

# TRIBUNE

CEYLON NEWS REVIEW

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## Next Week

- ★ **INDIRA GANDHI**  
—Assassinated
- ★ **BY-ELECTIONS**  
—Implications
- ★ **CONSULTANCY**  
—Rackets
- ★ **AGRIBUSINESS**  
—Mirage
- ★ **HAMBURGERS**  
—and Coconuts

## BIG TALK . . .

In recent weeks, with the by-elections round the corner, politicians and other speech-makers have been indulging in a great deal of big talk about democracy, peace, harmony, development, a better life, about fighting and ending corruption, about rising above narrow personal considerations, about service to people and even about saving "democracy" (whatever it might mean). Much of this is double-talk. The self-same persons who indulge in this high-

falutin' rhetoric in public have other views in the privacy of their drawing rooms or in five-star pubs. In the name of what they think is pragmatism they admit that the appeal to higher values or ideals is only for public consumption. Paying lip service to ideals is one thing: but, in actual life, the dynamics of power politics was the determining factor in the rat race for survival and power.

All talk by politicians and others in authority about fighting corruption is today only eye-wash. Corruption is condemned as a matter of course—a ritualistic chorus that cannot be avoided. Many politicians pretend they do not know that corruption is today part of the whole system and that unless serious measures are taken to eradicate this malady from its very roots it will continue to proliferate. It is time that corruption of one kind or another has existed from the beginning of time but today it pollutes every little aspect of life and living. And the kind of parliamentary politics prevailing in Sri Lanka today can be played only with big money. Hard cash is wanted for elections and by-elections, for holding party conferences and propaganda meetings, organising processions and demonstrations. And the large amounts of money required can come only from those who have vast quantities of unaccounted (black) money and have benefited from the decisions of those in authority. It is time that ordinary people realised that corruption now mainly revolves around those who have unaccounted money. The mechanics of operating the political structure, the intricacies of the socio-economic framework and the dominant philosophical-cum-ideological approach to men and matters stem from the all-powerful machinations of the men with unaccounted money. The politicians who are outside this vicious circle are few and they do not seem to count.

## In This Issue

LETTER FROM THE EDITOR	Page 1
—Aid or Trade?	
EDITOR'S NOTEBOOK	2
—Third World's Plight	
THE POLITICAL SCENE	4
—Consultancy Malpractices, Teachers' Union Resolutions	
FOREIGN PRESS	7
—Sri Lanka's Economy	
SRI LANKA CHRONICLE—Oct. 8 - 14	9
INTERNATIONAL	11
—OPEC Bubble	
AGRICULTURAL DIGEST	13
—Legumes, TNCs, Taprobne, Brown Hopper Maize, Ladybirds	
SCIENCE, DEVELOPMENT	20
—Darwin, Corruption	
CONFIDENTIALLY	24
—Cost of Living	



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## LETTER FROM THE EDITOR

NOBODY today argues that aid is based on altruistic idealism. It is now accepted that aid is based on the enlightened self-interest of a donor country. But there has been a great deal of hallyhoo about aid. When developing countries discovered that the donor nations get more out of it than the recipient countries, there arose a cry for Trade not Aid. UNCTAD and other international organisations endeavoured to promote trade and donor countries found it a convenient method to collect interest payments on the aid that had become debt. But now, under various excuses, trade is being crippled and even denied to Third World countries. For instance, the governments of several industrial countries have introduced many restraints against developing countries' exports of manufactures. According to a World Bank study the most important of these affect textiles and clothing and have been implemented under the Multi-fibre Arrangement. This is a serious blow to developing countries as textiles and clothing constitute almost 30 percent of the manufactured exports of these countries. While export restraints can benefit large suppliers who are able to raise their export prices, they are a disaster for countries such as Sri Lanka and Mauritius that are starting to enter the market. One excuse for such "protectionist" policies on the part of the industrialised nations is that developing countries resort to protectionist tariffs. It is true that developing countries use various tariffs and quantitative restrictions (along with foreign exchange controls and broader measures such as industrial licensing and investment incentives) to protect local industries. Generally, such measures have favoured production for home market over production for export markets and manufacturing over agriculture. There are "learned studies" to "show" that such protection often lead to distortions in the structure of production, consumption and trade and that they are costly to economic growth. Rich industrial countries are quick to preach sermons on this theme whilst they indulge in protectionism themselves making growing unemployment an excuse. But there are also "learned studies" to show that such protectionism imposes "high costs" on the industrial countries themselves. It was found that it was cheaper for the US to import garments from developing countries than produce them. Moreover, the cost of preserving a job to society as a whole is created by the inefficiencies in production and consumption. To preserve jobs indefinitely, production must continue indefinitely. The present value of these costs would then be over \$ 10 billion. At the same time, the tariffs were estimated to save 116,000 jobs. Thus the cost of permanent protection per job saved would be about \$ 80,000 while the private benefit to the individual worker would be \$ 5,600, a ratio of 14 to one. In other words a permanent policy of tariff protection would cost the US \$ 1 for every seven cent gained by workers whose jobs were preserved. The Canadian studies estimated the costs of all the controls on the clothing trade to be much higher than those of tariffs alone. For every one and a half cents by which the worker would be better off one Canadian dollar would be wasted. Studies of the "costs" of such protection such as those for the United States and Canada have not been done in developing countries. All these "studies" are to show that protectionism does not pay. But the rich industrialised nations are not inclined to follow the true implications of such studies. Poor developing countries burdened with debt are pressurised through aid and loans to follow an open import policy, and this adds to their troubles. Debtor countries are expected to pay off their debts through exports, but the countries which can buy them have closed their doors to them. What next?



## Grim Prospects Before Third World

THE UNITED STATES DOLLAR—with the high interest rates offered by the Reagan Administration—has hit the ceiling. And finally the Central Banks of West European countries had to step in to stop this pirated inroad into their currencies by the dollar. What many people do not realise is that the world monetary and financial system broke down at the beginning of the seventies. Inflation in the world as well as symptoms of the recession, often ascribed to the so-called oil crisis of 1973-74 and subsequent crisis of the world economy, actually came in the wake of developments in the monetary-financial field. The beginning of the seventies saw the abandonment of the convertibility of the dollar into gold, devaluation of the dollar and rise in the price of gold forsaking of fixed and introduction of free-floating currency rates with chaotic oscillations, and abuse of the dollar as reserve currency by the USA which resulted in the collapse of the existing monetary system as well as of Bretton-Woods (institutions—International Monetary Fund and World Bank). This was rapidly followed by an explosion of oil prices, shifts in balance of payments positions between oil exporters and importers and use of OPEC surpluses—recycling of petrodollars—primarily in the interest of the developed world.

ACTUALLY, according to their original conception, the Bretton-Woods institutions were not concerned with the problems of developing countries (the majority of whom did not take part in their founding) and did not set up mechanisms for structural adjustments to the specific changes in world economy that are taking place in the present-day world. A gap remained between short-term financing of balance of payments disruptions caused by cyclic upsets and long-term financing which was geared solely towards the needs of economic development, leaving unresolved the problem of financing balance of payments deficits incurred as a result of the need to proceed to structural adjustments. As regards decision-making, these institutions have remained under the complete domination of countries with the largest shares *i.e.*, the most developed countries of the West, the USA in the first place. The developing countries find themselves in the most difficult position in all this.

AN ADEQUATE LEVEL of liquidity in the world is an essential factor for the functioning of the world economy. In the post-war period, liquidity in the world has been determined by the USA and during the last decade by the banks of developed countries as well. World reserves (measured in dollars, current prices of gold and currency rates) expanded rapidly

in the seventies. The reserves in the world increased approximately ten times, from 78 billion dollars in 1969 to 778 billion dollars in 1981, *i.e.*, nine times more rapidly than throughout the preceding period. The share of developing countries in the increase of reserves—15 percent—is lagging far behind their share in world trade, not to mention their needs. As regards the remaining 85 percent of reserves at the disposal of developed countries, the most privileged among them are the countries of reserve currencies, actually the USA.

Even after the abandonment of the convertibility of the dollar into gold and its devaluation, the world continued to look for and to accept the dollar as reserve currency. In the 1970-1981 period, the value of the dollar in world reserves increased seven times, from 50 to 360 billion dollars. The USA and the dollar were very attractive for the purpose of investing the surpluses of OPEC countries. This privileged position—"extravagant privilege" as President de Gaulle called it—enabled the USA to export, in the 1960-1969 period, capital valued at 467 billion dollars. High interest rates, due to the budget deficit as well as the attractiveness of investments in the USA resulted in an increase in the value of the dollar and in a growing flow of foreign capital to the USA. This has led to a situation in which the volume and sources and the degree of expansion or contraction of liquidity in the world, the level of interest and currency rates and trends in the international flow of capital have remained, for the most part, outside the control of governments and their international organisations, decisions on these issues being taken by monopolistic transnational capital.

IN SUCH CONDITIONS, the role and impact of the International Monetary Fund (IMF) on liquidity trends in the world have been drastically reduced. The share of IMF resources in the total increase of world reserves amounted in the 1970-1981 period, to a mere 4.18 percent (29 billion dollars). The ratio of IMF quotas to world trade declined from 12 percent in 1960 to a 4 percent in 1980. In the current deteriorated conditions of liquidity of developing countries, the developed world and the IMF have failed to show a will to capacitate these institutions with a view to enabling them to make an adequate contribution and play an effective role. Instead of doubling quotas to 125 billion dollars in 1983, as proposed by the Seventh Summit of Non-aligned countries, quotas were augmented only by 47.5 percent to 90 billion dollars. Conditions of IMF support for the balance of payments of developing countries in particular and the limitation of control over the balance of payments of these countries only—even though it is the policy of developed countries that is responsible for major upsets in the world—were severely criticised not only by the non-aligned and other developing countries but also by many developed ones. The



volume of foreign financing of developing countries decreased in recent years, especially since 1980; the 1982 volume was below the level of the preceding four years and by approximately 10 percent lower than the 1978 volume. The situation deteriorated particularly in 1982 and 1983, as against 1981. The sources and quality of financing have worsened; the share of privileged sources of financial (official public assistance) has declined; on the other hand the share of unprivileged commercial aspects of financing has increased.

TO MAKE MATTERS WORSE, the US is rejecting all the norms so far accepted on which financing and foreign aid has so far been granted to poor nations. *One principle* is that giving aid is a moral duty the rich countries of the West owe the third world countries. The US Government holds that it owes no third world country anything for historical or other reasons. The *second*—the "aid-without-strings" model—is that aid should seek to step up the rate of economic development as something desirable in itself, irrespective of the recipient country's political and ideological character. The US administration now says that aid cannot be granted in an ideological vacuum. Aid must be used to reward countries friendly to the West and punish those hostile to it. A *third* norm has it that external aid, by effecting economic growth and helping to spread prosperity world wide, promotes domestic, regional and ultimately world stability. It also means, eventually bigger markets for the rich

capitalist countries. But the US President thinks that stability at global level is best promoted by giving military and economic aid, with the emphasis on the former to key countries around the world that are reliable and dependable US and Western allies. *Another important principle* is that aid is best channelled through multinational financial agencies set up for the purpose because then it is relatively isolated from bilateral strains caused by individual donor demands on individual recipients. The US administration believes that aid best given bilaterally since the aid-giving nation can then ensure the advancement of the objectives for which it has given aid. It also holds the view that private enterprise can attain better results more quickly than bureaucratic government bodies and that only by expanding the private sector can markets in the poor South be opened up for business in the rich North. It must also be mentioned that past American administrations can scarcely be said to have been unmindful of US strategic and economic interests when they grant aid. There are very good reasons for this. It has been estimated that nearly three dollars in every four in the budget of the Agency for International Development are spent to purchase products and technical services in the US and that when the US boosts its aid to a particular third world country, its multinationals increase their exports to that country by 22 dollars for every dollar of that aid.

AND NOW, *The Overseas Private Investment Corporation*, a non-government organisation founded by big corporations and private funds, has entered the scene in a big way. The organisation was specially created for boosting investments of US big business in the third world countries through the active use of foreign aid channels. According to the data of the US Department of Commerce, in the past five or six years alone, direct capital investments by American corporations in developing countries have more than doubled, totally nearly 60,000 million dollars. It is made out that this growing flow of US capital to Third World countries is the best way of developing the economies of these countries and raising the living standards of their teeming millions. However, this is not borne out by facts and statistics. According to UN statistics the Third World countries lose up to 300,000 million dollars annually as a result of unequal trade and economic relations with the US and other Western countries. According to US official statistics, profits transferred from Third World countries in the past five years were nearly 50 percent higher than the real inflow of American capital there.

It is worth remembering that Reagan's decision to provide an additional US contribution of \$ 8.4 billion to the IMF by way of increased quotas as well as support for an emergency lending facility was itself influenced by the Latin American debt crisis and even more so by the threatened bankruptcy of quite a few

## TRIBUNE

*TRIBUNE* welcomes feature and analytical articles on matters of current topical interest. They should be typed double-spaced and should not exceed 1,500 words. The ideal length would be around 1,000 words.

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American banks which had over-lent to Latin American countries and not by any concern for the Third World countries. The US has consistently opposed and is still opposing the holding of a Bretton-Woods-type conference on money and finance, a proposal mooted by the Third World countries. By doing so, the US has rejected a fundamental reform of the world economic order. *Such are the perspectives on the global monetary scene. The prospects are dim and gloomy for Sri Lanka and other Third World countries.*

## THE POLITICAL SCENE

TOPICAL

### Consultancy Malpractices — I

By An International Consultant

CONSULTANCY MALPRACTICES and the more serious corrupt consultancy practices have two dimensions—foreign and local. The *Tribune* No. 30 of Volume 28 spotlights certain international aspects of infiltration and exploitation of Third World economies by international consulting firms from the aid giving industrial countries. While malpractices are universal, Sri Lanka is unique, once again as in many other things by the support consulting malpractices receive from the Government if not directly, by the simple expedient of tacit indifference and turning a blind eye to malpractices. There are well known malpractices concerning integrated rural development projects, housing and construction, water resources development and settlement, industrial projects and many others. Malpractices range from nepotism in the award of consultancy contracts as in integrated rural development projects to a percentage commission on contracts to win awards common in construction projects and the virtual theft of large portions of project funds by shoddy and poor quality execution in turn key consulting contracts. While this is most common in relatively small construction projects there was sometime ago a unique case where it is alleged a peasant well irrigation project in Mannar district funded by a West German aid programme, had a good portion of funds intended for peasants ending up elsewhere. The truth or otherwise can be established only after a full investigation.

BUT LET'S FIRST LOOK at some further aspects of the international scene. International consulting arose from foreign aid directed to the Third World in the 1960's. International agencies such as the World Bank, the OECD and organisations under the umbrella

of the United Nations found recourse to recruit short-term consultants for missions and longer-term consultants for specific assignments in aid recipient countries, instead of enlarging permanent staff. Thus a large body of individual free lance consultants have arisen and all international aid agencies carry large portfolios of registered consultants. Among these are a large number of Third World professionals who have joined this lucrative trade as an alternative to poor pay and exploitation in their home countries or have been displaced by political or other forces. One country's loss is another's gain. Consultants and experts are as a general rule, not placed in their home countries. The loss of a specialist is replaced under the auspices of an aid program by one of another country. Over the years international agencies have found Third World expertise more suited to understand and fit into Third World situations than counterparts from developed countries. Too many foreign experts and consultants from developed countries have failed to benefit the recipient poor country. One method of getting round this development has been the emergence of international consulting firms. International aid agencies evaluate the capability of consulting firms by their financial capability as the first criteria. They not only have the means to recruit consultants internationally although by and large the majority are from the metropolitan country of the firm, but more over have the means to execute contracts on their own resources and claim reimbursement later, which is a simpler procedure for the international agency.

ON THIS CRITERIA alone few consulting firms in Third World countries have emerged to compete with those in developed countries. As a result the technical assistance component of aid goes back to the developed countries and employment is generated for their professionals. In the last decade and a half this system has become established practice specially with bilateral aid. It is now standard procedure for international consulting firms to send scouts to Third World countries simultaneously with aid missions to pick up opportunities which are followed up at the level of the international agencies and governments of donor countries. Consequently, after many months and even after a year or more when the bureaucratic and administrative procedures eventually yield the final aid decision, the international consulting firm is there heading the short list even before it is published. *The aid recipient country has no choice. If a choice could exist it is easily nipped in the bud by the concerned international consulting firm having through local agents or directly obtaining acquaintance from the recipient country's concerned authorities at the level of government ministers, secretaries of ministries and of heads of departments or corporations.* Depending on the size of the aid package and the relative size of the consulting contract, foreign exchange is placed in secret accounts



abroad, foreign trips are assured, payments are made locally to the said individuals or to their private organisations, and they are wined and dined at the best hotels and resorts with gifts thrown in for good measure, not to mention various sorts of entertainment.

SRI LANKAN AUTHORITIES are no exception to other African and Asian counterparts. We have jokers who will sell their country just for a one night stand. The bigger the project and bigger the aid package, the higher the perch from which the sucker in the Third World falls for the bait. Heads of governments are not exempt. Multilateral Aid Agencies have, at the level of decision making, many nationalities represented from many countries. The established procedures claim to preclude favouritism in the selection of consultants. But it is equally well known that consulting firms and even individual consultants on file need a *guardian angel* within the multi-lateral agencies to stand a chance of selection from the large numbers on file. Despite computerised systems, the human element is still supreme. If a firm has a guardian angel, its name can be shortlisted quite easily. The first assignment is the difficult one. Its success adds to the firm's experience and tends to serve as a pre-qualification for future assignments. Guardian angels of some countries also serve the function of national compatriots who look after not only the interests of their countries but also the opportunities for consulting firms and individuals from their own countries. The *modus operandi* is within and without. "Within" is simply to put the name up for consideration. If the head of the concerned department within the agency is a buddy, the name gets shortlisted straight-away. "Without" is to inform the firm or individual of the opportunity ahead before it is officially proclaimed.

A MULTI-LATERAL AID AGENCY for the Asian region is known to have many compatriots who help their countries' consultancy firms and individual consultants but for the exception of Sri Lankan compatriots, despite about a dozen Sri Lankans in important positions. The following anecdote was related to me and other consultant friends dining with a top official of this agency to explain the absence of a Sri Lankan connection. There were many nationals of many countries knocking on Angel Gabriel's door to enter eternal paradise. Hundreds of thousand and thousand of most nationalities were going in. But the Sri Lankan queue outside the door was getting longer and longer. So Richard, no relation of Richard the Lion Heart, at the head of the Sri Lankan queue asked Gabriel why they were not allowed in. And the good Angel replied "One Sri Lankan went in before you". This is, of course, more true of Sinhalese than Tamils.

This anecdote serves to explain why Sri Lankan consulting firms have, except in one instance, failed

to move into the international consulting arena. The concerned firm had an agricultural engineering expert of old Peradeniya vintage as MD. His colleague and boss was a political refugee who had risen to management levels in a multilateral aid agency in the Asian region. The firm was also an agent for a South-Asian Airline. Moreover, finances were no problem. The MD was a regular visitor to the Headquarters of the aid agency. Consequently, when consultancies arose in the discipline concerning the MD of the firm, it was shortlisted before the official pronouncement in the monthly project news of the multilateral agency was released. But the MD finally hung up his boots. Since then, this Sri Lankan firm too has lost its entire in international consulting competition in the Asian region.

*To be continued*

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## TEACHERS' UNION

# Resolutions

## RESOLUTIONS ADOPTED BY THE CEYLON TEACHERS UNION AT THE 27TH ANNUAL SESSIONS (1984/1985).

1. The present government which has cruelly attacked the living conditions of the people in the face of the growing economic crisis, is today on its way to open dictatorship. It has begun to use the armed forces and the police to repress mass struggles and agitation against actions of the state which are hostile to the people, taking cover under Emergency Regulations. While a handful of those associated with the government are making millions, 80 percent of the population of the country are unable to live from day to day. The younger generation is falling prey to all manner of problems. In the meanwhile, in order to ensure their luxurious life-style will continue, the rulers are engaged in heightening the gap between the haves and the have-nots, the rulers and the ruled. In the face of these circumstances, the people will take a variety of steps to struggle against the present government. The fact that over 700,000 plantation workers came out on strike in the recent past goes to show that the working class is not ready to retreat in the face of state repression. The national liberation struggle of the Tamil people is also posing a real threat to the government, day by day. By trying to impress upon the people that the Tamil national liberation struggle—which is a struggle of people who have no other way of living for their basic human and democratic rights—is an anti-Sinhalese movement, the government is taking steps to build a strongly anti-democratic dictatorial state. Obtaining assistance from the Yankee imperialists who invaded tiny Grenada and the Israeli Zionists who slaughtered infants, women and old people in cold blood in Palestinian camps in



Lebanon, the UNP is taking steps which will make Sri Lanka an US army base. In the face of this situation, the Ceylon Teachers' Union should take the leadership in directing the teachers towards all these struggles aimed at overturning capitalist rule in this country, through building unity between the working class and all other oppressed sections of the people. The Ceylon Teachers' Union should also take the fore in building working class unity with the aim of providing leadership to mass struggles, no longer placing any confidence in using the bourgeois parliamentary structure or in changing governments through path of co-existence.

2. The Dayaratne Commission Report on teachers salaries has already fallen into abeyance. The Government is not prepared to implement even the very minor concessions contained in this report which were really meant to justify the proposals of the White Paper on Education Reforms which they were forced to withdraw in the face of popular opposition. Therefore, the Ceylon Teachers' Union should agitate with the teachers' union movement to bring about a united trade union plan of action which will build school committees in every school, creating solidarity among all active teachers' trade unions with the aim of winning better working conditions and higher wages in keeping with the rising costs of living. We should actively work towards this goal. 3. We propose that the Ministry of Education appoints Transfer Boards with representation from teachers' unions to implement a rational scheme of teachers' transfers, doing away with the present system whereby District Education Officers can transfer teachers within their District in a way that creates more and more economic difficulties for teachers who are already engaged in a massive struggle for day to day survival. 4. The Ceylon Teachers' Union pledges its tribute and solidarity to all those struggles being waged by people all over the world against imperialism and capitalism. 5. At the same time, this gathering soundly condemns all acts of terrorism unleashed by American imperialists and other capitalist states in order to destroy the national liberation struggles of oppressed people throughout the world. 6. We also condemn the propaganda being carried on by this government to foster racism and an anti-Indian feeling, while not taking any steps to resolve the problems of the oppressed Tamil people. We tell the government that there is no military solution possible for the national question. We therefore call on the government to withdraw the armed forces from the Northern and Eastern areas. This gathering also soundly condemns the shooting and killing of unarmed and innocent civilians in Jaffna over the past few weeks. We also call on the government to repeal the sixth Amendment to the Constitution. 7. Today it is a well-known secret that certain key sections of the government were behind the anti-Tamil massacre of July 1983. This gathering condemns the slaughter of 52 Tamil political prisoners

who were being held at the Welikada Prison in July 1983. The Ceylon Teachers' Union extends its support to the Inquiry that Amnesty International has launched into these killings. 8. The Ceylon Teachers' Union calls upon the government to take immediate steps to commence university lectures at the campuses at Batticaloa and Jaffna so that those students who are now attached to those universities as a result of the racist riots of July 1983 can continue with their education. 9. We call on the government to give teaching appointments to all those who were successful at the competitive examination. 10. (1) The Ceylon Teachers' Union demands that the Censorship which has been imposed in order to cover up the pro-foreign and anti-people actions of the government be lifted immediately. (2) While the Ceylon Teachers' Union opposes the proposed amendments to the Press Bill, which are a complete imposition of restrictions on the basic human right to express one's opinion freely, we call on the government to withdraw these proposals immediately. 11. The CTU condemns the killing of two University students and the arrest of hundreds of students, teachers and others by the police. The CTU appeals to all people's organisations to hold a "National Mourning Day" to protest against these atrocities.

12. The CTU urges the leadership of the LSSP, CP and CWC to summon a delegates' conference of all trade unions. The CTU should fight for the following programme inside that conference:

(a) Unconditional support to the Tamil Liberation Struggle. Remove armed forces from the North and East. (b) Oppose any moves by the government to curtail expenditure on Health, Education, Transport and retrenchment of workers. Forward a socialist programme to save Education, Health, Transport services and jobs of workers. Launch a campaign to pressing the government not to settle debts and pay interest to imperialist banks. (c) Remove the proscription imposed on the left political parties, viz., JVP and NSSP. Release all political prisoners. (d) Fight for the removal of the sixth amendment to the Sri Lanka Constitution and other repressive laws.

13. The working class should oppose any moves by the rulers to establish military or any other kind of contact with Israel. Compel the government to remove the Israeli Interest Section established in the American Embassy in Sri Lanka. Total support and solidarity to the PLO.

**H. N. Fernando**  
General Secretary

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## Disturbing Trends

*THE HINDU's Development Correspondent looks at some aspects of Sri Lanka's economic downslide and problems, as reflected in the 1984 confidential report by the World Bank titled, "Sri Lanka: Recent Economic Developments, Prospects and Policies".*

Although the developments in the political field relating to the Tamil question have been dominating the Sri Lankan stage during the past year, an equally formidable and potentially as disruptive, problem has been brewing off-stage. This is the deterioration in the growth of the economy. The economy in recent years has been marked by the positive but declining GDP growth rate against the background of increasing balance of payments and budgetary problems. Real GDP grew by an estimated 4.9 per cent in 1983, the lowest since 1978, and according to the World Bank's latest confidential report on Sri Lanka—a document that has not been made public—"without adjustments the medium-term economic position appears unsustainable. If corrective measures are not taken now, expanding deficits will continue to raise the debt service ratio, ultimately forcing the economy to achieve the required degree of balance in the external account via slower growth... if no new policy initiatives are taken, the economic situation is likely to deteriorate rapidly beyond 1984". While no far it has appeared that the developments in the political arena vis-a-vis the ethnic problem have not had much impact on the economy, such a situation is unlikely to continue for long.

The July 1983 attack on the Tamils, shortlived in duration, had a measurable impact on some areas of economic activity. Nevertheless its impact on the overall economic growth was not immediately felt as anything more than marginal. While agriculture was largely unaffected, considerable damage was inflicted on industrial, commercial and residential property. According to the World Bank assessment: "Rough estimates suggest that the replacement value of damaged industrial machinery, plant and equipment alone was about \$ 75 millions, total damage including to retail outlets and housing may have amounted to \$ 300 millions, at the time, the impact on employment was estimated at a reduction of nearly 50,000 jobs and the total decline of wage income from both direct and indirect affects at around Rs. 300 millions.... The impact on government spending was minor".

**Structural Reform:**—Quite understandably the report avoids any discussion of the impact of the continuing political crisis on the future of the economy. Nevertheless a close examination of the analysis of the Sri Lankan economy indicates that the implemen-

tation of an) economic reform, a la the World Bank mode or otherwise, would require a settlement of the political problem. To a large extent, the problems faced by Sri Lanka today have their roots in the basic structural characteristics of the economy which have existed for many years. Although the World Bank believes that such weaknesses were not fully "remedied" by the reform of the late Seventies, some of the current problems could be traced to the market-oriented, export-led growth policies followed during this period, largely under the influence of the World Bank.

According to the report: "The need for structural reform applies especially to the budgetary practices and to the key sectors of agriculture, industry and energy.... The major sources of financial instability in the Sri Lankan economy during the past few years has been the Government's budgetary policy. Not only has the level of spending been far in excess of the available resources, there are also important shortcomings in the composition of spending, between current and capital spending as well as within these two categories".

**Public Expenditure:**—Capital formation has remained at extremely high levels in relation to national savings. Gross national savings have remained at less than 15 per cent of GDP since the late Seventies, with migrants' remittances contributing no less than one-third of the total. On the other hand, between 1989 and 1983, capital formation remained a high 30 per cent of GDP largely because fully half of it was financed by foreign savings. Although in the 1984 budget capital spending has been budgeted at 11.3 per cent of the GDP as against 12.7 per cent in 1983, a significant reduction from what was already an unplanned low level of spending in 1983 as a result of the July disturbances, the World Bank study indicates some disturbing trends: "Although the cuts in the 1984 budget from the Public Investment Programme for 1984 were not across the board, they were far from desirable. While foreign-aided projects were cut by about 10 per cent on average, the allocation for non-aided projects was increased by 9 per cent. This has increased the immediate financial burden on the Government in carrying out its investment programme. Also, several of the increases for non-aided projects could be questioned on economic grounds, including substantial transfers to public corporations, the decentralised budget and defence".

During 1984, for example, capital expenditure on defence was nearly 60 per cent over the 1983 provisional figure while the total capital expenditure was only 16.9 per cent higher. Incidentally, the 1983 defence capital expenditure itself was 82.7 per cent over the 1982 expenditure. Unless the ethnic problem is satisfactorily solved, it seems unlikely that Sri Lanka will be able to avoid even larger unproductive outlays on defence in the future.



**Defence Spending:**—As for current expenditure, the World Bank report notes that “the earlier arguments concerning the past neglect of O & M (Operation and Maintenance) expenditure coupled with the comparatively low level of public sector salaries indicate a need to increase the expenditure levels. However, in order to contain the Government’s claim on resources, much of this increased expenditure will have to be obtained by reallocating revenue within the recurrent budget away from low return uses”. Here too the need to contain defence expenditure becomes very important. Current expenditure on defence increased by 47.6 per cent. There have been suggestions from the International Monetary Fund and the World Bank that Sri Lanka should further reduce the food subsidies. These have been already reduced from about 5.1 per cent of the GDP in 1978 to 1.2 per cent of the GDP in 1983. This reduction in food subsidy seems to have had some impact on the nutritional levels in Sri Lanka.

According to Mr. James Grant, Executive Director of the UNICEF, “despite the increase in national wealth that statistics show, malnutrition is substantially more than it was fifteen years ago, even five years ago”. The Physical Quality of Life index (PQLI) in Sri Lanka, quite high in relation to the per capital GNP, seems to have shown a downward trend during this period. While it is essential that the level of public expenditure be reduced as part of any adjustment scheme, the World Bank’s recommendation concerning food subsidies would prove detrimental to the interests of the poorer section of the population. As it is, the real wages of the employees, both in the public and the private sectors, have declined during the recent past and any attempt to reduce food subsidies will only aggravate their economic situation.

**Balance Of Payments:**—The principal feature of the balance of payments situation in Sri Lanka is one of sharp deterioration in the trade account up until 1980, followed by continued high deficits and increased foreign borrowing. The current account balance deteriorated from a positive 2.4 per cent of the GDP in 1977 to a record 19.8 per cent deficit in 1980, subsequently balancing off at an average of 13.7 per cent during 1981-83. In addition, the composition of foreign savings, that is, the financing of the current account deficit, deteriorated during those years.

Earlier, in 1978-79, the current account deficit was not only fully financed by concessionary borrowing and grants but also international reserves were being built up. In contrast during 1980-83, a breakdown of the financing of the current account deficit was as follows: 52 per cent was financed with concessional aid and grants; 13 per cent by private direct investment and short-term borrowings; 10 per cent by drawing down reserves; and 25 per cent by commercial

borrowing. As a result by the end of 1983, net international reserves were negative, gross official reserves covered about two months of imports and the debt service ratio had risen rapidly from 11.3 per cent in 1980 to 17.7 per cent in 1983. According to the World Bank report: “Three major factors have contributed towards creating a weak balance of payments situation that is the international recession and the weakening terms of trade, the budget deficit and the low growth in export volume.... For example between 1977 and 1982, the price of tea declined by 23 per cent, while petroleum prices doubled and the unit value of capital goods imports increased by 36 per cent.... Budgetary deficit and a fairly heavy reliance on domestic bank borrowing increased the trade deficit via increases in domestic demand”.

**Decline in Tea Exports:**—Six items—tea, rubber, garments, petroleum products, tourism and private remittances—account for more than 70 per cent of the current account receipts. Both the production and export of tea and rubber have decline since 1977. The decline has been due to a neglect in necessary investments in this sector. During 1983, the decline in exports of tea was offset by price increases, nearly 33 per cent higher in 1983 over 1982, largely as a result of the Indian Government’s decision to restrict tea exports from India in 1983. As a result, in spite of a reduction in tea exports, Sri Lanka’s revenue from this item increased by nearly 16 per cent. These high prices are likely to continue during 1984 because of the continuing restrictions on tea exports from India. In the long run, however, the trend of a worldwide decline in commodity prices should assert itself.

With regard to the major non-traditional items of export—garments and petroleum products—here too the scope for increasing the revenues is not very bright. Both these sectors have a very high import content in 1980, 96 per cent of the raw material used in the chemicals and petroleum sector was imported and in textiles and garments the ratio was 93 per cent. Moreover, the further expansion of petroleum exports which are basically re-exports of by-products is limited by the processing capacity of the domestic industry. Garment exports are constrained by import quotas in the final markets of the United States and the European Economic Community. Tourism had been one of the most dynamic sectors of the Sri Lankan economy since the late Seventies. Tourism was the fifth largest earner of foreign exchange in 1980-82, but slipped during 1983. Both tourist arrivals and earnings dropped by nearly 20 per cent in 1983, largely as a result of the ethnic conflicts of July 1983. These have not yet picked up and the future of this sector is uncertain. Private remittances were the second largest source of foreign exchange earnings during recent times.



# October 8-14

## DIARY OF EVENTS IN SRI LANKA COMPILED FROM DAILY NEWS- PAPERS PUBLISHED IN COLOMBO

*DN—Daily News; DM—Daily Mirror; DO—Daily Observer; ST—Sunday Times; SO—Sunday Observer; DMN—Dinamina; LD—Lankadipa; VK—Virakesar; ATH—Aththa; SM—Silumina; SLDP—Sri Lankadipai; JD—Janadina; S—Sun; DV—Davasa; DP—Dinapathi; CM—Chinthamani; WK—Weekend; RV—Riviresa; DK—Dinakara; EN—Elenadu; IS—Island; DI—Divaina; IDPR—information Dept. Press Release.*

**MONDAY, OCTOBER 8:** A retired judge is likely to be named to conduct an inquiry into the incidents at the General Hospital on Saturday when a row between a nurse and minor staff sparked off a confrontation needing the deployment of riot squads. Fiscal year 1984 of the USA which closed on September 30, once again saw Sri Lanka at the bottom of the statistical scale of immigration among people world wide looking for an El Dorado—*DN*. Drilling for oil along the western offshore belt of Sri Lanka from Jaffna to Colombo is likely to begin in the next 10 months. There will be an increase in defence and security spending next year, Finance and Planning Minister Ronnie de Mel announced yesterday. The press will be debarred from publishing without authority any reports relating to the deliberations of the all party conference other than the official statement. Government is to establish a new authority with wide-ranging powers to supersede all existing institutions related to the forestry sector, its development and conservation—*SU*. Sri Lanka Cultural Triangle project has run into serious financial difficulties following the refusal of the Treasury to provide it any further subsidies. The President of the All Ceylon Muslim League Dr. M. C. M. Kaleel said yesterday that his organisation would not seek recognition from the Elections Commissioner as a separate political party. The Wild Life Department has completely cleared a fishing settlement responsible for the systematic slaughter of turtles. The Private Omnibus Transport Department has taken punitive measures against private bus operators who stop mid-way without completing the entire journey stipulated on the Route Permit issued by the Department—*/S*.

**TUESDAY, OCTOBER 9:** The Indian government yesterday said it was totally false that any government agency had masterminded the violent events in Punjab or was engaged in preparations for action in Sri Lanka. French forces yesterday began the second phase of their withdrawal in Chad, moving stocks and equipment out of the strategic post of Biltine in the centre

of the country, the French defence ministry said—*DN*. A plot to bomb the city's key oil installation at midnight on Sunday was foiled when experts defused the most lethal bomb meant to cripple a vital supply line at Nagalagam Street, sluice gate. Northern terrorists set up the explosives to blow up the pipeline and cause a major fire in the City of Colombo, the Ministry of National Security announced yesterday. A Japanese consortium has won a 43-million-dollar order from Sri Lanka to build a new international terminal building at Colombo Airport, a spokesman for the firm heading the project Mitsui & Co., said in Tokyo yesterday. A major shift in the government's housing policy, where the emphasis will now be on individual units, instead of flats will get under way shortly—*SU*. Moves are now on for a ten-member delegation comprising representatives of Buddhist and Christian religions to visit India shortly and initiate a dialogue with Sri Lankan Tamil extremists resident there. So far, requests by about seventy Sri Lankan Tamils for asylum in Switzerland, have been turned down in appeal by the Swiss Ministry of Justice, according to the Swiss Charge d'Affaires in Colombo Pierre Monod. The Leader of the Opposition, Mr. Anura Bandaranaike will launch the SLFP by-election campaign in Kundasale today. A petrol shed was attacked by terrorists at Mankulam and the day's collections were robbed on Sunday evening—*/S*. About eighteen thousand Sri Lankans will be provided employment to work in foreign ships; two agreements in respect of this have been signed by the Minister of Trade and Shipping Mr. M. S. Amarasinghe—*DP*.

**WEDNESDAY, OCTOBER 10:** A motion by Indigenous Minister W. J. M. Lokubandara calling for a revision of the food stamps scheme to benefit a larger section of the poor people is to be discussed at today's meeting of the Government Parliamentary Group. British leader Margaret Thatcher, trying to lay to rest a controversy over the sinking of the Argentina warship General Belgrano, admitted yesterday she should have been more forthcoming about it long ago—*DN*. The CID yesterday offered a reward of Rs. 100,000 to any person providing information which will lead to the arrest of those responsible for the explosion of pipelines at Nagalagam Street. Government will investigate assets and other activities of persons suspected of aiding and abetting those in the narcotics trade. Tea drinkers around the world face another stiff price increase following a rise of nearly 3p percent in London auction averages in the past month, traders said yesterday. Sri Lanka will be unable to keep pace with the demand for trained seamen on Greek and Cypriot shipping vessels. A stock of 30,000 tons of rice imported two years ago by the Department of Food is still in the granaries—*SU*. Twenty three thousand tons of sugar imported by two local companies from the State Trading Company of India have been found to be contaminated with salt,



A 28-year-old Australian woman caught in the act of inhaling heroin in a secluded spot along the Wellawatte beach was nabbed by the Police on Saturday. Government has finalised an Export Development Incentive Scheme that has Rs. 200 million on offer; the package of incentives includes relief to the long ailing sector exporting in non-dollar currencies. The transfer of teachers which should take place in January next year may be delayed as a large number of the schools to which teachers have asked for transfers are overstaffed—DP.

**THURSDAY, OCTOBER 11:** The cabinet decided yesterday to break the insurance monopoly, held by the State since 1961, and permit the private sector to come into the business in competition with the Insurance Corporation of Sri Lanka (ICSL) and the National Insurance Corporation (NIC). Iraq said its air force mounted intensive raids on Iranian positions yesterday after Iran reported artillery exchanges along most of the Gulf war front on Monday—DN. Sri Lanka's trade balance with her major trading partners, other than USA, Pakistan, Iraq, the Netherlands and Italy recorded substantial deficits in 1983 according to the Central Bank review of the economy—DO. National Security Minister Lalith Athulathmudali who met top officials of public corporations providing utility services to the city at an emergency meeting yesterday directed them to draw up new security measures aimed at protecting their key installations. The Rehabilitation Ministry yesterday decided to grant one and a half acres of land, Rs. 26,500/- in cash and several other incentives to refugees to be resettled in Kilonochchi and Vavuniya. The security forces have discovered that several wealthy boat owners have allegedly ferried terrorists escaping to Tamil Nadu after bank holdups and other violent acts in the Northern areas—SU. In spite of having a new Exchange, quite a number of lines are reported to be out of order due to a cable fault; some numbers are out of order for the last one month. The present scheme of election under proportionate representation is to be amended shortly to enable voters to select candidates of their preference instead of voting for a "faceless list" as at present. The Minister of Lands and Land Development and Mahaweli Development Mr. Gamini Dissanayake moved a supplementary estimate for Rs. 200,300,000 for the Irrigation Department—/S. The Credit Councils set up by the government for the purpose of granting loans to state employees will be closed with immediate effect—DP.

**FRIDAY, OCTOBER 12:** "Our total tea export earnings for the first seven months of this year, at Rs. 9 billion have already exceeded the total for the whole of 1983 which was Rs. 8.2 million; if the same momentum continues we can earn anything between Rs. 12 to Rs. 15 billion for this year," a city tea broker declared. Israeli Prime Minister Shimon Peres said yesterday the United States set no conditions in talks on how to

restore his country's economy and declared. "We don't intend to live forever on American assistance; he also said Israel wanted to withdraw its troops from Lebanon but that depended on whether Syria would be realistic and whether United Nations troops would fill "the vacuum of our withdrawal"—DN. The export potential of graphite and mineral sands which are important foreign exchange earners has not been minerals have been stagnant and even declining in recent years, according to a Mineral Resources and Development Survey published recently—DO. Naval patrols in the Palk Straits off Talaimannar yesterday rounded up 18 Indian trawlers fishing in Sri Lankan waters and took 80 Indian fishermen into custody. The seventeen-month old press censorship will end today; the only exception will be the publication of reports pertaining to the on-going all-party conference and matters connected with it. Emergency regulations have been promulgated to give effect to this. Finance and Planning Minister Ronnie de Mel has proposed that government raise the ceiling on the income limit of the recipients of Food Stamps. The police have been called in to investigate a massive fraud in money orders and cheques to the value of Rs. 400,000 at the Sri Jayewardenapura University Gangodawila—SU. President J. R. Jayewardene has invited the leaders of all recognized political parties and also other delegations which are participating in the Round Table Conference to another round of private talks on what has been described as very urgent and important public business. A faulty cable has disrupted the telephone service to a large number of Moratuwa subscribers; the new exchange at Moratuwa was opened recently. There has been a significant drop in the number of students sitting this year's GCE (Ordinary Level) examination. The Commissioner of Elections Mr. Chandrananda de Silva has asked the General Secretary of the United National Party, Mr. Harsha Abeyawardene to appoint a member for the vacant Harispattuwa seat—/S.

**SATURDAY, OCTOBER 13:** Government yesterday announced that the press censorship under the Prevention of Terrorism Act which had been in force for the past several months has been lifted. Britain's Prime Minister Margaret Thatcher narrowly escaped assassination yesterday when Irish guerrillas bombed her hotel and killed up to four people—DN. The Sri Jayewardenapura University's Vice Chancellor K. Kodituwakku has informed President Jayewardene that investigations are underway on the cheque and money order fraud which had been going on for several years in the university. The armed forces yesterday arrested a security guard attached to the Lanka Cement Corporation in connection with the burying of a culvert bomb on the Kankesanthurai-Keerimalai Road on Thursday. A criminal justice review committee is to be appointed by the Government shortly—SU. Notice of an amendment to the Parliamentary elections Order-in-Council to the effect



that any independent candidate at the Parliamentary election who polls less than one percent of the votes polled will be subject to a penalty of Rs. 400,000 will be given on October 15 as a private motion by a group of UNP Parliamentary members, according to authoritative government sources. Work at the Colombo General Hospital returned to normal yesterday as all nurses and nursing sisters who reported "sick" on Thursday came back to work—/S. The security forces recovered 20 bombs on a raid made in a house at Jaffna; in this connection three women have been taken into custody for questioning—DP.

**SUNDAY, OCTOBER 14:** The five-year corporate plan for university and tertiary education envisage that the student population which is at present 40,000 would rise to 80,000 in 1988; it also envisages that the work in hand which is about Rs. 1,000 million will increase by another Rs. 1,000 million in the same period. A government official in the North Central Province and a member of the public were detected last night accepting a gratification of Rs. 2,000 on a promise to regularise and allocate government land to a squatter. A foreigner who tried to smuggle out Rs. 100,000 worth of travellers cheques was nabbed by the Customs authorities at Katunayake Air Port yesterday—SO. Terrorists in the north and east have begun a spate of armed robberies; one of these robberies may result in 500 Tamil girls and boys being thrown out of employment. The election campaigns of Minneriya and Kundasale have begun hotting up as election day, October 25 draws near. Vampire bats in the Singharaja rain forest are believed to have wiped out the entire monkey population by sucking their blood and villagers now fear the bats will turn on them. Nine thousand GCE (AL) qualified girls and boys will be given teaching appointments in January next year. The registration of foreign job agencies will cease as a result of a directive to the Department of Labour by Labour Minister Capt. C. P. J. Seneviratne. The continuation of Singapore Airlines operations in Sri Lanka will depend on the Director of Civil Aviation who is due to receive SAI's winter schedule this week—ST. Unscrupulous telecommunications experts are juggling with the sensitive computerised exchanges to provide free international direct dialling facilities to some at public expense, a highly-placed official said. More new procedures to streamline the issue of passports will be brought into effect at the Department of Immigration and Emigration from Monday. One of every twenty school-boys in the ordinary level and advanced level classes has fallen prey to the attraction of a morning film in one of the fourteen Colombo cinemas which turn a blind eye to his white uniform—WK. India is not interested in any particular political party in Sri Lanka nor has India got different attitudes to different political parties, the Indian High Commissioner in Sri Lanka Mr. S. J. S. Chatwal has assured Sri Lanka Foreign Minister Mr. A. C. S. Hameed, informed sources said

TRIBUNE, OCTOBER 20 and 27, 1984

yesterday. The first stage of the Government decision to replace the armed forces with specially trained police commando of the Special Task Force (STF) in troubled areas was put into operation in Batticaloa. Attorney General Mr. Shiva Pasupathy is likely to be appointed Chief Justice on the retirement of Mr. Neville Samarakoon on October 22 on the completion of the latter's 65th birthday. The first issue of water through the newly constructed Canal R 1 on the Left Bank of the Maduru Oya in the Mahaweli Project takes place at 10 a.m. on Monday—/S.

## INTERNATIONAL AFFAIRS

### WORLD AFFAIRS

By Ariel

## OPEC Oil Bubble

Has the OPEC oil bubble, which blew up prices four-fold in 1973, already burst? Or is it only on the verge of bursting? Or can the 13-member Organisation of Oil Exporting Countries (OPEC) save the situation by various devices like cutting down production to prevent a price war? These are questions now being asked in every capital of the world. But answers are not forthcoming. For the last two years there has been a growing glut in the oil market. And OPEC has maintained its prices by reducing production. But there are other producers who have refused to toe the OPEC line. The Soviet Union, China, Mexico and the North Sea producers like Britain and Norway are among major oil producers outside OPEC. Production in countries like India has also risen significantly. Today, the oil glut has reached proportions OPEC will find difficult to contain. Already non-OPEC producers like Norway and Britain have cut their prices by \$ 1.35 a barrel. Nigeria is a member of OPEC but its weak economy, cannot be sustained without increased oil sales. At the end of last week it has announced a cut of \$ 2 a barrel.

At the moment, a mood verging on despair seem to have set in among members of OPEC. They have for some months now been fighting hard to keep the current cartel production quota of 17.5 million barrels a day and floor price of \$ 29 a barrel. Norway's and Britain's decision to discount \$ 1.35 a barrel on its North Sea crude had come as a shock to OPEC circles. But more surprising was the fact that the Oil Minister of the United Arab Emirates, Mr. Mana Saeed Oteba, has hinted at a 40-cent-a-barrel cut on its own light crude and suggested that the OPEC meet in an emergency session to take fresh stock of its



position in a growingly difficult international market. These developments have caused concern to OPEC countries. Moreover, oil production from Norway and Britain alone had risen by as much as 13.5 percent in the last five months of 1984, although the total output by non-OPEC producers during the same period rose only by 3.2 percent. The OPEC grouping, fighting to retain its 44 percent share of the world's oil market, now finds itself facing up to a tough counter to its oligopolic bid to keep prices and production artificially frozen at current levels and ride out the world recession.

Although the OPEC of today is a far cry from the buoyant organisation that quadrupled prices in 1973-74, Oil Ministers of the member-nations have been lobbying intensively in the past month for self-discipline and restraint and at least publicly expressed the confidence that if they rode the storm with belts tightened for just a few more months all would be well again. But some of that self-assurance now seems shaken and it is particularly interesting that a stalwart within the group like the UAE Minister should, by calling for a further price cut, take a stance that deviates from the known OPEC position. On the other hand, observers say that it is doubtful whether the stronger members like Saudi Arabia can continue to prop up the poorer countries like Nigeria which has been constantly seeking a raise in its national production quota (usually offset by reduced Saudi production) to meet its trade debts amounting to some \$ 5 billions. Moreover while some producers like Iran and Libya have been defiantly selling more than their allotted quotas, even a big Gulf producer like Kuwait has been exceeding the quota so that the overall OPEC production is already above the specified ceiling (of 17.5 million barrels a day).

The British decision to cut the price of its North Sea oil has serious and adverse implications for its economy. Apart from everything else it will mean a loss of millions of pounds in oil taxes. Furthermore the cut in oil price and the coal strike has caused a record fall in the value of British currency against all other major currencies. The value of British stocks fell by five percent in one day after the announcement of the price cut in oil. The pound sterling has dipped below the \$ 1.20 mark and some analysts are predicting it will fall below 0 1.10 mark by year end, if there is no dramatic improvement in British economy and state of labour relations. In the oil market, Britain is risking an open price war with the OPEC. The British decision had been forced by world oil glut and tumbling free market spot prices. Economists have pointed out that the British inflation rate will soon leap upwards, despite the fact that Ministers are making public statements to the effect that the Government will ensure pegging the rate below the five percent mark. There are also reports that Britain will have a record high unemployment next year—the more

pessimistic observers forecast the rate to cross the four million mark. Already, some 3.2 million unemployed are on the dole queue. Some cynical commentators have said that the only silver lining on the Prime Minister Mrs. Thatcher's gloomy political and economic horizon was that the Brighton bomb blast has given her more staying power. Minus the blast with current crisis on the currency, industrial and economic fronts, they say that she might have faced a serious revolt even among the Tories.

To deal with oil crisis, the Ministerial Council of OPEC was summoned to meet in Geneva towards the end of the month but the date of the meeting was been advanced. How the Council will meet the new situation is hard to say. Will it cut prices? Or will it try to maintain prices by cutting down production drastically? And will all OPEC members agree to do this? What will the non-OPEC producers do? What will be the impact on the developing countries by a reduction of oil prices? Will the petro-dollar countries cut down on their vast development projects and throw out of employment hundreds of thousands of men and women from developing countries who now remit large sums to their impoverished homelands? Can OPEC contain the new situation and obtain the prices it wants? Or will the world be thrown into a global economic upheaval not known since the great repression of the 1930's? For the last ten years and more OPEC members and some Western oil multinationals, which market the oil, have made untold billions in unconscionable profits at the expense of the rest of the world. How much longer will they be able to do this?  
*October 22, 1984.*

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## IT WAS AN ARAB.....

The sea route from Europe to India was discovered by the Arabs and not by the Portuguese navigator Vasco da Gama as is widely believed, report agencies. Soviet Scholar T. A. Shumovsky says Vasco da Gama managed to reach India only with the help of his Arab navigator and seafarer Ahamad Ibn-Majid. In his book "The Arabs and the Sea", the postscript of which says that it was Ahamd Ibn-Majid who had shown to the Portuguese the sea route to India, Mr. Shumovsky quotes extensively from an ancient manuscript, *The Book of Use*, written by Ahmod Ibn-Majid. The manuscript is still preserved at the Institute of Oriental Studies, USSR Academy of Sciences—APN.





## GRAIN LEGUMES

### Bridging The Gap - I

By Derrick Schokman

**PRESENT POSITION.** Food production in Sri Lanka is very much like the proverbial curate's egg—good and bad in parts. The so-called green revolution has enabled rice production to grow rapidly, but pulse production is lagging. In 1983 we achieved a record output of 118 million bushels of paddy—enough to stop imports. But we still continue to import about 300 million rupees worth of dhal a year to compensate for deficits in the local production of grain legumes. The projected pulse requirement for 1986 is 130,600 tons (Department of Census and Statistics) of which only 72,000 tons is presently produced locally. *What are the prospects of bridging this gap?*

Unlike rice which monopolises lowland agriculture, pulses have to compete with more lucrative cash crops on the highland, and more often than not their cultivation is consequently relegated to marginal lands. There is no doubt that the opening up of new lands in the Mahaweli Development area will relieve this land constraint to some extent. But what other strategies are possible to boost the production of grain legumes? Plant breeders have succeeded in genetically restructuring the traditional pulses to give them a determinate growth habit, shorter maturity period and increased harvest index. In their new form these varieties can perform more efficiently either as monocrops or multicrops, given the necessary improved technology.

Strategies are also underway to introduce new pulse crops, which may be successfully extended to areas where the traditional pulses do not grow well owing to limitations of soil fertility and moisture. Chickpea (Bengal Gram) and Pigeon pea (Red Gram or Tur Dhal) have given promising results in research

trials. But perhaps the greatest success so far achieved is with soya, which has become a chena crop par excellence, and a potentially powerful protein food. Today more people at all levels of society are using soya-based foods. Soya flour is incorporated in bread. Mixed with rice and wheat flour it is used to prepare traditional foods such as hoppers, string-hoppers, roti, pittu and kola kenda. It is used in curries. The fermented product is sold as tempeh, a cheap substitute for dried fish, and the flakes are used as a substitute for dhal. Textured Vegetable Protein products (TVP) are also becoming popular as alternatives to meat.

Soya milk is used as a flavoured drink and as a substitute for coconut milk in cooking. Multimixes such as Troposha, combining rice, maize and soya are gaining ground as a relatively cheap but enriched pre-school children's food, while weaning mixtures like Bilinduposha containing rice, soya and mung are now ready for commercialisation. There is also the prospect that the International Winged Bean Research Institute at Pallakelle will provide the necessary catalytic action to promote the development of the common—or garden dambala as a worthy comrade in arms to soya in the battle for food. Pulse plants are indeed a marvel of nature! In addition to the provision of valuable protein, they are capable of fixing atmospheric nitrogen and growing under limited moisture conditions.

Accordingly their cultivation reduces stresses on scarce agricultural inputs such as nitrogen fertilizer and water. And since their growth periods and soil requirements are flexible, they can become the strategic lynch pins of our cropping systems programs. May be the yield barriers of pulse production cannot be broken in as spectacular a fashion as rice. But there is every reason to believe that the present output can be doubled if a planned production and marketing program is implemented. It would be sheer folly not to take advantage of the manifest bounties nature has lavished on these plants.

## PRODUCTION STATISTICS.

1. Total annual production of cowpea, mung (green gram) Urd (black gram) and soya from 1979-1982 is indicated in Table 1.

**Table 1. Pulse Production in Thousand Tons**

Crop	1978	1979	1980	1981	1982
Cowpea	22.1	18.4	23.1	39.3	35.6
Mung	8.2	9.5	12.7	18.9	17.7
Urd	8.5	6.0	5.5	7.3	7.5
Soya	—	1.3	1.0	2.3	11.1
Total	38.8	35.2	42.3	67.8	71.9



(Source: Implementation Programme, Ministry of Agricultural Development and Research).

There has been an encouraging increase in production, which may be attributed to the spread of improved varieties and farm technology, diversified cropping and the introduction of a government floor price scheme.

2. Target extents for the cultivation of cowpea, mung, urid and soya in 1982/83 in the major producing districts are given in Tables 2-5.

**Table 2. Target Extents (Thousand Hectares) of Cowpea in 1982/83**

District	Maha 82/83	Yala 83	Total
Kurunegala	9.6	8.0	17.6
Puttalam	7.6	2.8	10.4
Anuradhapura	5.6	0.8	6.4
Moneragala	2.0	1.4	3.4
Hambantota	1.6	—	1.6
Badulla	0.8	—	0.8
Polonnaruwa	—	0.6	0.6
Kalawewa	—	1.0	1.0
Other districts	4.8	1.4	6.2
Total	31.0	16.0	48.0

(Source: Extension Division, Department of Agriculture).

Kurunegala District takes precedence in respect of cowpea with an estimated 37 percent of the total cultivated area during both seasons. Puttalam has the next largest cultivated extent of 22 percent.

**Table 3. Target Extents (Thousand Hectares) for Mung in 1982/83**

District	Maha 82/83	Yala 83	Total
Kurunegala	6.2	4.0	10.2
Puttalam	2.4	0.6	3.0
Hambantota	1.8	—	1.8
Ratnapura	1.4	—	1.4
Anuradhapura	1.0	—	1.0
Amparai	—	1.0	1.0
Kalawewa	—	0.6	0.6
Other districts	3.4	2.6	6.0
Total	16.2	8.8	24.8

(Source: Extension Division, Department of Agriculture).

Kurunegala District also has the largest extent under the cultivation of Mung (41 percent) with Puttalam District in second place (12 percent).

**Table 4. Target Extents (Thousand Hectares) of Urid in 1982/83.**

District	Maha 82/83	Yala 83	Total
Vavuniya	6.4	—	6.4
Anuradhapura	2.0	—	2.0
Other districts	2.2	—	2.2
Total	10.6	—	10.6

(Source: Extension Division, Department of Agriculture).

Vavuniya District accounts for 61 percent of the total cultivated extent in Urid.

**Table 5. Estimated Extents (Thousand Hectares) of Soya in 1982/83.**

District	Maha 82/83	Yala 83	Total
Anuradhapura	8.0	2.0	10.0
Other districts	2.3	3.8	6.1
Total	10.3	5.8	16.1

Anuradhapura District dominates soya production with 62 percent of the total cultivated area during both seasons.

(To be concluded)

Courtesy: Research Highlights No. 18

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## POINT OF VIEW

# TNC Agribusiness In Developing Countries

By R. K. Sharma

THE WEST regards the Transnationals (TNCs) who wield sophisticated technology, financial resources and real economic power, as the beneficiaries of world interdependence. Nations do not matter. The IMF constantly maintains that the TNCs are the main driving force of technical and economic progress in the developing world. Even after the nationalisation of the assets of the TNCs carried out by the Third World countries between 1960 and 1980, these 'prime movers of progress' still exercise control over more than 10,000 enterprises in the Third World. The total sum of their investments in these countries now stands at over 100 billion dollars. Much is said in the Western press about the TNCs equipping their plantations with upto-date technologies and introducing advanced cultivation methods, their vast international system of

TRIBUNE, OCTOBER 20 and 27, 1984



transportation, marketing and processing of agricultural produce are projected as great achievements. True, many transnationals' plantations are well-organised and consumers in the rich countries of the West get tropical and sub-tropical products practically throughout the year. But this is just one aspect of their activities. There is the reverse side to that, too. *The negative role the TNCs play in agriculture, particularly in food production, reveals itself in different forms.* To begin with, plantations are the property of the TNCs. This violates the sovereignty of the countries where they are located: For example, the enormous rubber empire of Ludwig a US transnational, in Brazil was a 'State within State' with its own administration and police, and Brazilian officials were only once permitted to visit it. It is worth noting that the TNCs control the best land, impose on host countries the patterns of farming and diet not suitable for them, and make them buy from these transnationals fertilisers and other farm chemicals, machinery and plant. These transnational corporations through heavy advertisement also seek to change the food habits of the developing countries in order to force them to import certain foodstuffs.

FURTHERMORE, the TNCs never make a secret of the fact that their produce is for export. In other words, the output is wanted on the foreign and not on the domestic market. Thus, it adds to the assortment of products consumed by the rich countries of the West, but results in hunger in the developing countries. As is well known, land is scarce in relation to its demand in many a country, the export crops reduce the availability of food products and the volume food output keeps falling. In the process, thousands of poor peasants lose their source of livelihood. *Although food production has been growing in almost all the developing countries over the last two decades or so, per capita food production has been increasing only at a decreasing rate.* In 54 newly-free countries, with a combined population of over 1.3 billion, there has been an absolute drop in this indicator. The hardest-hit in the recent past has been the African countries where food output in 1981 was only 89 per cent of the 1971 level. Consequently, average food consumption on the African continent is today 15 per cent below the 1971 figure and 20 per cent below the figure for the early sixties. According to FAO figures, 22 per cent of the population on the African continent suffer from hunger. The corresponding figures for Latin America and for the Far East and South-east Asia are 13 and 27 per cent respectively. It is colonialism which is solely responsible for the economic ills of the African countries. The Western world has been responsible for their agricultural backwardness. *Ignoring these countries' needs, the Western transnational corporations laid stress on commercial crops required by the metropolitan countries and reduced the area under food crops. The neglect of Africa's traditional farming sector and the lack of longterm*

*policies calculated to husband these countries' natural resources in the twentieth century increased Africa's dependence on the vagaries of nature, ruined millions of Africans and allowed famines to plague the continent. According to one estimates, the famine in Africa in 1984 alone is likely to hit 24 countries with 15 million people.*

ONE OF THE MAJOR DISTORTIONS of colonialism in the agriculture of the developing countries was the neglect of food-grains in favour of plantation crops like tea, coffee, peanuts, oilseeds, rubber, bananas, pineapples, mangoes, cotton, jute and the like, which were exported to the 'mother' countries. Colonial administrations hardly, if ever took interest in food-grain production. That distortion, however, led to the disintegration of colonial economies and determined the pattern of economic growth. Plantation crops have become their main export items today. In the meantime, they have become increasingly dependent on food imports. In 1960, they imported 20 million tons of grain: in 1970 about, 40 million tons: in 1980 80 million tons: and in 1990 it is estimated that import will go up to 451 million tons. This is one of the most tragic developments, specially in view of the fact that prices of plantation crops are falling in the world market. It is worth mentioning that the TNCs control production, processing and sale of much of the foodstuffs that enter the world market. Suffice it to cite the dependence of the economies of Bangladesh on export of jute, of Sri Lanka on tea, of Malaysia on rubber, of the Philippines on sugar, cocoa-tree products and abaca, to understand how dependent they have become on the colonial pattern of their earlier trade, which is now controlled by agro-TNCs.

SIGNIFICANTLY, the Western TNCs control the trade of plantation crops as also of food-grains. In many cases, they also control the plantations. As a result, they have a double hold on the developing countries. They are, therefore, able to manipulate the prices of agricultural products in order to get the maximum advantages. The price of sugar has fluctuated between 40 and 655 dollars per ton in the past 30 years or so, and of cocoa between 365 and 3,791 dollars per ton. But, in the last ten years, the price of American wheat has gone up steadily from 60 to 200 dollars per ton. *The point to note here is that while the purchase of wheat by the developing countries, has doubled between 1970 and 1980, the sale of their plantation crops to the developed countries has remained stagnant. And that explains how the TNCs are able to manipulate prices. Agribusiness is the new name of powerful agroindustrial complexes which are being set up in the developing countries by the transnationals in order to ensure cheaper food to the Western developed countries. We are not talking here of the traditional areas like, sugarcane, coffee, tea, banana, rubber, cocoa, etc.*



but of new enterprises which are being set up in order to provide food items which are becoming costly in the home countries.

For example, Mexico has become a producer of early vegetables for the US, meeting more than half of the US demand for many vegetables grown in winter and early autumn. Straw-berries are grown over large areas of Mexico and practically the entire crop is exported to the US. As for the EEC, from December to May, Senegal is meeting the demand for fresh vegetables. Surprisingly, it is a US company. Bud Antler, which has set up a giant plantation in Senegal to supply Europe with vegetables. In Mexico and Brazil, vast stretches of lands have been bought over by American companies to raise cattle for beef. From 1961 to 1979, the US increased its beef and veal imports five times from Nicaragua, eight times from Costa Rica, 11 times from Honduras and almost 18 times from Guatemala. At present, Central America alone meets more than half of the US demand for meat. In Thailand, the Japanese multinationals organised large-scale production of maize as cattle feed to be exported to Japan. Thailand has also become the world's biggest exporter of cassava, used in fodder production. By the end of the 1980s, Ivory Coast may lose all its forests. It may be noted that it is the indiscriminate felling of tropical forests that caused the drought and huge fires which destroyed the coffee and cocoa-bean plantations and reduced this country's agricultural output by more than one-third in 1983. The plight of this country underscores the sinister role which the TNCs are playing in Africa.

**This is a new type of business which is nothing but the old colonial system in disguise. They create enclaves of development but never touch the real problem—sufficient food-grains for the people. The TNCs are, in fact, peddlers of poverty. Behind the economic might and fabulous profits of the TNCs are the starving millions and backward agriculture of Asia, Africa and Latin America. The TNCs are eager to maintain the outdated and obsolete farming structures in these regions intact because they help them rake in huge profits.**

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GARDENS OF TAPROBANE — 6

## Taprobane

By The Count de Mauny

January 7: Taprobane on its northern aspect is only a hundred yards from the mainland. I had thought of building a bridge across the strait, but on thinking it over I decided that my island, on ceasing to be an island, would lose the charm of its "splendid isolation." I therefore built a stone pier, only 40 feet long, ending

in a stone Kandyan pillar crowned by a wrought-iron lantern.

The crossing, from November to April is made by wading through six inches of water, or by getting oneself carried across, shoulder-high, in an arm-chair. From May to November, during the south-west monsoon, and until the north-east monsoon sets in, the sea is deeper, with an undertow; we then use a catamaran, a native canoe—a dog-out built of planks sewn together with coconut-fibre—which is steered by an outrigger. The crossing takes three minutes at the most, and affords my visitors the excitement of a new sensation—cheap, and without danger.

WELIGAMA, a simple and primitive fishing village, lies hidden in the forest of palms. One would hardly suspect its existence were it not for the hundred catamarans lined up on the sands, their bows to the waves, their sterns to the forest; either drying their unfurled sails in the sun, or discharging the harvest of a *pecbe miraculeuse*. There they lie, awaiting the signal; when, manned by their owners, they glide silently into the water and sail towards the open sea. They start at sunrise and will return at sunset, filled to overflowing with fish of all kinds and hues, which, sent to Colombo for sale, constitute the wealth of Weligama.

From Taprobane I can see only the golden sands of the bay, the palms bending to the breeze, the tops of the trees in the jungle, and here and there, between the branches, a glimpse of the red cliffs, crowned by the sunny green of the forest. The bay, which is crescent shaped, stretches for miles with its golden sands; a small island, "Snake Island," so called, perhaps, because there are no snakes on it, rises to the east of Taprobane, opposite the opening in the coral reef, where it gets the full blast of the south-west monsoon. When the demented waves crash on the rocks the foam is thrown a hundred feet into the air, and falling back, covers the island, sweeping over the stunted trees, which are shorn by the inexorable scythe of the wind. While Snake Island moans under the ever-tightening grasp of the storm, Taprobane, sheltered from both monsoons, basks in the sun, and only guesses at the fierceness of the blast from the more pronounced swaying of the trees.

THE MODESTY which bids Weligama hide amidst the foliage does not prevent it from existing and prospering. It has its main street, shaded with beautiful trees, and a busy market, but its great fascination is that it is still primitive and unspoilt, still steeped in the Eastern atmosphere. Its streets are lighted, in the absence of the moon, by coconut oil lamps, the drinking water is sold in barrels to the tinkling of a bell, and its inhabitants are as yet uncontaminated by the plague of semi-education; they are still children of Nature, with the generous impulses of such fortunate beings.

TRIBUNE, OCTOBER 20 and 27, 1984



As Buddhists, the principal occupation of their women and children is to do nothing, except to go to the temple on "poya" days and scatter flowers at the feet of Buddha. At every quarter of the moon, but more especially at new full moon the whole countryside resounds with the thudding of tomtoms, the shrill notes of flutes, and the ringing of bells. Weligama knows nothing of the Depression. Rubber may shed tears of unsold latex, tea become a drug in the market (a medicine used by my old Cure in France only once a month); coconuts may rot unsaleable on the trees; but fish is still caught and sold, for depression or no depression, one must eat. Weligama, like the rest of Ceylon, has never been more prosperous than during the War.

MY FISHERMEN, like fishermen the world over, make hay while the sun shines and *crient misere* the rest of the time. Yet life in Ceylon is free and easy; the coconut tree supplies every need, the leaves roof it, the nuts are food and their milk quenches thirst, and if being tired of life, he calls for death, the Sinhalese has only to sit long enough at the foot of the tree; sooner or later a nut will fall on his head, fulfil his wish, and solve his problems for good and all. Easily contented, yet always eager for money if it is to be had without working for it, the Sinhalese is satisfied as the contested possessor of the twentieth part of a coconut palm.

Conservative by nature and instinct, the fishermen are "groovey" people, who hate change; at Gandra, for instance, they still wear the large home woven straw hat and the blue wollen jersey of the Portuguese days; and for all their peacefulness there are times when they borrow from the sea its stormy anger, when the knife, with its murderous blade comes easier to the hand than net or fishing line.

We get on exceedingly well together; they overwhelm me with fresh fish when they have no sale for it, and make me pay double the proper price; they "garland" me when they want to get something out of me, and embarrass me with praise when I thunder against the Local Administration, exasperated by its inertia and its love of hearing itself talk.

During the idle season, which is that of the southwest monsoon, the fishermen, having nothing else to do, adopt the domestic habits of the rabbit; their families increase at sight and children swarm on the sands, clothed in the most beautiful of costumes—namely, that *couleur de miel* bestowed upon them by Nature—and the waters of the bay are studded with bronze.

To be continued.

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TRIBUNE, OCTOBER 20 and 27, 1984

## METHODS TO CONTROL

### Rice Brown Plant Hopper

THE BROWN PLANT HOPPER (BPH), *Nilaparvata lugens* has become one of the important pests of rice in recent times. It has gained an unique importance among rice pests by its unpredictable occurrence, quick build up and great damage to the crop. The nymphs and adults of BPH desap the plants, and obstruct flow of plant sap by plugging phloem vessels with their stylet sheath. Although mechanical plugging of phloem vessels by stylet sheaths obstruct the movement of plant sap, actual removal of plant sap by feeding appears to cause greater damage. As a result of feeding, photosynthates and nutrients are removed resulting in reduced photosynthesis and physiological disorders in the roots followed by leaf drying. The leaf sheath and the leaves of the infested plants first turn yellow, change to orange and dry up completely when the population exceeds 400-500/hill. Due to BPH damage, the rice crop will dry up in patches, giving a pale brownish, appearance called "hopper-burn". This insect also transmits two plant viruses causing Ragged Stunt and Grassy Stunt diseases. These two diseases have occurred in epidemic proportions in India, Indonesia and the Philippines, following major outbreaks of BPH.

In Tamil Nadu, BPH is usually observed in large numbers from August to December with peak incidence during October and November. In Thanjavur district where the pest has become almost endemic during kuruva season, it manifests itself in greater proportions during October-November, when the crop is in post-flowering stage. After the introduction of high yielding varieties followed by adoption of modern crop production technology, the BPH damage has increased in most areas. The dense foliage formed when the high tillering varieties are planted closely, with increased doses of nitrogenous fertilizers, changes the microclimate in the field as compared to traditional varieties. The changed environment is in favour of the BPH for its survival and multiplication. However, it is our failure to anticipate the BPH build-up and take up the pest management practices at the appropriate time has led to widespread loss. Close spacing is associated with BPH build up. Adopting a planting space which will not affect the yield and at the same time do not encourage BPH build up, is essential. Staggered planting also results in the BPH sustaining in different stages of its development for a longer period in rice crop.

Higher levels of nitrogenous fertilizers applied to rice crop increase the growth and nutritional quality of the plants leading to increased feeding, survival and reproduction of the insect. Indiscriminate use



of insecticides also lead to outbreak of BPH. Insecticides applied to rice crop when not warranted, kill the natural enemies of the BPH and help the hopper build up. Recent studies have shown that some insecticides induce the BPH build up, when their toxicity is lost. This is termed as "resurgence" and the crop suffered by BPH damage due to use of wrong insecticides at inappropriate period. Methyl parathion, deltamethrin, quinalphos, carbofuran and fenthion applied as foliar spray to rice crop induced BPH resurgence.

The BPH problem has developed into a complexity that it is difficult to solve it with any single control method. A judicious combination of different control methods is essential for effective management of BPH. The important management practices are presented hereunder: (1) A rice variety resistant to the local PBH population if available should be selected. In Tamil Nadu, Py3 Triveni and CO 42 are found to be field resistant to the BPH. The popular ADT 36 has moderate resistance. A short duration variety has a better chance of escaping damage than a long duration variety, since the BPH will not be left with sufficient time to increase to damaging proportions; (2) Synchronized planting of rice varieties of more or less uniform duration; (3) Avoiding closer spacing and excess nitrogen. Providing rogue space at every two metre in the field to facilitate insecticide application; (4) Proper water management will help BPH management. In BPH prone areas, water should be drained from the field periodically to discourage survival and multiplication of the insect; (5) Setting up light traps to assess the population of BPH present in an area, as well as control them; (6) Periodical examination of the crop and avoiding insecticide application when not warranted, or when predators like spiders and mirid bugs are present in large numbers; (7) Insecticide application should not be resorted to unless the BPH population reaches the economic threshold level (1 BPH/tiller).

Application of carbofuran granules at 17 kg/ha in the transplanted crop, or spraying monocrotophos 1.25 litres/ha or phosphomidon 500 ml/ha at the base of the infested rice plants is effective in controlling the pest. At post-flowering stage, BHC 10 per cent dust can be dusted at the rate of 50 kg/ha at the base of the plants. Insecticides that cause resurgence of the BPH should be avoided. **Dr. S. Chelliah, Coimbatore.**

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INCREASED MAIZE PRODUCTION

## Soviet Technology

THE INDUSTRIAL MAIZE GRAIN GROWING TECHNOLOGY evolved in the USSR is successfully

used at many Soviet farms. The technology is characterised by the application of herbicides which gave a strong effect and which decompose quickly, by the use of modern machinery, which fully excludes manual labour, etc. However, the technology, which is optimum for some agricultural zones, cannot be mechanically applied everywhere. Kirghizia's scientists have improved the existing technology of maize growing on the basis of local experience. Mountains occupy a greater part of Kirghizia's territory. Farming in Kirghizia is concentrated in depressions and hollows situated at an altitude of 400 to 2,500 metres above sea level. The soil and climatic conditions are rather varied, but hot arid regions prevail. Heat was the main factor which compelled scientists to change the conventional method of maize grain growing. Without going into detail, some of its specific features are mentioned here.

The initial technology rules out the post-planting inter-row soil treatment. But in Kirghizia's arid areas where farming is mostly irrigated furrow by furrow such treatment is indispensable. However, while in the case of the conventional technology of maize growing plantations are watered not less than four to six times, they are watered just one or two times, if the industrial method is applied. And yet the main specific feature is the use of highly efficient maize hybrids bred in Kirghizia. Our plant-breeders have created two hybrids of the intensive type: the Chuis-kaya-62 and Chuis-kaya-466 varieties. Their potential crop capacity is 6,000 to 7,000 kg per hectare. Both hybrids are well adapted to machine treatment and to local climate. The plant-breeding experiments and the experience in growing these hybrids at the two above-mentioned farms have made it possible to determine the optimum density of the plants. Earlier, when we sowed Yugoslav hybrids, 50,000-55,000 plants grew on each hectare. At present we sow 70,000-80,000 Kirghizia hybrids per hectare.

This example shows that in modern industrial technologies the plant-breeding is the main way of raising the efficiency of crop-growing. Kirghizia's scientists have created also such wheat varieties which yield five to 400 kg more grain on irrigated lands and 100 to 200 kg more grain on bogharic (non-irrigated) lands than the famous Bezostaya-1 wheat variety. These are varieties of the intensive type—the Erythrospermum-80, Intensivnaya and Frunzenskaya-60 varieties. The Erythrospermum-8p variety, for instance, is winter-hardy, disease-resistant and drought-resistant. It yields up to 3,800 kg of grain per hectare. The Intensivnaya variety is two-grain wheat, that is, it can be sown in early and late autumn and in spring. It combines precocity with good technological qualities of grain. On irrigated lands its yield capacity varies from 2,750 to 3,500 kg per hectare and on bogharic lands it reaches up to 2,000 kg per hectare. The

TRIBUNE, OCTOBER 20 and 27, 1984



Frunzenskaya-60 variety designed mainly for non-irrigated lands can withstand high temperatures and yield up to 3,400 kg of grain per hectare. Over the past few years Kirghizia's plant-breeders have developed (and adapted to local conditions) five wheat varieties five barley varieties, three maize hybrids, seven grapes varieties and two sugar beet varieties—APN.

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PEST CONTROL

## Ladybirds Better Than Chemicals

By Gisela Schiite

AGRICULTURE AND FORESTRY are ill advised to use so many chemicals in pest control, entomologists say. They would do better to deploy ladybirds and other insects to beat the bugs biologically. Farmers and foresters were given this advice at the International Entomological Congress in Hamburg's congress centre by conference Chairman Professor Berndt Heydemann, from Kiel. Two and a half thousand scientists from about 90 countries compared notes on pest control, ecology and protection of endangered species. Chemical war on pests indiscriminately kills useful insects and can change an entire eco-system, which is why scientists argue the case for integrated plant protection, using as few chemicals as possible to hit out at harmful species only. Above all, entomologists say the best way to deal with marauding or stinging insects is to beat them with their own weapons. Biological pest control can put paid to the bark beetle, for instance, by using the insect's own scent to lure it into a trap.

LADYBIRDS AND PARASITICAL HYMENOPTERS can be laboratory bred for use in pest control. A single ladybird can knock out 500 greenflies in its lifetime. In days when the natural cycle was still intact the parasitical hymenopter wiped out 90 per cent of the cabbage butterfly population by laying its eggs in their caterpillars. But enough wild plants must be available to ensure a natural balance is maintained between pests and their natural enemies. No headway could be made by inactivity on this score, Professor Heydemann said. "In Schleswig-Holstein we have succeeded in persuading local authorities not to mow roadside strips of grass." If European farmers were to produce only as much food as their fellow-countrymen needed, chemical pest control could be discontinued within 10 to 20 years. Single-crop farming and the breeding of varieties that need less care while giving a higher yield are problematic, the Kiel entomologist says. Varieties of crop plant that bear more and more fruit tend to be more suscep-

tible to disease and require increasing protection. Pest damage could be naturally reduced, and reduced substantially, by crop rotation and growing a wider range of grain. "Ninety-five per cent of grain pests don't harm root crops," Professor Heydemann says. But a rethink along these lines would require farmers to cost operations again, with special reference to the use of machinery. Forestry faces comparable problems. Over 10,000 varieties of insects and about 100 pests live in the woods and forests of Central Europe. The insects keep the forest alive by converting fallen leaves and needles into humus. They are also more resistant to environmental influence than, say, worms.

WHEN TREES ARE HIT, say by acid rain, pests such as the bark beetle tend to make short shrift of them. The Hamburg congress discussed in detail how tree killers could be lured to their doom by traps emitting their scent, which varies according to distance and kind of tree, it seems. Professor Heydemann complained that scientists were trailing trends in pest control and ecology and spending too much time remedying the effect of chemicals on the environment. In future, research must concentrate more on the future and on identifying trends and risks beforehand. Genetic engineering was a case in point, harnessing the microbe to synthesise substances of use to medicine, such as insulin. The insulin was extracted from bacteria and the empty cells, as it were, pumped into septic tanks. Were insects that came into contact with the septic tanks affected in any way? No one knew. It was a subject scientists still had to look into. An exhibition has been arranged to tour 25 German cities and explain why the 1.4 million varieties of insects in the world have evolved so successfully over the past 500 million years.

"They are," Professor Heydemann says, "species that are particularly well able to adjust, and adjust fast, to their environment." The exhibition highlights the ecological conditions and problems and the solutions insects have arrived at to meet requirements. Illustrations have been chosen to please the eye, the aim being to teach people to see creepy-crawlies differently, even the ones that are usually at the receiving end of poison, fly swats and rolled-up newspapers. Insects, Professor Heydemann says are by no means stupid. They can learn from experience and reach conclusions by association and hand on their knowledge to their offspring. "Insects' brains are highly specialised even though, as in the house-fly's case, they may be only about a tenth of a pin-head in size. "A cubic millimetre of insect brain contains up to five million circuit elements, while nature devised colour TV in the form of the insect's eye 250 million years ago. "Modern technology is merely an imitation of nature. There is no more perfect medium of news transmission than chemical communication between bees." Not even the most



sophisticated man-made technology has yet succeeded in reproducing natural flight techniques and wing design. The strategy by which insects adapt to their surroundings could hardly be more flexible. They respond to short-term changes by swifter generation cycles. When living conditions are stable, insects can live for almost as long as humans. Some kinds of grasshopper have a life-span of up to 17 years, while varieties of long-horn beetle can live up to 30 years. *Die Welt*. 22 August 1984. Courtesy: *German Tribune*..

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FROM GRAIN

## Ethanol and Starch

**STOCKHOLM**—A processing plant for converting grain into ethanol, starch, protein fodder and carbon dioxide was inaugurated in early September at Lidköping, West Sweden. Among the partners responsible for the project are Agroenergi Utveckling AB, owned by the Swedish Farmers' Purchasing and Marketing Association, Alfa-Laval AB, the Swedish specialists in separation and thermal techniques, liquid handling etc., the Kungsörnen flour-mill group and Vastsvenska, Lantman.

The process is based on new Alfa-Laval technology that is described as unique. It includes the Biostil method, a continuous fermentation process entirely integrated with the distillation unit. Said to be superior to traditional methods, it produces a very concentrated wash, which can be dried at a low consumption of energy. The ethanol yield is expected to be at least 10 per cent higher than with conventional processes.

The milled flour is mixed with return mash and process water and enzymes are added. After heating to 90°C the starch is fluidized. Cooled to 60° and with the addition of further enzymes the starch is converted into fermentable sugar in about 20 hours. The mixture, now called mash, is cooled to 32° and conveyed to a fermentation tank where the sugar in the mash is transformed into alcohol and carbon dioxide. Fibres and yeast are separated for further processing and the alcohol is heated and pumped to a distillation column for evaporation and condensation. While the alcohol goes to a storage tank, the wash is collected at the bottom of the column. Consisting of water and proteins, the wash is pressed through nozzles and formed into fodder pellets, which are hot-air dried before going to storage.

In a special decanter, the Best quality starch, so-called A starch, is separated and further refined into "native starch". It will be used mainly in the paper industry. Remaining starch, proteins, etc., are

dewatered and conveyed to the ethanol process. The ethanol produced will be acquired by the Swedish Co-operative Oil Company OK for mixture with petrol sold in the Stockholm region. The fodder products will be marketed by Vastsvenska Lantman and the starch by Raisio-SLR AB. The carbon dioxide is dried and compressed by AGA Gas AB in an adjacent plant for use, among other things, in the foodstuffs industry.

The Lidköping installation, which will also function as a reference plant, will receive some 32,000 tons of grain annually. Production will include 7,000 culm. of ethanol, 7,000 tons of starch, 5,000 tons of carbon dioxide, and 12,000 tons of fodder products. Sweden's cultivated acreage currently totals 2.9 million hectares, 2.5 million of which are needed for production of foodstuffs. On the remaining 0.4 million hectares mainly cereals are grown which are exported at prices lower than on the Swedish market. If all petrol sold in Sweden were mixed with 6 per cent ethanol, this would take care of the 1 million ton grain surplus, Agroenergi says.—S/P.

### SCIENCE, DEVELOPMENT and MAN

DARWIN CENTENARY — 2

## At School and University

By Prof. A. C. J. Weerakoon

Darwin was born on 12th April 1809 in Shrewsbury, a small English town close to the Welsh border. A few months after his eighth birthday he began schooling at the local church-school where he remained for a year before entering the local boarding school. Instruction at Shrewsbury was strictly classical, with a little geography of the ancient world and a little history thrown in; no science at all. So classical indeed was the curriculum that, when it got to be known that the young Darwin had taken to helping his elder brother, then a medical student of Edinburgh University, with his chemical experiments, its Headmaster, the famous educationist Rev. Dr. Samuel Butler, had publicly rebuked the boy "for thus wasting (his) time on such useless subjects" (all quotations, unless otherwise stated, are from Darwin's *Autobiography*). As a matter of fact Darwin was a very conscientious student attending all the classes at school and carrying out all the exercises set him. These were mainly the learning off by heart of lessons taught the previous day.

TRIBUNE, OCTOBER 20 and 27, 1984



But for all his conscientious application to his studies, the boy was considered to be a mediocre student and was therefore removed rather earlier than usual and, at 16 plus, sent to Edinburgh to study medicine and become a physician like his father. However, even before he had begun schooling Darwin had taken to collecting. He collected all sorts of things: coins and minerals, snail-shells and birds eggs and insects. He watched birds and made note on their habits, inspired by the Rev. Gilbert White's famous book, *Natural History or Selborne*. He took to angling and also, during his later years at school, to shooting game-birds. He grew passionately fond of this sport and made himself an expert shot. His insect collecting taught him so much entomology that he was able, when only 10 years old, to spot several species in Wales which were not found around his home in Shropshire. The boy also developed a great love for reading and, whilst still a school-boy, had read all the historical plays of Shakespeare, and also much other poetry like the recent works of Byron and Scott. This and all his other pursuits were inspired and encouraged by his family, especially his sisters. So, despite the school, Darwin's childhood was not entirely wasted.

At Edinburgh University Darwin was, of course instructed in various sciences as part of the medical curriculum; but he found all the lectures "intolerably dull" except those in Chemistry; ward classes he found distressing. Nevertheless he worked his way through them conscientiously, excepting the demonstrations in surgery. This was before the days of chloroform, and the first two operations he watched so upset him that he never attended any more. He gained no more from formal instruction at Edinburgh than he had at school. But, as before, he occupied himself with many activities *outside* the curriculum. He continued with his collecting; he regularly attended meetings of the Plinian Society, which had been started to encourage students to discuss their own observations in natural science. Here Darwin made many interesting acquaintances; among them a young Dr. Grant who introduced him to collecting marine life from tidal pools. Before long Darwin had made two small but original discoveries in marine biology which he presented at the Plinian Society. Dr. Grant also introduced him to the evolutionary ideas of Lamarck, but Darwin was as little impressed by them as he had been by those of his grandfather Erasmus Darwin.

Through others of his Plinian Society acquaintances Darwin gained admission to meetings of the Royal Medical Society, the Royal Society of Edinburgh and the Werner Society. At this last he attended lectures by the renowned ornithologist, Audubon, on the habits of North American birds; and he also made the acquaintance of a negro who had accompanied the

explorer Waterton into Guyana and who had later settled in Edinburgh, making his living by stuffing birds. It was from him Darwin learnt this art; and, doubtless, much else besides, for Darwin has written "I used often to sit with him, for he was a very pleasant and intelligent man."

After two years at Edinburgh it became very clear that Darwin would never make a doctor and his father suggested that he might become a clergyman. At that time Darwin believed in "the strict and literal truth of every word in the Bible". Not un-naturally he found he thoroughly liked the idea of becoming a country-clergyman. So off he went to Cambridge to take an Arts degree, as a preliminary to entering the Church. At Cambridge there was no science in the curriculum he followed; only Latin and Greek and various theological subjects. Darwin had developed a strong aversion to lectures as a result of his Edinburgh experience and it was fortunate therefore that his subjects included very few compulsory lectures, more reliance being placed, at Cambridge, on self-study. So Darwin was quite happy. He joined a 'sporting set' amongst students and spent much time indulging his passion for hunting and shooting and for long rides across country; there was also some occasional mild drinking, singing and card-playing in this 'sporting set'. But he had more serious-minded friends as well. One introduced him into a 'musical set', members of which soon developed in him a strong love for good music; another introduced him to art and fostered in him a very discriminating taste for good paintings and engravings; yet others helped him to develop still further his already considerable knowledge of insects. And above all there was the friendship of the Rev. Dr. Henslow, Professor of Botany.

Darwin had heard great praise of Henslow before he entered Cambridge. Therefore, although his Edinburgh experience had made him quite sick of lectures, he did attend, *though not as an enrolled student*, a course of lectures in Botany which Henslow gave for *any one* interested enough to attend. Darwin was charmed with them; and soon joined his botanising field-excursions as well. He also obtained an invitation to Henslow's weekly 'Friday Evenings' at which undergraduate and senior members of the university interested in science met for discussion. Darwin found these discussions so enlightening that he went to them regularly. Soon Henslow had befriended him; and Darwin got into the habit of joining him in his long daily walks. Henslow who, was vastly knowledgeable in a variety of sciences, like Botany, Entomology, Chemistry, Mineralogy and Geology, proved a wonderful teacher and guide for the young man's growing mind.

When Darwin about three years later scraped through his degree examination and found he had to remain two more terms before graduating (because he



had enrolled late), Henslow advised him to begin a serious study of Geology; which he did. A little later he advised Darwin to accompany Sedgwick, the famous Professor of Geology, on a geological mapping tour of North Wales on which Sedgwick had planned to spend his summer vacation; which also Darwin did, describing it later as being of decided value in teaching him how to make out the geological nature of a country. But Henslow and Sedgwick were only two of the many distinguished scholars Darwin came to know through his visits to the 'Friday Evening' parties. Contact with them all helped to mould Darwin's mind. Thus was the young scientist made.

Later in life Darwin was often severely critical of the formal training he had been given. But there is no doubt that the system at school and university, particularly at Cambridge, by which self-study by the inquisitive young mind was encouraged in a hundred subtle ways through leisure and extra-curricular activities of all sorts, played an invaluable and indispensable role in the training of the young.

One wonders whether we in Sri Lanka today start school too early (you will recall that Darwin began after this eighth birthday) and whether, at school and university, we are not dangerously overburdened with formal and compulsory instruction, crammed with prescribed exercises, robbed of our leisure, that precious free time in which the healthy inquisitive young mind can train itself in fields of its own choosing; whether we are being deprived of the influence of cultivated academics, by a policy of gross underpayment of our teachers. One wonders whether these are the reasons why our system produces so many pedestrian minds. But, perhaps pedestrian minds are just what a society as childishly enamoured of motor-carried bodies and computer-controlled processes as ours is, needs.

So very defective in Darwin's youth, instruction in British schools and universities was amongst the best in the world by the turn of that century. One cannot help wondering how the British achieved such tremendous improvement *without* the foreign educational consultants, *without* the short study-tours, the seminars, the workshops and the conferences, local, regional and global, which (so we have been made to understand) and indispensable, and which the rich nations of the world and the ubiquitous Agencies of the U.N. Organisation are so 'generously' eager to assist us with, we the under-developed countries, like Sri Lanka. Could it be that the secret of the British success was a *real* independence, an *honest* self-respect, and a *stubborn* self-reliance?

*To be continued*

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## CORRUPTION

# In The Developing World

By Leslie Palmier

CORRUPTION in the Third World is often considered one of the greatest obstacles to its development. This is not because corruption is unknown in more industrialized countries, but simply because they are better able to afford the waste and loss that follows. We perhaps do not need too many examples of the malpractice. We are all familiar with officials and politicians who enrich themselves greatly as a result of placing contracts, or with income tax inspectors who collude with their assesseees, or with station-masters who inflict a tax on all who use their platforms, or with government clerks who do not move files unless they are paid first. In all this there is very little that is new; similar instances are repeated, with great monotony, from country to country, irrespective of regime, political slogans used, or religions followed.

My concern is with the curbing of corruption, since eradication is a pipe-dream. Over the last few years I have made a study of the attempts by this country (India), Hong Kong and Indonesia to do so with regard to their public administrations. I have not specifically considered political corruption. This is not because I consider it less important than bureaucratic corruption, but rather because few, if any, governments have shown an interest in curbing it; whereas some have established institutions, and taken measures, against corruption in their administrations. One may also argue that the ordinary citizen in his daily life is perhaps more aware of bureaucratic than of political corruption. Nevertheless, the inferences that could perhaps be drawn from my work may have a certain applicability to the political sphere also, as we shall see. *The first point* that seems to emerge from my work is that corruption should not be seen as a purely personal act. Though legal codes are drawn in terms of individual responsibility, it seems more useful to consider corrupt officials not as 'bad apples', removal of which would arrest further deterioration among their fellows, but rather as indicators of a wider grouping, all or most of whose members are similarly engaged. This was particularly the case with the Royal Hong Kong Police Force; it was also so with the Indonesian bureaucracy; and it is clear enough in the Indian bureaucracy. In other words, contrary to the 'bad apple' theory, corruption should be considered a corporate activity. It follows that in considering remedies, it is essential to take into account the general conditions which may encourage or deter corruption among a body of officials taken as a whole. The factors which appear to be most important are opportunities, salaries and policing. Before discussing them, I cannot emphasize too strongly that all three

TRIBUNE, OCTOBER 20 and 27, 1984



must be thought of simultaneously, much as a juggler keeps three balls in the air at the same time. Also, it is the relationship between them, not any one of them alone, that matters.

*Opportunities are presented particularly by the direct involvement of public servants in the administration or the control of lucrative activities. These may include import licensing or the placing of defence contracts in this country, the regulation of gambling or prostitution in Hong Kong, or the procurement of rice in Indonesia, to give only a few examples. With the other two factors remaining constant, the more opportunities that are offered, the more that are seized.*

Poor pay is a powerful pressure towards corrupt gains, if only to make ends meet. This may be seen with lower level officials in India, in Hong Kong policemen, and the Indonesian bureaucracy as a whole. Public servants, who are not remunerated enough to meet their usual obligations, are only too likely to take advantage of whatever opportunities may arise for unauthorized gains. Policing refers to the probability of detection and punishment, the former being perhaps the more important. For it would appear that when corruption occurs, it is being tolerated. In Indonesia it has been little penalized by senior officials; in this country, it is most widespread among junior employees where, partly because of their inadequate pay, it is condoned by their seniors. Corruption among the lower ranks in the Hong Kong administration has long been tolerated. In other words, in these instances there was little attempt at policing.

TO REPEAT, however, bureaucratic corruption seems to depend not on any one of the factors identified, but rather on the balance between them. At one extreme, with few opportunities, good salaries, and effective policing, corruption will be minimal; at the other, with many opportunities, poor salaries, and weak policing, it will be considerable. All gradations in between are possible, and each of these factors may affect the others. A salary which may be enough for an official presented with only few and minor opportunities may be quite inadequate for another offered great temptations. Vice Versa, opportunities seized by a poorly-paid official may not even be noticed by one who is well remunerated, and so considers himself above such petty inducements. The threat of the loss of a generous salary may itself be an effective sanction. Very determined policing might outweigh both the attractions of many opportunities and very poor salaries; equally, great opportunities might over-ride even draconic policing and high salaries.

IN SEEKING REMEDIES, the removal of opportunities may be considered first. An important element in the reform of both the British and Dutch East India Companies in the eighteenth century was the transfer of their servants from commercial transactions. The same result, one may be sure, would ensue if public servants were not required to control commercial activities. Nevertheless, even under the most minimal government, there will always be some departments in direct relationship with the public, if only to raise revenue and maintain public order. So in any administration, prevention requires that the laws, rules and regulations should be carefully scrutinized, to ensure that they are free of loopholes providing opportunities for illicit gains.

Furthermore, only such laws and regulations should be enacted as can be enforced; otherwise they become levers for corruption. Support for this suggestion comes from studies of police corruption in the United States, which conclude that modification of "unenforceable" laws is a policy which is almost universally recommended as a measure likely to discourage corrupt practices'. Happily, both the Indian Central Vigilance Commission and the Hong Kong Independent Commission Against Corruption have devoted attention to the review of laws and procedures which may provide opportunities for corruption. The Indonesian agency, known as Opstib, has not yet reached the point of considering prevention seriously.

Needless to say, the 'modification of unenforceable laws' should not be taken to mean that all laws which are frequently broken must be repealed. There appears to be, however, a general feeling that laws which do not agree with the moral sentiments of the public at large (as distinct from the high-minded) will be found to be unenforceable; those against gambling and alcohol may be cited as a case in point. It is not only of this country that, as an Indian scholar put it, 'attempts at regulating the morals of the nation through laws . . . have proved to be a fertile ground for the growth of crimes and corruption'. In contrast, laws against heroin abuse, for example, seem to be generally supported by both the public and enforcement agencies; and so give rise to rather less corruption. Unenforceable laws are not limited to the moral sphere. For example, attempts have been made to control prices at levels which would ruin traders; there is little chance of such laws being enforced, and a great probability that they will generate corruption.

*To be continued*

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CONFIDENTIALLY

## Cost of Living

IS IT NOT A FACT that prices of basic and essential commodities have gone up several fold? That the small elite whose open economy income has shot up have no problems with the increased prices? That the increases mean little or nothing to them? That many of them think nothing of spending a few thousands a day dining and wining at five star hotels? That the country pays for this extravagance as all this waste goes as income-tax deductible expense account expenditure? That some of these gentry with gay abandon throw a few lakhs every week at the posh Casinos that have sprung up in the "open economy" City of Colombo? That nobody will mind this high living if ordinary people get an adequate income to live decently? That prices of essential goods have increased anything from four to twelve times on an average? That income earned by ordinary people has not gone up even a fraction of the increase in the price of goods?

THAT THE CONSUMER SURVEY released by the Central Bank recently is being used by government to "prove" that Sri Lankans were better off now because (as one newspaper headline reported) "AVERAGE MONTHLY INCOME OF LANKANS ALMOST DOUBLED IN 1982" as against income earned in 1979? That a summary of the Survey published newspapers read: "According to the survey the average income per receiver was Rs. 1,111 in 1981/82 as against the corresponding average income per person of Rs. 616 in 1978/79. The Bank's consumer finances and socio-economic survey for 1981/82 said that 35 percent of income receivers had an income of less than Rs. 500 per month. The monthly income of 10.3 percent of income receivers exceeded Rs. 2,000. Persons employed in the agricultural, animal husbandry, forestry workers and fishermen trades dropped from 50.7 percent in 1978/79 to 46.65 percent in 1981/82. The highest income earners was concentrated in the urban sector with 18 percent of income receivers in this sector receiving incomes exceeding Rs. 2,000 per month. At the other extreme, the incidence of low incomes was high in the estate sector.... That this summary in no way justifies the headline? That whilst urban incomes had increased, the incomes of persons in the agricultural sector (including animal husbandry, forestry workers, and fishermen) had dropped from 50.7 percent in 1978/79 to 46.65 percent in 1981/82? That the bulk of Sri Lanka's population live and work in the rural and agricultural sector? That it is true that normal incomes have increased since 1977 but what of real wages? That it is also true that wages in the estate sector were

increased in 1984? That what is important is not the nominal wages received, but the real value of money and what the rupee can purchase?

THAT the 1981/82 Consumer Survey, according to the newspaper summary is "Referring to expenditure, the report said expenditure on rice increased from the level observed in 1978/79 while the proportion devoted to other cereals like wheat flour and bread declined. Expenditure on cereals such as rice, wheat flour, bread declined in significance with income while that on meat, fish, eggs, increased in significance. The proportion of total expenditure on housing, clothing and transport (including expenditure on petrol) increased with income, while that on fuel including expenditure on petrol declined with income...." That all this is very good? That two years have gone by since the Report was finalised and whilst income increases have been sluggish, prices have shot up to dizzy heights and the real value of the rupee has fallen? That in recent weeks with the by-elections in the air, there has been a proliferation of schedules setting out the cost of living in 1977 and 1984? That a study of these figures show that prices of basic essentials have risen sharply? That while it is true prices have increased in all parts of the world in some countries incomes have also increased in equally dramatic fashion? That there are however a very large number of countries especially in the Third World where incomes have either been stagnant or have not moved upwards in proportion to price increases?

THAT IN COMPARING PRICES in 1977 and in 1984, it is well to remember that in 1977 many or most items were not readily available at the "official" prices mentioned but could be bought only in black-markets at fancy prices? That today all goods are available at high prices which makes the black-market unprofitable? That whilst some of the 1984 prices can be justified, there are items the prices of which savour of the black market exploitation and worse? That for instance, a bar of washing soap which was Rs. 2/40 now costs Rs. 25/-? That even those who have studied the memorandum of the soap makers can find little justification for this increase? That there are many other items where prices of local products have been pushed up? That apart from this, basic food items now on an average cost four to twelve times more than they did in 1977? That incomes even in the urban sector (except for the small elite of open economy tycoons) have not increased to that extent? That this is the real crunch? That statistics and Central Bank Surveys are not necessary to realise that increasing numbers of the ordinary people face malnutrition, hunger and even starvation?

TRIBUNE, OCTOBER 20 and 27, 1984





**LAND ACQUISITION ACT (CHAPTER 460) AS  
AMENDED BY THE LAND ACQUISITION  
AMENDMENT ACT NO. 28 OF 1964**

**NOTICE UNDER SECTION 7 (1)**

*My No. Ath/Kot/03/13*

It is intended to acquire the lands described in the schedule below for a public purpose. For further particulars please see Gazette Extraordinary of the Democratic Socialist Republic of Sri Lanka No. 317/8 of 03. 10. 1984.

**SCHEDULE**

**Situation** : Ranwantalawa, Morape Udagsmmedda, Morapegammedda and Boruwagama villages, Pallepene Korale Mlnor Division, Kotmale Divisional Revenue Office's Division in Nuwara Eliya District.

**Preliminary Plan No.** : Nu/879

**Lot Nos** : 1 to 144 (except Lot 73)

**S. Hulengamuwa**  
Acquiring Officer (Kotmale)  
and Addl. Govt. Agent, Nuwara  
Eliya/Kandy Districts.

Acquisition & Resettlement Office,  
Kotmale Hydro Power Project,  
Maswela.

1st, October, 1984.

**THE LAND ACQUISITION ACT (CHAPTER 460)  
AS AMENDED BY THE LAND ACQUISITION  
AMENDMENT ACT NO. 28 OF 1984**

**NOTICE UNDER SECTION 7 (1)**

*My No. Ath/Kot/02/15*

The Government intends to acquire the land described in the schedule given below for a public purpose. For further particulars please see the Gazette (Extraordinary) of the Democratic Socialist Republic of Sri Lanka No. 318/2 of 08. 10. 1984

**SCHEDULE**

**Situation** : Lot No. 12 in Preliminary Plan No. Maha 2287 in the village of Mawature, in Kandukara Ihala Korale, Divisional Revenue Officer's Division of Uda Palatha in Kandy District.

**Lot No.** : 12.

**S. Hulangamuwa**  
Acquiring Officer (Kotmale) &  
Additional Government Agent,  
Nuwara Eliya and Kandy  
Districts.

Acquisition & Resettlement Office,  
Kotmale Hydro Power Project,  
Maswela.

29th September, 1984.

**THE LAND ACQUISITION ACT (CHAPTER 460)  
AS AMENDED BY THE LAND ACQUISITION  
(AMENDMENT) ACT NO. 28 OF 1964**

**NOTICE UNDER SECTION**

*Reference No. LD/F698*

It is intended to acquire the land described in the schedule below for a public purpose. For further particulars please see Gazette Extraordinary of the Democratic Socialist Republic of Sri Lanka No. 317/11 of 04. 10. 1984

**SCHEDULE**

**Situation** : Nikahetiya village, Kandupalatha Korale Miner division, Udumwara D. R. O.'S division, Kandy district.

**Name of Land** : 1. Walpolawatte  
2. Walpolawatte  
Aswaddume Kumbura  
3. Wandurumullehena  
4. do

**Plan & Lot Nos** : Lot. 1. Maha 2330  
Lot. 2. Maha 2330  
Lot. 3. Maha 2330  
Lot. 4. Maha 2330

**K. B. Wijekoon**  
Assistant Government Agent,  
Kandy District

The Kachchari,  
Kandy, 01st October 1984



## **MINISTRY OF LOCAL GOVERNMENT, HOUSING AND CONSTRUCTION COMMON AMENITIES BOARD TENDER NOTICE**

1. The Chairman, Tender Board, Common Amenities Board, 1st Floor, National Housing Department Building, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 will receive tenders up to 10.00 a.m. on 5.11.1984 for proposed Stalls and Flats at Angoda.
2. Tenderers should be registered for similar works for Rs. 1,000,000.00 and over in the Common Amenities Board or in Government Departments/Corporations or Statutory Boards and who have completed jobs satisfactorily for such value should produce proof before the Tender Forms are issued to them.
3. Tender documents will be issued by the office of the Chairman, Common Amenities Board till 3.30. p.m. on 02.11.1984 on payment of a non-refundable Tender Fee of Rs. 1,000.00 in cash and on production of the receipt thereof.
4. Tenders will be opened on 05.11.1984 at 10.30 a.m. Tenderers may be present at the opening
5. Tenderers should keep their offers valid for acceptance for a period of 60 days from the date of closing of tenders. •
6. The selected Tenderer will have to provide a security deposit of 2 per cent of the accepted tendered amount which will be refunded after the satisfactory completion of the work.
7. Tenderers in respect of tenders from private companies should declare the names of the Current partners and shareholders and in regard to public companies the names of the Directors of the Company
8. Any further information can be obtained from the undermentioned.

**Chairman.**

10.10.1984  
Common Amenities Board.