Ceylon to South Africa with effect from 1st. February 1971.

* **UK - Ceylon Shipping Conference:** An intended 20 per cent freight increase from 1st April 1971 which will affect both outward cargo from and inward cargo to Colombo.

* **Far East - London Shipping Conference:** A surcharge of 1.50 pounds per bill of

lading ton on all cargo consigned to London with effect from 1st March 1971.

* **UK-Ceylon Shipping Conference:** A further 15 per cent increase of the freight rate is being proposed with effect from 1st June 1971. This is in addition to the previous increases already effected or decided on.

Wider Crop Insurance Scheme

Government has decided to extend crop insurance scheme to cover several crops as an incentive to farmers to grow more subsidiary food crops.

At present this scheme is limited to paddy.

Mr. Hector Kobbekaduwa, Minister of Agriculture and Land has appointed a special Committee headed by Mr. S. B. Senanayake, Commissioner of Agrarian Services to formulate the new scheme.

The committee will also study the extension of the paddy insurance scheme which now covers only 200,000 acres.

The Department of Agrarian Services has informed the Minister that over 90 per cent of paddy cultivators who have joined the scheme are those holding under one acre of land.

The Minister feels that an overall insurance scheme covering all cash and food crops would ensure a greater number of persons taking up farming.

Money Supply increases

In the twelve month period between end of December 1969 and the end of December 1970, the money supply in Ceylon increased by Rs. 97.3 million as compared to a decline of Rs. 30.1 million or 1.6 per cent in the previous year.

The money supply which had recorded a large decline in the month of November 1970 increased by Rs. 43.7 million or 2.3 per cent in December 1970. The increase consisted entirely of an increase in the currency holdings of the public by Rs. 43.3 million.

Ceylon's export earnings show significant increase in 1970

The value of Ceylon's total domestic exports in 1970 was Rs. 1,995.3 million reflecting an increase of Rs. 120.1 million over 1969, according to latest Central Bank statistics

In December 1970 the value of domestic exports was Rs. 140.5 million and was Rs. 22.4

million higher than that of the preceding month. When compared with December 1969, The value of domestic exports was Rs. 68.1 million higher.

Rice imports up

According to customs data for December 1970 (as compared with December 1969) imports of rice, flour increased by 29.0 thousand tons and 2.0 thousand tons respectively, while imports of sugar decreased by 8.5 thousand tons.

Data on food imports furnished by the Food Commissioner, however, indicate that while imports of rice and sugar increased by 42.6 thousand tons and 1.7 thousand tons respectively; the value of flour imports decreased by 43.1 thousand.

Imports in volume terms of rice, flour, and sugar (customs data) vary from those recorded "as having been cleared through the Customs" or "actually received" by the Food Commissioner.

The following data illustrate the differences in respect of December 1970:—

	Customs	F.C.'s	Diff
	Data	Data	
Rice	66.6	62.9	+ 3.7
Flour.	23.3	16.2	+ 6.7
Sugar	12.4	35.5	—23.1

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TRAVEL AND TOURISM

Watch out for our Special Supplement on Travel and Tourism which will bring you the latest news and views on Ceylon's Tourist Industry and its significant role in the economic development of the country.

This supplement is being brought to our readers with the co-operation of the Ceylon Tourist Board.

It will also contain authoritative articles from leading personalities in the sphere of tourism.

Make sure of your copy of the next issue of:
THE ECONOMIC TIMES

MARKET PRICES

COLOMBO

CLOSING PRICES 13.2.70

TEA (Rs. Cts. Per lb.)

Approximate range of prices (including teas sold Ex, Estate)			
BOPS		B. O. P. F.s	
High Grown	1.96 4.25	1.85 3.35	
	1 at 4.30 1 at 4.25	1 at 3.45 1 at 3.50	
	2 at 4.50 1 at 4.60	1 at 3.60	
Medium Grown	1.55 2.15	1.65 2.20	
Small leaf Low Grown	1.50 1.65	1.53 1.65	
Tea for Price	1.35 1.53	1.35 1.55	
Leafy B.O.P.	1.50 1.68		

F. B. O. Ps.		F. B. O. P. F.s	
Tippy Teas	1.50 1.70	1.53 7.40	
	at 1.75 2 at 1.76	1 at 7.50 1 at 8.40	
		1 at 17.90	

RUBBER

PRICES FOR THE WEEK ENDED 10.2.71

Rs. cts.—per lb.)

Closing Avg. to date Avg. Same
Quotations 1971 Period 970

RSS No. 1	80 1/4	82 3/4	104 1/2
RSS No. 2	76	76 1/2	100 1/4
RSS No. 3	73 1/4	73 3/4	98 1/4

(Rs. per candy)

COPRA

Opening Price Clus., Price

Estate copra No. 1 250.00 245.00

COCONUT OIL (Rs. per ton) Open, Price Clos., Price

January	1,550.00	1,550.00
February	1,550.00	1,550.00

DESSICATED COCONUT

(Per lb.)

February and March 65 cts. Closing Price

PRICES FOR THE WEEK ENDING

10.2.71

Commodity	Buyers Quotations (Per lb.)	Export Duty
Cardamoms	19.00—20.00	40% on
Cardamom Seeds	16.50	true
Cloves	28.00—33.00	F.O.B
Clove Stems	3.50—3.75	value
Mace	7.50 75	
Nutmeg (Shelled)	3.25 3.20	
Nutmeg (Unshelled)	2.25—2.50	
Pepper (Black)	6.00—6.25	
Papain (White)	12.50—13.50	
Papain (Brown)	9.00—9.50	
Cinnamon H/1	3.60	20% on
Cinnamon	3.55—	true f.o.b.
Cinnamnn Quilings No. 1	2.50	-do
Cinnamnn Quilings No. 2	2.75	-do

	per Cwt.	Export
Cocoa	229.00	40% on
Coffee	350.00 375.01	true f.o
Kapok (Clean)	150.00	value
Kapok (Unclean)	50.80	
Croton Seeds	100.00 125.00	
Essential Oils		
	Per oz. lb.	Export duty
Cinnamon	22.00	
Cinnamon Bark Oil	24.00	
Citronella Oil Estate Quality	6.90	10% on
Citronella Oil Ordinary	6.85	true f.o.b

SUBSIDIARY CROPS—WEEKLY PRICE LIST POYA
ENDING 10.2.71

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 54 158 Lbs)	
(Per bushel)		
Paddy		
Samba	15.00	
Other varieties	13.00	14.00
Rice		
Par Boiled	78.00	

TEA REPORT

Auction No. 6 12th / 13th
Feb. 1971

The total quantity offered was 8,158,939 lbs., comprising 4,244,532 lbs. Leaf Grades, 884,223 lbs. Dusts, 30, 577 lbs. Reprints, 178,146 lbs. Sundry Lots and 2, 852,038 lbs. Ex. Estate. Quality was generally similar to last week except for one or two brighter Western invoices. There was a good demand assisted by the entry of the Buyer for the U.S.S.R

High-Grown Teas: Bright liquoring Brokeners particularly the best appreciated 10/30 cents per pound and the plainest on offer were 5 cents dearer. The poorer liquoring BOP-Fannings were 5 cents easier but all others firm to dearer.

Medium-Grown Teas: Bright liquoring coloury Brokeners were 5/15 cents dearer, with plainer kinds advancing 2/5 cents. There was less demand for BOPFannings grades which can be quoted barely steady.

Low-Grown Teas: Small leaf sorts were 3/5 cents easier although there was a good demand at this lower level. BOPFannings were steady with only one or two of the best well made kinds a little easier. Leafy types suitable for the Persian Gulf were lower, and declined on average 3/5 cents per pound

but one or two of the well made invoices remained firm.

Off Grades: There was a strong demand for all types at rather dearer rates with the best liquoring Fannings advancing substantially.

Tippy Teas: Small leaf Flowery Fannings and FBOP.s eased by 3/5 cents. Of the leafy FBOPF's on offer the lesser varieties were slightly lower, but the more attractive invoices were dearer.

Dusts. There was fair demand and all liquoring teas were generally dearer especially the best Westerns. Grainy Low-Growns were irregularly lower. All powdery sorts were a few cents dearer.

RUBBER REPORT

Week ending 10th February 1971

World Rubber Markets remained at a low ebb this week due to a lack of consumer interest in most sectors.

The Singapore Market touched 46 5/8 dollar cents for current month, a price previously recorded as far back as March, 1968. Factors that have caused the present weak market in Singapore are (1) communication difficulties due to the postal and telegraphic strike in the U.K., (2) the un-

certain position with regard to the USA stockpile releases, (3) fresh strikes in the UK and USA automobile industries, (4) ailing economies, (5) strong recovery in production in Malaysia following the recent rains and floods, (6) a high stock position and (7) preparation for the change over to the metric system in Singapore.

Sheet: RSS 1 opened the week at 79 cents per pound, a drop of 1/4 cents on last week's close. The switch-over to the March quotation in Singapore pushed the price up locally to 80 1/4 cents on the 3rd day of the weekend and a further boost was received on the 5th day when the price improved by 2 cents due to a slight reduction in the Export Duty which now stands at the fixed minimum of 3 cents per pound (a level previously recorded for the week 25/10/70 to 31/10/70. The shot-in-the-arm lasted only one day and sheet dropped to 80 cents the next day (Pre-Poya). Approximately 69 tons of sheet rubber were sold by of which 83% consisted of No. 1 sheet.

offer were in good demand moving up by about Rs. 2/- when business was done at Rs. 18/05 per lb. The highest price paid for the day was Rs. 31/55 per lb. for Superior Quality cardamoms and the lowest at Rs. 6/50 per lb. for one lot of inferior quality. At the close of the week London futures price remained unchanged at sh. 18/6d. per lb.

Cocoa: There were 31 lots, totalling 267 cwt. on offer as against the previous week's quantity of 499 cwt., indicating a decrease of 232 cwt. Despite the small quantity on offer, the market showed no improvement and prices tended to be much the same as previously when at the close of the sale No. 1 was quoted at Rs. 229/- per cwt. Grades next to best too showed no change, remaining at Rs. 220/- per cwt. whilst the poorer and darker grades followed in the same trend remaining unchanged at Rs. 195/- to Rs. 210/- per cwt. No garblings or shell cocoa were on offer.

Coffee: 10 lots totalling 66 cwt. 3 qrs. 5 lbs. were on offer, when in the absence of good quality estate No. 1 Coffee, no quotation was made. One lot of dealers quality was sold at Rs. 190/- per cwt.

Pepper: 3 lots totalling 1511 lbs. were on offer, the best of which sold at Rs. 6/25 per lb. for quotation to be made at this price.

Produce Report

10th Feb. 1971

Cardamoms: There were 141 lots totalling 8,729 lbs. on offer at the sale this week, showing an increase of 3792 showing an increase of 3792 lbs. on the previous week's figure. Prices were marked down by about Rs. 1/- per lb, perhaps due to the larger

quantity on offer and fewer buyers, when at the close of the sale quotation for No. 1 was made at Rs. 19/- to Rs. 20/- per lb. Grades next to best sold at Rs. 17/- to Rs. 18/5 per lb., whilst off-grades and poorer quality did business at Rs. 12/- to Rs. 15/- per lb. The few lots of seeds on

—Country Rice No. 1	85.00	
—Country Rice No. 2	82.00	
—Samba Rice	115.00	
—Korea Rice	125.00—135.00	
Per Cwt.		
—Maize	27.00	
—Red Gram (Toor Dhal)	40.00	45.00
—Black Gram (Undu)	61.00	
—Bengal Gram	46.00	
—Green Gram	50.00	
—Bombay Cowpea	40.00	
Per Bushel		
Millets		
—Finger Millet (Kurrakkan)	8.50	
—Sorghum	440.00	(per ton)
—Soya Beans	800.00	(per ton)
Per Lb.		
Spices Condiments		
—Mustard	5.50	•(per meas)
Per Cwt.		
Chillies		
—Dried Long	Unquoted	Unquoted
—Dried Round	Unquoted	Unquoted
Off Grade	Unquoted	Unquoted
—Goraka	125.00	
—Vanilla		
—Tamarind	Per Cwt.	105.00 — 360.00
—Nut Cashew		
—Ground Nut	Per Lb.	65.00 — 70.00

Market potential in the Caribbean Islands

The Director of Commerce recently received a report from Ceylon's Commercial Secretary in Canada on the possibility of diversifying markets for local exports in the Caribbean Islands which provide new possibilities for Ceylonese exporters to find fresh avenues for their products.

Excerpts of this report are reproduced below:-

The Caribbean Islands appears to have been neglected by us in our efforts to diversify and expand the market for Ceylon's export products. Several countries such as U.K., Canada and U.S.A. enjoy an expanding trade with the West Indian Islands and their exports or rather re-exports include tea, mostly in packeted form.

As you are no doubt aware, the Caribbean Islands formed a Free Trade area known as CARIFT during the second half of 1968. The Free Trade area consists of Jamaica, Trinidad and Tobago, Barbados, Guyana and a few other small West Indian Islands.

DIRECT TRADE LINKS URGED

A study of Jamaica's customs returns and other official publications reveal that tea, spices, rubber, desiccated coconut, graphite and cinnamon are among the products re-exported to Jamaica by countries such as U.K., U.S.A. and Canada. It is obvious that both Jamaica and Ceylon could benefit if direct trade links are established between the two countries.

The Commercial Secretary of this Mission therefore contacted the General Manager of the Jamaican Chamber of Commerce with this objective in mind. The response was most favourable. The Permanent Secretary of the Ministry of Trade and Industry and the Importers and Distributors Association of Jamaica, were kind enough to send a list of prospective importers of Ceylon's products, which is appended.

A substantial volume of business could be done with the West Indian Islands, particularly in products such as tea and spices. If the market is explored carefully, it should be possible to find buyers for some of our manufactured items as well.

I therefore suggest that Ceylonese firms, particularly Consolexpo, be asked to contact the Jamaican firms immediately, with full particulars of the products they could offer. I would also suggest that the Ceylonese firms be asked to send copies of their correspondence to this Mission to facilitate follow up action from this end.

Products Ceylon could sell to Jamaica and other West Indian Islands are, tea, (blended and ready for packeting and packeted tea in loose form) rubber, cinnamon, desiccated coconut, juice concentrates, electrical fixtures.

LIST OF IMPORTERS SENT BY THE IMPORTERS AND DISTRIBUTORS ASSOCIATION OF JAMAICA.

H. M. Brandon & Co. Ltd.,
38A, Harbour Street,
Kingston

Bryden & Evelyn Ltd.,
54, Church Street, Kingston.
Domestic Sales Ltd.,
72, Harbour Street, Kingston
Facy Commodity Co. Ltd.,
7, Harbour Street, Kingston.
T. Geddes Grant (Dist.) Ltd.,
109, Marchu Garvey Drive,
Kingston, 11.
Grace Kennedy & Co. Ltd.,
64, Harbour Street, Kingston
Hand, Arnold (Ja.) Ltd.,
154, Marcus Garvey Drive,
Kingston 11.
H. D. Hopwood & Co. Ltd.,
165, Harbour Street,
Kingston.
Adolph Levy & Bro. Ltd.,
59A, Harbour Street,
Kingston.

Levy Bros. Ltd.,
42, Port Royal Street,
Kingston.
Lascelles Merchandise Ltd.,
49, 2nd Street, Newport West,
Kingston.
J. H. G. Mapp (Succs.) Ltd.,
2A, East Avenue,
Kingston 13.
Mussion (Jamaica) Ltd.,
178, Spanish Town Road,
Kingston 11.
L. J. Williams Marketing Co
Ltd.
177, Water Lane, Kingston.
Milton Wong Ltd.,
56, West Street, Kingston.
Wong Chew Onn & Co. Ltd.,
80, Princess Street, Kingston.

New incentives for exporters in India

The newly set up Indian Trade Development Authority has announced a package of services for its member units, interested in exporting selected products to the U.S.A. Canada, Western Europe, the U.K. and Japan.

The products are: bicycles and components; electronic equipment and components; ferrous castings and forgings for industrial applications; sewing machines and components; automobile ancillaries; industrial fasteners; plastic manufactures and canned fruits and juices.

TEA EXPORTS TO U. K.

We give below details of tea exported to the United Kingdom on account of the London Auctions for January, 1971 together with the corresponding figures for 1970:-

	January 1971	January 1970
	Lbs.	Lbs.
High-Grown: ..	3,441,475	5,045,198
Medium-Grown: ..	2,013,009	3,062,002
Low-Grown: ..	383,100	142,626
	5,837,584	8,249,826

Share Market Report

The share market which was open for four days only on account of Independence Commemoration Day, was quiet, according to the Report of the Colombo Brokers' Association.

Teas	Previous Price	Feb. 7th	7th
	Rs. cts.	Rs. cts.	+ or -
Ceylon Provincials ..	6.00	5.50	— .50
Estates of Uva ..	4.00	4.00**	
Mochas ..	10.50	10.50	
Nohavillas ..	3.00	3.00	
Strathpeys ..	7.25	6.50**	— .75
Up cands ..	4.75	5.25**	+ .50
Tea-cum-Rubbers:			
Hunnuwells ..	6.00	5.50	— .50
Commercials			
Browns ..	16.00	11.00	— 5.00
Ceylon Hotels Corporation	1.600	1.60	

There was on business in rubbers, coconuts and Preference shares and Government loans were dull.

The following were quoted ex-dividend during The week: Chemical Industries (Colombo) Ltd. 12 1/2% Final on 31-1-71

New high yielding paddy

A new superior paddy seed which yields seven tons of paddy on one hectare of land in 125 days was discovered by Rukmana Sendjaja, a leader of the 1945 Generation in Garut and Member of Parliament.

The Agricultural Service in Garut has named the new superior seed "Paddi RS", after the initials of the discoverer.

According to the Agricultural Service, the new paddy seed has long stalks (43 centimetres) with 150 to 200 grains per stalk.

The paddy plant itself is 150 to 170 centimetres high, thus matching the length of the stalk.

Trade Fairs

Details of forthcoming West German Trade Fairs and Exhibitions of interest to Ceylonese businessmen are given below:-

Hanover Fair 1971 22nd to 30th April 1971.

Interzum Internation Fair of Accessories and materials used for woodworking, Furniture, Upholstered Furniture and mattresses and light construction work—Cologne: 13th to 16th May 1971.

25th Interstoff-Trade Fair for clothing Textiles—Frankfurt: 24th to 27th May 1971.

Frankfurt International Autumn Fair: 29th August to 1st Sept. 1971.

SOME ASPECTS OF FOREIGN TRADE PLANNING IN CEYLON

The second instalment of this article will appear in our next issue.

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 Weerasesera
Mawatha,
Colombo 10.



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HANOVER FAIR 1971

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Opening day 1971: Thursday



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SCIENCE AND TECHNOLOGY

New agriculture tractor

A new tractor which has been designed in Swaziland to replace draught animals on the subsistence farm, could, it is believed, transform agriculture in many developing countries.

Easy To Operate

The tractor, designed by an International Voluntary service team at the Swaziland Agricultural College and University Centre, was recently shown at the Swaziland High Commission in London.

This new tractor has a 14 h.p. rotary engine which drives an oil pump which pumps oil to a hydraulic motor in each wheel. Its most characteristic feature is that it is easy to operate and maintain. There is no clutch, no gear-box and no differentials—it is operated with a single lever.

When it is in production the tractor will cost about £ 300, which is the price of a team of oxen in Swaziland.

MAKING THINGS HAPPEN

Managerial planning is a means of determining what is likely to happen, but it should also make things happen. Let's say that other companies seem likely to enlarge their share of the market at your company's expense, or that the market itself is not growing as fast as necessary if your company is to grow at satisfactory rates. What can you do about it?

For example, how do you determine the point where a product is reaching the peak sales of its life cycle and can at best hold its own in the years ahead? One thing to watch here is the extent to which the market is a replacement market. What proportion of the customers are buying the product for the first time, and what proportion are merely buying say, a replacement for products of the same type that are worn out?

Another point is the extent to which new products are coming up that serve the same purpose and appear to be finding favour with the customers.

Because all products have life cycles—some long, some short—a company must try to have new ones coming up to take the place of old ones whose sales are likely to begin falling off. That's why so many companies have research departments. And since research takes a long time, it must be started well before the old products have begun to decline.

A manufacturer of typewriters, for example, decided that the market for typewriters was becoming largely a replacement market even though as population and businesses grow there is bound to be some growth in the field. Since computers were already coming into use, it considered the possibility of providing computers for the offices to which it was supplying typewriters.

Larger companies had a head start, and could afford to spend more on research. The smaller company simply didn't have and couldn't raise the capital to compete with it on equal terms. Therefore, it decided that the best was to supply some of the peripheral equipment associated with computers and to concentrate research in those fields. In this way it was able to introduce new products in line with current trends despite its smaller size.

Sometimes an innovation in marketing practices is needed rather than, or as well as a change in products. For example, if a company is seeking to reach a mass market, it must get its products distributed through such outlets as supermarkets, shopping centres, discount houses, and department stores. On the other hand, if no product goes to a limited but highly profitable market, it may want to concentrate on speciality stores.

There are three variables that affect profits:—

- 1.—Sales
- 2.—Labour and material costs
- 3.—Overheads

Thus a company may increase its profit by increasing the first and decreasing the second and third.

To accomplish this, it must study its processes as well as its markets, for a change in process may make it possible to produce more saleable products and decrease labour costs. The introduction of new equipment for this purpose will, however, increase overheads by increasing depreciation, so it is necessary to balance the gains and losses.

CONTROL

Planning and control are closely related because management must develop systems of determining when deviations from plans are occurring in time to take steps to bring actual results into line with the plans or to revise the plans in the light of changed circumstances.

From Soviet Science Magazines

Prof. V. Romanovsky's book on "How the Ocean is Built" expresses the scientist's anxieties in connection with the pollution of sea water. Currently the sea, especially its coastal areas, is being turned into an international dump heap. And this in spite of the fact that the sea is mankind's last hope of getting rid of hunger, in view of the constantly growing population of the globe. As he considers various methods of pollution of sea and ocean waters—bacteriological, chemical and radioactive—the scientist calls upon mankind to be more sparing in treating the ocean, a treasure which belongs to all humanity.

The article "Transplantation Disease and Ganglion" by L. Karzbskaya speaks of

the research of the Soviet scientist to develop the agents suppressing the incompatibility of tissues in transplantation from one organism to another. For this purpose the staff of the blood transfusion research institute, Armenian USSR, are successfully using Ganglion, an agent developed by Academician A. Mijoyan. Thus, in radiation exposure of animals transfusion of bone marrow is used, and this sharply improves the condition of the animals, but only for a time. In six to 12 months the state of the test animals deteriorated and died. This was the effect of tissue incompatibility. The new agent suppresses this in compatibility and ensures 56 per cent of survival of test animals.

MANAGEMENT

One control tool is sales analysis of sales by type of product and by type of customer, and it is important that records be kept in such a way that these can be easily determined. For example, if sales of certain types of products or sales to certain types of stores are so small that they don't pay their way, it may be wise to stop selling to these outlets or to drop some of the products, unless it is believed that potential future sales justify continuance of the practice.

Performance against budget is another important control tool, since it shows whether the company is spending more than it is expected to.

The value of this measurement depends on two factors; how the cost is broken down and how often comparisons of actual and budgeted amounts are available. It would be of little value for management to learn at the end of the year that it had spent £ 10 million more than it had expected to if there were no way of tracing down the reasons. Thus reports of performance against budget must be issued often enough so there's still time to do something about them and must be detailed enough to make it possible to determine why variances have occurred.

For example, wage costs may go up because rates have risen or because more labour was needed to produce more products to take care of greater sales. If rates have risen unexpectedly, plans may have to be revised. But more often the rise will have been considered in the planning, because management knew the union contract was to be reopened that year or had made provision to

take care of a rise expected because of a general trend. If the rise is no more than it warranted by the increase in production necessary because of higher sales, the variance is in the sales figure—and since there is a favourable variance, it is not a cause for concern. But if labour costs rise without a corresponding increase in either wage rates or production then the change should be looked into because it may be due to poor utilization of labour—too much avoidable overtime, for example.

Because the level of sales and hence of production is likely to vary from plans, companies often use variable budgets that allow for variable expenses, which are those that vary with level of activity, in contrast to the fixed expenses which continue to some extent no matter how much or how

KEYS TO LONG LIFE

"To live a long life, you must reside in a farming village, eat plenty of vegetables and refrain from smoking. These were words of wisdom from men and women reaching a 100 years of age last year. The age revealed the secret of their longevity in a recent survey conducted by a social welfare association sponsored by Sumitomo Mutual Life Insurance Company.

Of 126 persons polled, 78 responded to the survey. It was learned that of the 78 persons, 51 to 65 per cent live on farms. None of them live in areas surrounded by industrial belt. When asked to offer the formula for longevity, those polled emphasized the need for frequent physical exercise, leading a tempered life and being free from worry. The majority of the polled were found to be fond of vegetables and completely free from the smoking habit.

We continue the series Techniques of Modern Management. Here the author deals with managerial planning and control.

little the company produces and sells.

On the sales side, there are such control figures as sales quotas to be compared with actual sales, and sales expense allowances to be compared with actual selling expenses. To the extent that it is possible to calculate the share of market that the company is getting in each area, this percentage will also provide a useful control figure.

Planning and control are complementary techniques, and both are essential to good management.

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Britain's aid to developing countries to go up

A 50 per cent rise in official spending on aid to developing countries is foreshadowed within the next four years in a Government White Paper on public expenditure published in London last week.

Gross official economic aid currently running at about £229 mill on a year, is expected to go up to £340 million by the financial year April 1974 to March 1975. These figures represent the expected cash cost of overseas aid to the British exchequer in the years ahead.

More significant, perhaps, from the point of view of recipients, is the net volume of assistance they can expect to get from Britain, that is after deducting their repayment commitments under earlier aid loans, and allowing for falls in the purchasing power of money.

Aid policy was laid down by the Prime Minister, Mr Edward Heath, at the United Nations General Assembly last October when he pledged Britain's best endeavours to lift her total aid flows in cash terms to the equivalent of one per cent of the British Gross National Product in money terms by the year 1975. One per cent is the target adopted by the United Nations Conference on Trade and Development.

GLOBAL APPROACH TO FARM PROBLEMS NEEDED

Bonn

Agricultural aid in the form of food supplies to the developing countries should be implemented to remove acute bottlenecks and to support economic development in the Third World.

This is one of the most urgent problems in 1971, says a statement recently issued by Josef Ertl, the Minister of Food and Agriculture.

Other problems that demand urgent attention, he said, included:—

The dismantling of trade barriers that make farm exports to the developing countries difficult.

Appropriate access to the European Common Market (EEC) for countries exporting farm produce.

The Ministry statement added: The "interests and responsibility of the European Economic Community as an important trading power demand global solutions to agricultural problems within the framework of international trade agreements."

As the White Paper makes clear, flows of private British investment capital are expected to make a substantial contribution towards reaching this target.

The British Government has promised to encourage such flows, which represent a form of development assistance that the distinguished

COAL-FIELDS ON TIBETAN PLATEAU

Lhasa

Geological workers have found a number of medium sized and small coal-fields on the Tibetan Plateau. This will help Tibet develop the coal industry with greater, faster, better and more economical results.

INDO-CZECH AGREEMENT

New Delhi

An Indo-Czech agreement for supply of equipment and machinery for the fertilizer plants at Talchara and Ramagundam was signed recently.

The Talchar and Ramagundam units, with an estimated capacity of 900 tonnes of ammonia and 1,500 tonnes of urea per day will use indefinitely available coal as feedstock for ammonia production. The projects were designed by engineers of the Fertilizer Corporation of India. The foundation stones for the two projects have already been laid by the Union Petroleum and Chemicals Minister, Dr. Triguna Sen.

YUGOSLAV—TANZANIA TECHNICAL CO-OPERATION

Dar Es Salaam

An agreement on scientific and technological co-operation between Yugoslavia and Tanzania in 1971 and 1972 was signed recently in Dar Es Salaam. The programme calls for Yugoslav experts to be sent to Tanzania; the dispatching of consultants to work out plans and to make reports; the exchange of experts and their instruction; and the training of Tanzanian personnel in Yugoslavia.

The value of the assistance which Yugoslavia is giving Tanzania, through this programme is estimated at 300,000 dollars.

Pearson Commission on international aid described as being more effective than official aid flows, where industrial ventures were concerned. This is because, by their nature, such private direct investments of capital are more closely linked to the management aid technology that projects of this nature require.

GROWING SOVIET TRADE

Moscow

The USSR's trade with developing countries grew by 1.5-fold in the past five years. The Soviet Union has many trade partners in Africa, Asia and Latin America today. The first inter-government agreements have been concluded with Costa Rica, South Yemen, the Republic of Upper Volta, Ecuador. The trade increased mainly at the expense of growing exports of Soviet machines and equipment.

The USSR supplied the developing countries with an average of half a million roubles' worth of machinery. The Soviet Union, in its turn, expanded export goods and the output of growing national industries in Asian, African and Latin American countries.—(APN)



PUNJAB TO DEVELOP 1,000 Villages

Patiala

A "model village scheme" envisaging development of 1,000 villages at an estimated cost of Rs. 10 crores has been included in Punjab's fourth plan.

The cost of the project will be shared equally by panchayati raj institutions and the State Government. Besides funds, the panchayati raj institutions will provide land and voluntary labour. So far, these institutions have contributed Rs. 1-17 crores towards the scheme. The State Government, which contributed Rs. 2 crores during the current financial year, will spend Rs. 3 crores next year.

The "model village scheme" aims at, among other things, paving streets, ensuring supply of drinking water and contraction of "Balwaris" and drains.

WAGE CONTROL IN THE NETHERLANDS

The Hague

The Netherlands Minister of Social Affairs and Public Health announced a decree

to control the rising trend of wages. The decision was part of a group of measures taken by the Netherlands Government with a view to reducing inflation.

After lengthy debates in the Second Chamber of the States General the decree was modified in a number of respects, but the basic principle of moderation of the trend of wages was not affected.

Briefly, the effect of the measures is that current collective labour agreements will, in general, continue in force, but that the wages established therein may not be raised again. Once such an agreement has expired, a control period of six months begins. During this period wages may increase by a maximum of 4%, i.e., 3% at the beginning of the period, and 1% halfway through it. Once the control period has elapsed new collective labour agreements may come into force on the basis of free negotiations between employees and employers.

THE YUGOSLAV UNITARY MARKET

The Yugoslavs have deeply entered thorough discussion, often followed by stormy debates, about a new stage of developing their multi-national and self-managed community. The determined trend forward, not without difficulties, imposes the need to take a fresh move. It is understandable that the economy has found itself in the focus of this agreement making.

The Yugoslav social product this year should amount to 120 billion new dinars. It is clear that the Yugoslavs want to step up the national economic growth once again which has been slowed down in recent years. One should remember that Yugoslavia held first place on the world list in this respect between 1952 and 1960.

It is not concealed in Belgrade that the Yugoslav economy is faced with a series of difficulties which come as a result of both national and international diseases of economy, such as international inflation for example. Work is now urgently performed so as to make changes in the course of economic activity

thus improving economic balance in general.

In question here is a whole series of concrete actions of the Federal Government whose aim is to introduce more order and discipline into economic trends. The Yugoslavs have not given up classical economic moves, such as the freezing of prices of some key products either. Also in question, at the same time, is the further development of the entire economic system and mechanism.

Distribution according to work performed remains the main compass. Yugoslav experience proves that the development of socialism greatly depends on consistence in implementing this principle. In practice, this is one of the main foundation stones of the self-managing mechanism. This time, new efforts will be exerted to realise this principle in practice as fully as possible.

No changes will be made in the sphere of commodity production and the market as precondition of more efficient economic activity. It has been proved that the self-managed community can be

based only on the freedom of decision-taking by direct producers and the recognition of the value of their work

This is why the new stage of development is approached with firm conviction that a joint and unitary market is the basis of constituting the Yugoslav Federation, as a sovereign community of equal peoples and nationalities. Unitary market represents an important lever of progress of all peoples. Namely, they are given uniform framework of joint economic life.

Anyway, unitary market means joint economy and economic policy without which it would not be possible to avoid instability and misunderstanding. In fact, unitary market presumes the free circulation of resources, commodities, labour, services, a joint policy of economic relations with other countries, a common system of the determination of prices, a joint taxation system and adherence to a joint currency. All this constitutes the foundations of the national economic system.

U. S. DEVELOPMENT ASSISTANCE PROGRAMME

The U.S. foreign assistance programs will undergo major reform in 1972. Legislation to give new directions to these programs and adapt them to changed world conditions will be proposed to the Congress. These new directions are based on the recognition that other nations have a growing capability to assume primary responsibility for their own development.

An increasing share of development assistance to other nations will be provided through a multilateral framework. Bilateral aid will be restructured and placed on a sounder and a more business-like basis. Two new U.S. organizations are proposed; an international development corporation for bilateral lending and an international development institute for technical co-operation with less developed countries.

The State Department will administer supporting assistance. It will also co-ordinate humanitarian assistance, which includes our aid to refugees and victims of natural disasters. These efforts are financed from a number of sources including the Food for Peace Program, the Refugees Assistance Program and the President's Foreign Assistance Contingency Fund.

Budget Highlights

Outlays for international affairs and finance, excluding military assistance will total 4,000 million dollars in 1972, compared with 3,600 million dollars in 1971. Budget authority recommend for 1972 is 5,100 million dollars.

Economic and Financial Assistance—The new foreign assistance structure will clearly distinguish security assistance which is intended to help friendly countries defend themselves, and development assistance, which promotes long-term economic growth. Outlays for international development assistance will be 1,500 million dollars up from 1,300 million dollars in 1971. Outlays for security assistance including military assistance, classified in the National Defence Function, will be 1,700 million dollars in 1972, roughly the same as in 1971, but 605 million dollars higher than in 1970.

The growing capacity of the international financial institutions, the World Bank group and the regional development banks, to manage large lending programs will allow the United States and other contributing nations to channel an increasing share of their economic assistance

through multilateral institutions. In order to carry out our international obligations, a request for supplemental 1971 appropriations will be made to include :—

* 487 million dollars for the ordinary capital and for the fund for special operations of the Inter-American Development Bank ;

* 246 million for the U.S. share of the new capital subscription to the International Bank for Reconstruction and Development ; and

* 60 million dollars for the special fund of the Asian Development Bank.

For 1972, additional U.S. contributions are proposed for the two regional banks and for the International Development Association, a World Bank affiliate.

* 320 million dollars for the International Development Association ;

* 500 million dollars for the Inter-American Development Bank ; and

* 40 million dollars for the Asian Development Bank.

Budget authority for voluntary contributions to international organizations will be

increased to 168 million dollars. The bulk of this assistance, 100 million dollars, will be for the U.N. Development Program, which finances and co-ordinates most U.N. technical assistance programs. Our contributions to this program will be matched by more than 150 million dollars of contributions from other donor governments.

Excerpts from President Nixon's Fiscal 1972 Budget relating to U.S. development assistance to developing countries.

Bilateral lending

Bilateral development lending will be provided through the proposed United States International Development Corporation. The Corporation will encourage borrowed initiative and project quality, as measured by economic rate of return and contribution to overall development. A major portion of our bilateral lending will take place within a multilateral framework.

Bilateral technical co-operation will be administered by the proposed United States International Development Institute, which will mobilise

scientific expertise and technology of private U.S. organizations to help solve specific development problems of lower income countries. Special emphasis will be placed on population planning and research.

The Overseas Private Investment Corporation provides a broad range of services to U.S. private investors in less developed countries. The Corporation insures U.S. private investments against political and commercial risks, provides loans to mobilise private funds into key areas, disseminates information on investment opportunities, and finances development feasibility studies

Export-Import Bank

The export promotion program of the Bank will continue to play an important part in the administration's efforts to achieve a more favourable balance of payments. Net lending by the Bank is expected to increase from 248 million dollars in 1971 to 398 million dollars in 1972.

Legislation will be proposed to extend the life of the Bank and raise the statutory ceiling on the Bank's outstanding loans, guarantees and insurances, to 20,000 million dollars from the current level of 13,500 million dollars.

The United States donates and sells agricultural commodities on favorable terms to friendly nations under the Agricultural Trade Development and Assistance Act (Public Law 480). This program combats hunger and malnutrition, promotes economic growth, develops new export markets for U.S. commodities. Outlays will increase slightly from 1,014 million dollars in 1971 to 962 million dollars in 1972.

Important cultural benefits flow from widened educational and cultural contacts between the people of the United States and other countries. Educational cultural exchange activities of the Department of State continue to be broadened and academic groups include businessmen professionals and others.

THE DI

In Ceylon, since the death rates have reached a fairly low level and have remained more or less stable at that level over a long period, the future rates of population growth will be determined to a large extent by the level of the birth rate. It is therefore important to analyse the fertility decline in the 1950s and the 1960s as a view to evaluating the prospects for a further decline in the future. "Several reasons have been advanced by various persons to explain the decline in the birth rate, mainly based on the data published by the Registrar-General. J. Wardena and Selvaratnam have argued that the increase in the mean age at marriage of women has largely been responsible for the decline in the birth rate observed in recent years. The most detailed analysis of recent trends in fertility has been undertaken by W. R. He has shown that the decline in the birth rate between 1950 and 1963 was due primarily to changes in the age structure and to the rising age at marriage. Marital fertility changes very little. The continuing decline between 1963 and 1968 occurred in spite of, rather than because of, changes in age structure and was caused by continuing postponement of marriage and decline in marital fertility among women over 25 (and possibly among women over 20).

Chandrasekaran observed that the decline in birth rate in recent years may well be but a temporary phenomenon.

What Socialism means to the West Germans

Paradoxical though it may seem, socialism works with conspicuous success in some capitalist countries. West Germany provides such an example.

Today there is great emphasis all over the world on the rights of workers—whether they are workers in industry, agriculture or other employment. In the Federal Republic of Germany four-fifths of the working population are employed persons. As a natural consequence, labour law represents a very important part of the social system.

The most important function of labour law is to protect employees from exploitation in West Germany State regulations provide for the protection of the employee against the over-tiring of his working ability, especially through long working hours.

They also safeguard the employee's position in regard to remuneration. They limit the employer's rights, just as they define his legal obligations to his work force.

Finally, through the institution of special labour jurisdiction, they facilitate the meeting of the employee's legal claims. Furthermore, the decisions of the courts have been based on the assumption that the relation of employer to employee implies that the former is responsible in general for the welfare of the latter, and this has resulted in the imposition of various specific duties on employers for the protection of employees.

But West Germany's labour law is not designed to pamper and coddle the worker so that he remains, so to say the well-nourished but dependent child of benevolent parents (represented by the State and the employer). On the other hand the Federal German law endows the worker with responsibility so that he helps decisively to frame his own legal and social position.

Today most employees are members of powerfully organized trade unions. (though every worker has also the legal right to refrain from joining an organisation). The trade

unions and their counterparts, the employees associations, play an essential part in the determination of working conditions.

Wage agreements drawn up between trade unions and employers associations regulate, within the framework of the Constitution and the laws, the social affairs of their members, especially the conditions of employment and questions to do with the operations of the firm and the workers rights and duties. Beyond this, they appoint the members of the labour and social committees which are everywhere almost exclusively composed of an equal number of employees and employers representatives, and they exercise considerable influence on social legislation.

On the business level, in all the bigger firms, the right to have a say in social and staffing matters as well as in the firm's economic policy has been granted to employees. The employees in each place of work are entitled, in the exercise of this right, to elect workers' councils (we in Ceylon are now

planning for people's committees) which have to work in co-operation with the employer in the interests of the firm and the general public.

Thus in the Federal Republic of Germany labour regulations do not follow a pattern solely designed by the State because apart from the State the trade unions and the employers associations are also responsible bodies.

This means, in particular that the settlement of working conditions (recruitment, wage holidays, notice for termination of employment, etc.) lies mainly in the hands of the trade unions and the employers associations. Here they enjoy complete freedom within the scope of the Constitution and the law.

In fact the State has largely dissociated itself from having a hand in the settlement of working conditions though it continues to frame the regulations covering the protection of labour through laws and directives having the force of law protection and accidents

at work, protection of working hours, protection of juvenile labour, protection of mothers, protection of the seriously disabled, and much more.

But how does the system work? Proof of its success—its true "socialism"—is seen in two directions.

First, in the relative infrequency of strikes, the figures for West Germany being much lower than for other important industrial countries where labour is not recognised. And when a strike does occur, the striker generally oils and cleans his machine so that it will work smoothly when he comes back.

Second, in the booming affluence of the West German worker, Ceylon sees regular proof of this in the tourists coming here. West Germans head Ceylon's tourist statistics—they are the largest national group, and (being holiday-makers) they spend the most money in the Island. And also, most important, they are nearly all "workers" and their families.

(continued on page 8)

GRAMME

The United States donates and sells agricultural commodities on favourable terms to friendly nations under the Agricultural Trade Development and Assistance (Public Law 480). This program combats hunger and malnutrition, promotes economic growth in developing nations and develops and expands export markets for U.S. commodities. Outlays will increase slightly from 1,014 million dollars in 1971 to 962 million dollars in 1972.

Important mutual benefits flow from widened social, educational and cultural contacts between the peoples of the United States and other countries. Educational and cultural exchange activities of the Department of State will continue to be broadened beyond academic groups to include businessmen professionals and others.

Soviet assistance to developing countries increased more than sixfold since 1958. The increase in 1965 represented 431 per cent of the figure for 1958, while by 1970 the increase was 658 per cent of the 1959 figure.

The USSR has economic and Technical Cooperation Agreements with 40 developing countries; 18 of them in Asia, 20 in Africa and 2 in Latin America. Long-term credits to finance specific projects are given at 2-5 to 3 per cent annual rates of interest. 700 industrial enterprises mainly in the public sector have been established with Soviet assistance, 430 of these are already in operation, 200,000 skilled workers and technicians have received training in the USSR. Several thousands are also doing specified studies at Soviet Universities, while more than 4,000 of them are at Lumumba University in Moscow.

The Soviet Union, extends credits without strings to the developing world. This assistance is on a Government-to-Government basis.

Salient Features

Credits given by the USSR benefit both sides, in that the recipients do not have to use

allocated under Economic and Technical Cooperation Agreements is channelled to industry. This is done at the specific request of the recipient country and after a feasibility study has been made.

Already more than 700 giant projects covering a variety of industrial applications have

In Afghanistan, Soviet experts helped survey deposits of natural gas, high-grade iron, lead and zinc ores, coal, lapis lazuli, and other minerals.

Soviet experts helped in the discovery of oil in Syria.

In Iraq, surveys have been made of large deposits of sulphur, phosphorites and min-

eral raw materials used in the manufacture of glass.

* establishment of national training centres in the developing countries

Qualified Soviet specialists working in these countries have trained more than 200,000 in specialists fields.

Thousands of young men from the under-developed countries now undergo training in Soviet higher educational institutions, where specialized courses are conducted free. Students from these countries also benefit from grants and scholarships given by the Government of the USSR.

The Soviet Union has also helped set up more than a hundred Higher Secondary Schools in the developing countries.

The Soviet Union gives all this assistance to the countries of the developing world in an endeavour to assist their economic progress and thus help strengthen world peace.

Soviet Aid to Developing Nations

By V. SERGEREV

Vice-Chairman
State Committee of the USSR
Council of Ministers

hard currency for repayments. Instead, she accepts repayment by way of export commodities. This in turn satisfies the consumer needs of the people of the USSR.

Another feature of Soviet aid to the newly independent countries is that it facilitates the solution of complex industrial projects while speeding up the economic growth of these countries. This is achieved through Soviet policy of assistance to the state sector.

Seventy per cent of the funds

thus been established. 340 of these plants are now in operation in many of the developing countries.

Up-to-date technical assistance has also been rendered in prospecting for minerals. Exciting results have been achieved in many of these countries.

eral raw materials used in the manufacture of glass.

An oil deposit of industrial significance was discovered in Pakistan with the assistance of Soviet specialists.

The USSR also gives technical training to skilled young men from the developing countries. This training takes three forms:

* Instruction by Soviet specialists at factories and research institutions in the Soviet Union;

* training of foreign specialists at factories and res-

THE DEMOGRAPHIC REVOLUTION IN CEYLON (Part II)

In Ceylon, since the death rates have reached a fairly low level and have remained more or less stable at that level over a long period, the future rates of population growth will be determined to a large extent by the level of the birth rates. It is therefore important to analyse the fertility decline of the 1950s and the 1960s with a view to evaluating the prospects for a further decline in the future. Several reasons have been advanced by various persons to explain the recent decline in the birth rate, mostly based on the data published by the Registrar-General. Jayawardena and Selvaratnam have argued that the increase in the mean age at marriage of women has largely been responsible for the decline in the birth rate observed in recent years. The most detailed analysis of recent trends in fertility has been undertaken by Wright. He has shown that the decline in the birth rate between 1953 and 1963 was due primarily to changes in the age structure and to the rising age at marriage. Marital fertility change very little. The continuing decline between 1963 and 1968 occurred in spite of, rather than because of, changes in the age structure and was caused by continuing postponement of marriage and decline in marital fertility among women over 25 (and possibly among women over 20).

Chandrasekaran has observed that the declining birth rate in recent years might well be but a temporary phase

and that the births saved in the past few years by delay in age at marriage might be made up during the course of the remaining reproductive years of these married women. This appears unlikely, since the declining marital fertility rates at the older ages in recent years are occurring in cohorts that were marrying later than their predecessors, and there is no reason to expect a reversal of this trend. Nevertheless, the future course of fertility to indeed difficult to predict, not

and one assumption about future mortality were recently prepared by Selvaratnam, Wright and Jones at the Ministry of Planning and Employment. (Selvaratnam, Wright & Jones, 1970). These projections cover a thirty-year period, 1968 to 1998, and give an indication of the possible maximum and minimum level that our population will attain during this period.

By

S. SELVARATNAM

Deputy Director, Perspective Planning Division,
Ministry of Planning & Employment.

the less so because the age at marriage is unlikely to rise much above its present level, and future decline in fertility will therefore be almost wholly dependent on a further decline in marital fertility. That fertility will level off at its current rates remains more than just a theoretical possibility." (Selvaratnam, Wright & Jones, 1970).

FUTURE GROWTH RATE

So far we have seen the manner in, and the rates at which our population has been growing over the past nearly 100 years. What about the future? How fast and how large will our population grow? Three sets of population projections—high, medium and low—based on three alternative assumptions regarding the future course of fertility

According to the high projection which assumes that the base year age-specific fertility rates will remain constant over the 30 years, the estimated population of about 12 million in 1968 will increase to 26.2 million in 1998. The medium projection based on the assumption of a slow decline in fertility will result in a total population of 22.7 million; while the low projections which correspond to the assumption of a rapid fertility decline will give a population of 19.7 million in 1998. In other words, if there were to be a slow decline in the fertility rate, our population in 1998 will be 3.5 million less, and if fertility declines rapidly it will be 6.5 million less than if the fertility rates were to remain unchanged at the 1968 level.

I also wish to emphasise that since the present age-structure of the population has high built-in potential for rapid population growth, a 50 per cent increase in population during the next 23 years will take place even if fertility declines rapidly.

Let us now examine briefly the average annual rates of growth implied by these projections. Since mortality is assumed to decline further in all three projections, the average

These average growth rates also mean that according to the high projections, the 1968 population will double in about 26 years, while the doubling will take about 33 years in the medium projection and 45 years in the low projection. To put it in another form, if our present high fertility rates continues without any change into the future, the year 1994 when we will probably number some 24 million is only as far in the future as the year 1946 is in the past.

Adverse Effects

The rapid increase in our numbers is not just a future danger; it is at present the chief cause of a series of social and economic problems in the country.

Firstly, compared to most of the countries in the region, Ceylon is already densely populated with about 500 persons per square mile. The pressure of population particularly on the cultivated land is very heavy. According to a recent study by Jones & Selvaratnam, while the area cultivated has increased by about 0.7 per cent per annum between 1946 to 1969, the rural population has increased by about 2.5 per cent per annum during the same period. Consequently, the density of rural population per cultivated acre has increased steadily from 1.34 in 1946 to 2.02 in 1969. (Jones & Selvaratnam, September, 1970). Since the amount of land available for new cultivation is very

limited, and since the rate of expansion of cultivable land is also very slow, rapidly increasing population will only further aggravate the problem of fragmentation and uneconomic size of land holdings.

Secondly, the rapidly growing population will have a very serious effect on our food situation. During the past twenty years or more, we have made very considerable progress in the matter of increasing the production of food by expanding the area under cultivation as well as by increasing the yield per acre. The total production of paddy, for instance, registered an increase from 14.5 million bushels in 1950 to 65.9 million bushels in 1969. Yet today we are a food-deficit nation importing annually about Rs. 970 million worth of rice and other essential food items from other countries.

It would thus appear that increased production has been largely used for feeding the increasing population and has not been sufficient to narrow the gap between domestic requirements and domestic production to an appreciable extent. A developing country like Ceylon which has to make huge purchases of rice and other foods from abroad in order to meet the needs of her people inevitably weakens her foreign exchange position, thereby putting a brake on her

(Contd on page 8)

BUSINESS NEWS

LATS STEP IN DUNLOP-PIRELLI UNION

A new giant in world tyre-making was born with the link-up of Dunlop and Pirelli. This partnership thus become the world's second biggest tyre manufacturer and third biggest rubber group.

The combined turnover of the companies is now some £ 900 million. The two are equal partners and, though their operations will be regarded as a single business operation, individual names and trademarks will continue.

The Union—the companies shy away from calling it a merger—means bigger markets for both. As tyre manufacturers each has a world reputation, but Dunlop has specialist knowledge in rubber goods and Pirelli can contribute expertise in cable-making.

For Dunlop the link-up opens up bigger markets in Italy, Southern Europe and Latin America, while Pirelli will enjoy Dunlop's better

sales performance in Britain, North America, Africa, Asia and Australasia.

Another benefit will be the pooling of costly research and development work, on which each company now spends some £8 million a year.

BEDFORD VANS IN RECORD WORLD DEMAND

Bedford vans are now enjoying "outstanding success" throughout the world says the makers, Vauxhall Motors. Sales last year were a record at over 45,400.

Not only did the latest CF range of vans—introduced in October 1969—set a new annual record, but export sales of 4,800 vans in the last quarter of the year were the best ever achieved for this period.

Bedford vans and trucks generally enjoyed world popularity between October and December, with record ship-

ments of 33,800 vehicles. The total for the year was just over 100,000, with more than 46,000 going to other countries.

Mr. Alex Rhea, Vauxhall's chairman, said last week that the 1971 range of cars, especially the new Viva small car, had been "extremely well received both at home and abroad." Nearly 65,000 export orders were among total car sales of 169,000.

The CF range had the difficult task of following some of Britain's most successful vehicles—the CA series of vans which were in production for 17 years and sold something like 370,000 vehicles. The CA vans were highly popular as the basis for a variety of motor caravans, including the famous Dormobile range.

The design of the CF was based on the needs of operators in several countries. The range consists of five basic semi-forward control models, all with variants and all available with either petrol or diesel engines. The vans are capable of operating at gross weights of up to 7,236 lb. and are fitted with cabs equipped for saloon car comfort.

Socialism in W. Germany...

(continued from page 6)

In the last five years alone West Germans have, according to the German Industrial Institute in Cologne, spent Rs. 10,000 millions on holidays outside their country. And this year 22 millions of West Germany's 60 million inhabitants will holiday abroad. Not only do they have no restrictions on leaving home and coming back, they have no currency restrictions, no exchange control, no trouble getting passports.

A HOUSE-OWNING DEMOCRACY

Housing has been given high priority by the Government of Ceylon, because of the acute shortage of accommodation for the middle and poorer classes.

The situation is not peculiar to Ceylon; it exists in most parts of the world, even among the richer nations. But some countries have made greater headway than others in tackling the problem, and Ceylon could do well to profit from their example.

For West Germany World War II created widespread devastation, destroying or heavily damaging more than half the dwellings in the country. But since the War new homes have been coming up at the rate of one a minute in the Federal Republic of Germany, and between 1945 and 1965 nearly 9 million dwellings were built, providing satisfactory accommodation for 25 million persons, or about twice the entire population of Ceylon.

How has this "miracle"

been achieved? The answer, simply, is: *through a socialism far more dynamic and fruitful than Karl Marx dreamed of*—by the harnessing of the resources of both the public and the private sectors, by an enlightened State economic policy which has offered incentives to building, especially the building of houses which will belong to the tenants.

In the entire post-war period the emphasis in West Germany has been laid on what is called "Government-aided social housing," which means housing subsidised out of public funds. This policy covers dwellings with rents and other charges kept low through the granting of public houses at low rates of interest and long term mortgages, so that the houses are within the reach of large section of the population.

State policy in communist countries requires that all housing should be the property of the State itself. In West Germany socialism has taken a completely different course. Its aim is that as many house-builders as possible should own their homes. State aid is particularly generous towards the building of "family houses."

West Germany's social democracy is a property-owning democracy. It aims to give every family a share and a stake in the economic prosperity of the nation as a whole. That is why the incentives are especially attractive for owning a house of one's own. There is much Ceylon could learn from the conspicuous success of the Federal Republic's housing programmes.

Demographic Revolution.....

(continued from page 7)

own industrial and agricultural development, and postpones the day when she will be independent of foreign economic aid. For a long time we have also been experiencing a deficiency in regard to the nutritional quality of our food since commodities like milk, meat, fish, eggs, fruits and vegetables are not sufficient for our requirements and do not form an adequate portion of the average diet. In the context of a rapidly increasing population, we must greatly increase both the output and the nutritional value of food. We must produce more both to feed more people and to feed people more.

Thirdly, the high rate of population increase will adversely affect the employment situation in the country. Already, the problem of unemployment has assumed very serious proportions with about 500,000 persons or 12 per cent of the workforce remaining unemployed. The level of unemployment in Ceylon is very high and has been the result partly of the high rate of population increase. The population explosion of the late 1940's resulted in an explosion of the workforce in the 1960's. This rapid and sudden increase in the number seeking employment was not matched by an equal increase in the rate of employment creation. In addition to the

existing backlog of unemployed one has also to take into account the future additions to the labour force.

According to the labour force projections recently prepared by Srivastava, Jones & Selvaratnam at the Ministry of Planning and Employment (Srivastava, Jones & Selvaratnam, June 1970), the labour

force is expected to increase by more than 50 per cent during the 15 years following 1968. It will more than double in the 30-year period 1968 to 1998, even if fertility declines rapidly, but it will double in only 25 years if fertility does not decline at all. During the decade 1968-78, the labour force will increase by 3-0 per cent per annum, more than double the

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FROM THE CHAMBERS

Excerpts of a Memorandum drawn up by The Low-Country products Association of Ceylon on the Coconut Board's proposals for increased income are given below:-

The Coconut Board has made certain recommendations intended to produce an increased income of about Rs. 300,000/- These increases appear to be based on estimates of total exports of the same order as the years 1967-70 which were unduly depressed by four years of drought conditions. With a reversion to the normal rainfall pattern in 1970, the crops of 1971 should be quite normal, and a period of satisfactory crops should be expected to follow, similar to those of the years 1961-1966.

The exports over the years 1966-69 were approximately Copra 18,000 tons, Coconut Oil 62,000 tons and D/C nuts 50,000 tons on which the cess

A reasonable standard export crop taking good years and bad years together would be Copra 40,000 tons, Coconut Oil 90,000 tons and D/C nuts 50,000 tons, which on existing rates of cess would bring Copra Rs. 40,000/- Coconut Oil Rs. 72,000/- and D/C nuts Rs. 35,000/- or a total of Rs. 147,000/-.

Thus the reversion to normal would bring in on account of cess an additional income of Rs. 127,000/- minus Rs. 94,000/- that is Rs. 33,000/-. The lot fee on Copra and Re. 1/- per ton, equivalent to 162 1/2 for oil, would have brought on the average of 1966-69, on Rs. 18,000/- and on the oil equivalent Rs. 82,000/- a total of Rs. 100,000/- On the standard export crop given

above, the income from this source would be at the existing rate of Re. 1/- per ton copra Rs. 40,000/- and oil equivalent Rs. 146,000/- or a total of Rs. 186,000/-.

This means that on the standard exports the Board would receive an increase of Rs. 186,000/- minus Rs. 100,000/-, that is Rs. 86,000/-. Thus the increase in the cess would amount to Rs. 43,500/- and the increase in the lot fees would be Rs. 86,000/- making a total of Rs. 129,000/-.

Extension to cover internal Sales: When considering further taxation, it must be remembered that about 55,000 tons of oil produced by the registered mills goes untaxed at present. If the present cess of Rs. -/80 cents per ton of oil and the lot fee of Rs. 1/62 1/2 a total of Rs. 2/42 1/2 which export oil pays already in collected from the registered millers on internal sales a further Rs. 100,000/- would be obtained. Therefore, the income of the Board will be increased by Rs. 129,000/-

plus R. 100,000/- that is Rs. 229,000/-, which can be obtained without any increase in the existing rates of cess and the lot fee, so that there is no need to increase either.

It should be pointed out that the cess on oil produced in power mills was the method adopted by India to provide funds for the Indian Central Coconut Committee. It can be recovered quite simply in Ceylon as all registered millers are required to furnish returns of all milling done, showing the amounts milled for export and from copra purchased outside the Sale Room for internal oil sales. ... It would need a comparatively minor amendment to the Regulations to require millers to pay a sum equal to the export cess and the lot fee payable in respect of oil exported, on the quantities of oil produced by them for local sale. At the same time they would have to be called upon to pay the equivalent of the C.R.I. export cess as well.

Ceylon's Agriculture Development Plan 1971-1977

Rubber constitutes about 15% to 18% of Ceylon's export earnings. Approximately 200,000 persons are employed in the industry which makes a small but significant contribution to the revenue of the Island.

In formulating an effective development programme for the rubber industry, the following purposes would require to be pursued:—

(i) The introduction of such measures as would ensure the maintenance and, if possible, the improvement of the competitive position of Ceylon rubber in relation to synthetic rubber and natural rubber produced by other countries

(ii) The increase in productivity and the maintenance of employment in the industry at its present level (the possibility of creating additional employment to any appreciable extent seems unlikely);

(iii) The more effective utilisation of existing rubber land for improved productivity.

These objectives may be achieved by following a planned programme which involves:—

(a) the replanting of low-yielding areas with high-yielding clones with special emphasis on the suitability of soil and climatic conditions;

(b) observing improved standards of maintenance by the increased use of fertilizer in particular, and by improved extension services;

(c) the conversion of rubber areas to alternative crops considered to be more suitable in relation to soil and climatic conditions;

(d) establishment of modern factories for the production of rubber according to technical specifications and presented to the consumer in forms similar to that of synthetic rubber.

Future Replanting Programme

The 33-year replanting cycle which commenced in 1953 will end in 1985. This implies that the replanting of the rubber area of 500,000 acres should be completed by 1985. The annual replanting target for 1971-1977 will thus remain 15,000 acres.

The achievements of the past (1965-1970) suggest that in order to achieve the replanting of 15,000 acres it would be necessary to issue

Size Group	Total Number of Holdings	Annual Replanting Target Acres
Large estates over 100 acres	846	7,000
Medium estates, 10-100	6,000	3,200
Small-holdings, below 10,	149,000	4,800
		15,000

permits to cover approximately 18,000 acres. This would in turn imply that applications would have to be entertained to cover an area of approximately 20,000 acres.

Past experience has shown that an increase in the rate of replanting subsidy alone would not ensure an increase in the replanting performance. The more progressive rubber growers have either completed their replanting programme or have a definite plan for replanting their rubber lands. On the other hand, there is a group of less enlightened

This is the 2nd instalment in the series. In our last issue we dealt with the development proposals in respect of the Tea Industry.

Here we publish in part the proposals outlined for the development of the Rubber Industry.

rubber growers who require to be encouraged and persuaded to participate more fully in the Rubber Replanting Subsidy Scheme. In order to identify the problems and follow-up the replanting progress, the national targets have been fixed for different size acreages and for different districts. The national target for acreage groups are:—

In order to reach the target and to obtain more data and information as a basis for revision of targets later, a close co-ordination has been established between the extension and advisory activities of the Rubber Research Institute and the Rubber Control Department. Field surveys, pilot extension projects and a closer engagement in the replanting activities have already been initiated. Proposals for expanding the advisory work of the Rubber Research Institute are contained in Part IV.

The commitment for replanting 15,000 acres an year, is of the order of Rs. 23 million an year. The expenditure on expanding the advisory services would be amply justified if closer contact between the rubber growers and the extension workers promotes some positive impact on the replanting programme and assists in the formulation of the district and national plans.

There is a general tendency among small-holders to bring young replanted rubber trees into bearing too early. This tendency can best be discouraged by effecting payment of the final instalment only when 50% of the rubber trees have reached a satisfactory girth. This would imply that instead of payment of 6 instalments as at present, with the final instalment being paid at the beginning of the 5th year, after planting, the instalments should be extended

to cover at least a further year, when the trees would have reached a greater degree of maturity. (No revision in the method of payment of instalments is considered necessary for the estate sector as this group maintains the replanting in a satisfactory condition).

CROP DIVERSIFICATION, NEW PLANTING AND PLANTING OF UNECONOMIC RUBBER AREAS

A project for the agricultural diversification of Tea and Rubber areas has been started. This has been already described in the Section on Tea.

Briefly, the project aims at replacing certain uneconomic rubber areas, chiefly, in crops like cocoa and coconut, where soil and climatic considerations favour the establishment of the alternative crop, and, on the other hand, in replacing marginal tea lands in rubber provided rubber has already been successfully cultivated in contiguous or adjoining areas.

Under an experimental Crop Diversification Scheme it is proposed to pay the following subsidies to assist owners to cultivate their uneconomic lands with more favourable crops:—

	Subsidy/Acre Rs.
Rubber into Cocoa	1,200
Rubber into Coconut	800
Tea into Rubber	1,400

Although permits are issued annually for the new planting of an area of 500-1,000 acres in rubber, new planting is not encouraged as priority is given to the replanting of existing uneconomic rubber lands. New planting does not fall within the scope of the Replanting Subsidy Scheme, and the standard of new plantings is generally low. The expanded extension services will be able to effect closer supervision of these new plantings, and the soil conservation grant and a proposed fertilizer subsidy should be adequate to ensure that the standard is raised to that of replanted areas.

New planting permit holders are required to adopt soil conservation measures

and for this purpose are given grants by the Rubber Research Institute. The soil conservation grant ranges from Rs. 50/- acre per flat land up to a maximum of Rs. 240/- acre for very steep areas. The grants for this purpose will not exceed Rs. 100,000 per year.

Rubber trees require a period of approximately 6 years following the completion of planting to attain the girth considered suitable for the commencement of tapping as experience has proved that premature tapping can adversely affect the life span of the tree as also its productivity.

In order to induce those who have completed new plantings on the basis of permits issued, to defer tapping until the trees have attained the required maturity, it is proposed to offer grants amounting to Rs. 150/- per acre to compensate in some measure for the cost of maintenance of the land in the period between planting and tapping. The commitment in respect of this grant is estimated to be in the region of Rs. 1000,000/-.

The Rubber Research Institute advocates the use of an average of about 3 cwt. of fertilizer mixture (R. 4:6:3M) an acre for use on rubber lands. From the above, it is clear that there is scope for increased fertilizer use on holdings under 100 acres, which will undoubtedly assist in establishing a more vigorous growth of the replantings, particularly during the immature period. It is, therefore, proposed to introduce a Fertilizer Subsidy Scheme to improve fertilizer consumption on these rubber lands.

The fertilizer dosages recommended by the Rubber Research Institute vary according to the age of the rubber trees. On an average it is estimated that about 3 cwt. of fertilizer should be used on an acre of rubber land. Assuming, however, that only 50% of the lands will participate in the Scheme at its inception, and that it will progressively rise to 75% the annual commitment on subsidy will be of the order of Rs. 4 to 5 million during the period 1971-1977. Details are given in Table A.

TABLE A

Year	Acreage Replanted	Fertilizer Coverage	Maximum Subsidy per acre Rs.	Subsidy Payable (Rs. Million)
1971	183,000	50%	35	3.2
1972	191,000	55%	35	3.7
1973	199,000	60%	35	4.2
1974	207,000	65%	35	4.7
1975	215,000	70%	35	5.3
1976	223,000	75%	35	5.9
1977	231,000	75%	35	6.1

Demographic Revolution.....

(contd from page 8)

rate at which employment increased in the post-war period up to 1968. In any event, the net addition to the labour force will be over 100,000 per annum. Unless action is taken to provide sufficient avenues of employment, the problem of unemployment is likely to get progressively worse every year, since high rates of population growth continue to add new entrants to the labour force in an already serious employment situation."—(Selvaratnam S. 1969).

Fourthly, at a time when we are striving to accelerate the process of economic development, a high rate of population growth would exert an excessive pressure on our limited resources by diverting

an inordinately high proportion of these resources away from productive investment purely to maintain low levels of existence and thus restricts the expansion of the economy. The purpose of economic development is to improve the levels of per capita income by raising total production, and this means increasing production at a rate faster than the rate of population growth. Any population growth requires some investment of available capital just to maintain the same level of per capita Gross National Product. The higher the rate of population growth, the greater the proportion of the available capital that must be used for investment simply to maintain constant per capita GNP and the less there is available to increase per capita GNP.

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MARKETING FIASCO

The Department for the Development of Marketing, as its name implies, was set up in 1935 to develop effective marketing methods particularly for vegetables and fruits with the aim of eliminating the middleman—thus ensuring that the producer obtains reasonable prices for his products and at the same time distributing these products to the consumer at fair prices. After over 35 years of existence the department seems to have failed dismally in this respect. The middle-man has continued to thrive while both producer and consumer have been deprived of a fair deal.

The Marketing Department is in fact having too many irons in the fire and as such it cannot concentrate on any one of its objectives. Several of its activities are run on Advance Accounts in addition to the voted expenditure of nearly Rs. 4 million for 1970-71. The purchase of products Activity which involves the purchase, collection and sale of local and other products, provision of cold stores facilities and hospital supplies etc., has been allocated a maximum limit of Rs. 42,500,000 and the Bakery and Kitchens allocation amount to Rs. 4,000,000. Thus while such colossal sums have been expended annually the taxpayer has not received any commensurate benefits by way of reduced prices etc.

The Marketing Commissioner states in his Administration Report for 1968-69, which has just been released:

"A few years after the creation of the Department the second World War set in and therefore the Department had to undertake different duties the important ones among them being the supply of provisions and the supply of meals to the public. For the supply of meals the Department had to set up a Kitchen and a Bakery. . . . Even with the end of hostilities the Department continued with the war time legacies of maintaining the kitchen and bakery and of supplying cooked meals."

Should the Government still bake bread and cook meals? This seems to be the question posed by the Marketing Commissioner. Most of the Advance Accounts activities of the Department have been running at a loss with large sums being "written off." Therefore, it would seem prudent for the Government to restrict the activities of the Department so that it may carry out its primary responsibilities efficiently, viz., bring about more effective marketing methods; take action to stabilise the prices of vegetables and fruits; ascertain and disseminate marketing intelligence in respect of production, distribution etc., and conduct research on the keeping and processing of vegetables and fruits, and maintain an advisory service.

In fact with the setting up of the State Trading Corporations and the collection and distribution of fruits and vegetables by the CWE and the Co-operative societies there does not seem to be much justification in the Marketing Department too carrying out similar functions. It would mean a duplication of effort and a waste of resources. Moreover, it would not be possible to fix responsibility for any shortcomings in this sphere of activity. In this set up it might perhaps be easier for these State Agencies to "pass the buck" as so often happens in the public sector.

The Ministry of Internal and Foreign Trade should seriously consider the question of appointing a Committee to investigate and report on the feasibility of setting up a Marketing Board which could concentrate only on the more important aspects of marketing as this would eliminate the waste of resources which the Government could ill afford at this juncture.

Experiments in processing & preservation of food items

Assistance to Private Sector

A Vegetable and Fruit Research Division of the Marketing Department has been established to conduct research on the utilisation of vegetables and fruits, paying special attention to processing and preservation of these items.

Experiments have been conducted on a number of items in relation to packing, transport and cold storage. Some of the experiments conducted include:-

(a) **Passion Fruit.**—Trials conducted for the packing of straight passion fruit juice and ready to drink passion fruit juice have been successful. Trials are proceeding on different types of packs. Comparisons made with similar products of other countries show certain definite advantages in the local product.

(b) **Bread fruit.**—Although bread fruit is a seasonal product there has not been much activity for the preservation and storage of this item. Trials conducted have shown that dehydration and canning are feasible.

(c) **Rice and Curry.**—Trials have been conducted for the study of heat penetration and destruction of bacteria for the purpose of preserving rice and curry in a condition fit for consumption. These trials have given a satisfactory product which is technically sound. It is hoped to put out these packs on a commercial scale in the near future.

(d) **Belli Cream.**—Belli cream is now produced with the help of acidification. This has helped us to put out to the market a superior quality of belli cream.

Assistance is rendered to the private sector by way of advice and technical guidance particularly if they are engaged in the processing and preservation of produce that is seasonal.

According to the Administration Report of the Marketing Commissioner* for the period 1968-1969 which has just been released, advice was rendered to 6 organisations and they were further assisted by training personnel in the Canning Factory.

Pegasus Reef opens

Ceylon's first five-star hotel, the Rs. 19 million Pegasus Reef, will be ceremonially declared open today by the Minister of Shipping and Tourism, Mr. P.B.G. Kalugalla.

The hotel situated on one of the most picturesque sea-side locations at Hendala, has 250 bed-rooms, each with its own balcony and attached toilet facilities.

The total foreign exchange component of the hotel is Rs. 14 million.

The site of the Pegasus Hotel comprises two blocks of freehold land of approximately 29 acres in extent with a beach front of 2,000 feet. The word 'Pegasus' incorporated in the name of the hotel distinguishes it as a hotel in which B.O.A.C. has a major investment and interest.

The site for the hotel was

chosen not only for its scenic attributes with palm trees etc. but also for its proximity to Colombo (and its sea ports) and the Katunayake airport. The hotel will be easily accessible for the tourist or businessmen arriving in Ceylon by sea or air.

The local promoters of the Hotel are Mr. and Mrs. J. L. M. Fernando, while the Company at present consists of eleven Directors, of whom five represent B.O.A.C. AC Ltd's interest, and one Fortes (Holdings) Ltd's interests.

The Directors who represent B.O.A.C. AC Ltd., and Fortes (Holdings) Ltd., have wide experience in the hotel Catering and Airline business, and could play an important role in the promotion of tourist occupation in the hotel.

SALT TARGET INCREASED

The National Salt Corporation plans to increase the production of salt by 25,000 tons this year, over the normal output of 88,000 tons.

Mr. M. Sivanathan, Chairman of the Salt Corporation, said that this increase would be possible by harvesting in the Yala and Maha seasons.

The New Soviet Five Year Plan

Moscow

The draft directives of the 24th Party Congress for the new Five-Year Plan (1971-1975), which have been drawn up by the CPSU Central Committee, set the task of "improving comprehensively and expanding the Soviet Union's economic, scientific and technical relations with the socialist states for the further strengthening of the community and developing consistently the economic integration of the member-countries of the Council for Mutual Economic Assistance."

The Soviet Union will continue to develop "stable foreign economic, scientific and technical relations with the developing countries of Asia, Africa and Latin America on terms of mutual benefit and in the interests of strengthening their economic independence."

The draft provides for the expansion of "economically justified commercial, scientific and technical relations with the industrially advanced capitalist countries, prepared to develop co-operation with the Soviet Union in these spheres."

TARGETS

The draft directives provide for a 37-40 per cent increase of the country's national income in the course of the next five years;

* The per capita incomes are to grow approximately 30 per cent;

* The output of industry: 42-46 per cent. Group A: 41-45 per cent; Group B: 44-48 per cent);

* The average annual output of agricultural production will grow 20-22 per cent as compared with the previous quinquennium;

* The defence potential of the Soviet Union will be further increased.

The directives of the 23rd CPSU Congress (1966) for the key economic and social targets have been successfully carried out, the draft directives point out. The principal assignments for raising the material standards of the people have been topped.

AIMS

As pointed out in the draft, the new plan will be an "important stage in the Soviet society's further advancement along the road to communism." It is planned to ensure high rates of growth and proportional development of social production, especially agriculture, light and food industry; to accelerate the pace of scientific and technical progress; to improve management, planning and economic stimulation of production and to enlist the workers more broadly in economic management.