

THE ECONOMIC TIMES

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Export promotion drive:

MINOR CROPS GET BIG BOOST

A COMPREHENSIVE INCENTIVE SCHEME FOR THE DEVELOPMENT OF A WIDE RANGE OF MINOR EXPORT CROPS WHOSE EXPORT POTENTIAL APPEARS REASONABLY SECURE FOR MANY YEARS TO COME IS NOW MADE AVAILABLE BY THE GOVERNMENT AS A VITAL ASPECT OF ITS DEVELOPMENT STRATEGY.

The crops for which government assistance will be available for the present will be:

- + Cocoa
- + Cashew
- + Coffee
- + Mulberry for silk
- + Oil Palm
- + Papaw (for Papain)
- + Cinnamon
- + Cardomom
- + Clove
- + Nutmeg
- + Pepper
- + Citronella

Meanwhile continuous studies are being made to identify other suitable crops and hence the current list may not be treated as final.

More tea goes to U.S.A.

Sri Lanka sold more tea than ever to the United States in 1972. The increase in sales amounted to over 31 per cent of a total of 175.4 million pounds of tea imported by the USA during the year.

Though part of this increase may be due to shipping and to stock position,

this reveals a tremendous progress in post-war years.

Sri Lanka is the main source of supply of tea accounting for 31.2 per cent of total imports last year, followed by Indonesia with 14.5 per cent, India with 12.9 per cent and Kenya with 12.2 per cent. The weight of Sri Lanka tea passed for entry in 1971 was just short of 55 million lbs.

In recent years, the percentage of total imports coming from all Asian sources has decreased slightly from 68.4 per cent in 1968 to 65.5 per cent in 1971 while teas from African sources have increased from 15.2 per cent of total imports to 27.2 per cent last year.

soil conditions, rainfall, temperature, humidity, spacing of plants and yields will be made available in booklets on each crop, which could be had from the Dept. of Minor Export Crops, on payment of a nominal fee. **Planting, Re-planting, Rehabilitation & Maintenance:**

Assistance will be in cash and/or in kind. Details for various approved crops are shown in Table II on page 3.

In cash:

- (a) **Subsidies or grants** payable in varying instalments by the Department of Minor Export Crops.
- (b) **Long-term Loans** payable in varying instalments by the People's Bank and Rural Banks. Repayment is scheduled only from the year when the borrowers earn an income from the cultivation. The loan is generally repayable in 5 annual instalments thereafter, and the rate of interest will be 10% per annum for the present.

In kind:

- (a) **Free planting material** from government or government approved nurseries.
- (d) **Fertilizer at half-cost**, from the stores of the Ceylon Fertiliser Corporation.
- (c) **Free Agro-chemicals** (pesticides), where there is an outbreak of disease—from the Dept. of Minor Export Crops or the District Agricul-

Processing and export:

- (a) For silkworm rearing, the assistance will include an initial free supply of a rearing tray and silkworm layings. Assistance for modernization of existing processing centres and construction of new ones (e. g. Citronella distilling plants, Cardamom barns and Cashew decorticating units) will be considered by the Minor Export Crops Department.
- (b) As for disposal of products, there is a weekly minor crops auctions organised by the Ceylon Chamber of Commerce and held in Colombo. Government will initiate action to purchase products, wherever the producer is unable to realize prevailing market prices.
- (c) Information on prospects for export will be supplied by the Mini-

stry of Plantation Industries and the Department of Commerce. The former will also endeavour to arrange contacts between potential exporters and foreign importing firms.

(d) There are certain minimum standards that have to be adhered to, when exporting. Information on such standards will be available from the Bureau of Ceylon Standards.

Details on how to obtain or the conditions for obtaining such assistance may be had from:

MINISTRY OF PLANTATION INDUSTRIES

P. O. Box 1652,
6, Sir Baron Jayatilake Mawatha,
Colombo 1.

DEPARTMENT OF MINOR EXPORT CROPS,
159, Dharmapala Mawatha,
Colombo 7.

Table 1—Five Year Plan 1972-1976 Minor Export Crops (Acres)

Crops	Acreage planned for			Total
	New planting	Re-planting	Rehabilitation	
Cocoa	10,000	4,500	1,600	16,000
Cashew	25,000	—	3,500	28,500
Coffee	10,000	—	—	10,000
Mulberry	10,000	—	—	10,000
Oil Palm	5,000	—	—	5,000
Papaw	2,500	—	—	2,500
Cinnamon	4,000	5,000	5,000	14,000
Cardomom	6,000	—	5,000	11,000
Cloves	5,000	—	2,000	7,000
Nutmeg	2,000	—	—	2,000
Pepper	10,000	—	6,400	16,400
Citronella	—	—	15,000	15,000
Lemon grass	2,500	—	—	2,500
TOTAL	92,000	9,500	38,400	139,900

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LARGEST SELLING FORTNIGHTLY FINANCIAL JOURNAL

MARKET PRICES

COLOMBO TEA

CLOSING PRICES 19-12-7

(Rs. Cts. Per lb.)

Approximate range of prices (including teas sold Ex, Estates)

	B.O.Ps		B.O.P.Fs	
	Rs. Cts	Rs. Cts	Rs. Cts	Rs. Cts
High Grown:				
	1.95	4.00	2.00	3.90
1 at 4.50	1 at 4.90	1 at 4.30	1 at 4.40	
	1 at 5.00	1 at 4.45	2 at 4.50	
		1 at 4.80		
Medium-Grown:	1.60	2.24	1.92	2.20
Small Leaf Low-Grown:	1.95	2.20	1.80	1.95
Tea For Price:	1.35	1.68	1.35	1.60
Leafy Low-Grown:	1.80	2.12		
	F.B.O.Ps		F.B.O.P.Fs.	
Tippy Teas:	1.90	2.20	2.00	8.70
			2.00	26.00

RUBBER PRICES FOR THE WEEK ENDED. 23.12.72.

	Rs. cts.—per lb.		Avg. to Same Period	
	Closing Quotations	Avg. to date	1972	1971
RSS No. 1	98 3/4		80	79 1/2
RSS No. 2	92 1/2		74	71
RSS No. 3	90 3/4		72 1/2	69

COPRA

	Opening Price	(Rs. per candy) Clos. Price
Estate Copra No. 1	267.00	264.00
COCONUT OIL (Rs. per ton)		
December	1,250.00	1,250.00
January	1,250.00	1,250.00

DESSICATED COCONUT

	Opening price	(per lb.) Closing Price
December	.66	.66
January	.68	.68

PRICES OF THE WEEK ENDING 10.12.72

Commodity	Buyers (Per lb)	Quotations	Export DUTY
Cardamoms	24.95	— 26.60	40% on true value.
Cardamom Seeds	8.90	—	
Cloves	13.00	— 14.50	
Cloves Stems	3.25	— 3.75	
Mace	8.00	— 8.50	
Nutmeg (Shelled)	5.00	— 6.00	
Nutmeg (Unshelled)	2.50	— 3.25	
Pepper (Black)	3.50	— 4.75	
Papain (White)	Unquoted	—	
Papain (Brown)	"	—	
Cinnamon H/1	"	—	20% on true f.o.b value
Cinnamon H/2	"	—	
Cinnamon Quilings No. 1	"	—	
—do— No. 2	"	—	
Cocoa	285.00	— 275.00	40% on true f.o.b value
Coffee (Arabica)	300.00	— 325.00	
Kapok (Clean)	145.00	—	
Kapok (Unclean)	42.00	—	
Croton Seeds	150.00	—	
Essential Oils	Per oz. lb.		
Cinnamon Leaf Oil	18.50	per 25 ozs	
Cinnamon Bark Oil	Per oz.	20.00	
Citronella Oil Estate Quality	Per lb.	unquoted	10% on true f.o.b value
Citronella Oil Ordinary	Per lb.	"	

SUBSIDIARY CROPS .. WEEKLY PRICE LIST WEEK ENDING 24.12.72

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

Cereals	(Per Bag 154/15 (Per bushel) 8 lbs)	
	Unquoted	
—Paddy		
—Other varieties		
—Rice Per Boiled		
—Country Rice No. 1		
—Country Rice No. 2		
—Samba Rice		
—Kora		
Per Cwt.	49.00	50.00

TEA REPORT

Auction No 50 held on Monday the 19 th December. 1972.

The total quantity offered was 10,324,050 lbs., comprising 5,088,357 lbs. Leaf Grades, 1,066,736 lbs. Dusts, 116,012 lbs. Reprints. 57,540 lbs. Sundry Lots and 4,111,417 lbs. Ex Estate. The last Sale of the year was a relatively large one of 10.3 million lbs. and there were 4.1 million lbs. of tea in Ex Estate Catalogues. There was a much wider selection of bright teas and demand was excellent.

High Grown Teas: Western Broken gradually improved quite sharply in quality and thereafter the last invoices dropped away again. Prices followed quality and often some marked price rises were seen. Our quotation shows an improvement of 55 cents for the best but towards the end of the Sale the plainst were a little easier. BOPF's did not show quite the same

improvement in quality but prices were generally dearer especially for the few bright teas with real quality.

Medium-Grown Teas: The market opened strongly with bright teas 5/10 cents dearer and others firm but at the end of the Sale, plainst Mediums dropped 3/8 cents. Their Fannings were 3/5 cents dearer for the plainst but about 5 cents easier for the best except for Uvas which were dearer where brighter.

Low-Grown teas: There was a very good demand for all grades. BOP1's improved with 10/15 cents and even the stalky invoices were fully firm and sometimes 10/15 cents dearer. BOPF's gained 5/3 cents and OP's 5/10 cents. Pekoes were a cent or two easier.

Tippy Teas: Here again there was strong demand. The few FBOP's on offer

gained 10/15 cents. Small leaf Flowery fannings were fully firm to 10 cents dearer while the more plentiful selection of attractive Flowery Fannings were quite substantially dearer, sometimes by 25/50 cents per pound.

RUBBER REPORT Week Ending 23rd December 1972

Approximately 639 Tons of LATEX CREPES were offered at the two sales held during the week under review, a decrease of 48 tons compared to the previous week's total. At the First Sale best latex crepes improved by 1/2 cent per lb. whilst the FAQ offerings remained unchanged. The duller types were irregular whilst the inferior grades were marked up by 1 to 4 1/2 cents per lb. At the subsequent sale best latex crepes continued to improve by 1/2 to 1 1/2 cents per lb. whilst the FAQ offerings were marked up by 1/2 to 2 cents per lb. The duller types were 1 cent better, whilst the inferior grades were irregularly dearer.

Approximately 141 tons of SERAP CREPES were offered at the two sales held during the week under review, an increase of 42 tons compared to the previous week's total. At the First Sale, light, brown scrap crepes eased by 1 cent per lb., but the dark brown types improved by 1 to 2 cents per lb. The darker sorts declined further by 2 to 3 cents per lb. However, Flat Bank was marked up by 1 to 1 1/2 cents per lb. At the subsequent sale light brown scrap crepes were marked up by 3 cents per lb. whilst the dark brown types improved further by 1 cent. The darker sorts recovery 1 1/2 to 3 cents per lb., whilst Flat Bark too was 1/2 cent better.

Approximately 35 Tons of SOIE CREPE were offered, a decrease of one ton compared to the previous week's total. Consequent upon the continuous heavy arrivals Sole Crepe rubber values eased by about 10 cents per lb. on restricted buying interest. Poorer sorts were also marked down and sold at between Rs. 1/30 to Rs. 1/55 per lb. whilst the miscellaneous thickness again proved to be difficult of sale.

Export Duty

The Export Duty for the period 25th/31st December, 1972 remained unchanged at -/20 cents per lb. inclusive of the present flat rate of 3 cents per lb. Cesses remain unchanged at 1.980 cents per lb.

Commodity Commentary

Produce Report

Week ending 24th December 1972

Cardamoms: 4,321 lbs. of Cardamoms were on offer a decrease of 2,040 lbs. compared to the previous week's total. The market was very strong and improved on all grades, No.1 quality closing at Rs. 24/95 to Rs. 26/30 per lb., an increase of Rs. 3/45 on the lower limit and Rs. 3/80 per lb. On the upper limit. Next best grades too were dearer at Rs 21/- to Rs. 24/- per lb., whilst No. 2 quality moved up to Rs. 19/50 to Rs 21/- per lb. with strong demand for off grades which closed at Rs. 18/- to Rs. 20-50 per lb. Seeds were around previous week's levels at Rs. 8/90 per lb.

Cocoa: Approximately 310 cwts. of Cocoa were on offer, an increase of 169 cwts. With better buying competition in evidence, all grades improved with No.1 quality closing at Rs 285/- per cwt. Next best grades too improved to close at Rs 270/- to Ks. 283/- per cwt., whilst off grades fetched between Rs. 260/- Rs. 270/- per cwt. with darker and poorer sorts being transacted at Rs. 230/- at to Rs. 260/- per cwt.

Coffee: Approximately 56 cwts. of Arabica, Robusta and Parchment Coffee were on offer with fair quality Arabica fetching Rs. 285/- per cwt. Business in Robusta took place at Rs. 240/- per cwt. with Parchment Coffee fetching between Rs. 238/- per cwt.

Pulses	Per Cwt
—Red Gram —Toor Dhal	40.00 — 45.0
—Black Gram (Undu)	61.00
—Bengal Gram	46.00
—Green Gram	53.50
—Bombay Cowpea	40.00
Milletts	Per Bushel
—Finger Millet (Kurrakkan)	13.00—14.00
—Sorgum	Unquoted
—Soya Beans	850.00 (per ton) (per cwt)
Spices Condiment	Per lb.
—Mustard	2.45 — 2.50
Chillies	Per Cwt.
—Dried Long	unquoted
—Dried Round	"
—Off Grade	"
—Goraka	65.00— 68.00
—Vanilla	Per lb
—Tamarind	Per cwt
—Ground Nuts	Per 80 lb
—Cashew	Per lb.

Japan reduces tariff rates

On the basis of the Tariff Council's decision, Japan's Finance Ministry decided recently to reduce all the tariff rates for 1,865 items of industrial and processed agricultural products by a sweeping 20 per cent.

the spiral of commodity prices at home.

As a result of the 20 per cent sweeping tariff cut, the tariff rates for Japan's im-

ports of finished industrial products have been lowered to 8.5 per cent on the average and those for semifinished products to 4.8 per cent, or about the same level as that applied by the United States and the European Communities.

Export opportunities

The following foreign firms and businessmen are interested in importing from Ceylon the products indicated below:

Al-Sa'ah Trading Agency,
King Faisal Street,
P. O. Box 7157,
Amman Jordan.)

Textiles, fancy items, toys, perfume, tools, machinery, tyres, chemicals products, canned provisions, stationery building materials, electrical equipments.

Howrah & Co.,
36, Remy Ollier Street,
Port Louis,
Mauritius.

Imitation jewellery, fancy goods, textiles, haberdashery, hardware, building materials, stationery, canned goods, soft drinks, pulses, rice, oil, cutlery, millinery, hosiery, wearing apparel, foodstuffs.

Richard Banks,
Flat 11, 32 Gardenia Road
Gardenia, Victoria 3185.

Glassware, metalware, novelties, toys and electrical appliances.

R. J. Oliver,
Oliver Sportsgoods Pty.,
P. O. Box 54.

Plymton, SA 5038
Australia.

Bamboo materials for manu-

EXPORT INTELLIGENCE

facturing squash racquets.

E. Mercier,
13, Bridgeview Avenue,
Crows Nest, NSW 2065.

Fruits.

R. Thomas,
Qld Pacific Trading Co.,
Ltd.
37, Lake Street,
P. O. Box 1132,
Cairns, Qld, Australia.

Cane furniture

W. D. H. Thomas,
561, Brighton Road,
South Brighton Road,
South Brighton,
S. Australia.

Toys and novelties,

Peter N. Carroll,
49, Jessie Street,
Armidale, NSW. 2350.

Inco Ply. Limited.

34, Arthur Street,
Dee Why, NSW 2099.

Brassware, fwoodwork and
Carved woodwork.

M/s. Supertex Industries
216-220, Huncerson Road,
Alexandria, Sydney,
Australia.

Plain woven 100% cotton
unbleached piece goods.

Wladslaw Malinowski,
Sudbanhof,
Vienna X. Australia.

Canned shrimps.

Ghulam Rasool
Mohammed Yusuf,
Kanda Street,
Jodia Bazar,
Karachi-2,
West Pakistan.

Cloves, pepper.

C. A. Siggers,
Casco Industries,
232, Stanmore Road,
Petersham, NSW 2049.

Batik cloth

Zainon Taylor,
126, Milwood Avenue,
Chatswood West,
Nsw Bat ks 2067.

(contd from page 1) TABLE I ASSISTANCE TO CULTIVATORS OF APPROVED MINOR CROPS (PER ACRE)

Crop	Agricultural Activity	Nature of Assistance	Assistance in cash (Rupees)					Assistance in kind					
			+Total Amount	Instalment 1	Instalment 2	Instalment 3	Instalment 4	Instalment 5	Planting Material		Fertilizer at and other-Free Half-Cost		
									Rs.	Rs.	Rs.	Rs.	Rs.
COCOA	(a) New Planting	(i) Subsidy	900	300 (LP,TS)	200 (PS,H)	200 (PL)	200 (MN)	—	—	425	107	1	15
		(ii) Loan (11 yrs)	900	300 (LP,TS)	300 (PS,PL)	100 (MN)	100 (MN)	100 (MN)	—	—	—	—	—
	(b) Replanting	(i) Subsidy	900	300 (LP,TS)	200 (PS,H)	200 (PL)	200 (MN)	—	—	—	107	1	15
		(ii) Loan (11 yrs)	900	300 (LP,TS)	300 (PS,PL)	100 (MN)	100 (MN)	100 (MN)	—	—	—	—	—
(c) Rehabilitation	(i) Subsidy	—	—	—	—	—	—	—	300	75	4	60	
	(d) Fertilizer use	—	—	—	—	—	—	—	—	—	—	60	
CASHEW	(a) New Planting	(i) Loan (8 yrs.)	800	400 (LP)	200 (LP)	100 (MN)	100 (MN)	—	—	70	21	1/2	7
		(i) Subsidy	—	—	—	—	—	—	—	—	—	2	30
COFFEE	(a) New Planting	(i) Subsidy	300	150 (LP,TS)	100 (PS,H)	50 (PL)	—	—	—	435-540	65-81	2	30
		(ii) Loan (9 yrs.)	1000	300 (LP,TS)	300 (PS'PL)	200 (MN)	100 (MN)	100 (MN)	—	—	—	—	—
MULBERRY	(a) New Planting	(i) Subsidy	400	250 (LP)	150 (PL)	—	—	—	—	12000	25	7 1/2	105
		(i) Subsidy	1000	250 (3-PL)	250 (6 PL)	500 (8 PL)	—	—	—	Rearing trays	10	—	—
OIL PALM	(a) New Planting (in blocks only)	(i) Subsidy	300	200 (LP)	100 (PL)	—	—	—	—	—	—	—	—
		(ii) Loan (9 yrs.)	900	300 (LP,H)	200 (PL)	150 (MN)	150 (MN)	100 (MN)	—	70	350	1 1/2	23
PAPAW (for Papain)	(a) New Planting	(i) Loan (3 yrs.)	300	200 (LP)	100 (PL)	—	—	—	450	45	2	30	
CINNAMON	(a) Reolantin	(i) Subsidy	300	150 (LP)	100 (PL)	50 (MN)	—	—	—	2700	324	4	60
		(i) Subsidy	—	—	—	—	—	—	—	2000	240	4	60
CARDOMOM	(a) New Planting	(i) Loan (9 yrs.)	900	400 (LP)	300 (PL)	100 (MN)	100 (MN)	—	—	600	180	3	45
		(i) Subsidy	—	—	—	—	—	—	—	300	90	3	45
CLOVE	(a) New Planting in Block	(i) Loan (11 yrs.)	800	400 (LP,TS)	200 (H,PL)	100 (MN)	100 (MN)	—	—	120	60	1	15
		(i) Subsidy	—	—	—	—	—	—	—	25	13	—	—
		(i) Subsidy	—	—	—	—	—	—	—	—	—	1	15
NUTMEG	(a) New Planting in Blocks	(i) Loan (11 yrs)	800	400 (LP,TS)	200 (H,PL)	100 (MN)	100 (MN)	—	—	120	120	1	15
		(i) Subsidy	—	—	—	—	—	—	—	25	25	—	—
PEPPER	(a) New Planting	(i) Subsidy	300	2000 (LP)	100 (LP)	—	—	—	—	700	175	2	30
		(ii) Loan (9 yrs.)	1200	400 LP,PS)	300 (PL)	200 (MN)	200 (MN)	200 (MN)	—	—	—	—	—
CITRONELLA	(a) Fertilizer-use	(i) Subsidy	—	—	—	—	—	—	—	—	—	3	45
		(i) Subsidy	—	—	—	—	—	—	—	—	—	2	30

ABBREVIATIONS

LP. — Land Preparation (i.e. clearing, soil conservation, and plant supports etc.)
 TS — Temporary shades
 P — Permanent shade
 H — Preparation of planting holes
 PL — Planting: 3 PL, 7 PL, 8 PL - 3, 6 or 8 months after planting
 MN — Maintenance of, crop, shade and supports after planting including use of fertilizer and adoption of good cultural practices.

EXPLANATORY NOTES

+ Assistance is given for new planting, rehabilitation and fertilizer-use. This will be given either as subsidies (i.e. grants in cash or in kind) issued by the Minor Export Crops Dept. and/or as loans issued by the People's Bank. The period over which the loan has to be repaid is given within brackets.
 ++ Assistance in kind also includes free supply of agro-chemicals, as required. These will be issued on the recommendations of the District Agricultural Officer.
 +++ The amount is the maximum of cash assistance available.

Finance Companies may re-possess vehicles for non-payment of rentals

The Additional Magistrate, Colombo has ruled in a recent case that Finance Companies act within legal rights in re-possessing vehicles for non-payment of rentals.

In this case the accused was charged with robbery of a car bearing No. 3 Sr 2179 valued at Rs. 35,000/- property in the possession of one L Simon and thereby committing an offence punishable under section 380 of the Penal Code. The second charge was that in the course of committing robbery the accused voluntarily caused hurt to the said Simon and thereby committed an offence punishable under section 382 of the said Code.

Excerpts of the Magistrate's Order are given below:-

"In cross-examination it was elicited that he (Simon) was a hirer on the hire purchase agreement No. 451 of 12.3.69 which document was produced in evidence marked D1. The Guarantor on that agreement was one Sathasvam.

Under that agreement he had to pay a total amount of Rs. 40,041/- being an initial deposit of Rs. 17,000/- and 24 monthly instalments of Rs. 960/-. He had also filed in a Proposal Form which was produced marked D2. The first instalment under the con-

tract was due on 1.4.69. It will be significant to note that in the Memorandum of Agreement for hire marked D1, to peruse in detail Clause 2 of such agreement. According to that Clause, the Hirer was permitted to re-possess the car on a failure to pay any instalment D4 and D5 were produced by the defendant to prove that certain instalments were not paid on the due date. Apparently these documents were produced by the defence to prove that the Finance Company were taking all steps necessary by Law and under the provisions of D1 to retake possession of the car due to the lapse of Simon the Hirer.

Undoubtedly, there the parties agreed in writing that the owner is entitled to retake possession of an article on the non-payment of an instalment a right to re-take possession is available to the owner. But even that right is subject to the use of reasonable force after due notice is given to the Hirer of the intention of the owner to re-take possession of the article. Certainly the Finance Company had complied with this requirement when one peruses document D7 dated 6.11.69. It has been held in previous cases that in the case of a hire

purchase the owner cannot re-possess the article until he has terminated the hire. If these precautions have to be taken in the case of any hire purchase agreement where the parties have made provision for seizure of the hired article, it should necessarily follow that where no provision is made in the agreement and where there is not even an oral agreement to the effect, that particular seizure aggrieved by the use of violence is unlawful. The above facts were discussed in a two bench division in the case Almeida Vs. De Soysa reported in 68 N.L.R.

The representative for the finance Company Mr. Beddewela gave evidence for the prosecution and detailed the procedure adopted by them in the case of a seizure. On the failure of a Hirer to pay the instalments, the Finance Company informs the hirer by letter and gives the hirer notice of the day of the intended seizure. Then, after the seizure is effected the Police are informed of this fact and an entry is made at the Police Station accordingly. The defence produced a letter D10 dated 30.7.70, which is in short was the authority given to the accused by the Finance Company to retake

FROM THE CHAMBERS

possession of the car in question using all lawful means to obtain such possession. D10 was valid for 14 days. The defence also produced an endorsement on D10 marked D10A, which shows that the accused made an endorsement about the complaint he made at the Cinnamon Gardens Police Station at 6.30 p.m. on 6.8.70 the same evening of the day of this seizure. It has also been held that there must be some independent act indicating that the hiring has been terminated, for example, by a notice issued to the Hirer—Vide Clause 8 (3) of D1. This defence has done, by producing the document D7. Inspector Jayatilake stated that he commenced inquiries in this case and that he recorded the statement of Mr. Beddewela and Mr. Beddewela had informed him that the agreement had been terminated by notice. Mr. Beddewela had also shown him the entire file in respect of the car and had further told him that he had taken the normal steps for the recovery of this vehicle.

I will not hesitate to accept the evidence of Mr. Beddewela

because it was in evidence that this Mr. Beddewela was in the Police Force and had held a gazetted rank. These facts were not disputed by the defence. Sgt. Ranasinghe too stated that the virtual complainant Simon had made a complaint at the Police Station at 7.30 p.m. which statement was produced marked P2. In that complaint he has stated that the incident took place at 6.15 p.m. This fact is contradicted by the document P10A. According to which the accused had taken the normal steps by promptly proceeding to the Cinnamon Gardens Police Station and making a statement at 6.05 p.m. that evening.

Learned Counsel for the accused also referred me to a case cited in 42 N.L.R. which was decided by Howard C.J. where it was held that the owner of a lorry led on a hire purchase Agreement was entitled to exercise his rights to retake possession without the intervention of Court provided he uses no more force that was reasonably necessary for the purpose."

(Contd on page 5)

MANAGEMENT

Management's attitude to labour

How managers regard their employees is reflected in management's attitude to authority on the one hand, and in the conditions of work and employee services on the other.

Management's attitude to labour has changed greatly in the last fifty years in Britain and the USA. It also differs considerably from one country to another, and even, to a lesser extent, from one industry or locality to another. Management may be authoritarian—expecting unquestioning obedience to orders and without concern for the employee's welfare; authoritarian and paternalistic; constitutional—acting in accordance with the rules laid down by government, trade unions, and management; or at least to some extent, democratic—that is permitting employees some share in decision making.

How much authority management has, and how it exercises it depends partly on the width of the gap which exists in class and education, between management and workers, and partly on the limitations on management's

freedom of action which are imposed by government and by the trade unions. Management's authority generally declines with increasing industrialization. The standard of living rises, making the background of managers and managed more similar so that management's authority can rest less on social distance. Management's authority is also restricted by the growth of government regulations and of trade union power.

The gap, or social distance which exists between different levels in the organization reflects both the class structure in the society as a whole and management's place in it. In a very class-bound society much of management's authority may rest on social distance: whether it does so effectively will depend upon the relations which exist between management and labour.

Nowadays the part played by government in establishing rules for employee conditions is likely to be greatest in the early stages of industrialism. Conditions in the older

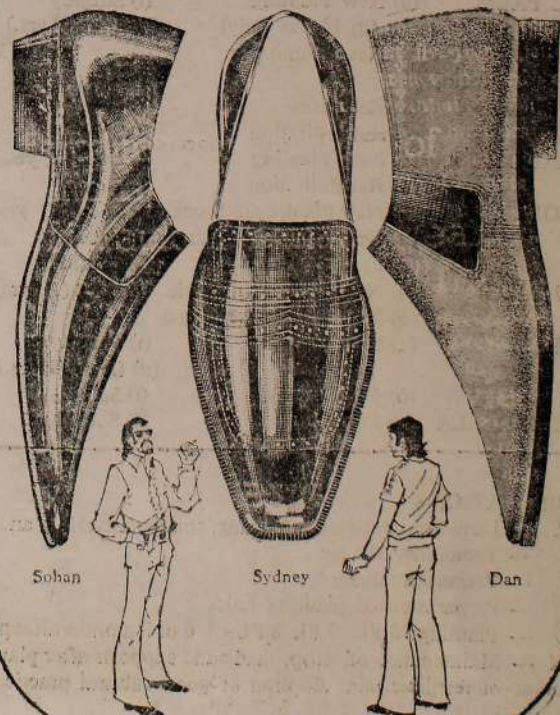
industrial countries set a standard by which employee treatment in the underdeveloped country can be judged, but the unions are not yet powerful enough to ensure adequate protection. So the workers turn to the government. In Latin America the government plays a very active role in industrial relations. This is, at least partly, due to the hesitations that workers, in a highly stratified society, experience in expressing their difficulties direct to management. In such a society there is a much stronger emphasis on authority and deference to the superior than in the English-speaking countries. The workers, therefore, find it easier to get somebody in a government labour department to express their grievances to management.

There has been in Britain, as in other Western countries a remarkable change attitude to the employee. In the early days of industrialization the large majority of British employers, who might otherwise have been kind-hearted men, had no feeling of responsibility for the welfare of their employees and were only forced by the Factory Acts to provide minimal conditions for health and safety.

(TO BE CONTINUED)

Take it in your stride

Bata



Wage freeze in Yugoslavia's non-productive sector

Belgrade

The Yugoslav Government last week adopted a Bill on restricting personal incomes in organs and services of social-political communities and communities of interest and social organizations as well as in some organizations of the associated labour.

According to this Law the personal income of persons employed in these activities freeze at the level of the earnings of November last year.

"Our socialist community cannot allow that the burden of the stabilization falls solely on the shoulders of producers," Premier Bijedic said, explaining the reasons for this decision of the Government.

In order to bring the consumption with the requirements of stabilization and towards more even distribution of the burden of this stabilization on all the working people the Yugoslav Government decided on the temporary freeze of personal income of these employed on the so-called non-productive sphere of the society. This measure will be in force until June 30 this year, and it could be shortened depending on the duration and

INDIA RANKS HIGH IN ENGINEERING GOODS

New Delhi

India ranks 18th among 87 countries of the world producing engineering goods, according to a study by the Economic and Scientific Research Foundation.

Among developing countries, India produces one sixth. The study entitled "Indian Engineering Industry- Trends and Prospects" says that industry has been one of the most rapidly growing sectors of the Indian economy in the past two decades. While in 1941, the industry could hardly produce Rs. 1000 million worth of goods, its production in 1970 was about Rs. 20,000 million.

"However" it adds, "its performance would have been far more impressive if the growth rate did not fall sharply in the post Third Plan period when the average annual growth rate of engineering output was only 0.7 percent as against 17.8 percent recorded during the period 1941-65"

The study says that the main reason for stagnancy of industry in recent years is the decline in production of capital goods which accounts for about three fourths of the total engineering output.

results of the rehabilitation of the economy. It is expected that the course of thrift and good husbandry will be followed in those organizations which are not directly obliged and whose consumption is not limited by law.

The Yugoslav Government, resolutely insisting on the implementation of the stabilization programme, will soon propose to the Federal Assembly other measures which will step up and facilitate the rehabilitation of the economy.

These measures are taken to step up the successfully started process of the consolidation of the economy. Their implementation should enable the introduction of the new tax system and the distribution of the personal income, based on the social consultations and accords. They are at the same time, an expression of the solidarity of the working people therefore should encounter general social support.

JAPAN-CHINA CIVIL AVIATION AGREEMENT

Tokyo

Japan has presented to China a draft of a Japan-China civil aviation agreement which will lead to the opening of regular air service between the two nations.

In this draft Japan has asked China to grant landing rights in peaking, Shanghai and Kwangchow and rights to conduct regular flight services to points beyond in western Asia, Europe and East Africa from Shanghai.

In return Japan will be granting China landing rights in Tokyo, Osaka and Fukuoka and the right to inaugurate regular services from Tokyo to Canada, United States and Latin America. In addition, this draft incorporates various related matters such as the number of regular airline services between the two nations.

BRITISH AGRICULTURAL EXPORTS MAY TOP £500 M.

London

Britain's agricultural exports— machinery, livestock and fertilisers— will exceed £500 million for the year 1972, officials predicted at the Royal Smithfield show, which ended in London, last week.

Farm machinery and tractors are expected to account for £275 million, compared with £261 million in 1971.

Forecasting the overall export figures the British Agricultural Export Council said the United Kingdom had established itself as one of the world's leading suppliers of agricultural machinery, livestock, chemicals and fertilisers, and services in all fields.

The President of the Agricultural Engineers' Association Mr Lawrence Chivers, said that exports of farm machinery and tractors until the end of October, stood at £239 million. The total included almost 93,000 tractors worth £113 million.

The industry's contribution to the UK balance of payments in the first 10 months of 1972 showed an increase of nine per cent, he added.

The Show this time established four new records: total stock entries of 1,961; live cattle entries of 566; over 100 beef carcass entries; and record prize money of £10,402.

Among the 200 exhibits was the most powerful tractor in the Ford Motor Company's history— a six-cylinder model, developing 120 brake-horsepower and making its British debut. (BIS).

CONFERENCE ON EAST-WEST TRADE

New York

A conference on East-West trade, convened by the U. S. Institute for World Trade, took place in New York, last week.

Delegates to the three-day conference exchanged views on the prospects of expanding trade between the United States and member countries of the Council for Mutual Economic Assistance (COMECON).

Taking part for the North American side were representatives of financial and trade circles, as well as of firms and companies which are interested in expanding trade with the socialist countries. Attending the conference were also representatives of the Soviet Union, Bulgaria, Hungary, the German Democratic Republic, Poland, Rumania and Czechoslovakia.

COMECON - COUNTRIES CO-OPERATE SUCCESSFULLY IN AGRICULTURE

Berlin

The member states of the Council for Mutual Economic Assistance ensure the overwhelming part of their import requirements in agro-chemicals by mutual supplies, as announced by the GDR's Ministry for Agriculture, Forestry and Foodstuffs Industry, last week.

A good example of the GDR's increased nitrogen-



fertilizer production was the establishment of a new plant at the GDR fertilizer producing enterprise Piesteritz where Soviet natural gas is being processed. By this the production of 529,000 tons in 1970 will rise to 8000,000 by 1975.

In the past twenty years the stock in cattle has risen by almost sixty-five per cent that in pigs by almost sixty-four per cent, in happy by forty-six per cent and that in poultry by sixty per cent.

The COMECON countries have for many years been exchanging both breeding animals and documents on live stock plant and feeding methods. In future, coordination centres for animal production are to be established in various countries.

Due to close co-operation in the cultivation of seeds gross production in grain and pulse crops within COMECON could be raised from 145 million tons in 1960 to over 440 million tons.

(Panorama GDR)

STATISTICS ON CZECHOSLOVAKIA'S IMPORTS

Prague

Consumer goods from 67 countries were imported by Czechoslovakia the past two years. Imports from the socialist countries account for two-thirds of the total, latest statistics reveal.

In terms of volume of consumer goods exported to Czechoslovakia the last of socialist countries is headed by the German Democratic Republic, followed by Hungary, Yugoslavia, Bulgaria, the Soviet Union and Poland.

Czechoslovakia imports consumer goods from 21 capitalist and 33 developing countries. Imports from the former represented 22 per cent of total imports in 1971. Among the developing countries, Egypt, India, Brazil and Lebanon are Czechoslovakia's largest trade partners.

MA'S MOVEMENT FOR SCIENTIFIC EXPERIMENTS IN EAST CHINA

Hangchow

Grain yield per hectare in Tungyang country in east China's Cheking province is three times that of early post-liberation days as a result

of the local mass movement for scientific experiments. In addition, more pigs are being raised and a larger acreage come under fruit trees.

All the 78 people's Communes have set up agro-technical stations since the mass movement was launched in 1958. Over 1,600 production brigades have their own agro-technical groups. The participants are some 15,000 experienced peasants and young peasant graduates of secondary agro-technical schools.

Tungyang country is in a mountain area favourable to growing maize. Good results have been obtained after repeated selection and hybridization of over ten strains introduced from other places. A new strain was cultivated by the country maize research station and the agro-technical group of a production brigade. It raised the yield in the locality to 3.74 tons per hectare as against 1.5 to 2.25 tons per hectare before.

During the past ten years, the county has developed more than 20 new strains of maize, rice, barley and wheat, and supplied other places with over 5,000 tons of good strain seeds.

(Hsinhua)

Finance Companies...

Contd. from page 4

But in this case, the parties have agreed in writing that the owner is entitled to re-take possession on the non-payment of an instalment, after due notice is given to the hirer. If there was no agreement to re-take possession, I would hold that this be a high handed act.

Taking the evidence as a whole, I am satisfied that the Finance Company had done all that was required by law to be done for the purpose of repossessing the car. I also hold that the prosecution has failed to prove both charges preferred against the accused. I am therefore, compelled to hold that the instance case is not one that should be committed to a Higher Court in view of the available evidence and I therefore discharge the accused from these proceedings."

THE WORLD OF 2001 A. D. - An Interview with Buck

Q: With your deep insight into the past as well as the future, could you tell us what kind of a world is likely to emerge in 2001 A. D.?

A: Well, the shape of our planet will not be physically altered. We have to remember that humanity is very tiny. Our planet is 8,000 miles in diameter, the highest mountain is five miles and the deepest ocean five miles— or ten miles between the highest mountain top and the bottom of the ocean. In 8,000 mile diameter, ten miles is 1/300th only. If you take a 12-inch globe 1/800th is invisible. A globe of 12 inches polished in steel would probably be rougher than our planet.

One Humanity

You and I average, may be, five feet. If a thousand people stand on each other's head, we will have one mile. If we have 10,000 people standing on each other's heads, that would be the difference between the highest mountain and the deepest ocean. We just saw that 10 miles is invisible. You and I are 1/10,000th of the invisible.

Our planet will not look different in 2001 A. D. as seen from outside. Humanity may have resolved a great many questions in the interim period but evolution will have taken a large hand over and above human endeavour. Man tends to think that he is playing a much more important part in the universe than anybody else. I would expect that in 2001 A.D. the United States, India, China, Russia might be mere names or words because all humanity would have become one people.

The very nature of relationship of man to his universe is changing. He has a mind which is able to understand principles which are cosmic, to understand the gravitational system cohering the enormous universe. A little man on board a tiny plane, absolutely invisible, has been able to inventory the relative abundance of all the chemical elements of all the stars, visible to telescopes, in the heavens. He has a mind which is fantastically developed, but his "muscles" are insignificant, though he is still playing a game on our planet of "muscles" of guns which are "technical muscles."

Having arrived at world citizenship, humanity, enjoying global resources, will

have before it a completely different situation from the one existing at present of each holding off others from its own area, or a nation feeling as if it can only survive by itself.

Technological Innovations

Q: Could you identify some of the important technological or engineering innovations which might occur in the next twenty years in the field of scientific knowledge?

A: Scientific knowledge is acquired of course, through observations based on our experiments. Experiments are made with tools. So science and technology consist of the knowledge gained through the microscope and the various forms of great telescopes for probing the universe.

When we talk about applied science, we speak about technology itself. I would think that the greatest innovation in technology will be in the realm of doing more with less. For example, there will be a great increase in the tensile and comprehensive strength of alloys or other substances, even such substances as plastics and glass. Man will do most of his compressive designing with liquids and gases. Nature's trees are compression of liquids, of water and gases, tensionally cohered with crystalline substances. Crystalline substances will be used for tension, and compression by hydraulics which are non-compressible. Local shock loads will be taken by the compressibility of pneumatics.

We will be able to enclose whole areas as large as New Delhi with single, clear-span structures that are so light that they can be easily air-delivered. In other words, there will be approximately an invisible environmental control.

Q: Will social sciences and moral sciences also simultaneously register improvements of this nature?

So far social sciences have been unable to find one single generalised law. Physical sciences have discovered a great many laws. As for moral science, the philosopher has discovered principles which in metaphysics seem to hold true. But they cannot be demonstrated by experimental evidence other than human, personal experience. The models evolved by social scientists are based on assumptions which it is hoped will hold true, but never do. So I don't

expect much to come from social sciences.

I expect everything to come from the architectural design of the universe and from the laws that are operating which a physical scientist undertakes to discover. The environmental-producing conditions are going to spell out completely the limits and potentials of human behaviour.

Man and Technology

Q: What will be the sum total of the effect of such advancement on human beings?

A: There seems to be a great deal of misunderstanding or misapprehension regarding technology. The physical universe consists of 92 generative elements. Each one is unique in its behaviour. The way in which a chemical associates crystally, hydraulically, numerically, the way in which the environment itself is governed by all-embracing gravity—these are the laws of technology. Nothing could be more extraordinarily technological than the eye with which you are observing me at this moment.

To be able to communicate with each other involves our brain, which physically comprises quadrillions of atoms in the most magnificent, electrochemically-designed coordination. Nothing could be more extraordinary in technology. When human beings talk of technology as something to be afraid of, it is because they have seen humanity "misemploying" technology. Man is born naked and utterly helpless, but with only the beautiful technological equipment which he uses unconsciously but is

completely ignorant do not set much the negative state regarding technology of man universe. Unquestionably has a great function charge. That is why been designed to do this extraordinary complementary un-

Q: Do you see a great deal of harmony between technology and beings?

A: I would say that humanity had made some assumptions long

Asia draws together

ASIAN GOVERNMENTS ARE STARTING TO SEE MONETARY CO-OPERATION AS AN IMPORTANT WAY OF INCREASING TRADE.

Proposals for achieving a greater degree of economic co-operation and monetary integration in Asia have been mooted by a number of international organisations for nearly a decade, notably the United Nations Economic Commission for Asia and the Far East (ECAFE). But it is only quite recently that the reports on which these proposals were based appear to have gained any strong government support, with the Kabul Declaration of 1970 making the probable turning point. In any event, there is at present a possibility that the next few years will see the establishment of two new financial institutions for the 20 ECAFE countries of Asia—a regional clearing union and a regional reserve bank.

While the political commitment marks an important step forward, the economic background against which ECAFE has carried out its work has been the overriding consideration, and it is significant that within ECAFE itself the main driving force behind the promotion of both a clearing union and a reserve bank has come from the division directly engaged in promoting the expansion of intraregional trade. One of the objectives behind both schemes is to encourage trade between member countries of ECAFE. As indicated by the accompanying table, for most countries in Asia intraregional trade already represents a large component of the total: taking a weighted average for the region as a whole, the current proportion (for both imports and exports) well over 30 per cent, a figure in excess of that in other regions of the developing world such as Africa and Latin America.

In itself, such a high figure does not imply that there is necessarily further substantial scope for intraregional trade, although the majority of economists would probably accept—and ECAFE is of the firm conviction—that such potential does in fact exist given the diversity of the economies of the region and provided that the right "institutional framework" exists. It nevertheless has to be admitted that even

if this theoretical argument is correct, it alone would never have been a sufficiently powerful factor to bring matters to a point where an intergovernmental committee has already submitted plans for both a clearing union and a reserve bank to national governments for approval. The catalyst has come from outside, its main elements being the 10 per cent import surcharge temporarily imposed by the US in August 1971 the Smithsonian agreement (which many Asian countries regarded as against their interests): gradual recognition of the possible effects on the economies of a number of countries of South East Asia of the US "withdrawal" from Vietnam; and last, but certainly not least growing concern at the consequences of British entry into the EEC and the large increase in the number of associate members of the Community which this entry will bring in its train.

The immediate purposes served by a clearing union and a reserve bank are inevitably different—and partly for this reason. Differences of opinion still exist about which institution should be introduced first. The majority of governments apparently feel that the clearing union should have priority, even if only because its workings are simpler and therefore likely to gain more rapid acceptance. The mechanics of the

clearing union now under consideration are quite straightforward, particularly as the main purpose behind the scheme is now seen largely in terms of trade promotion and co-operation. This was not always the case; early studies of a possible clearing union attached great importance to the potential savings in transfer costs the economy and speed with which intra-regional payments could be settled) and, by the same token, to the savings in working balances held in foreign currencies which could then be released for more productive purposes. This original approach was, however, eventually contradicted by the findings of a special IMF study published in 1969, which came to the conclusion that in an area well served by both national and international banks, any such savings would be no more than marginal even if settlements take place thousands of miles away in London and New York. In any event the IMF report stated quite categorically that "no serious criticism of the existing system was brought to our attention."

Although the IMF dismissed, or at least played down, these arguments, it did state that co-operation in monetary and exchange matters is important for any effective regional or sub-regional programmes to promote trade and economic growth." One result of this new approach has therefore been to embody in the latest proposals for the clearing union a number of features which distinguish it not only from earlier ECAFE recommendations but also from the clearing unions now operating in other parts of the world.

Under these proposals, each participating central bank (or its equivalent) would open credit lines to each other member bank equivalent to 1/6th of its annual exports to that country and receive in return a credit line equal to 1/12th of

its imports from source, both being subject to and adjusted in with the trading place. When porters would continue to receive local importers' (ment) in the through the commercial banking corresponding trade foreign exchange channelled through ring' union, with that all claims incurred by against any other trading country were expressed in or debit calculated Asian unit of a sumably to be in terms of Rights on the net balances carried "on until the date of provided that "did not exceed lines as specified which case settlement excess would be immediately in a able currency."

The use of an of account in the not only an integral the clearing union represents a co with the proposal reserve bank. In the world traffic characterised by a uniform exchange and even less unified towards exchange ments, the immediate objective might appear as one of guaranteeing countries against on alterations in rates implicit in the of any credit line it has been suggested Asian unit of account initially be limited (or even the U has been recommended the long term might usefully be a unit more specific region, that is one whichever of the ting members'

Buckminster Fuller

etely ignorant of. So I t set much store by egative statements made ing technology or imce of man in the se. Unquestionably man great function to dis- That is why he has esigned to be part of raordinary omniinter- mentary universe.

Do you anticipate a eal of harmony bet- echnology and human would say that huma- made some misass- 's' long ago. The

sensory capability of man, to see, smell, hear, touch, covers only about one milli- onth of reality. We did not know this until we entered electro-magnetics. We can now show a chart indicat- ing the unique frequencies and temperatures of al- chemical elements. When we see the "red-orange-yellow green-blue-indigo-violet" of the spectrum, that is only one millionth of its total known range. The new reality we are beginning to be aware of involves the myriads of frequen- cies. If we tune into one

An incomparable multi-media thinker, fully conversant with the entire spectrum of human knowledge, Dr. Richard Buckminster Fuller, a scientist, architect, humanist and philosopher, is a citizen of the world. Born in July 1895 in Massachusetts, USA, Dr Fuller studied at Milton, Harvard and the U. S. Naval Academy and has won numerous awards for industrial, architectural and engineering designs. He also holds honorary degrees in arts, science, letters, engineering and law from thirty universities.

For many years he has been visiting countries in Asia, Europe and the Americas as a consultant on

architectural and engineering assignments. An individualist to the core and a great scientist-philosopher, Dr. Fuller's mission is to "reform the environment of man or, to put it differently, harmonise technology with life and harness it to serve the needs of man, not let it become his master.

As the inventor of the famous geodesic dome and many other architectural innovations, Dr. Fuller is an acute purveyor of futuristic trends. A bridge between the 19th and the 20th century, the world of 2001 A. D. is to him no less real than that of today.
(Courtesy Indian & Foreign Review.)

of them, we can get the programmes being broadcast by one of the communication satellites, we can get all the information about what is going on all over the planet

and around within the universe right in this room from electro-magnetic wave reality which passes through all the walls and other objects. That is the reality.

Metaphysical is Eternal

Humanity is not paying enough attention to this new reality. The newspaper's picture-able front-page "reality" is

irrelevant to the great invisible reality of the universe.

(Contd. on Page 14)

ports from the same both credit lines subject to an annual review adjusted in accordance the trade actually place. While local ex- would therefore con- to receive payment (and mporters' make pay- in the normal way in the domestic comm- banking systems, the onding transactions in exchange would be led through the clea- tion, with the result l claims and debts d by one country any other particpa ntry would then be ed in a single claim t calculated in an unit of account—pre- to be denominated of Social Drawing on the IMF. Such nces could then be "on the books" date of settlement d that such balances exceed the credit specified above, in ase settlement of the would be required tely in an "accept- ency."

se of an Asian unit nt in the scheme is an integral part of ing union, but also ilita a crucial link e proposals for a ank. In a region of d traditionally chara- by a far from exchange rate system n less uniform policies exchange rate adjust- the immediate ob- ight appear simply s against guaran- eeing losses in exchange licit, in the opening credit line. But while ers suggested that the nit of account could be linked to SDRs the US dollar) it a recommended that ng term objective efully be the use of more specific to the hat is one linked to r of the participa- members' currencies

remains most stable in terms of SDRs. Through this recommendation the architects of the plan hope to see the gradual emergence of a regional currency "bloc", which in its turn would eventually eliminate one of the main obstacles still in the way of rapid progress towards economic and monetary co-operation in Asia, namely the continuing (although admittedly weakening) links between some countries and the US economy and the dollar on the one hand, and other countries, the UK and sterling.

Bank Shares

Not surprisingly, the proposals being considered for an Asian reserve bank exclude any specific recommendation on this particular point, at least in the initial stages.

ECAFE TRADE

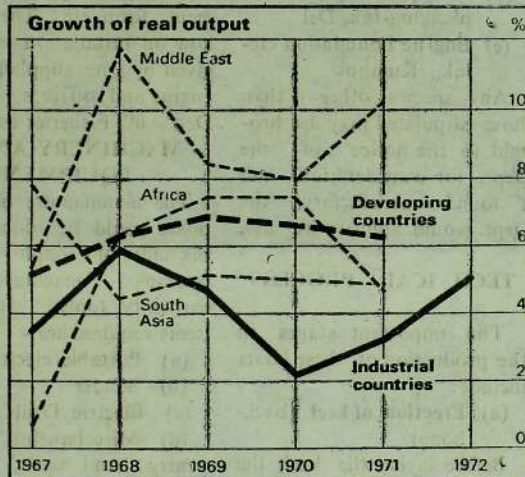
Selected member countries' intra-regional trade as a proportion of their total foreign trade annual averages 1966/68

- percentages
- 10-14.9 Sri Lanka.
- 15-19.9 India, New Zealand.
- 20-24.9 Pakistan, S. Vietnam.
- 25-29.9 Khmer Republic, Japan.
- 30-34.9 ECAFE AVERAGE
- 35-39.9 Australia, Korea, Iran.
- 40-49.9 Afghanistan, Philippines
- 50-59.9 Thailand, Burma, Singapore Malaysia.
- 60-99.9 Indonesia.
- 70-79.9 Nepal.
- over 80 Laos.

The proposals in hand are however no less ambitious because of this. The main proposal is for a commitment by each participating country to hold at least 10 per cent of its official reserves (as defined by the IMF and calculated at the end of each quarter) in the bank, while, in return, the bank would be required to maintain freely usable foreign exchange, gold and SDRs equal to two-thirds of its deposit obligations. As far as a member's drawing's on the bank are concerned, these would be limited to 50 per

cent of the decline in its official reserves during any one quarter, although within this limit the right to draw up to the full amount of its statutory deposit would be automatic. Drawings above his figure (up to twice the relevant deposit) would however require a majority vote of the managing board, while those in excess of the

limit, and that as a result, once the bank had become established, it should reasonably expect additional voluntary deposits. By the same token, the bank would also have powers to borrow funds from non-member governments international agencies and even from private financial institutions.



latter limit would require approval by a four-fifths majority. The criteria on which approval would be forthcoming, including for example the internal policy steps to be expected of members with persistent payments deficits and surpluses, have not yet been spelled out, but IMF practice would obviously provide an important guideline, however, since an important reason for establishing the bank is to provide external support in circumstances not covered by IMF arrangements, and in particular the temporary problems likely to arise in any regional programme of trade liberalisation. The bank would in other words give explicit recognition to this latter aspect when considering applications for discretionary credit.

The scope of the bank's activities would also be enlarged to an important degree by the fact that the 10 per cent reserve contribution from each member country by way of a deposit represents only a statutory mini-

AN ASIAN RESERVE BANK

Members' deposits, if established November 1971

Country	\$mn.	per cent
Japan	1,338	58.7
Australia	284	12.5
India	113	5.0
Thailand	88	3.9
Malaysia	80	3.5
Korea	57	2.5
Philippines	34	1.5
Iran	33	1.4
Singapore	32	1.4
New Zealand	30	1.3
S. Vietnam	26	1.1
Pakistan	22	1.0
Khmer Republic	12	0.5
Nepal	10	0.4
Burma	6	0.3
Afghanistan	5	0.2
Sri Lanka	5	0.2
Indonesia	3	0.1
Total Deposits:	\$2,278mn	100.0

All these deposits would likewise be subject to the bank's 67 per cent liquidity ratio but, barring an unforeseen 'run' on the bank, this would still leave a substantial surplus available for longer term investment in the region, either directly, through the financing of specific projects,

or indirectly as for example through contributions to the resources of the Asian Development Bank.

The high degree of automaticity in members' borrowing rights from the proposed reserve bank makes it impossible to be absolutely certain that its liquidity would never come under serious pressure, although a simple mathematical model has already shown exactly—both in theoretical terms and in terms to historical experience—the circumstances in which such a situation might arise. Without going into details, a critical but not surprising fact which eliminates most possibilities is that both theory and historical experience confirm that the percentage variation of the foreign exchange variation of the region as a whole over any given period of time is much less than that in the reserves of any one member country.

Solvency

It is nevertheless also clear that the success of the scheme would be largely dependent on the membership of the developed countries of the region, notably Japan, which, as illustrated in the accompanying table, would have been called on less than 59 per cent to the bank's total deposits if the latter had actually been set up in late 1971. This is well in excess of the 25 per cent maximum set in the ECAFE proposals, implying that Japan would have had to forgo its borrowing rights on 34 per cent of its deposit, but despite this restriction its semi-automatic borrowing rights would still have exceeded the initial excess reserves of the bank. Assuming however that Japan did not borrow, and if all the developing countries in ECAFE were simultaneously to lose 20 per cent of their reserves and used their full initial automatic drawing rights, there would still be sufficient funds to cover more than 80 per cent of Australia's rights.

This in an extreme, and therefore highly improbable, set of circumstance with the result that there can be few doubts about the viability of the bank. By the same token most members would be able to regard their borrowing rights as having a high degree of liquidity and therefore as a useful addition to their potential reserves.

The bank would also have an even more important role to play if, as seems likely, none of the developed ECAFE countries borrowed every time they suffered a reserve loss, in this situation substantial funds would be available for long term investment and, as shown by the historical model of the projected bank in operation, such funds would have been available in ten of the past 13 years and would have amounted to well over \$100mn. over the past five years.

On all these grounds, there appears no reason to doubt that a regional reserve bank could make a major contribution to the economic development of Asia, particularly as its operations are designed to tie in closely with further trade liberalisation. This latter objective is obviously not desirable in itself but has the added advantage that it is the one aspect of the scheme which is likely to appeal to countries such as Japan, Singapore and Malaysia who would be creditors rather than borrowers from the bank but who in turn have the strongest interest in the dismantling of import controls by other Asian countries with less comfortable external balances.

It is also possible that the project will appeal to Japan for other reasons.

(Courtesy National & Grindlays Review)

Opportunities for small Industrialists:

Ceylon's fishing fleet presently consists of: (a) 13,000 non-mechanised traditional craft-Orus, Teppams, Kattumarams and Vallams, (b) 750 mechanised traditional craft, (c) 1,000 3 1/2 ton small mechanised boats, (d) 6 Trawlers, (e) 5 Tuna Vessels (f) 4011 ton 36 Vessels.

This fleet is considered inadequate to exploit fully the fishing water's available to us. The supply of fish falls short very much of the demand. There is a need therefore to strengthen the fishing fleet.

Government policy provides for increased production of 3 1/2% ton small mechanised wooden boats, Indigenous raw material in the form of wood is the main requirement of the industry, which is additionally labour intensive. The scale of operation is within the scope of small scale manufacture,

MARKET

There are 16 boat yards presently registered by the Dept. of Fisheries manufacturing these wooden boats. In 1969, these yards produced 200 boats. Production up to the end of September this year is 130.

The Fisheries Corporation has its own boat yard for the construction of wooden boats. These boats are supplied primarily to Fishing Societies through the Fisheries Department. Fibre Glass

VARIABLE COSTS FOR 3 BOATS TO BE MANUFACTURED DURING A 2 MONTHS PERIOD

Timber:	Rs.	Rs.
200 cu. ft. of Jak	-Rs.25/- per cu. ft.	5,000
50 " " " Halmilla	-Rs. 20/- " " "	800
300 " " " Kumbuk	-Rs. 16/- " " "	4,800
		10,600
Labour:		
Carpenters		
6 Skilled	- Rs. 9/- per day for 2 months	- 2,700
2 Semi-Skilled	- Rs. 6/- per day for 2 "	- 600
2 Unskilled	- Rs. 4/- per day for 2 "	- 400
Caulkers		
2 Skilled	at Rs. 9/- per day) 3 weeks - 630
2 Unskilled	at Rs. 6/- per day	
1 Fitter	at Rs. 10/- per day for 2 months	- 500
Painting, Sanding & Finishing;		
1 Skilled	at Rs. 9/- per day	- 450
1 Unskilled	at Rs. 4/- per day	- 200
E. P. F.		5,480
Direct Material - 3 boats		490
Caulking material		- 750
Nails and Screws		- 3,600
Anchor Mast and Tiller		- 450
Paint		- 900
		5,700
Total Variable Cost -		22,270
Variable Cost per boat - Rs.		7,420

Boats are also turned out by the Fisheries Corporation. These are however, issued direct to fisherman, subject to the payment of an excess charge over and above the cost of the wooden boats.

12 Private sector establishments have been approved by the Ministry of Industries for the manufacture of steel, fibre glass and wooden boats. One private sector unit was also approved for the manufacture of ferro cement boats but it has not yet gone into production.

There are no imports of wooden boats for fishing industry.

Development plans of the Fisheries Dept. and Government allocation of foreign exchange for imports of marine engines to the private sector are two factors which influence the demand for the boats.

LOCATION

Boat yards should preferably be located close to water fronts where suitable launching facilities would be available.

CAPITAL REQUIREMENTS

A boat yard with bay space for the construction of at least three boats would be an economic unit. The estimated total capital outlay for such a project is Rs. 43,500/- of which Rs. 29,300/- will be for fixed capital and Rs. 14,200/- will be required for working capital.

RAW MATERIALS

The materials required are:-

- (a) Well seasoned timber
 - (b) Paints
 - (c) Brass screws, copper rivets, galvanised bolts and nuts of assorted sizes.
- The approved species of timber are:-
- (a) Keel assembly - Jak, Kumbuk, Palu, Mae
 - (b) Frames - Jak, Kumbuk, Khombu, Halmilla



- (c) Floors - Jak, Kumbuk
- (d) Hull planking and deck planking - Jak, Del
- (e) Engine Foundation etc - Jak, Kumbuk

Any species other than those stipulated may be brought to the notice of the Dept. for consideration and if found satisfactory, the Dept. would approve its use.

TECHNICAL PROCESS

The important stages in the production of these boats include:

- (a) Erection of keel (backbone)
- (b) Assembling frames and floors
- (c) Planking
- (d) Riveting of ribs, clamps and stringers

It may be necessary for certain ribs and planks to be steam bent for fitting on. Steaming can be done by the use of an elementary type of boiler from which a pipe line could carry the steam through into sealed elongated wooden box which contains the items that have to be steamed for building and riveting.

- (e) Installation of engine beds
- (f) Construction of Deck and Superstructure.
- (g) Caulking - This process is the sealing of the seams with cotton and putty or any satisfactory sealing compound.

(h) Rigging - The boat is equipped with a small mast and sail for use in an emergency such as an engine or transmission break-down.

(i) Painting - The boat has to be properly painted. Special care should be taken to paint below water line with anti-teredo paint. (This is a class of paint which provides resistance to the teredo worm-marine borer.)

(j) Engine Installation - Inspection by Departmental officers will be made at the different stages of construction. The installation of the engine should be done after the hull

Total Fixed Cost for 1 Year	
Rates and Taxes	Rs. 100
Electricity	400
General expenses	100
Depreciation:	
Buildings at 10 2 1/2 %	Rs 450
Machinery at 10 %	330
Tools at 20 %	600
	1,380
Fixed Capital	Rs.
Land - 1/4 Acre - Rs.	
100- per perch	4,000
Buildings:	
Office	200 sq. ft.
Work Shop	200 " "
Stores	200 " "
Stores Timber	300 " "
Working Area	900 " "
	1800 " "
at the rate of	
Rs. 10/- per sq ft.	18,000
Power Supply-Wiring	1,000
Machinery:	
Wood Working	
Equipment Saw	Rs. 1,500
2 Drills - 3/8" & 1/2"	1,000
Sander	800
Tools	3,000
	6,300
	29,300

Working Capital	
Timber Stock -	
1 months supply	5,300
Other Stocks - "	
Caulking Material -	Rs 750
Nails and Screws -	Rs. 3,600
Paint	- Rs. 900
	5,250
Work in Progress	2,000
Cash requirements to meet operating expenses	1,650
	14,200
Total Capital	Rs. 43,500
Manager's Salary	3,600
Indirect Labour-Watcher	1,200
E. P. F.	430
	7,210

PROFITABILITY STATEMENT ON THE BASIS OF AN ANNUAL SALE OF 18 BOATS

Sales: 18 Boats at Rs. 8,500/- each	153,000
Less: Variable Costs Rs. 7,420/-	Rs. 133,560
- B. T. T. at 1%	1,530
	135,090
Contribution	17,910
Less: Fixed costs	7,210
Net Profit before Taxation and Interest	Rs' 10,700

EMPLOYMENT

The economic boat yard suggested will have a production capacity of 18 boats per year and each unit will provide employment for 13 full-time and 4 part-time skilled workers. There would be scope for 10 such units and the total employment for 170 workers.

PROFITABILITY

The details of capital outlay and profitability on this investment are as follows:-

Estimated Capital Outlay for a Boat Yard with 3 Boys and a Capacity of 18 Boats per Year.

EVALUATION

1. Payback period of
 - (a) Fixed capital - 2.5yrs
 - (b) Total capital - 3.6"
2. Return on Capital employed - 24.6%
3. Breakeven quantity is 8 Boats.
4. Investment per worker is Rs. 2,900/-
5. Profit Volume Ratio. - 1.1
6. Percentage of Net Profit to Sales - 7%

SPECIAL CONSIDERATIONS

- (a) Blue - prints of the Government approved pattern of boat could be made available at minimum cost to

(Contd. on Page 14)

Trends in Polish foreign trade

"Fulfilment of all the principal tasks of the five year - plan depends on Poland's greater participation in the international division of labour and more dynamic foreign trade turnover which must keep up with the country's demand for raw materials, fuels, modern technologies, machinery, equipment and also commodities to supplement and enrich the domestic market.

We envisage that in 1975 Polish foreign trade turnover will have increased by some 57 per cent. With this end in view we are evolving and expanding new, and more effective forms of international economic ties.

Particularly valuable and helpful for us is the socialist economic integration programme of the CMEA member countries. It provides foundations for solving complicated productive

scientific and technical problems, thereby opening up great chances for the development of the whole economy.

Industrial cooperation is assuming growing importance. In addition to its beneficial influence on the development and stability of trade, it furnishes additional opportunities for utilizing new technologies and improving the organization of production.

The present period calls for a new approach to this growing task on the part of industry and foreign trade; it is placing on producers obligations of better quality and punctual delivery. Every economic and organizational condition has been created to increase the interest taken by industrial associations and plants in international co-production. They are being given bigger decision-making

powers, but also greater responsibility for the results; this will be helped by the new system of accounting and the operation of currency credits for the development of co-production.

Excerpts from the Report for the 6th PUWP Congress
Delivered by
Piotr Jaroszewicz
Political Bureau Member, Chairman of the Council of Ministers

The most important role in the implementation of the general aims of foreign trade will be played by exports of electrical engineering products and consumer durables. A further restructuring of exports in this direction is the prime task of foreign trade for the next few years. We export of machines, installations and

means of transport to increase by about 70 per cent.

The modernization of industrial capacity and the simultaneous rise in living standards, requires recourse to foreign credits. This will make possible the reconstruction of the economy while maintaining a part of the distribute national income on a scale matching the envisage social objectives.

Previously we did not make proper use of these possibilities. We intend to take advantage of them while paying attention to the balance of payments and honestly settling our obligations.

Socialist states hold a special place in our economic relations. The Soviet Union is and has always been our chief partner in economic, scientific and technical co-operation - our best, tried and true friend who has always helped us in times of need and has always displayed an understanding for the tasks of our developing cooperation. According to our long-range trade agreement, foreign trade turnover with the Soviet Union will increase from 10.5 billion exchange zlotys in 1970 to 15 billions in 1975.

Our economic relations with the Soviet Union constitute an example of internationalist solidarity, cooperation and mutual fraternal assistance. Our successfully developing economic cooperation with the Soviet Union is a guarantee of further industrialization and the progress of the scientific and technical revolution in our country.

Our economic relations with our immediate neighbours, the German Democratic Republic and the Socialist Republic of Czechoslovakia, are developing well. We have also achieved marked progress in economic cooperation with the People's Republic of Bulgaria, the Socialist Republic of Romania, the Hungarian People's Republic and the Mongolian People's Republic.

Among our major economic partner we also have the rest of the socialist states: the Socialist Federal Republic of Yugoslavia with which we have favourable commercial and co-production relations the People's Democratic Republic of Korea, the Democratic Republic of Vietnam and the Republic of Cuba. We are also trying to maintain and develop mutually advantageous economic contacts with the Chinese

Polish Trade

People's Republic and the People's Republic of Albania.

The deepening of economic cooperation with all the socialist countries is the basic lever of our development of the socialist economy.

We attach great importance to the growth of trade and co-production with the developed countries. Besides mutual economic advantages, it serves the cause of normalization and improvement of relations between states with different socio-political systems. We are taking account of the effects of the existence of the Common Market in our trade relations with western Europe. Our traditional partners, who are members of the EEC, should seek to eliminate from its practice barriers and restrictions which impede trade and industrial cooperation.

We appreciate the growth in recent years of trade and technological cooperation with Italy, France, Britain and the Benlux countries. We are also seeking to create conditions for the development of wider contacts with Federal Republic of Germany. We perceive great possibilities of development of economic, scientific and technological cooperation and also of a division of labour with our neighbour across the Baltic, the Scandinavian countries. We will also develop our economic relations with other states in western and southern Europe, and also with the overseas capitalist countries.

The development of relations with the countries of the "Third World" is advantageous both for Poland and for these countries themselves. We are meeting their needs in various fields of cooperation.

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50th Anniversary of the Union of the Soviet Socialist Republics (30. 12. 1972)



A Special Supplement

V. Lenin - Founder of the U.S.S.R.



V. I. LENIN: Moscow, October 1918

By M. Khalmuamedov

After the triumph of the 1917 Great October Socialist Revolution in Russia one of Soviet power's cardinal tasks was the solution of the national problem. The Communist Party's programme on the national question elaborated by V. Lenin was taken as the basis of this solution.

Basic Principles

The equality and sovereignty of the nations of Russia the right of the nations to freedom of self-determination, including the right to secede and form independent states, abolition of all national and national-religious privileges and restrictions whatsoever, freedom of development for the national minorities and ethnographic groups inhabiting the territory of Russia. Such were the basic principles embodied in the Party's programme on the national question and proclaimed in the "Declaration of Rights of the Nations of Russia."

These principles were not only proclaimed, but were also consistently implemented by the Soviet Government headed by V. Lenin. The Soviet Government recognized the independence of Finland, the right of the Polish people to self-determination and

national unity—nations which were part of the former tsarist empire.

As leader of the Party and Head of state V. Lenin paid constant attention to national state construction. He personally participated in the elaboration of many Party and state documents on this problem. He repeatedly returned to this question in his works and speeches to the working people.

Union of Equals

V. Lenin's services in the formation of the multi-national Soviet state were very great. Not only the idea of forming the USSR, its scientific substantiation belong to him, but he personally guided this complicated process.

Already in December 1919 V. Lenin in his letter "To the Workers and Peasants of the Ukraine," speaking of the ways of building a Soviet multinational state wrote: We want a voluntary union of nations—a union which precludes any coercion of one nation by another—a union founded on complete confidence, on a clear recognition of brotherly unity, on absolutely voluntary consent."

V. Lenin approached the problem of national-state construction taking account

of concrete historical distinction in the development of nations and strived to create the most favourable conditions for bringing out all creative potentialities of each nation. For example, in his letter "To the Communists of Turkestan" V. Lenin after revealing the universal historic significance of the establishment of correct relations between Soviet Russia and the formerly oppressed nations, and in particular the nations of Central Asia, orientated the Communists of Turkestan towards devoting the closest attention to local conditions. The leader of the Revolution expressed the same idea also in a letter to the Communists of Azerbaijan, Georgia and Armenia when he called upon them: "Do not copy our tactics, but analyse the reasons for their peculiar features, the conditions that gave rise to them, and their results; go beyond the letter, and apply the spirit, the essence and the lessons of the 1917-21 experience."

V. Lenin solved problems of relations between socialist republics from the position of consistent proletarian internationalism, on the basis of attentive study of the concrete historical ways of national development. V. Lenin wrote that it is necessary to explore, study, find, divine, grasp the national-distinct, national-specific in each country's concrete approach to solution of the single international task.

Necessity of Unification

V. Lenin discovered and substantiated the new socialist type of federation of Soviet republics. In this he noted that firstly, it is impossible to preserve the existence of soviet republics surrounded by incomparably mightier in the military sense imperialist powers of the whole world; secondly, close economic union of the Soviet republics is necessary because without it, restoration of the devastated by the imperialists productive forces and ensuring the wellbeing of the working people is impracticable. The victory of the

October Revolution, establishment of the dictatorship of the proletariat were the main political conditions for formation of the USSR. Production relations based on public ownership of the implements and means of production became the economic basis for fraternal friendship and cooperation of the united nations.

V. Lenin pointed out in several of his works that the Soviet Union was needed for the creation of an integrated developing in accordance with plan, socialist economy.

Formation of the Union

Lenin's idea of the formation of the USSR met with broad response. The question of federation was discussed in all republics. The First All-Union Congress of Soviets, which was held on December 30th, 1922, completed the process of formation of the union state and also delimitation of the competence of the republics and USSR in their supreme organs.

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Formation of the U.S.S.R. and its aftermath

(Summary of the report made by L. I. Brezhnev, General Secretary of the CPSU Central Committee, at the joint gala session of the CPSU Central Committee, the Supreme Soviet of the USSR and the Supreme Soviet of the RSFSR on December 21, 1972.)

The nationalities problem in the USSR has been solved completely, finally irreversibly said L. I. Brezhnev, General Secretary of the CPSU Central Committee, speaking at the celebration ceremony in the Kremlin on December 21, dedicated to the 50th anniversary of the formation of the Union of Soviet Socialist Republics—the multinational socialist state.

He said that the solution of the nationalities problem ranked on a par with the major achievements in the construction of a new society in the USSR: the industrialisation of the country, the collectivization of agriculture, and the cultural revolution.

He suggested that December 30—the day of the formation of the USSR—should be marked as a state holiday.

The formation of the USSR was the direct continuation of the cause of the Great October Revolution which ushered in a new era in the development of mankind. It was a practical embodiment of the idea of the Great Lenin about the voluntary union of free nations.

The party began pursuing the firm policy of boosting the economic, cultural, and socio-political development in the constituent republics.

The practical implementation of that policy was possible only on the basis of extensive and all-round assistance to the formerly oppressed nations and nationalities on the part of the more advanced regions of the country, and especially on the part of the Russian people and their working class.

In his report, L. I. Brezhnev offered a number of concrete illustrations of such assistance, from the handing over (gratis) of plants and factories to the national republics of Transcaucasia, Soviet Central Asia, and Kazakhstan, to the dispatch to these areas of engineers, technicians, highly-skilled

manpower and cultural workers, and the allocation of subsidies from the federal budget.

the state all the republics, have achieved magnificent results. For instance, in the years of the existence of



General Secretary of the CPSU, L. I. Brezhnev making the Report of the joint gala session of the CPSU Central Committee, the Supreme Soviet of the RSFSR on 21-12-1972.

As a result of many years of work of the party and

the union, industrial output in Kazakhstan has increased 600 times, in the Tajik SSR over 500 times, in the Kirghiz SSR over 400 times, in the Uzbek SSR—almost 240 times, in the Turkmen SSR—over 130 times,

There are equally striking results in the cultural development of the republics. The Uzbek SSR alone at present engages more specialists with college and specialised secondary education than the entire national economy of the Soviet Union in the end of the 1920's.

Having completely solved the nationalities problem, in the aspects with which it was inherited by the Soviet Union from the pre-revolutionary past, the Party at the same time considers that the relations among the nationalities in the society of mature socialism are also a reality which constantly develops, posing fresh problems and tasks. The party constantly keeps these problems in its field of vision, and solves them in good time, in the interests of the entire country and each individual republic, in the interests of communist construction.

International Problems

A large part of the report deals with international problems. It is the mission of the Soviet foreign policies said the General Secretary of the CPSU Central Committee, to strengthen peace, to promote the implementation by all nations of their inalienable rights, to be always with those who are fighting against imperialism, against all forms of exploitation and oppression.

Contd on page 12

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Formation of the U.S.S.R.

Contd from page 11

for liberty and human dignity, democracy and socialism. The USSR's foreign policy is class and socialist as to its content and goals, and precisely this determines its peaceableness. One of the most important tasks of the USSR in the internationalist arena is to strengthen and develop the world socialist system.

L. I. Brezhnev dwelt on the reciprocal relations between the USSR and the countries of Asia, Africa, and Latin America. The Soviet Union actively supports the national-liberation struggle and the progressive policies of the newly-free countries. Everyone, who wants a real strengthening of world peace, must augment his efforts to eliminate the

seat of war in the Middle East and to do away with Israeli aggression.

In Europe, the task is to effect a radical change towards detente and peace. The treaties between the USSR and the FRG, and between Poland and the FRG, the agreements on West Berlin, as well as the Treaty on the Principles of Relations between the GDR and the FRG, are major steps in this direction. The all European conference on security is called upon to add a new chapter to the history of Europe. The USSR will strive for this initiative of the socialist states to be crowned with impressive results for the good of all the conference participants.

The Soviet Union, said L. I. Brezhnev, is for the serious preparation and holding of negotiations on the reduction of armed forces and armaments in Europe. Analysing the prospects of Soviet-American relations, the speaker emphasised the importance of the results already achieved and the possibility of new steps towards their development. Yet, much will depend on the development of events in the near future, specifically on the developments in the matter of the termination of the war in Vietnam. L. I. Brezhnev said that the USSR had come out with the idea of establishing a collective security system in Asia, not against China. The USSR considers that China should become a full-fledged participant of such a system.

The Soviet Union is ready to come to an agreement, and correspondingly make, with any nuclear power, mutual pledges on the non-use of force, including the non-use of nuclearweapons.

Though the class struggle between the two systems will continue economically, politically, and ideologically, the CPSU and the Soviet state will work for this historically inevitable struggle to develop in a channel not fraught with wars, dangerous conflicts, and an unbridled arms race.

L. I. Brezhnev expressed the conviction that the forthcoming world congress of peace — loving forces would play a great part in the struggle for peace.

The goal of the Communists, stressed the General Secretary of the CPSU, Central Committee, is to do as much as possible to improve the life of the people, and this as early as possible.

Speaking of the results of the first two years of the current five-year period, L. I. Brezhnev pointed out that a substantial growth of the leading branches of industry had been achieved in the USSR. In spite of the extremely unfavourable arid year of 1972, Soviet farmers have harvested 168 million tons of grain (which is more than the annual average for the previous five year period). This is an indicator of the better standards of cultivation and higher level of organisation of work in Soviet agriculture. The normal course of the Life of the country and its citizens will not be interrupted, declared L. I. Brezhnev.

The programme for boosting the living standards of the people, as approved by the 24th CPSU Congress, is being consistently implemented. (APN)

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It was no easy task to bring economic and cultural equality to the formerly oppressed peoples, including the Kazakhs. It was necessary as rapidly as possible to develop industry in the national outlying districts, to form the national working class and to draw the local masses into the active building of socialism. Thanks to the energetic measures taken by the Communist Party and the Soviet Government this task was successfully solved.

Looking back at the path traversed, we proudly note that Kazakhstan in a historically short period has turned from a land of poverty and rightlessness into a flourishing socialist republic with a highly developed economy and culture. Embodied in this accomplishment are the remarkable fruits of the enormous disinterested assistance rendered to us by the peoples of our country, and above all our elder brother and friend—the great Russian people.

The Kazakh Republic now gives a considerable part of the USSR's output of coal, iron ore, steel, rolled ferrous metals, lead, copper titanium and chemical products,

Before the October Revolution the domestic industry of Kazakhstan accounted for less than one per cent of Russia's industrial production. Today our republic ranks third in the Soviet Union in industrial capacity, having left behind by major indices many economically developed countries in western Europe and Asia.

In the postwar years, together with the Kazakhs representatives of many other peoples of the Soviet Union participated in the great renewal of our ancient land.

A bright example of the close economic cooperation of the peoples of the USSR was the construction of the Karaganda Metallurgical Works. Over 400 enterprises from all the Union Republics were supplying the equipment for the building of blast and open-hearth furnaces, other production facilities, housing and social and cultural amenities.

The Kazakh Republic is a multinational republic where at the largest Ninth Five Year Plan projects, in the cities and villages, people of over 100 nationalities are working side by side.

After the dawn of Soviet power broke over the steppe more than fifty years ago, the Kazakh people obtained the possibility to enjoy all

benefits of progress, science and culture and enriched itself with new spiritual values. A renewal of its life, world outlook and ideals took place. Socialist ideology established itself.

By
Dinaukhamed Kunayev
First Secretary of the
Central Committee of the
Communist Party of
Kazakhstan

An example of the successful implementation of the Leninist national policy is the rapid development of science, art and literature in Kazakhstan. Perhaps, there is no branch of science where the scientists of the Kazakh Academy of Sciences and the more than 200 research establishments of the republic would not be working today. The Kazakhs read now in their native language the works of Marx, Lenin, Pushkin, Balzac, Shevchenko, Shakespeare. In turn, the people of the USSR know and love the Kazakh classics.

Ibri Altynsarin, Chokn Valikhanov, Abri Kunanbayev Dzhambul Dzhabayev, Mukhtar Auesov.

Vladimir Ilyich Lenin pointed out "...we are doing everything possible to help the independent, free development of every nationality, the growth and dissemination of literature in the native language of each of them..."

Each nation, while unfolding before others the riches of its economy and culture, in its turn creatively assimilates all the best that has been created by other nations. This international exchange is the necessary stimulus and condition for the further socio-economic and cultural progress of all the peoples of the Soviet country. From this standpoint, the experience of the solution of the national question in Kazakhstan attracts the attention of many newly free Asian and African countries. Visiting us, representatives of these countries see for themselves the enormous advantages of the socialist path of development.

U.S.S.R. A NEW STEP TOWARDS ABOLISHING TAXES

A decree of the Presidium of the USSR Supreme Soviet was announced in the Soviet Union on ending taxing and reducing tax rates for a large group of working people.

Under the decree, factory and office workers with a minimum wage (70 roubles) are fully exempted from taxation, while for people earning up to 90 roubles a month the tax rates are reduced by an average of 35.5 per cent. (100 Rs-15 Roubles)

The decree is to go into effect gradually from region to region of the USSR and in the first place for factory and office workers employed in production. During 1973, when minimum wages are raised, taxes will be abolished or reduced for factory and office workers in industry and other production branches in all areas of the Far East, Siberia and the Urals.

At the end of the year the same measures will be

carried out in the production branches of Kazakhstan, Central Asia, the Volga area, the Volga Vyatka area. Donbas and the Rostov region. In the subsequent years of the five year period the decree will be applied to the entire territory of the USSR.

The decree did not come as a surprise for Soviet citizens, for the directives of the 24th CPSU Congress envisage another stage of population tax reduction in the (1971-1975) five-year plan. Incidentally, since the early sixties this is a third tax reduction in the USSR.

In this connection it is noteworthy that population taxes in the USSR have never been the basis of the state budget. Thus, for instance, in the USSR's budget for 1973 the taxes on the population will amount to only 8.6 per cent. The main source of state revenue is receipts from the socialist economy which constitute more than 90 per cent of the budget's total revenue.

The Soviet taxation system is of an exceptionally productive, that is socially useful nature, in all stages of socialist building in the USSR the receipts from the taxes were always used in the interests of boosting economy and construction of a new society.

And finally one should note that in conditions of socialist society tax payments are returned to working people in the form of various cash payments and free services obtained out of the social consumption funds.

In 1973, for instance, in return for each rouble in taxes the Soviet citizen will get directly from the state budget almost 4 roubles 50 kopeks of various benefits and free services. Add to this the money spent on socio-cultural deeds of working people by enterprises, organisations and collective farms, and this sum will increase to 5 roubles 60 kopeks.

The Soviet tax system has a clearly defined trend towards reduction and complete abolition. The taxes existing in the USSR are not burdensome. For example, the income tax ranges between 0.4 to 13 per cent, depending on the wages. And this with fixed state retail price, the world's lowest rent and rates.

The new decree on abolition and reduction of taxes in the USSR, with stable prices and growing nominal wages, will undoubtedly ensure a new rise in the purchasing power of the population and its welfare. (APN)

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AND NOW ON TO
1973

If 1971 was a year of destruction and disaster, 1972 may be termed a year of reconstruction. And Now for 1973 which the Government has chosen to designate as "production year". 1973 must indeed be a year of accelerated production and growth if the economy is to make any break through towards rapid development and thus bring about a better life for the community.

The adoption of a new constitution, the proclamation of Republican status and the change of the country's name from Ceylon to Sri Lanka were about the only significant achievements in 1972. If political independence is to have meaning it must also beget economic independence and prosperity so that the broad mass of the population could enjoy a better standard of living. It is towards this end that the Government must bend its energies in 1973.

Last year the growth rate reflected in all the major sectors of economic activity was disappointing - the agricultural, construction and commercial sectors showed negative rates of growth; while manufacturing, transport and communications grew at a diminished rate. The growth of the G. N. P. in 1972 was not very different from that of 1970 where the per capita real income fell by 1.5 per cent. The major constraint on the rapid expansion of the National Product is of course the severe restriction in foreign exchange.

ANOTHER DISCONCERTING FACTOR THAT PERVADED 1972 WAS THE FAILURE OF THE FIVE YEAR PLAN TO "TAKE OFF". IT MADE A FALSE START AND BROUGHT TO SURFACE THE SHORT COMINGS IN THE IMPLEMENTATION OF THE PLAN. THE PRIVATE SECTOR WHICH HAS TO CONTRIBUTE OVER 50 PER CENT OF THE INVESTMENT TARGETS IS LAGGING FAR BEHIND FOR VARIOUS REASONS. THE NON-FULFILMENT OF THEIR QUANTITATIVE CONTRIBUTION COULD JEOPARDISE THE ENTIRE DEVELOPMENT EFFORT. IT IS THEREFORE ESSENTIAL TO WOO THIS SECTOR TO PULL ITS WEIGHT MORE EFFECTIVELY.

The 1973 Budget has laid the blue print for development within the broad framework of the Five Year Plan. The Necessary incentives have been provided to spur on the private sector. What is now needed is mutual trust and goodwill between the Government and the private sector so that the productive development effort would have real meaning.

We hope that despite all economic obstacles, both external and internal, the will to develop would prevail and that the Five Year Plan would become a reality. For this purpose 1973 must in fact prove to be "production year" so as to steer the country's development plan out of its faulty course thus enabling it to reach the targets aimed at.

Britain's aid tops U. N. target

Britain topped the United Nations sponsored target for economic assistance to developing countries for the third successive time in 1971, according to the annual compendium of British aid statistics published last week in London.

Total British financial contribution to some 120 recipient countries exceeded £615 million last year. This was after deducting amortisation, that is, repayments by the recipients of instalments of earlier loans made by Britain.

This equals roughly 1.15 per cent of Britain's Gross National Product. In 1970 the British contribution was 1.06 per cent of GNP and in 1969 1.04 per cent. The United Nations Conference on Trade and Development has asked for 1 per cent each donor country's GNP to be transferred annually to poorer countries.

Last year's increase in total net financial flows reflected a substantial increase in official British development assistance under the 'official Aid Programme', and a small rise in the volume of net British private investment in developing countries last year.

Other private flows, including trade credit and the contributions of private bodies associated with relief and charity work, brought the total of net private outflows last year to nearly £417 million.

Multi-lateral aid
British official development assistance amounted to

nearly £236 million net of capital repayments. of this some £30,400,000 was multi-lateral aid contributed to international aid agencies such as the International Development Association. The remainder was 'bilateral' aid transferred directly.

Sri Lanka's share

Sri Lanka's share of Britain's bilateral aid to Asian countries in 1971 was £5,974,000. In 1970 the figure was £4,543,000.

The gross amount of Britain's country-to-country aid from public funds last year amounted to over £238 million. Of this, more than £185 million was 'financial aid', that is, capital sums

provided in the form of inter-governmental grants and loans. Over £48 million of British financial aid in 1971 was in grants.

Loans and technical help

Inter-government loans accounted for nearly £122 million. The bulk of these loans were interest-free. In fact, some 59 per cent of total British official loan commitments of over £153 million entered into last year were on this basis, and a further 21 per cent were at only 2 per cent interest.

Apart from 'financial aid' Britain spent £53,400,000 last year on technical assistance, including the cost of supplying equipment conducting surveys and research.

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Man yesterday assumed that everything of reality was physical. He said there was a great difference between warm soft flesh and cold, hard stone. One of his first questions is: Is it animate or inanimate? As we made further discoveries in the fields of biology and chemistry, which were thought of as separate, we gradually discovered cells, found closeness between them, and came to bio-chemistry. Then within the structure of cells we discovered genes, chromo-somes, etc. Within the teams of virologists we have chemists, biologists, mathematicians. The virus specialists were too busy to report

to society that no threshold exists between inanimate and animate. The inanimate atoms entirely constitute "living" cells. The virologists say that what is inanimate, the atom, comprises everything that is physical. What is animate is not physically identifiable. Life has no weight: physical experiment shows no weight is lost when man dies. Whatever is life is immeasurable, weightless, Life is absolutely metaphysical, completely abstract and weightless.

Life is not chemistry. When humans die all the chemistry remains. Once I have made this distinction as sharp as we can, we bring in metaphysics, the capability to discover principles and the principle of principles. A principle must be inherent eternal. The physical is discontinuous: the great continuity is metaphysical. Human society has to adjust itself to this state of affairs.

TO BE CONTINUED

Wooden boats...

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prospective boat builders who satisfy the Dept. of Fisheries that their boat yard is equipped to undertake the task of boat-building. This implies proof of covered accommodation, availability of tools and equipment and skilled workmen to undertake construction of the boats.

(b) The Fisheries Corporation provides training facilities in its boat yard. Necessary skills could be acquired within a period of about six months.

(c) Prospective boat builders are required to furnish a guarantee to the value of Rs. 20,000/- per boat to the Fisheries Department. This guarantee which could be in the form of bank guarantee covers payments made by the Department to the boat builder at various stages

and also the issue of a new engine to him which would be his responsibility up to the time he hands over the boat and the engine to the party indicated by the Department.

Payment is made by the Department for work in progress. The stages of payment are:

First Stage:	Framed up stage - When skeleton of the boat is completed	Rs. 2,000,00
Second Stage:	When planking up to Deck is completed	1,500,00
Third Stage:	When planked up to sheer line and ribbed	1,500,00
Fourth Stage:	When hull is complete with Deck	1,000,00
First Stage:	When engine is installed, boat is launched trials conducted & boat certified as sea - worthy	1,650,00
		7,650,00
Retention Money;		
Sixth Stage:	One month after delivery	425,00
Seventh Stage:	Six months after delivery	425,00
		8,500,00

AN IDB STUDY