

THE ECONOMIC TIMES

Vol 3

No. 24

Friday 16th March 1973

Price. 50 cts.

GOVT. LOAN OPERATIONS INCREASE

IN THE PERIOD OCTOBER, 1971 TO DECEMBER, 1972 THE NET RECEIPT FROM LOAN OPERATIONS AMOUNTED TO RS. 1134 MILLION, CONSISTING OF RS. 828 MILLION FROM DOMESTIC BORROWING AND RS. 306 MILLION FROM FOREIGN BORROWING. ON A PRO-RATA BASIS FOR 12 MONTHS, THE TOTAL NET RECEIPTS WERE RS. 908 MILLION, COMPRISING RS. 663 MILLION FROM DOMESTIC SOURCES AND RS. 245 MILLION FROM FOREIGN SOURCES, ACCORDING TO LATEST CENTRAL BANK DATA.

In comparison, in the financial year 1970/71, there was a net borrowing of 777 million consisting of Rs. 557 million from domestic borrowing and Rs. 220 million from foreign borrowing.

The net receipt of Rs. 289 million from Government's loan operations in December, 1972 consisted of a net receipt of Rs. 260 million from domestic borrowing and Rs. 29 million from foreign borrowing. In comparison, in the corresponding month of the previous year, there was a net receipt of Rs. 93 million from domestic sources and a net receipt of Rs. 4 million from foreign sources.

The utilization of foreign loans in the period October 1971 to December 1972, amounted to Rs. 463 million of which Rs. 109 million was by way of project loans and Rs. 3 million by way of non-project (commodity) loans. On a pro-rata basis for 12 months the total foreign finance utilized amounts to Rs. 370 million consisting of Rs. 87 million from project loans and Rs. 283 million from non-project (commodity) loans. In comparison, in the financial year 1970/71 the utilization of fo-

reign loans amounted to Rs. 310 million of which Rs. 141 million was by way of project loans and Rs. 169 million by way of non-project (commodity

loans.

The total amount of foreign loans utilized in December, 1972 amounted to Rs. 48 million comprising Rs. 6 million from project loans and Rs. 42 million from non-project (commodity) loans. The total foreign finance utilized in the corresponding month of the previous year was Rs. 18 million consisting of Rs. 2 million from project loans and Rs. 16 million from non-project (commodity) loans.

RECEIPTS FROM LOAN OPERATIONS

Sources	December 1971	December 1972	1970/71	12 Months 1971/72	15 Months
A. Domestic					
1. Rupee Loans	58.1	36.5	595.0	520.0	640.0
2. Treasury Bills	—	175.0	75.0	240.0	300.0
3. Central Bank Advances	33.6	34.8	3.9	32.1	40.1
4. Tax Reserve Certificates	1.9	3.4	20.7	9.6	12.0
5. National Development Bonds	—	—	2	—	—
6. Administrative Borrowings	8.2	20.8	-28.9	-4.2	-5.3
Less: Sinking Fund Contributions for Rupee Loans	8.6	11.0	108.6	134.8	168.5
Net Receipts	93.2	259.5	557.3	662.7	828.3
B. Foreign					
1. Project Loans					
(a) Canada	—	—	0.3	—	—
(b) Denmark	0.1	2.8	3.4	3.9	4.9
(c) Federal Republic of Germany	—	—	1.7	0.7	0.9
(d) German Democratic Republic	—	—	2.4	1.4	1.7
(e) I.D.A.	1.5	1.8	20.1	17.6	22.0
(f) United Kingdom	—	—	0.5	0.2	0.3
(g) I.B.R.D.	—	—	0.9	0.6	0.8
(h) A.D.B.	0.3	1.5	9.2	17.9	22.4
(i) Peoples' Republic of China	—	—	100.0	41.6	52.0
(j) Union of Soviet Socialist Republic	1.9	6.1	2.7	3.0	3.7
Less: Repayments	6.7	4.5	52.7	61.0	76.3
Net Receipts	-4.8	1.6	88.4	25.9	32.4
2. Non-Project (Commodity) Loans					
(a) Canada	—	16.2	12.6	22.2	27.7
(b) Peoples' Republic of China	—	—	43.3	34.7	43.4
(c) France	—	9.7	17.4	26.3	32.9
(d) Federal Republic of Germany	—	1.0	5.7	17.4	21.7
(e) Italy	—	—	8.1	—	21.8
(f) India	8.2	—	9.2	55.0	68.8
(g) Japan	7.5	15.4	20.1	—	68.8
(h) United Kingdom	—	—	16.0	10.2	12.7
(i) United States of America	15.7	42.3	36.6	100.2	125.2
Less: Repayment	7.2	34.6	35.6	63.3	79.1
Net Receipts	8.5	27.7	133.4	220.1	254.1
2. Sterling Loans					
Less: Sinking fund Contribution	—	—	2.5	1.2	1.5
Net Receipts	—	—	2.5	1.2	1.5
C. Gross Receipts	119.4	318.9	976.0	1,167.8	1,459.7
D. Net Receipts	96.9	288.8	776.6	907.5	1,134.3

† Foreign loan receipts given here are only those recorded during the periods referred to. These figures may, therefore, differ from actual receipts due to lags in recording. †† On a pro-rata basis.

New source of foreign exchange

The Galle Fisheries Harbour was opened for foreign fishing vessels on 15th March 1973, by Mr. George Rajapakse, Minister of Fisheries. The Fisheries Harbour Corporation will be paid in foreign exchange for the facilities provided. This project opens a new source of foreign exchange earnings for the country.

Messrs Nichiro Gyogyo Nichiro Kaisha of Japan has entered into agreement with the Government to exploit the fishing resources of the waters adjacent to the country on a trial basis for one year. Depending on the success of this venture, the Japanese firm has agreed to participate in a long-term joint fisheries project with Sri Lanka.

N.S.B: One year of service

The National Savings Bank which has carried out a vigorous Savings Campaign since its inauguration, celebrates its first anniversary of service on 16th March 1973.

This bank which offers the highest interest and generous tax concessions to depositors with Government guarantee, offers three novel savings schemes viz.,

(i) SAYE—The save as you earn scheme derived especially

for salary earners enables them to save a percentage of their salaries and build up their own savings fund for retirement. The interest payable is 7 per cent, (ii) Savings Certificates Scheme and (iii) Gift Tokens.

The next issue of the *Economic Times* will carry a special supplement to mark the first anniversary of the National Savings Bank.

In this Issue

	Page
Export Intelligence ;	3
Modern Management ;	4
Global News ;	5
Bulgaria's Development Strategy ;	6 & 7
Pakistan National Day—A Special Supplement ;	8 & 9
Travel & Tourism—A Special Supplement ;	10—12

MARKET PRICES

COLOMBO TEA

CLOSING PRICES 13-3-73

(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:	2.60	4.50	2.50	5.00
1 at 6.50	2 at 7.00	1 at 5.20	1 at 6.50	
Medium-Grown:	2.00	3.20	2.00	3.50
Small Leaf Low-Grown:	1.80	2.10	1.70	1.90
Tea For Price:	1.50	1.70	1.50	1.70
Leafy Low-Grown:	1.78	1.95		

	F.B.O.Ps		F.B.O.P.Fs	
	Rs. Cts	Rs. Cts	Rs. Cts	Rs. Cts
Tippy Teas:	1. 80—	2.05	1.80	8.60
		1 at 12.30	1 at 21.00	
			1 at 25.00	

RUBBER

PRICES FOR THE WEEK ENDED. 10.3.73.

	Rs. cts.—per lb.	Avg. to Same	Period
	Closing Quotations	Avg. to date 1973	1972
RSS No. 1	104 1/2	1.01	73
RSS No. 2	101 3/4	96 3/4	68 3/4
RSS No. 3	101 1/2	95 3/4	67 1/2

COPRA

	Opening Price	(Rs. per candy) Clos. Price
Estate Copra No. 1	282.50	287.50
COCONUT OIL (Rs. per ton)		
March	1,500.00	1,500.00
April	1,500.00	1,500.00

DESSICATED COCONUT

	Opening price	(per lb.) Closing Price
March	.78	.77
April	.78	.77

PRICES OF THE WEEK ENDING 25.2.72

Commodity	Buyers	Quotations	Export DUTY
	(Per lb)		
Cardamoms	29.50	31.10	40%
Cardamom Seeds	14.35	—	on true
Cloves	17.00	—	F.O.B.
Cloves Stems	2.30	2.50	value.
Mace	8.00	9.00	
Nutmeg (Shelled)	6.50	7.00	
Nutmeg (Unshelled)	3.00	3.75	
Pepper (Black)	3.80	3.90	
Papain (White)	34.20	36.00	
Papain (Brown)	29.00	30.00	
Cinnamon H/1	3.40	—	20% on
Cinnamon H/2	3.35	—	true f.o.b.
Cinnamon Quilings No. 1	3.00	2.75	value
—do— No. 2	2.60	—	
	Per Cwt.	Export Duty	
	Buyers Quot.		
Cocoa	Unquoted	40% on	
Coffee (Arabica)	325.00	—350.00	true f.o.b.
Kapok (Clean)	145.00	—	value
Kapok (Unclean)	46.00	—	
Croton Seeds	unquoted	—	
Essential Oils	Per oz. lb.		
Cinnamon Leaf Oil	19.75	per 25 ozs	Nominal
Cinnamon Bark Oil	Per oz.	21.00	"
Citronella Oil Estate Quality	Per lb.	13.25	10% on
Citronella Oil Ordinary	Per lb.	13.00	true f.o.b.

SUBSIDIARY CROPS .. WEEKLY PRICE LIST WEEK ENDING 11.3.73

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)
	Unquoted	
—Paddy	—	—
—Other varieties	—	—
—Rice Per Boiled	—	—
—Country Rice No. 1	—	—
—Country Rice No. 2	—	—
—Samba Rice	—	—
—Kora	—	—
Maize	Per Cwt. ...	34.00 35.00

TEA REPORT

Auction No 11 held on the 12th and 13th March, 1973.

The total quantity offered was 6,243,822 lbs., comprising 3,339,302 lbs. Leaf Grades, 838,599 lbs. Dusts, 594,483 lbs. Reprints, 78,871 lbs. Sundry Lots and 1,987,050 lbs. Ex-Estate, Western quality showed little change although there were rather fewer invoices showing fine quality. There was a good demand throughout the Sale mostly at lower rates.

High grown teas: With the exception of the very few good quality teas which attracted airmail bids at prices sometimes higher than last week, all other High-grown broken declined by anything up to Rs. 1/- and occasionally more per pound BOPF's but these were also down 50/75 cents lower. The highest priced Uva teas showed a marked drop, but in the lower range were fully firm.

Commodity Commentary

Medium grown teas: Strong colour Medium BOP's were 20/30 cents lower with plainer kinds declining 5/10 cents. BOPF's were fully firm to slightly dearer.

Low grown teas: There was a good demand for all descriptions with only those of poor leaf appearance finding it difficult to reach valuation.

Tippy teas: FBOP's were fully firm. Small leaf FBOPF's were slightly easier while only a limited quantity of the attractive types were on offer and these were firm to dearer.

RUBBER REPORT

Week Ending 10th March, 1973.

RSS No. 1 opened 3/4 cent easier Rs. 1/00 per lb. but recovered the following

day to Rs. 1/03 per lb. and apart from a temporary set back mid week to Rs. 1/02 1/2 per lb. improved further following higher overseas advices to close at Rs. 1/04 1/2 per lb.

Approximately 412 Tons of LATEX CREPERS were offered at the Two Sales held during the week under review, a decrease of 43 tons compared to the previous week's total. At the First Sale, best latex crepes were marked up by 2 to 4 1/2 cents per lb. whilst FAQ offerings were dearer by 2 to 3 cents per lb. The duller types improved by 1/2 cents per lb. whilst the inferior grade were irregularly dearer. At the subsequent Sale, best latex crepes improved further by 2 to 5 1/2 cents per lb. whilst FAQ offerings were marked up by 1 to 8 cents per lb. The duller types were dearer by 4 to 5 1/2 cents per lb. whilst the inferior grades improved by 5 cents per lb.

Produce Report

Week ending 11th March, 1973

Cardamoms: 3,063 lbs. of Cardamoms were on offer, indicating an increase of 741 lbs. compared to the previous week's total. The market was very slightly easier with No. 1 quality being quoted at Rs. 29/50 to Rs. 31/10 per lb, a drop of -50 cents on the lower limit and a rise of -30 cts. per lb. on the higher limit. Next best grades were around previous levels at Rs. 27/25 to Rs. 29/50 per lb. with No. 2 quality too remaining more or less unchanged at Rs. 26/25 to Rs. 27/50 per lb, whilst off grades were slightly easier at between Rs. 23/-26/50 per lb. and inferior grades improving to between Rs. 19/- to Rs. 24/- per lb.

Cocoa: Approximately 61 cwt. of Cocoa were on offer a decrease of 28 cwt. The slackness in the market continued with absolutely no interest with most grades being withdrawn. Fair average quality Cocoa however changed hands at 300/- per cwt.

Pepper: 5,435 lbs. of black and white Pepper which were on offer were withdrawn due to lack of suitable birds.

Coffee: 61 cwt. of No. 1 quality Robusta Coffee which were on offer fetched Rs. 300/- per cwt.

Cloves: 110 lbs. of good quality Cloves which were on offer fetched Rs. 17/- per lb.

Clove Stems: 12,724 lbs. of Clove Stems were on offer with one lot fetching Rs. 2/30 per lb.

Approximately 140 Tons of SCRAP CREPES were offered at the Two Sales held during the week under review, an increase of 10 tons compared to the previous week's total. At the First Sale, light brown scrap crepes were marked up by 3 cents per lb. whilst the dark brown types eased by 1/2 cent per lb. The darker sorts were irregularly dearer whilst Flat Bark improved by 1/2 cents per lb. At the subsequent Sale, light brown scrap crepes improved further by 2 to 5 1/2 cents per lb. whilst the dark brown types were 4 to 5 1/2 cents dearer. The darker sorts improved by 2 to 6 cents per lb. whilst Flat Bark was marked up by to 6 1/2 cents per lb.

Approximately 28 Tons of SOLE CREPE were offered at the two Sales held during the week under review, a decrease of 28 tons compared to the previous week's total. Fair buying interest was evident for all FAQ offerings, but at slightly below last rates. Poorer sorts and miscellaneous thicknesses too received fair attention to fetch prices at between Rs. 1/40 to Rs. 1/58 per lb.

Export duty: The Export Duty for the period 12th/18th March, 1973 has been increased by 6 cents per lb., inclusive of the present flat rate of -/03 cents per lb. Cesses remain unchanged at 1.980 cents per lb.

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
Millet	Per Bushel
—Finger Millet (Kurrakkan)	12.00—13.00
—Sorghum	Unquoted
—Soya Beans	850.00 (per ton per cwt)
Spices Condiment	Per lb.
—Mustard	2.00 — 2.05
Chillies	Per Cwt.
—Dried Long	unquoted
—Dried Round	"
—Off Grade	"
—Goraka	72.00—
—Vanilla	Per lb
—Tamarind	Per cwt
—Ground Nuts	Per 80 lb
—Cashew	Per lb.

A new system for international trade data

Tests of a new electronic data-transmission system designed to simplify and speed cargo movements in international trade between New York and London's Heathrow Airport, will begin next week.

"This is one of the most significant developments in world trade since the introduction of aircraft and fast ocean vessels," said U.S. Secretary of Transportation, Claude Brinegar.

The teletype and television-type system is designed to help shippers of all trading nations eventually. Tests with other countries are being planned and negotiations are under way with Japanese authorities.

Main advantages

Secretary Brinegar said the new system provides the means for greatly reducing the expensive, frustrating delays while paperwork winds its slow and sometimes

confusing way through channels.

Not all necessary documents can accompany cargo, because certain data are not available until after shipment begins—for example, the precise cost of shipping, and insurance. Air and surface cargo sometimes sits out in the open for two weeks, subject to pilferage and climatic damage, while documents are sent by mail from one nation to another.

The Secretary said the paperwork now required in international commerce costs some 6,500 million dollars annually, or 7.5 percent of the value of American imports and exports. This high cost of doing business, he said, seriously endangers the nation's capacity to do business abroad on a profitable basis.

To reduce costs and speed transmission and processing of the trade data, the new system will allow a computer in one country

to "talk" directly to a computer in another country via radio or undersea cable circuits. Later, communications satellites will be used.

No language barrier

Most computers in different countries cannot communicate with each other because of language differences and because there has been no common electronic data-processing system. For instance, the English word "iron" is "eisen" in German, and is stored in one computer as "ww2" and in another as "XYO".

The new system uses codes for each commodity and bits of information needed in bills of lading, licenses, invoices, insurance forms and other documents, no matter what the original language.

The new system contains features that will prevent competing businessmen and shippers from obtaining confidential business data by "eavesdropping"

EXPORT INTELLIGENCE

Foreign exchange from rubberised coir mattresses

A sum of Rs. 1.5 lakhs in foreign exchange has been earned from the export of 'Ceyesta' Rubberised coir mattresses to overseas markets.

This is the outcome of an export drive conducted by the Ceylon Co-operative Industries Union Ltd; a new-comer into the export business.

This Co-operative Institution has also earned a sizeable amount of foreign exchange from the export of coir-yarn and has now clinched a standard monthly order valued at approximately Rs. 25,000 for coir-yarn.

A spokesman for Co-operative Industries Union Ltd. told the 'Economic Times' that it entered the export market in 1970 by shipping a trial order to Czechoslovakia which earned Rs. 8,400 in foreign exchange. In 1971 another small order was secured to Romania valued at Rs. 1,300.

The biggest order to date was to Basra, in the Middle East, which earned foreign exchange to the tune of Rs. 102,367. This order was shipped in mid 1972.

Two consignments of 'Ceyesta' rubberised coir mattresses has also been shipped to the Maldives in August and October 1972. These exports brought in approximately Rs. 18,000 in foreign exchange to the country.

More firm orders

This spokesman further said that they had a further order in hand to the Maldives valued at Rs. 6,148. This order is scheduled to be executed by the end of March 1973.

Several promising trade enquiries for Ceylon products have come in from several Middle Eastern countries, New Zealand, Japan etc., where the potential is very bright and the Co-operative is optimistic of securing more firm orders.

Referring to coir-yarn export the spokesman said that from last year the firm has been shipping regular consignments of coir-yarn turned out by small-scale producers down south:

The first of these orders left Sri Lanka in April 1972 and brought in Rs. 14,000. Four other shipments of coir yarn were subsequently executed in August, September, November and December 1972 and the foreign exchange earned by these exports were Rs. 15,537; Rs. 14,817 and Rs. 9,410 respectively.

A further order valued at Rs. 45,530 (the biggest single order to date) is due to be shipped before the end of March this year.

The spokesman then disclosed that a monthly order for coir-yarn valued at Rs. 25,000 has now been received and shipment would begin shortly.

He added that inquiries have been received for a wide range of other coir products too, and these enquiries are being processed.

Machinery valued at Rs. 3.5 lakhs has been imported to enable bigger export orders to be executed.

"Ceyesta" mattresses and other rubberised products are proving to be extremely popular in the local market as well.

Export Opportunities

The following firms in Pakistan are interested in importing from Ceylon the products indicated below:-

Messrs. Abdul Gaffar Kasam,
Ismail Abdul Karim Building,
Kachhi Gali No. 3,
Karachi-2.

Sago seed
Messrs. Sarfaraz Limited,
Campbell Street,

Karachi.

Leather

Messrs. C. P. Engineering Works,
103, C. P. Commercial Area,
Alamgir Road, Kaachi-5.

Broom sticks

Messrs. Haroon Abdul Latif & Company,
Old Dispensary Road,
Mithadar Chowk,

Karachi-2.
Fresh coconuts

Messrs. Union Industries Limited,
B-46, S. I T, E.,
Karachi-16.

Coconut powder

M/s. M. E. Dadabohy & Johangir Kothari Bldg.,
M. A. Jinnah Rd.
Karachi 2,

M/s. Porvaiz Commercial Trading Co.,
15, McLeod Rd. Lahore.

M/s. Ekram Corporation,
18, MacLagan Rd.,
Lahore,

M/s. Modh Hassan Abdul Karim,
Chowk Yadgar
Peshawar.

Man-made Fibres

Messrs. Dadabohy Ceramic Industries Ltd.,
Jehangir Kothari Building
M. A. Jinnah Road,
Karachi-2

Messrs. Ekram Corporation
18 MacLagan Road,
Lahore.

Messrs. Modh Hassan Abdul Karim,
Chowk Yadgar,
Peshawar.

Refractory materials

Messrs. Abdul Gaffar Kasim, Ismail Abdul Karim Building,
Kachhi Gali No. 3,
Karachi-2.

Black pepper

SHARE MARKET REPORT

Conditions on the Share Market continued to the quiet, according to the Colombo Brokers' Association Report for the week ended 9.3. 1973. There were no changes in Teas, Tea-cum-Rubbers and coconuts.

Teas:	Previous Price	Price 9/3/73	+or-
	Rs. cts	Rs. cts	Rs. cts
Bopitiyas	2 . 50	2 . 50	
Great Western.....	4 . 00	4 . 00	
Strathspeys	1 . 75	1 . 75	
Uplands	3 . 00	3 . 00	

Tea-cum-Rubbers:

Opatas	2 . 25	2 . 25	
Udabages.....	2 . 50	2 . 50	

Rubbers;

Kalutara Coys.....	8 . 50	3 . 50	-5 . 00
Udapolas.....	11 . 25	2 . 50	-8 . 75

Coconuts:-

Lower Perake.....	6 . 75	6 . 75	
-------------------	--------	--------	--

Commercials:

Associated Motorways...	5 . 50	5 . 25	-25
Browns.....	7 . 25	7 . 25	
Collettes.....	5 . 50	5 . 50	+50
Lankems.....	5 . 00	5 . 00	

Investment Trusts:

Ceylon Guardians	3 . 00	2 . 50	-50
------------------	--------	--------	-----

There was no business in Preference Shares and Government loans.

The following were quoted ex-dividend:

Doomoo Tea Co. of Ceylon Ltd. 4% Interim on 14. 3. 73
Ceylon Cold Stores Ltd. 6% Interim on 19. 3. 73.

The following dividend announcements were made:

Acme Aluminium Co. Ltd.
7 1/2% Final on 28. 3. 73.
Commercial Bank of Ceylon Ltd.—% Final on 5. 5. 73

COMPANY MEETING REPORTS

The Economic Times regularly features Company Meeting Reports.

Annual Reports of Companies may be addressed to Editor, (Company News)

C/o. The Economic Times (1st Floor)

157, Jayantha Weerasekara Mawatha, Colombo 10.

Paper bags (for Cement & Electrical Equipment)

HOW SCIENCE FIGHTS CRIME

In their fight against crime, Britain's police have always had a reputation for using their wits; and now, with modern scientific equipment, they're planning to make life extra difficult for the law breaker.

Fingerprints by computer; road traffic sensing equipment which can pick out a speeding car; closed circuit television for relaying information rapidly to any police station; night vision goggles, and even an electronic 'bloodhound' which can 'smell' a dead body buried in a shallow grave; these are just a few of the new devices being developed for Britain's police.

But perhaps the most important modern invention which the police are now using is the computer. The police, more than anybody else, need to be able to get information as quickly as possible and this is exactly what the computer is capable of doing in a bewildering number of different ways.

Answers within seconds

For one thing, it is now possible to put questions to the police computers and get answers within seconds which, before, would have taken hours or even days of searching through dusty files.

Take, for example, a bank robbery. It is now possible to put in a request for a list

of all bank robberies in the London area during the last six months. The answer would come back from the computerised records within seconds and this would give detectives immediate clues by comparing one robbery with others.

In Birmingham, in central England, the movements of every man in the police force are monitored and controlled by computer: this means that the chief constable can find out within seconds exactly where every man is, and control his movements from headquarters.

One of the oldest tricks of the police—comparing fingerprints—is being made far more useful by, once again, the computer. The problem with fingerprints has always been that unless the police have a very good idea who the suspect is, they have the very difficult job of searching through hundreds of different fingerprint records to find the one they want. But the computer can now do most of the searching; and do it in a matter of seconds, rather than the days or weeks which used to be necessary.

Seeing in the dark

For seeing in the dark, the police are now using goggles which detect infra-red (or invisible) light: equipment which the army have been using for some time. A searchlight beam of infra-red light is used and

only the person wearing the infra-red goggles can see the objects being illuminated.

There is even an application for another 'space age' invention the laser. This idea is that a beam of laser light can be used to take special photographs called holograms to detect, for example, footprints on a carpet, by taking several laser photographs of a carpet during a period of, say, a few hours, it is possible to reveal a footprint only a few thousandths of a millimetre deep.

Traffic monitoring

For traffic control, fairly cheap, yet effective, monitoring system can be used. One system, for example, is to begin in Sussex. In the south of England. Some 700 miles of road are to be laid with wires which at regular intervals carry small loops of wire for detecting vehicles: they work rather like mine-detectors. The point about this is that each vehicle produces a series of signals which can be relayed back into a computer at police headquarters to build up a picture of the distribution of traffic on the entire road system, so that the police can deal with problems swiftly.

And it looks as though the bloodhound, beloved of police for centuries, will soon be replaced in some jobs by an electronic device called an absorption spectrometer—a machine which detects small traces of gases in the air and can 'smell' a dead body, even if it's buried in a shallow grave. (BIS)

be, so that it may be created through an evolutionary process. Naturally the systems designer must continually bear in mind the practicability and economics of whatever may be suggested, but no more.

MANAGEMENT

The changing role of the Office manager (II)

Importance of the system

With this integration there has been a progressive recognition of the importance of what is called 'the system'. Many people think that this term came into use as a result of the introduction of computers into business. This is not so; in 1931, when I joined Lyons, the office run by Mr. Simmons already had a systems research section. The need for a system arises naturally as a result of looking at objectives as a whole. The office manager in his new role is concerned with designing, constructing, and operating an information system that meets certain needs.

Another misconception regarding system is that they are primarily concerned with methods. Methods do have to be considered, but in defining a system, the information

requirements of the business are much more important and come first. Determining the requirements is by far the most difficult aspect of designing a system. It moves closer consultation with all people who may need information. These can seldom, if ever indicate what they want. The only way to find this out is by a continuing dialogue between the systems designer and each person concerned. The systems man must postulate what he thinks might be useful and see the reaction, when he must revise his ideas and try again. It is fatal for the systems man to plan a system, and then try to get other people to accept his proposals. This is a commonplace approach, especially with computer system, and leads to satisfaction all round. Until agreement has been reached, an open mind must be kept on what the system should

Once requirements are clear, the forms on which the required information is to be presented can be drafted. The next problem in planning is the way in which to record the new data about events as they occur, which will be needed in order to produce the required information. It is essential that the method of doing this should be convenient for the people who will be directly concerned. It is fatal to design forms and procedures in a vacuum, and expect people to fit in with the plan. This must lead to inaccuracies and delays.

In considering possible ways of recording new data the designer will naturally have in mind the various devices which are available for this purpose. He will be similarly concerned with the devices for other office processes such as holding file data, doing

SCIENCE AND TECHNOLOGY

NEW THINK TANK IS BORN

A new-type think tank which aims at solving synthetically social tensions such as air pollution, traffic jams and housing shortage, started its activities recently in Japan.

The think tank, named the Social Development Composite Research Institute, invites experts from Government, business and universities to listen to their opinions.

The think tank has a special committee on study and development, formed from specialists in social economic and industrial fields, people of the Ministry of International Trade and Industry, the Ministry of Construction and others.

Divisions and activities

The committee, as the highest organization for studying, chooses the study themes selects the methods of studying or development. Under the committee, there are some divisions such as "Projects Studying Room", "Data Bank" and Network Section".

The activities of the think tank will be roughly divided into the following two types. One is to collect urban information and study the problems. The other is to study problems raised by the Government, local self-governing bodies and business.

The think tank has now about 30 staff members, but it will ask many experts to take part in studies depending on the theme.

calculations, and printing and duplicating the results. The aspect of office management which is concerned with systems is, of course, covered by what is known as O & M. When computers are to be used, it is more often referred to as Systems Analysis, though I prefer the term Systems Design. Although specialists in these fields have an important part to play, every office manager needs to have some proficiency in them because in the dialogue between the systems man, the operating manager and the office manager, it is the responsibility of the office manager to ensure that any information system is sound and appropriate.

Devices used in systems

I have already referred to the use of devices as part of office systems. There is nothing new in using such

Artificial sex odour and the butterfly's downfall

Biologists have developed a synthetic variety of the perfume exude by female butterflies to attract males in the hope that this will eventually replace the dangerous pesticides otherwise used in pest control.

Scientists at Erlangen Nuremberg University's department of organic chemistry have long searched for an insecticide that would not prove harmful to the environment.

Under professor H. J. Bestmann they teamed up with the Max Planck Institute of Behavioural Research, headed by Dr E. Priesner, to analyse the female butterfly's perfume and to produce it synthetically.

The Volkswagen Foundation, Hanover, provided 721,000 Marks for the research project, it was announced recently. The money will be used to purchase the necessary equipment.

If research is successful, scientists will be able to destroy the caterpillars of many species of butterfly that cause great damage in forests, vegetable gardens and cotton plantations.

The synthetically-produced sex perfume will be sprayed in regions affected by pests. It is hoped that vast numbers of male butterflies will be attracted and killed.

devices for office work: the abacus dates back at least 2,500 years, and have seen them in practical, present day use in offices in Russia. There are many other old devices which can still be put efficient use in appropriate circumstances such as pigeon holes, docket stores and peg-boards. The comptometer is still invaluable for ad hoc calculations, and the continued value of a ready reckoner is very evident in connection with the changeover to decimal currency.

The efficient present day office manager therefore still needs to know about these, but he has a gigantic task in trying to keep pace with all the new devices as they become available. The rate of expansion is accelerating. In the field of (say) copying machines alone it is hard to keep oneself informed of all the facilities available.

(Contd on page 9)

Bright prospects for Indonesian exports

Djakarta

Indonesia's Trade Minister, Sumitro announced last week that 1973 will be a good year for Indonesia exports, particularly for natural rubber and copra which last year were hard hit by world trade recessions.

Minister Sumitro also pointed out that this would be the first year, in which the country's exports would exceed the US \$2 milliard mark.

He reported that natural rubber exports last year amounted to \$201 million 9.5 per cent lower than in 1971, while copra and palm oil exports totalled only \$52 million, representing a 21.8 per cent decline.

The country's exports last year reached \$1.77 milliard, compared to \$1.35 milliard in 1971. He forecast that oil exports this year would for the first time exceed \$1 milliard.

Minister Sumitro classified Indonesian export commodities into two categories: extractive products composed of oil, other mineral product and timber, and non-extractive goods consisting of agricultural products.

Extractive goods according to Minister Sumitro, will play an increasingly important role in Indonesian exports while the position of traditional products will be very difficult to improve. Citing an example he reported that non-extractive goods exports last year increased only by about 2.4 per cent over those in 1971.

Timber comes as the biggest foreign exchange earner after oil with total exports \$210 million last year, as compared to \$168.6 million in the previous year. Extractive goods shared 68.9 per cent of this country's total exports last year.

EEC ORDER FOR MALAYSIAN TEXTILES

Kuala Lumpur

The European Economic Community (EEC) and Scandinavian countries have placed firm orders for Malaysian textiles worth \$6.01 million.

Negotiations are proceeding for another \$10.4 million worth of Malaysian textiles, while the estimated possible sales are expected to reach \$139 million.

These results were obtained by a recent Malaysian Textiles Trade mission to the EEC and Scandinavian countries.

There were also a number of enquiries on the possibility of setting up joint ventures to manufacture textile and textile products in Malaysia.

One project involves Danish entrepreneurs for the production of acrylic socks for export to Europe, particularly Denmark and two others for the manufacture of wooden and worsted suits for the Italian and European markets, and for the production of hi-fashion knitwear for the French market.

MORE DEVELOPMENT ASSISTANCE FROM JAPAN

Tokyo

Official Development Assistance (ODA) to be extended to developing nations by Japan in fiscal 1973 (April 1973—March 1974) will total Yen 313,400 million, an increase of 19.6 per cent over fiscal 1972, according to a report published by the Foreign Ministry.

Japan's ODA in fiscal 1972 totalled Yen 262,000 million.



Of the total ODA for fiscal 1973 bilateral grants account for Yen 55,900 million, contributions to international organizations Yen 46,500 million and direct loans Yen 211,000 million. The corresponding figures for fiscal 1972 were 37,500 million Yen 39,800 million and Yen 174,800 million, respectively.

Japan however, can now extend ODA bigger than the Yen 313,400 million fiscal 1973 now that the Yen's value has been increased following the devaluation of the U.S. Dollar and the floating of the Yen.

So far, the Ministry said, Yen 3,080 million has been necessary for extending ODA equivalent to Dollar 10 million. But now, only around Yen 2,600 million to Yen 2,700 million is required for making such assistance, the Ministry said.

(Japan Courier)

ELECTRICAL "FACTORIES" ON MOUNTAINOUS RIVERS

Dushanbe

By 1975 electric power generation in Tajikistan will more than double, the State Planning Committee of this republic in Soviet Central Asia reports.

The Nurek Hydropower Plant, one of the cascade of hydrostations to be built on the Vakhsh River, is under construction here.

Though mountains account for over 90 per cent of Tajik territory, in volume of hydropower resources Tajikistan ranks second in the USSR after the Russian Federation. Its rivers and waterfalls are capable of producing some 150,000 million kwh of electricity a year. Rapid power industry development makes for the future economic advancement of all the Central Asian Republics (APN)

Soviet economic assistance for developing nations

The feature of the USSR's cooperation with the developing countries is that it has been ever more widely embracing the economic and trade fields.

In the second part of the sixties the USSR's trade with these countries more than doubled, showing a particularly rapid growth in 1969—1970

As regards individual countries, it increased even more rapidly during this period with Pakistan by 4.9 times with Iran by six times, with Turkey by 4.8 times. At present, the Soviet Union trade with nearly 70 developing countries.

Planned trade

The steady expansion of Soviet trade is largely promoted by the practice of concluding trade agreements, especially on a long-term basis. The importance of such agreements lies above all in that they provide the necessary legal basis for trade relations and, as a rule, envisage the most-favoured-nation treatment and in many

cases contain a concrete programme for the expansion of trade between partners. This facilitates the steady development of young national states' trade on planned lines, an important factor for the fulfilment of their socio-economic development programmes. The planned and stable nature of the trade with the USSR is seen in the business circles of developing countries as an important advantage.

The solution of the complex problems of the economic development of developing countries is greatly helped by the Soviet Union's consistent line of expanding its purchases from them of manufactures and semi-manufactures—the product of the national industries of these countries. As early as 1965 the USSR completely removed all customs duties on the import of industrial goods from the developing countries and agreed to accept their finished products and traditional export commodities in repayment for the credits granted. A whole number of other privileges was introduced.

Technical Co-operation

Of no less importance for the developing countries is economic and technical cooperation with the Soviet Union, which has also been steadily expanding. By the beginning of 1971 agreements on economic and technical cooperation had been signed with 40 developing states.

The Soviet union is currently rendering the developing nations economic and technical assistance in the construction of about 800 industrial and other projects, of which 380 are already operating successfully.

Over 150,000 foremen and skilled workers have been trained in the developing Afro-Asian countries with Soviet assistance. In addition thousands of workers and specialists have undergone practical training at industrial plants in the Soviet Union.

As the number of projects undertaken increased, the sum of Soviet-granted credits to young states also rose steadily.

About 70 per cent of the funds provided for by the techno-economic cooperation agreements between the USSR and developing countries go for the needs of the latter's national industry, the basis of real economic independence of any country. At that over a half the Soviet aid is used for building heavy industry plants.

In accordance with its ninth five-year plan for economic development in 1971—75, the Soviet Union continues to extend stable trade, economic, scientific and technical ties with the developing countries on the basis of equality and mutual benefit, in the interest of strengthening their economic independence. The Soviet Union holds no shares in the plants built in the developing countries with its assistance.

The future expansion of economic relations between the Soviet Union and the young states make a new contribution to the strengthening of the national independence of the newly-free countries and facilitates their efforts to gain equal positions on the international scene.

(APN)

BRITISH AIRCRAFT EXPORTS SET RECORD

London

The value of deliveries of British aircraft and parts to other countries in January was the highest monthly total ever achieved.

With the United States providing the biggest market the industry sold more than £10 million in complete new aircraft and over £13 million in parts. Sales of engines and parts, including some 97 new engines were worth more than £20,500,000.

The Society of British Aerospace Companies said that the industry's exports generally during January set a pace which could lead to a new challenge to last year's record shipments overseas.

With figures for exports of guided weapons still to come the total for the month reached £45,169,000—the second highest total in any one month ever achieved.

The record level was established last November with £50,534,000—over £10 million up on the previous best.

Last year's record export earnings for the industry were worth £417,500,000—a £90 million jump over the previous record. (BIS)

THE FORTHCOMING TRADE NEGOTIATIONS

Q: Mr. Ambassador, to begin—could you identify the principal trade problems faced by the administration?

A: The key international economic problem today is that the monetary and the trading system together need fundamental reform and renovation. The Bretton Woods system has served us well, but is too inflexible for the future. We must also modernize the framework for international trade. This implies not only exchanging tariff concessions, but also negotiating new rules—such as new rules to deal with non-tariff barriers and broader changes in the structure and operation of international organizations dealing with trade.

Second, the problem of agricultural trade is crucial. The United States has become extremely efficient and competitive in this area. We could be even more competitive if we did not face protectionist agricultural policies around the world. Most governments subsidize inefficient agricultural producers, and this distorts conditions of competition. The question of how to improve the situation, so that we can benefit from our very strong advantage in producing agricultural products is very important. Many thousands of millions of dollars are involved, and many jobs—not just farmers, but truckers, processors, and all the other people who handle agricultural exports.

Another problem area is sensitive industries where labor-intensive manufacturing is involved and imports from low-wage countries such as Japan and some of the developing nations are increasing rapidly. As far as Japan is concerned, the problem is fading as Japanese inflation drives up wages. But the problem is one that labour in the United States has fastened on to, and the question for the administration is how to handle it without turning protectionist.

The problem is compounded by the fact that if we don't do something internationally, each government—not just the United States, but other governments too—will have strong incentives to deal with its own problems in its own way. We could get a proliferation of actions which could get out of control very quickly.

Finally, there are problems about the basic fundamentals of the world trading system. Here I am speaking of the reservation, or lack of preservation, of the most-favoured-nation concept at the heart of the system. This concept is threatened by the system of preferences and reverse preferences being built by the European Community through its special trade arrangements

with countries beyond the borders of the expanded community.

The theory of our policy has been this: Let us build a world in which all countries have an equal crack at any particular market. We believe it is in the international interest to move to a more open system based on competition—competition of ideas, of money, of business know-how, of management approaches. We believe in a competitive international system, as we believe in a competitive domestic economy.

Q: Will these problem areas be the central targets of the forthcoming trade negotiations?

A: Yes. We see four key ingredients in the negotiations. The first range of issues will deal with tariffs; the second will be the elimination, reduction, and harmonization of non-tariff barriers; the third will be an attempt to achieve major rationalisation of agricultural trade in the world; and the fourth will be the development of what we call a multilateral safeguard system.

THE DEVELOPING COUNTRIES

Q: Would not the developing countries like to add a fifth ingredient—their trade problems?

A: This is not a fifth and separate ingredient, because the developing countries will be an integral factor in all aspects of the negotiations. They will gain, in the long run, from tariff reductions. They are beginning to perceive the importance of non-tariff barriers in restraining their export expansion. A concerted international move to rationalize protective mechanisms in agriculture will greatly benefit them as primary product producers. In an economically rational world, developed countries would import more food and fibres from developing countries. Here, the trade interests of the United States will parallel those of developing countries and we should be allies. And finally, the developing countries will have an obvious interest in any international safeguard mechanism that may be developed through the negotiations.

TARIFFS

Q: The Williams Commission favoured, as a major objective, the complete elimination of tariffs over the next two decades or so. Is this a realistic objective?

A: We have advanced this idea as a working hypothesis, not as an immediate objective of U. S. policy. Substantial,

rapid tariff cuts will not be feasible, anywhere. Ambassador Eberle suggested in November 1972, in GATT (General Agreement on Tariffs, over a phased period, stretching, say, to 10 or 15 years. This might be feasible. The public and private sectors in all countries could gradually adjust to the loss of protection. They could build this loss into investment decisions.

This would not only mean liberalization. It would end tariff discrimination. Without tariffs, there could be no discriminatory tariff preferences. I believe this will be a key issue of the negotiations, hotly argued.

The European Economic Community questions whether it could relinquish its common external tariff, as one of the few binding forces holding it together. But perhaps meanwhile the Community will find other forms of cement, less discriminatory against outsiders, such as monetary integration, common social policies, and political harmonization. If so, the common external tariff would gradually become less critical.

PREFERENCES AND 'REVERSE PREFERENCES'

Q: You mean you see this as a means of eliminating special preferential arrangements, among other things?

A: Yes. In recent years, the European Community has actively promoted special trade agreements with many countries. This, in my personal view, is a legacy of colonialism, a severe threat to the entire trading system, and a clear violation of the letter and spirit of GATT.

The problem is magnified by the enlargement of the European Community from six to nine members, especially since other countries in and near Europe are to be given special access to the enlarged Community—countries like Sweden, Spain, Austria, Norway, and Switzerland. Special arrangements also tie some 18 countries of Africa, as former French colonies, into this trading bloc. These preferences reach into the Caribbean. Indeed, some members of the Community now wish to apply them to the Middle East, using the leverage to secure long-term concessions regarding oil supplies. Such preferences might ultimately include India and Malaysia, as former members of the British Commonwealth.

These preferential arrangements discriminate against U.S. exports to the purported beneficiaries because, usually, preferential terms accorded, say, African goods in European markets are accompanied by a reciprocal obligation for these countries to offer preferential

tariff rates on imports from Europe. These reciprocal obligations we call "reverse preferences."

This means U. S. tractors exported to African countries, after paying duties, compete against French or Italian tractors which pay no duties. The African countries may thereby pay more for an inferior product.

Our trade policy, since the 1930's, has favoured a non-discriminatory world—one permitting all countries equal access to any market. While we may accept a breach in this principle to give all developing country exports a better break in all developed country markets, we see no logic whatsoever in the reverse situation.

BULGARIA: Democratisation

The new problems arising at this stage in the development of socialism have made it necessary to find a new approach to, and to adopt new methods of economic management. The people's government takes due account of the fact that first of all it is necessary to introduce more effective measures and methods to enlist the millions of working people ever more actively in the government of the country and in socialist construction. Without their participation, the best economic management could not be secured and the best mechanism for this purpose could not be adopted.

We all know that the steady enhancement of the role of the individual in the life of a socialist society is an objective law. In what ways is this participation expressed and how it is implemented in practice? These are the questions which the Bulgarian Communist Party and the People's government are striving to solve. It is towards this goal that their efforts are directed.

First of all we can note their endeavour to perfect the system of planning by making use of science-based forecasts for the future, plans for the development of individual branches and, on this basis, complex programmes for the development of the entire national economy, and not relying on single, connected decisions. At the same time the system of material and moral incentives is being steadily improved and the principle of allowing the people to become economic managers in the fulfilment of their public duty as citizens of the country is applied in the different economic sectors. Particular attention is devoted to the elaboration and adoption of new management technologies and to a new approach to the organization and fulfilment of the plans.

Enlisting all workers

The Bulgarian working people take part in the management of the enterprises and economic associations through the economic councils elected by them, members of which

Q: Have "reverse preferences" constituted a major constraint against the expansion of United States exports?

A: Not so far. U. S. exports to those countries have performed reasonably well, considering they started from near zero. In the short run, preferences either way have not exerted a substantial impact upon trade.

Still, these proliferating preferential arrangements threaten the principle of non-discriminatory trade. Our long trade interests can be seriously damaged if these countries are plugged into dependence upon particular suppliers. When the developing countries buy capital equipment they often require the relevant know-how, and perhaps technical assistance.

Socialist reconstruction

The victory of the socialist system in the country and the successes in the development of agriculture are remarkable achievements of the socialist revolution in Bulgaria. On the experience of the socialist reconstruction of agriculture is of great interest to the countries that have chosen the road of development.

The Bulgarian Communist Party, under the leadership of Georgi Dimitroff, has led the production cooperation of the farmers and the development of the Bulgarian side along socialist drawing on the guidelines of the Communist Party of the Soviet Union and the experience of kolkhozniki in the USSR. Bulgaria was a country of small-scale production according to the census about 14 per cent of households possessed one hectare of land, one household possessing five hectares made up per cent of the total. The majority of the farms 5 to 10 ha. were small farms in character. It is known that the privatization of the small-scale sector has a lasting influence on his life, his psychology, his role in the class of the capitalist village.

"Counter Plans"

From the beginning of this year, socialist emulation in

Ambassador M. Williams Representative for coming trade talks agriculture trade, safeguard system. tion will be a free system, in which by common discipline has autonomous consultations, in of the rules.

Ambassador M. Williams economic writer countries as an in, tions, since their of the key target.

... tance. Over the much trade and invest be built in. Depend 220 volt appliances v

ONS: The four major problem areas

ambassador Harold B. Malmgren Deputy U. S. Special Representative for Trade Negotiations, expect the forthcoming trade talks to deal with tariffs, non-tariff barriers, cultural trade, and the development of a "multilateral guard system." The general objective of the negotiations will be a freer, more open international economic system, in which all governments are equally bound by common explicit international rules, and each government has automatic recourse to intergovernmental consultations, in the event of any apparent violation of the rules.

ambassador Malmgren, in this interview by IPS Economic writer John Harter, sees the developing countries as an integral factor in all phases of the negotiations, since their trade problems are reflected in all four key target areas of the negotiations.

Over the long run, trade and investment may be mutually beneficial. Dependence upon foreign appliances will virtually eliminate long-term demand for 120 volt appliances.

We do not expect immediate change in the system, but

we will press for a commitment to phase out these colonial legacies over the foreseeable future.

Obviously, discriminatory preferences would vanish as tariffs are eliminated, and so this would be one way to end the problem of discrimination.

NEGOTIATIONS WITH THE EUROPEAN COMMUNITY

Q: What is the outlook for negotiations with the Europeans over the expanded Community?

A: We will negotiate bilaterally with the Community, beginning in September, and continuing for some months. The enlargement of the Community can produce net benefits to international trade, but it will

create specific disturbances. It will damage our agricultural exports to the United Kingdom, and we expect compensation for our losses. The Community denies that it owes us compensation. Since we start from divergent views, the negotiations will obviously be difficult. We hope our differences will not jeopardize prospects for the broader negotiations to begin in September.

NON-TARIFF BARRIERS

Q: You mentioned non-tariff barriers as a second key element of the broader, longer range negotiations. Non-tariff barriers have been much discussed since the Kennedy Round. Can they be negotiated?

A: "Non-tariff barrier" is a catch-all term technocrats use

to describe measures other than tariffs—usually intended for domestic purposes—which impede trade. They often have a long history and a political constituency. They will be difficult to negotiate. But since they distort trade, the trade negotiations should confront them. Where they cannot be eliminated or reduced, they would be harmonized, through negotiation of new rules to apply fairly and equally to all countries.

The negotiations should certainly strike at quantitative restrictions, or import quotas, since these measures are susceptible to great abuse by governments. They interfere with competitive forces in the market place much more than high tariffs. They are highly contagious, when used by governments. Our objectives are to get rid of them, to the extent possible, and as rapidly

as possible. Those that must remain for compelling reasons should conform to new international rules. In this context we will be prepared to negotiate our own restrictions.

I am not optimistic that these negotiations will make major headway in the area of border taxes. The issues here are extremely complicated. But we would like to see clearer, more precise, and more harmonious definitions and rules regarding fiscal measures and subsidy practices affecting exports.

Standards are increasingly important to domestic and international trade. There are rising demands everywhere for safety standards for automobiles, pollution standards, and to assure purity of water and

Contd. on page 13

atisation of economic management

has been placed on organizational basis. The state at every enterprise receives the state plan, a counter plan of which is higher in all. Chief attention is paid on raising labour productivity by full use of the machines, a better organization of labour, the introduction of new technologies,

without the use of new funds. Workers, specialists, engineers, research workers from the research institutes take part in the elaboration of these counter plans.

All this enlists the working people in the immediate work of their enterprises and their management, increases the dynamism of the economic development rates in the country.

But the elaboration of the counter plans has introduced one more new element: side by side with the enhanced potential of the enterprises, the work force presents its management with a number of problems connected with its social and everyday life and to be solved by the latter. Part of the sum to be obtained as super-profit is set aside for

the improvement of the workers' living standards, for the strengthening of the communal fund which is administered by the enterprises. This counter plan, together with the sums provided in it for social and communal undertakings, becomes obligatory for the management of the enterprises, association, or the state.

Statistics show that the working people throughout the country through their activity manifested at the beginning of this year, have increased the labour productivity index under the state plan by 6.5 points. It had been provided that the average annual increase in labour productivity during the Sixth Five-Year Plan (1971-1975) should be 8 to 9 per cent. This fact alone comes to show what high activity the working people have manifested

in finding out reserves in their enterprises, which enabled them to correct the state plans for a higher output.

This activity reveals the attention paid by the working class and peasants and of the intelligentsia towards the destiny of the enterprises in which they work, the destiny of the people and their own destiny. It is practical proof of the far-reaching democratic character of the country's economic management.

ist reconstruction of agriculture

factory of the cooperatives in the countryside successes in the development of agriculture are the most achievements of socialist revolution in One experience in socialist reconstruction of agriculture is of considerable importance to the countries which have chosen the road of socialist development.

is particularly true of the Bulgarian peasants.

Co-operative Farms

After the victory of the socialist revolution, the Bulgarian Communist Party decided on a single form of production cooperation in the countryside—the establishment of the cooperative farms. Great credit for the establishment of the cooperative farms as the most suitable forms of production cooperation goes to Georgi Dimitrov, the great son of the Bulgarian people and an outstanding Marxist-Leninist.

The Cooperative farms are a superb type of production cooperation in the countryside, established on the basis of the voluntary pooling of the land of the peasants for collective cultivation through socialized means of production and labour. Their essential characteristic, which distinguishes them from other forms of agricultural producer cooperatives, is their establishment on the basis of continued private ownership of the land. This is the main difference between the Bulgarian cooperative farms and Soviet kolkhos. The so-called rent which the cooperative farmers received according to the land they had brought to the cooperative farm was the economic expression of their peculiarity during the transitional period.

It is notable that, as early as 1952, the cooperative farmers of Georgi Dimitrov's behests farm in the village of Mechka, Plevan district, unanimously decided to abolish the rent, thus giving an example of one of the most important forecasts of Dimitrov's as regards the development of the cooperative system. In this way, over a period of 10 years, during which the cooperation took place in most general terms, the rent played its economic role and was then ousted by the full and unrestricted implementation of the socialist principles in the organization and economy of the cooperative farms.

The concentration effected in 1959 played a significant role in promoting the cooperative system in the Bulgarian countryside. This process introduced a number of new qualitative changes in the socio-economic content of the cooperative farm. It helped, above all, to reduce the economic difference between the individual farms, which were concentrated into 857 from the previous total of 3,200. This, in turn, led to the establishment of large-scale cooperative farms with an average of 4,000 ha of arable land each and over 1,200 cooperative farmers. This after 1959, the land of the cooperative farms was already socialized and was socialist property.

The new stage that agriculture is now entering upon the stage of industrialized agricultural production, and the Party policy reflected in its management, are imbued with the creative spirit of Georgi Dimitrov. Taking into consideration the influence and demands of the scientific and technological revolution in agriculture, the Tenth Party Congress held in 1971 established the agro-

industrial complex as a new form of concentration of agricultural production. The state and cooperative farms in the country are now pooled in 1970 agro-industrial complexes. They are large scale socialist economic organisations with a high degree of concentration of production and branch specialization. Their advantages with regard to the other forms of concentration of agricultural

production are that they give tremendous opportunities for introducing industrial technologies, for horizontal and vertical integration and for the creation of a new material and technical base for the development of the economic and social processes in the countryside corresponding to the development of the advanced socialist society.

Machine building—A leading sector

Machine-building is a leading sector in Bulgaria's economy. It plays an exceptionally important role in the further re-equipment of all branches of the country's economy with new and modern machinery on the basis of which the effectiveness of production will be raised.

The Directives of the Tenth Congress of the Bulgarian Communist Party envisage that machine-building is to develop at higher rates—the 1975 production will double as compared with that of 1970. A further improvement of its structure, with a view to developing the more progressive and effective sub-branches, will be achieved. The electronic-computer, radio-electronic and electro-technical industries will have a 40 per cent share in the total volume of machine building. The volume of electronic-computer technique will mark an eleven-fold increase during the current

five-year period, or taken together with instrument-making and automation equipment, eight-fold. Out of the 14 basic sub-branches in the system of Bulgarian machine-building, the electronic-computer industry will have the foremost place in 1975, while in 1970 it ranked sixth and in 1956—twelfth.

Exports increase

The production of mechanical handling equipment has also developed very fast helping increase the export of machines—electric and motor trucks and hoists. Bulgaria holds one of the foremost places in the world in the production of mechanical handling machines and equipment. The manufacture of electronic elements, hydraulic and pneumatic equipment, ship-building and metal-cutting machines is developing at rapid rates.

Machine-building is faced with the important task of increasing the country's export potential. The export of machine-building items will mark a 2.4 times increase during the current five-year period. The share of machine-building in the country's total exports will come up to nearly 43 per cent. More and more Bulgarian-made machinery will also appear on the home market.

The volume of machine-building production will mark a 2.3 times increase in 1975 in comparison to 1970, securing an average annual growth rate of 18 per cent. If these figures are compared with those of 1960 and 1965 the following picture will emerge—the volume of the machine-building production in 1975 will mark a four-fold growth as against 1965 and an increase of 8.5 times as against 1960.

(Sofia Press Agency)

PAKISTAN REPUBLIC DAY 17th ANNIVERSARY: 23-3-1973

A Special Supplement

Big boost in Pakistan's overseas trade

War-ravaged and devastatingly shrunk in size and population after the loss of its Eastern half in December, 1971, Pakistan has since been labouring under great strain to rehabilitate its national economy.

To bridge the steep imbalance in the country's foreign trade, a significant diversification has taken place in the export pattern of Pakistan. Besides switching on to a tight money policy in commercial imports, an all-out effort has been set afoot for rational use of natural and material resources with a view to building up export stocks and for the subordination of imports to the fundamental interests of economic re-construction.

The diversification of exports has sprung a remark-

able surprise and set aside all misapprehensions about the economic viability of a country which had for nearly two decades relied on the export of its raw commodities such as jute and cotton and semi-fabs.

Favourable export trends

In the first fourteen months of the popular Government, the exports of the territories which now constitute the new State of Pakistan, have shot up by 27 per cent, although the growth rate of the entire country's exports which included her eastern wing now Bangladesh, had never exceeded 7 per cent in any trade year.

At this rate of growth, it is hoped that by June, 1973, Pakistan is likely to surpass the combined exports of East

Pakistan recorded before the 1971 war.

By

B. A. SHAH

It may be recalled that in 1970-71 the aggregated exports of the two wings of Pakistan were valued approximately at US \$ 704 million. In the trade year 1971-72, the new Pakistan's exports had hiked to US \$ 590.6 million from US \$ 419.8 million in 1970-71, which excluded the export figures of the then Eastern Province. The export figures of July-December, 1972, when conditions were normal in Pakistan, made a contribution of US \$ 310.5 million to the overall exports of 1972-73.

The target fixed for 1974-75 by Government is US \$

One Billion, which is 33 per cent more than the total export figure of combined East and West Pakistan in 1970-71. The rate at which Pakistan's exports had gone up during the last four months of 1972 indicate that it would not be impossible for Pakistan to achieve this target.

The new value of Pakistan's Paper money vis-a-vis hard currency, the US Dollar and Pound Sterling, has attracted new customers for its semi-fabs and manufactured goods. Among these, cotton yarns, cotton fabrics, carpets and rugs footwear and leather goods, sports goods and cement, have touched a new high rather an all time record.

The exports of cotton yarn have gone up by 400%, of raw cotton by 150%, of woollen carpets by 600%, and of cotton fabrics, footwear and leather goods, and sport goods by 100% each during the past five years. The export of cement which was valued at hardly US \$10,000 in 1965-66, shot up to US \$ 370,000 in 1972 with prospects of further increase in the coming year.

The factors which have contributed to the expansion of Pakistan's export trade are noteworthy. Prior to December 1971, West Pakistan's exports to the Eastern wing constituted 25% of its total off-take. Although the East-West inter-zonal trade offered lucrative business to a particular section of shippers in Karachi, West Pakistan did not gain much in terms of negotiable foreign money. The outflow of surplus goods into the international markets, measured strictly in terms of overseas profits has apparently contributed towards the consolidation of Pakistan's foreign trade.

It has also gone a long way to prove that the raw materials and finished goods made in West Pakistan sell better in the international markets on their own merit. Apparently the loss of its eastern half has been more a political loss having very little bearing on new Pakistan's economic growth and foreign trade. On the other hand, it also proves that for a long time, Pakistan has been arrogantly maintaining an artificial value of its rupee—parity although its free market value had gone down substantially and the exporters had found it difficult to push their goods into the competitive overseas markets. In fact, Pakistan was unable to sell its goods with-

out a host of fiscal concessions, incentives and export bonus which virtually subsidised its exports. The sharp practices that followed after the introduction of the exports bonus scheme did very little to expand Pakistan's overseas sales in the free trade zones and the country had to mainly depend on its tied up barter trade in addition to the export of its cash crops and semi-fabs.

The withdrawal of export bonus and devaluation of the Rupee has given the new Pakistan freedom from foreign dependence by strengthening the base of its export industries.

There has also been a major diversification in the direction of Pakistan's foreign trade. The U. K. and the USA who were its foremost customers during the six years commencing trade year-1965-66, have come to third and fourth positions respectively.

Japan has now become the top buyer followed by Hong Kong. Pakistan's exports are now getting a ready response from South-East Asian countries whose share in Pakistan's total exports did not exceed 72 per cent even during the boom period.

The new character assured by foreign trade is likely to bring an upcurve in Pakistan's domestic prices but the overall effect cannot be so disturbing as the country has made rapid strides in setting up a chain of imports substitution industries to minimise its dependence on imports of such essential requirements as paper board, matches, packed materials etc. and by stepping up the production of its export industries. Pakistan has completely curbed its imports of sugar which caused considerable drain on her foreign earnings every year. More sugar mills are being set up to seek self-sufficiency, and in the meantime the consumption and distribution of sugar has been controlled through rationing. Similarly, Government has banned the import of many luxury items and an effective machinery has been employed to check smuggling across the borders, particularly of foodgrains and sugar.

Nevertheless, Pakistan has been able to dispose its piled up inventories more speedily than any other war-ravaged country, and there has equally been an appreciable response from the overseas customers during her time of need.

With the Compliments
of

VAN REES CEYLON N. V.

Tea Exporters

P. O. Box 885

COLOMBO.

Building a new Pakistan

On the cold, bleak morning of December 20, 1971 when President ulfikar Ali Bhutto assumed the reins of office, he had before him the wreckage of Pakistan—and a vision.

The wreckage grim enough; the country dismembered through an Indian invasion, its eastern wing, still under occupation, declared an independent state, 5,000 square miles of its western wing too captured by India which also held 93,000 Pakistani soldiers and civilians as prisoners. The vision was, in President Bhutto's words, 'to pick up the pieces... and make a new, prosperous and progressive Pakistan'.

Today, 15 months after, how does President Bhutto's Government measure up to the daunting task? Circumstances as he was, if he had only held the country together, preventing it from going under, after its traumatic experience, historians would have given him full marks.

He has done far more, principally perhaps by re-establishing the country's confidence in itself and its destiny. More specifically, he has restored the democratic political rights of the people, started building an egalitarian society, begun liquidating the consequences of Indian aggression and endeavoured, to refurbish Pakistan's image as a forward-looking dynamic country, with an independent foreign policy which has a role to play in the emerging power pattern in the region.

Sovereignty restored

One of the first things that President Butto did after assumption office was to summon the National Assembly in session to restore sovereignty to where it rightfully belongs, namely the people of Pakistan. This is the first directly-elected National Assembly based on adult franchise in the 25-year old history of Pakistan.

He followed this up by lifting martial law which had a long spell. On April 21, 1971 an interim constitution passed by the 144 member National Assembly was promulgated and Mr. Bhutto

was sworn in as the first democratically elected President of Pakistan. Nor did he halt here. An agreement was evolved of all political parties represented in the National Assembly on the form of Pakistan's permanent constitution. The consensus was that Pakistan should have a federal parliamentary form of government, with a bicameral legislature and with a large measure of autonomy for the four provinces of Pakistan: Sind, Punjab, Baluchistan and North-west Frontier Province.

A draft constitution on these lines which also guarantee full fundamental rights to the citizens, ensures the independence of the judiciary and seeks to make the country a welfare state is now on the anvil.

The second important plan in the Bhutto Government's programme is the endeavour to establish an egalitarian society on 'Islamic' Socialism' as his party's (Pakistan People's Party) manifesto puts it. This is aimed at ending the exploitation of wealth in the hands of a few.

Land Reform

Since 80 per cent of the people of Pakistan depend for a living on land, a drastic reform of the land holding system has naturally claimed priority. On March, 1 1972, President Bhutto announced wide-ranging land reforms, limiting individual landholding to any 150 acres of irrigated land or 300 acres of unirrigated land. In excess of the ceiling is being resumed by the state without compensation and is being distributed among the landless tillers, free of charge.

Similarly, in the field of industry, long subject to labour unrest and malpractices by what came to be known as the 'robber barons', the government has enforced swift action designed to broadbase ownership, eliminate malpractices and assure labour its due rights.

State control

In January, 1972 the Government took over the control and management of 32 major

person is an office manager. In the old sense of the term the answer is No; but a person who is able efficiently to comprehend the characteristics of all new devices which become available, prepare a succinct statement to describe them and explain to other office managers how and when to use them, is by no means inferior intellectually to the old style office manager who is only concerned with routine office procedures.

(TO BE CONTINUED)

By
MOHSIN ALI

industrial units. The action was designed to assert public control over vital industrialisation are shared

by all, and not merely a few at the top.

On February 10, and August, 23, 1972, came a series of major changes in the country's labour policy, geared to give the workers a stake in the concerns they worked in and also assure rights, privileges and amenities they never had before. For instance, the workers' share in the profits of the companies has been raised from Four to Five per cent. The managements cannot declare a lock-out in any factory without the approval of Labour Courts, several of which are being brought into being.

Our Warm
and
Sincere Wishes
to the
Citizens of
PAKISTAN
ON THEIR
REPUBLIC DAY
S. T. R.

SALAY MOHAMED & Co.,

PIECE GOODS MERCHANTS

245 Main Street COLOMBO—11.

P. O. Box: 344
Phone: 20536

Grams: PERDESH

MOOSAJEES LIMITED

Exporters of

**Coconut Mattress and
Bristle Fibres, Coconut Shell,
Charcoal and other Products**

34, W. A. D. RAMANAYAKE MAWATHA
COLOMBO 2.

P. O. Box 367 COLOMBO

Grams: TRUST. Phones: 25213—5. Telex: 1189 TRUST

MANAGEMENT...

(Contd from page 4)

The only way to cope is by specialisation to appoint someone to find out all about devices available for a particular purpose. In a large business there is often a person whose function is to advise on what devices are available for different purposes and to know in what way various devices for a particular purpose differ in facilities and performance. One may well ask whether such a

TRAVEL AND TOURISM- A special supplement

Tourism in Sri Lanka: Plans & progress

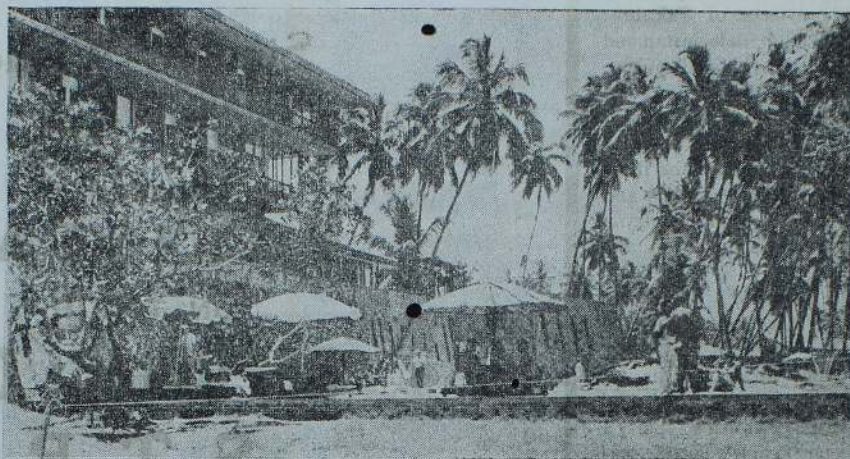
Sri Lanka is attracting considerable attention in the travel world as a visitor destination with potential to develop into a bargain on the Asian travel counter. Outstanding scenic beauty, rich natural resources, an agreeable climate combined with an ancient culture, colourful indigenous arts and crafts, traditional hospitality and a 65% premium exchange rate are attracting the traveller, the travel trade and the investor in the tourist industry.

The planned development of this visitor industry potential was undertaken by the government in 1967 on a programme formulated by a consortium of consultants led by Harris, Kerr, Foster of U.S.A. Since then, plant and facilities have been developed in a programme synchronized to the demands of a projected growth of visitor traffic, and progress has been satisfactory so far.

In 1971, arrivals and earnings targets were exceeded with 39,654 arrivals recorded and an earnings of Rs.20.27 million nett of FEECs. Arrivals and earnings for 1972

have exceeded projected targets considerably with 56,077 arrivals and Rs. 32 million on Foreign exchange nett of FEECs.

Five Year Plan for tourism is being implemented satisfactorily with priority developments on the south and west coast and in the ancient cities resort regions. The present approved accommo-



Bentota Beach Hotel, Complex (pix: Courtesy Ceylon Tourist Board.)

million nett of FEECs. Arrivals and earnings for 1972

1st Phase
The first phase of the

development strength stands at 1751 rooms-407 of which are in the city of Colombo, 844 in beach areas and 500 in ancient cities and hill stations. While approval has been granted to 11 hotels with a total of 500 rooms, 13 approved hotel projects with a room count of 821 are under construction and due to be completed in 1973 and 1974. These include the Intercontinental of 252 rooms scheduled for operation in April 1973 and the Lanka Oberoi of 267 rooms. Other international hotel chains represented in Ceylon or interested in investing here Hyatt, BOAC/Trust House Forte, Holiday Inns and U.T.H. (the hotel subsidiary of UTA Airlines), attracted by numerous incentives which include a five year tax holiday and partial exemption from income tax for 15 years.

Resort development is also progressing as programmed. The Bentota National Holiday Resort, which is a self-contained complex of three hotels and comprehensive visitor facilities, has now progressed into its second phase which includes the provision of a bank and a public swimming pool.

Economy travellers and domestic tourists have been provided for as well at the resort developments at Sigiriya, Giritala, Polonnaruwa and Kataragama. The first stage of the Sigiriya Resort is in operation with 10 under-canvas camping units and basic facilities. The 30 roomed hotel project for the resort

Message from the Chairman, Ceylon Tourist Board

My sincere commendations go to the management of the Economic Times for their initiative and enterprise in publishing this supplement on the tourist industry

Publications such as these make a valuable contribution towards making the community aware of the progress and plans of the tourist industry which has today become an important aspect of economic development in Sri Lanka. This education will help the travel industry to enlist the support and involvement of the community which is vital at this crucial implementation stage of the Five Year Plan for tourism.

Dharmasiri Senanayake
Chairman,
CEYLON TOURIST BOARD.

has been approved and further expansion of the resort is under evaluation.

A hotel of 50 beds and three family cottages are now in operation at the Polonnaruwa Resort; two hotels of 30 and 40 rooms each, a swimming pool, cafeteria and other resort utilities are due for completion shortly.

The Giritala Resort, 8 miles from Polonnaruwa, will offer a camping complex, two hotels of 50 rooms each, family cottages, a holiday hostel and resort utilities such as shops and a cafeteria. Work is in progress and the resort is scheduled for operation in 1973.

At Kataragama, facilities are being developed for pilgrim traffic as well as for the special interest traveller. A 45 room accommodation unit and a cafeteria are near completion.

Existing accommodation is inspected and classified at regular intervals to maintain specific international level standards. A Tourist Hotels Code designed for the purpose of regulation, supervision, classification and control of tourist accommodation will be introduced shortly.

Second Phase
Developments in the second phase of the Five Year Plan are
(Contd on page 11)

FOR THE SPICE OF LIFE

HOTEL SERENDIB

on the beach at bentota



The Ancient Arab Seafarers in search of spices and gems came to the green fringed palms, the snow white beaches and the hazy blue mountains of Ceylon and named the land — SERENDIB — This earthly paradise, and found here the spice of life.

Hotel Serendib at Bentota, 38 miles from Colombo serves its guests this spice in spacious relaxed living; with the waves of the Indian Ocean as its back drop and the glorious Bentota Beach for its play ground.

47 Rooms with attached toilets and showers; 24 hour room service; Bar, Dining and Restaurant with Sea foods; Ceylon Dishes and Western Cooking; Shopping Arcade; Hair Dressing and Massage Saloon. All year Sea-bathing; Boating; Canoeing; Sailing. Glass Bottom Boat for Coral viewing, underwater swimming and Water Skiing.

All this and more for the spiciest vacation of your life.

RESERVATIONS:
SERENDIB HOTELS LIMITED
34, RAMANAYAKE MAWATHA, COLOMBO 2.
Phone - 25213
Cables - 'Serendib-Colombo'.



Tourism in Sri Lanka...

(Contd. from page 10) programmed for the period beyond 1973. The main feature of this second phase is the development of two major sea-front resorts. These will be located on the west coast north of Colombo and on the east coast near Trincomalee. Both projects have been endorsed by a consortium of experts comprising Harris, Keer Foster & Co., Belt, Collins Associates; Business Investments Ltd., Wimberly

Whisenand, Allison Tong & Geo; and Dillingham Overseas Corporation, after per-

investments study; their report will blueprint the development of these resorts after further review.

The resort at Trincomalee will be developed in three phases, and will be Sri Lanka's largest self-contained resort complex. This 1000-acre resort will overlook the world's finest natural harbour and will offer large stretches of scenic white sand beaches, ideal conditions for swimming, beating surfing and skin-diving, fine fresh seafood, rich and varied marine fauna, a hinterland abounding in

wild life, historic sites and warm dry weather during the northern spring, summer and fall.

The three-phased programme is scheduled to develop 1850 luxury and medium priced hotel rooms, 225 vacation cottages and comprehensive resort and public utilities including an 18-hole golf course, a game reserve, an aviary, botanical gardens, entertainment and shopping centres, speciality restaurants as well as the development of air, sea and surface transportation based on Trincomalee's existing harbour, road, rail and air-strip facilities.

The second major resort recommended will be located at Hendala; this project is under further review. The attractions of this resort will include good beaches in close proximity to Colombo and the International Airport; excellent seafood, good facilities for water sports, as well as the shopping, entertainment and transport facilities of the capital, six miles away.

The proposed resort complex is to adjoin the Pegasus Reef Hotel and is programmed to have between 860 and 1000 hotel rooms on a phased basis, comprehensive resort utilities and facilities including parks, an entertain-

ment complex and a visitor service centre.

The pre-investment study consortium has pointed out that simultaneously with the

development of the infra-structural facilities by the public sector, the resort areas will logically lend themselves to foreign and local private sector investment.

Message from the Chairman, Assn. for the Promotion of Tourism

The Government of Sri Lanka has earmarked the tourist industry as a priority field in its development plan, with the private sector playing the primary role in the execution of tourism plans. The recent statistics prepared by the Ceylon Tourist Board have shown that the targets set for the industry have been achieved and that the private sector, with its expertise and resources can be relied upon to 'produce the goods'.

The first stirrings of a further wind of change in our tourist industry are evident. After helping in the development of existing tourist

attractions in terms of the Plan of the Tourist Board the private sector is now ready with its plans to go into the relatively undeveloped areas with tourist potential.

All this is important. If we want to sell Sri Lanka abroad, we must have the product to deliver. And 'product' is not restricted to hotel rooms alone, but covers ancillary services, such as tourist cars, for example, which the private sector now badly needs at a fair price.

P. C. S. Fernando
Chairman,
Association for the Promotion
of Tourism.

**A TRUST HOUSE FORTE/BOAC
ASSOCIATE IN SRI LANKA (Ceylon)**



**THE PEGASUS
REEF HOTEL**

(Fully Air Conditioned)

Where everything is in good taste

- The Shobena Hall for public receptions
- Topaz room for private dinner parties
- Coffee Shop
- Swimming Pool
- Beach Bar
- Tennis Court

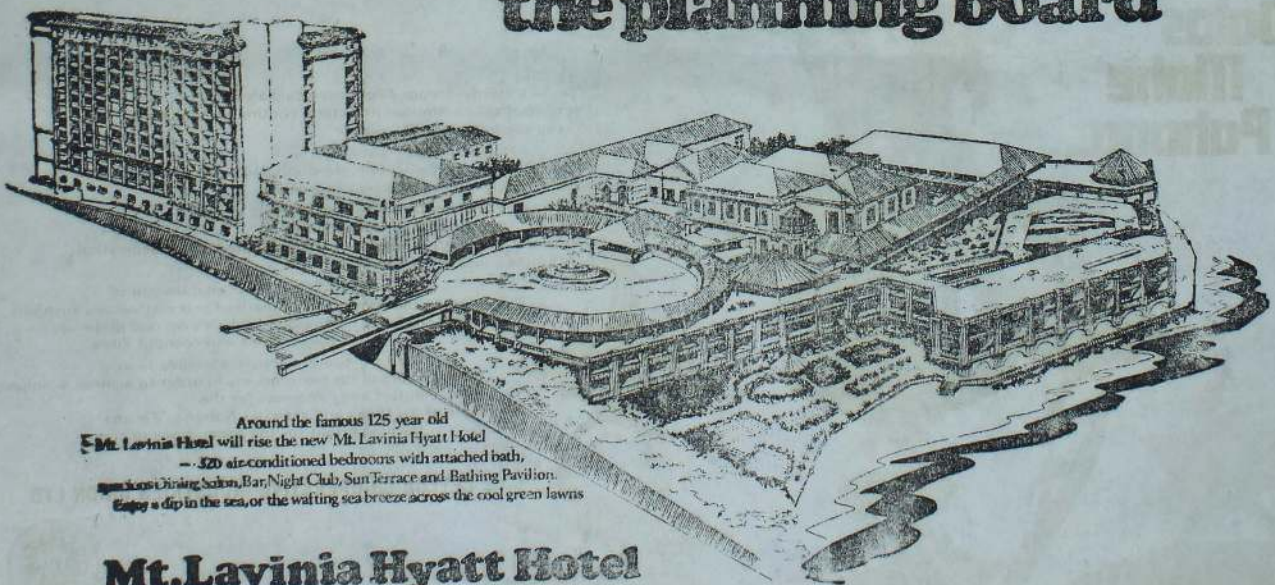
TELEX 1115

AGENTS IN CEYLON:-

CARSON CUMBERBATCH & CO. LTD.,

P. O. Box. 24
COLOMBO.

**here is the new
Mt. Lavinia Hotel now on
the planning board**



Around the famous 125 year old
Mt. Lavinia Hotel will rise the new Mt. Lavinia Hyatt Hotel
— 520 air-conditioned bedrooms with attached bath,
— 300 dining tables, Bar, Night Club, Sun Terrace and Bathing Pavilion.
Enjoy a dip in the sea, or the wafting sea breeze across the cool green lawns

Mt. Lavinia Hyatt Hotel

Hotel on the beach

One of the new Hotels that have been constructed on the Beach is HOTEL SERENDIB within the Hotel complex at Bentota. Completed at the end of 1970, it has already shown an operational profit. A factor contributing towards an early return on capital is the low capital costs, the completed rooms finishing off at around Rs. 50,000/- each. In order to achieve this low construction cost, it was necessary to build only at ground floor and first floor level and also eliminate lifts, air-conditioning and other high equipment costs. However, there has been fair expenditure on internal decoration and finish which is necessary to capture an attractive atmosphere for the residents within the Hotel.

Another means of ensuring good return is to keep operational costs low and it was decided at an early stage by the Management that it would not be feasible in a small (47 roomed) 3-Star Hotel to have expensive Managers and Chefs from overseas. Thus, a policy of recruitment of local managerial personnel has been followed throughout with considerable success. Profitability has been achieved in the years 1971 and 1972 inspite of the insurgent problems and comparatively low occupancy percentage over the whole year. The tourist trade in Ceylon is still dominated by a season complex and the bulk of the visitor

arrivals are during the months of December to March.

Until 1972, there were hardly any arrivals during the Summer months but gradually this pattern is being changed and the Winter season is extending from October to April and a sizeable Summer traffic is developing from France and Northern Italy where the holidays are traditionally

taken in the Summer months. This augurs well for the future as a ten months' season is now within the realms of possibility.

Although there are an increasing number of facilities for tourist traffic developing in the Indian Ocean areas, Ceylon has a number of unsurpassed advantages in that it has a combina-

tion of history, culture, scenic beauty and beach holiday facilities, all within easily accessible distance.

HOTEL SERENDIB is already constructing an additional 30 rooms to meet the increasing demand from tourists and hopes that the new rooms would be available for the 1973/74 winter season.



THE DINING ROOM

What Quickshaws offer

We are not a handing agency for any charter groups although almost all the charter groups stay overnight at our Resthouses at Anuradhapura. The Majority of the tourists we handle are individuals or groups coming through foreign agencies whom we have direct contact

with. We are glad to announce that we have the biggest fleet of private owned tourist vehicles. Our fleet also includes small 'Jeep' a Travelall and Toyota Mini Coach (20 seater) airconditioned.

We hold the Hertz agency in Ceylon for self drive and

chauffeur driven cars. In 1970, we extended our services with a Hertz counter at Bandaranaike International Airport to give a meet and greet service and help visitors through customs formalities.

'Instant' itineraries and hotel reservations are being offered at this counter.

The Tissawewa Resthouse (Contd on page 14)



Quickshaws of Ceylon

A complete Travel Service. One you can entrust your clients to with complete assurance

- Self drive and chauffeur driven cars
- Jeep service to Wilpattu Wild Life Sanctuary
- Tours & Itineraries
- Tissawewa & Nuwarawewa Resthouses Anuradhapura.
- Meet & Greet service at the Airport
- Quickshaws Ltd., 3, Kalinga Place Colombo 5. Tel: 83133-34-35

Dolos Mahe Pahana...

is Lanka's eternal flame. Alight atop Lanka's hills. It symbolizes continuous attention, continuous vigilance... to keep the flame bright... ablaze.

This permanent 'pahana' is kept bright by the dedication, devotion and constant concerted action... of devotees. Devotees to a cause.

Our is a cause. And similar concerted action is the keynote of the activities of The Ceylon Co-operative Industries Union Limited in our dedication to the cause of co-operation.

CO-OPERATION which enables you to enjoy the comfort of rubberized coir mattresses, cushions etc. produced by us using Lanka's own raw materials — rubber latex and coconut Fibre.

OUR Co-operate activities include finding markets abroad for our products in order to achieve economic virility, comfort and happiness for the people of Sri Lanka and keep our Nation's 'Pahana' burning bright for the generations to come.

CEYLON CO-OPERATIVE INDUSTRIES UNION LTD.



Trade Negotiations...

(Contd from page 7)

ais. Such standard should not discriminate against foreign products, and thus serve protectionist purposes. We will seek agreement on nondiscriminatory codes to assure that harmonious government practices are clear, open, and well publicised.

In general, our objectives regarding non-tariff barriers as in other aspects of the negotiations, will be a freer, more open international economic system. All countries should be bound by common explicit international rules. Governments should have automatic resource to intergovernmental consultations, in the event of any apparent violation of the rules.

TRADE IN AGRICULTURE
Q: You identified expanded trade

in agriculture as a major target of the negotiations. Past GATT negotiations brought little improvement here. Government controls over production and trade in foods and fibres are still increasing, to the detriment of consumers everywhere. Are you optimistic that economic rationality can be brought into this area?

A: This is obviously a tough area to negotiate, because fundamental institutions and attitude are involved. This is why there has not been substantial progress in the past. Governments have indeed failed, again and again, to find solutions to their agricultural trade problems. This is partly because they deemed these to be purely domestic problems. In fact, no country can advance here unless and until the in-

ternational trading community as a whole improves conditions of international trade in agriculture.

Traditionally, every government has subsidized its round sector, regarding maintenance of rural income as a central domestic issue, related to the national rural-urban balance. Such matters are politically sensitive in all countries.

For many reasons, new approaches may now be acceptable. Farmers are more prosperous in many countries than ever before. Many countries, especially Japan, are facing a rural labor shortage. There is rising world demand for high protein foods, parallel with rising world income. Consumers are protesting soaring food prices. All these factors affect farmers incentives, and should help stimulate increased production in efficient areas.

In short, we anticipate significant long-run shifts in attitudes affecting agriculture. Dramatic changes within two or three years will not be practicable. Adjustment simply cannot be made that rapidly. No country can offer important concessions within this time frame.

On the other hand, major progress can be made over the next 10 to 15 years. Our goal will be gradual reduction of agricultural protectionism, parallel with the phasing out of tariffs over this period.

This obviously will be difficult, especially for some developed countries. The rural constituencies of the parliaments of the world are likely to resist change, and they will be sensitive to all proposals regarding change in the rural sector.

MULTILATERAL SAFEGUARD SYSTEM

Q: You referred to a "multilateral system" as the fourth target of the negotiations. What does this mean?

A: This will be an indispensable element of the negotiating package. We wish to develop new international rules and producers to facilitate national adjustment to a more open trading system.

Safeguard measures are actions designed to moderate the adverse impact of import growth, or to provide domestic adjustment assistance, or both, whenever international competition threatens to injure domestic interests. Any restrictions imposed for this purpose should be temporary, and conditions under which they are permissible should

(Contd on page 14)

Role of Management Accountants (Part II)

One obvious problem is the way in which the financial accounting presentation of the effects of a decision can be an important and sometimes overriding factor in decision making. What may seem to be a sound decision to the management accountant, the economist, or the O R specialist looking ahead, as they do, to the future may appear to be the opposite to the financial accountant pre-occupied with matching his unexpired costs.

A good example is in the field of replacement decision-making where the "losses on disposal" of the assets to be replaced often make it difficult for the financial accountant to accept the merits of a proposed replacement. Indeed at an international conference less than a year ago. I heard a partner of Cooper Brothers argue that one of the disadvantages of the annuity basis of depreciation (and a corresponding advantage of reducing balance methods) compared with the straight line basis is that the former makes replacement decisions so much harder to justify because of the greater losses involved!

General management, who must take cognisance of the fact that they are judged, in part, on the basis of the figures in financial accounting reports, often will be swayed by such arguments even though they accept the rationality and validity of the management accountant's analysis. It is not only the management accountant who feels frustrated by this. About a year ago, I spoke at a meeting of heads of O R departments in major British companies at the University of Sussex, on ACCOUNTANTS AND O R. It was clear that almost everybody present felt that the archaic attitudes of chartered accountants were one of the greatest obstacles to

acceptance of recommendations by economists and O R men.

Problems can arise also in the control and monitoring of operations. I am sure that it is in the long-term interest of the profession as a whole that such problems should be better publicised as an essential prelude to rational solution.

The computer can make a significant difference by enabling a company to analyse problems from several angles, instead of having to rely mainly on the financial accountant's approach. Jurisdictional issues can arise here and I remember hearing a group of chairman of client companies being told by I B M executives of the data processing department in the hands of the finance director. I B M feels that financial accountants have far too narrow a concept of the capabilities of the computer; if it is to be used effectively in solving problems of production, marketing, transport, etc, it must be in the hands of a computer specialist, an O R man or a statistician.

There is one sense in which management accountants and financial accountants employed by a particular company will tend to be united to avoid the constraints likely to be set by financial accounting principles. Both species of accountants are employees and have a primary duty to management.

Management attitudes to the presentation of information and reports to outsiders vary widely, depending on the personality of the managers and the corporate personality of the company. The general overall attitude may be conservative it may be flamboyant and aggressive: it may be disposed towards income "smoothing" it may be growth conscious, it may be deter-

mined to minimise taxes at all costs, etc.]

What seems a 'true and fair view' to one management group may seem to be a preposterous distortion to another. In the event, the management is concerned with its own and the company's survival and prosperity and is not concerned primarily with the maintenance of accounting standards. The accounting staff, whether management accountants, are paid to serve the interests of the company and management. In my view, it is naive to expect them to have the same independent approach to accounting principles that one is entitled to expect from the external auditor.

This raises a number of interesting ethical problems which I do not intend to explore here. Clearly, however, management is likely to favour a multiplicity of financial accounting rules and principles since this gives the maximum room to manoeuvre in presenting the case to the shareholders and public. This open-minded approach of management in general, coupled with the fact that there are thousands of corporate personalities represented throughout British industry and commerce, makes it unlikely that accountants in industry and commerce will be as keen to secure greater uniformity in accounting practice as are their colleagues in private practice.

In this summary of some potential differences between management accounting, and financial accounting, I should mention the accounting principles which are relevant to the assessment and comparison of internal performance

as between departments or divisions of a company.

Differences in attitudes between the groups on such issues as cost determination, cost allocation, cost absorption, transfer pricing, etc are well-known. I hope I am not too optimistic in believing that such differences are

becoming narrower. I hope too, that this will accelerate as the intellectual standards of the profession are raised and as the educational patterns of management accountants and financial accountants come closer together—at least at the theoretical level.

(CONCLUDED)

Social, Philosophical, Political and Technical BOOKS FROM U.S.S.R.

	Rs. Cts
A Dictionary of Philosophy—M. Rosenthal	
—P. Yudin	15.00
Why I'm like Dad —N. Luchnik	5.00
Wars and Population —B. Ulanis	5.00
Secrets of The Second World War —G. Deborin	4.75
Socialism and Culture —A Collection of Articles	3.50
Morality and Politics —A. Titarenko	2.00
Modern Theories of International Economic Relation—A. Frumkin	6.50
Socialism and Capitalism—Score and Prospects	3.25
Sociology of Revolution, A marxist View —Y. Krasin	2.50
The World Socialist System and anti-communism —	3.50
The Industrial Electrician —N. Vinogradov	7.50
Maintenance and Repair of Industrial Electrical Equipment —W. B. Alabekov	7.00
Electrical Engineering Materials —Yu. Koritsky	7.00
Power Station Electrician —A. Taits	7.50
Propagation of Radio Waves —M. Dolukhanov	9.00
Radio Engineering and Electronics —Z. Pruslin	7.00
Fundamentals of Vibration Engineering —I. Bykhovsky	10.00
Electronics —I. Zhrebtsov	8.50
Design of Reinforced Concrete Structures —V. I. Murashev	
E. E. Sigalov	
V. N. Vaikov	12.50
Fundamentals of Manufacturing Engineering —B. Balakshin	12.50

POSTAGE EXTRA

PEOPLE'S PUBLISHING HOUSE,

NO. 124, KUMARAN RATNAM ROAD,
COLOMBO 2.

Phone 35111

THE ECONOMIC TIMES

Editorial Department

Phone 34221

Wednesday 16th March 1973

(1st Floor), 157, Jayantha

Weerasekera Mawatha,

COLOMBO 10.

TOURISM

Sri Lanka's tourist industry receives a shot in the arm with the opening of the South Asia Regional Travel Commission (SARTC) in Colombo. This will serve as a pivot on which tourism in the member countries will revolve. Sri Lanka thus becomes the focal point of Asian tourism as international travel organisations would henceforth boost our local tourist attractions all over the world.

Tourism is one sphere where Asian co-operation seems most feasible although all countries within the Region will strive to obtain the largest share. A collective and concerted effort could be made, for instance, to ensure that clean and tidy beaches are maintained and shores remain pollution-free. Action could be initiated to ratify a convention to this effect. Again, it is maintained that the air fare structure is discriminatory in respect of this region—fares are higher in comparison to the Pacific and Atlantic routes. These are some of the problems that could be sorted out collectively.

As far as Sri Lanka is concerned our Port authorities should take some meaningful steps to equip the Port fully with the necessary facilities to handle the disposal of waste from ships, such as oil and other refuse. While of course the Municipal Authorities should ensure that slum dwellers etc., do not pollute the beaches.

FROM THE FOREIGN EXCHANGE REVENUE ASPECT THERE IS EVIDENCE THAT STILL A FAIR AMOUNT OF THIS REVENUE DOES NOT GET INTO THE STATE COFFERS AS BLACK MARKET OPERATIONS CONTINUE DESPITE THE ENHANCED FEES RATE AND OTHER INCENTIVES OFFERED BY THE GOVERNMENT. IT IS IN THIS RESPECT THAT TRAVEL AGENTS, HOTELIERS AND OTHERS ENGAGED IN THE TOURIST TRADE COULD COME TO THE RESCUE OF THE GOVERNMENT BY ENSURING THAT ALL FOREIGN CURRENCY IS ENCASHED OFFICIALLY. AS THE MINISTER FOR SHIPPING AND TOURISM POINTED OUT RECENTLY, "THIS IS A VERY SPECIAL AND SACRED RESPONSIBILITY" PARTICULARLY IN THE CONTEXT OF THE PRESENT FOREIGN EXCHANGE CRISIS.

Today, the booming affluence of the western economies enable millions of people to spend a holiday abroad and larger numbers are showing an increasing preference to visit the East. The Japanese too are becoming more and more travel conscious with the rapid and phenomenal increase in economic prosperity. The tourist potential is therefore enormous. It is hoped that with the dynamic efforts of the Minister in charge of this activity and the Chairman of the Ceylon Tourist Board Sri Lanka will succeed in making tourism the country's number one foreign exchange earner.

Powerloom production keeps to plan

The Department of Small Industries has stepped up the production of textiles in accordance with the Five Year Plan target primarily through improvements effected to its powerloom workshops.

Since the first half of 1972 the number of workshops has been increased from 41 to 52 while the shifts too were increased from 61 to 96. The 1714 looms rose up to 2242 during this period. In order to cope with the increase in production three new sizing plants too were set up in early 1972.

Additional Employment

The overall improvement in the production figures to the average of 1.4 million yards per month has also resulted in the creation of additional employment opportunities for an additional 875 persons composed of 700 machine operators, 35 officers in charge, 70 fitters and 70 labourers.

According to a spokesman of the Department of small industries with the improved rate of production they could easily keep to the target of an expected 30 million yards in 1975.

Two interest free loans from Britain

Two loan agreements were signed last week, under which Britain will provide economic assistance to Sri Lanka to the value of £1,860,000 (Rs. 29,016,000).

The first loan agreement, to the value of £1.5 million, Rs. 23,400,000 at the official rate, will enable Sri Lanka to purchase from Britain traditional items such as fertilizers and chemicals, spare parts and components, certain raw materials, engineering stores, and electrical and telecommunication equipment.

The second loan, totalling £360,000 (Rs. 5,616,000 at the official rate will meet the foreign exchange costs of the current

The varieties of textiles produced in these power looms include voile sarees, khaki, blue and white drills, long cloth hospital cloth and voiles used by the textile printers.

development programme of the Paranthan Chemicals Corporation. It will be used to import equipment and other items necessary to expand the production of caustic soda and other chemicals now in increasing demand in Sri Lanka.

Both loans are interest-free as have been all other British loans to Sri Lanka since 1965. They are repayable over a period of 25 years, with a seven-year grace period.

These loans bring the total value of Britain's interest-free loans to Sri Lanka since November 1965 to £27,395,000. (Rs. 427,362,000 at the current official rate.)

Trade Negotiations...

Contd from Page 13

be subject to international agreement. Positive measures should assure that adjustments do, in fact, take place, within a designated period.

Let me illustrate. Suppose a group of American manufacturers believe rising imports may injure their markets for, say, textiles or shoes. They would apply for escape clause relief under the law. If the government finds substantial injury or threat of injury to their business, it can grant adjustment assistance, at least to the workers or firms suffering the greatest of difficulties. If this would appear insufficient to sustain the line of business or seemed too costly, in terms of the magnitude of dislocation, some form of import restriction could be imposed for a designated period of time. This short-term relief would be the "safeguard".

We believe new international rules should establish the permissible terms and conditions for such relief. We have explored with other governments various elements of such proposed international rules and procedures. For example, we have proposed that the rules should provide that any such restrictions should be limited to a fixed number of years. Any safeguard action should be discussed in an international forum with all countries directly and indirectly affected or interested. There should be international surveillance of a government's management of safeguard restrictions to assure that while they are in

effect the industry is making the necessary adjustment. Safeguard restrictions should not be used merely to protect inefficient industries from foreign competition.

The new rules should prohibit rollbacks in import levels. Safeguard restrictions should not be invoked to reduce trade and thus damage production and employment in the exporting country. In fact, we have suggested that the new rules should allow a certain level of annual trade growth.

We do not have rigid positions on these specific aspects of our proposal, and we expect to enter the international negotiations pragmatically.

Q: Will special machinery be needed to facilitate participation of developing countries in the negotiations?

A: I do not think so. The negotiations will occur in GATT, and any parallel discussions in other institutions should not distract attention from those negotiations. We wish to keep the developing countries in the mainstream—not sitting on the banks watching. Past participation of developing countries in GATT has too often been heavy on rhetoric, reflecting little homework on specifics. This approach discourages serious negotiators. Developing countries, being short of talent, make heavy demands upon their best government economists. However, improved trade is crucial to their economic development. We are urging them to send their most com-

Quickshaws...

(Contd. from Page 12)

25 rooms and Nuwarawewa Resthouse, Anuradhapura, earlier 5 roomed hotel and now 20 rooms with 15 more rooms under construction, have been managed by us for the last 8 years.

Our 15 roomed extension under construction at Nuwarawewa Resthouse, will be in 3 floors with basement for a bar and shops,

We hope to have part of this accommodation ready for Poon in June, with luck, possibly more by the August Perahera season and the full number of 15 rooms for the 1973/74 high season. Some of this accommodation is already booked for the season. Visitors can now have the benefit of a two night stop at Anuradhapura for a more leisurely and restful visit of the ruins, Mihintale and possibly Akurana as well as a half day or full day excursion to the Wilpattu Wild Life Sanctuary which has proved so popular in the present season that even our present fleet of four-drive vehicles has been found insufficient to meet the daily demand.

petent spokesmen to the negotiations, and to equip them with relevant facts and figures to support their claims. If they do not and if they concentrate on philosophical or political statements and resolutions, they will tend to be ignored by the negotiators of developed countries.