

# Contemporary

A 'RAVAYA' PUBLICATION

HILTON

## A SCANDAL AND THE COVER-UP



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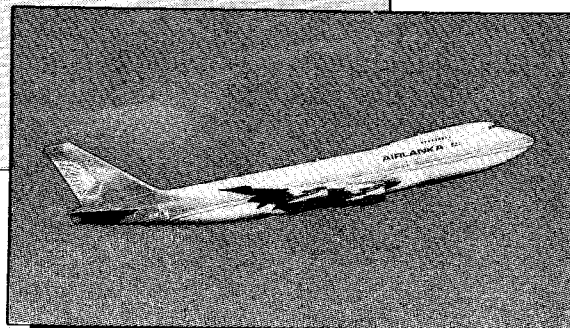
What began as a case of a multi-million dollar fraud by reducing, illegally, the number of hotel rooms at the Hilton has turned into Sri Lanka's biggest scandal of recent times, its cover up implicating politicians, foreign and local financiers, professionals, statutory bodies and the legal establishment.

A series of exposes on the corruption, mismanagement and nepotism that is part of **Counterpoint's** continuing coverage. Detailed reports on the Duty Free Complex at Katunayake, the Tea Research Institute and the Swiss Multi-National Nestles highlight different aspects of this raging political disease.

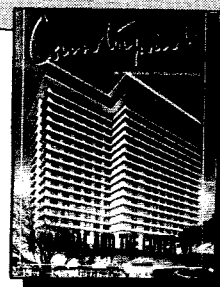
**EXPOSE 24****18 BATTLE LINES**

The new Army Commander takes over at a crucial juncture in the war, and faces the challenge of re-organising and re-inspiring the entire military effort.

Airlanka's past mistakes cannot be wished away, and the need of the hour is to present practical solutions to redress the damage already done, as well as to plan for the future.

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**Cover:**  
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Asoka  
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# Governing through fear

**T**he Presidential promulgation into law of the Sedition and Incitement clause (Public Security Ordinance, section 2A, subsections 25A & B) under Emergency Regulations is the latest attempt of the Government to stifle democracy, gag the press and crush even the most peremptory opposition to its rule. Under the provisions of this regulation, the attempt to bring the "the President or the Government into hatred or contempt, or excite, or incite ... feelings of disaffection to, or hatred or contempt of the constitution, or the administration of justice" is punishable with rigorous imprisonment up to 20 years as well as a fine. Even the distribution of leaflets and the pasting of posters deemed prejudicial to public security, public order and the maintenance of essential supplies and services are now crimes. The usual safety clause which exempts the truth from such prosecution has been thoughtfully omitted. This means that though a person may have written or spoken what can be proven to be factual, he or she nonetheless becomes liable to being jailed if it can be established that the President and the Government have been brought into hatred or contempt as a result of this writing or speech. Truth or falsity has become negotiable, as in the case of ex-DIG Udugampola, and all that matters is whose side you are on.

To call this enactment draconian would be to insult Draco himself. What has allowed the Wijetunga administration to get away with this utter disregard for even a semblance of decency is a peculiar combination of apathy and bloody-mindedness of the parliamentary opposition, the opportunism and lack of self-respect much less courage of the mainstream press, and the absence of broad-based non-

partisan democratic institutions in this country. A few Colombo-centred organisations have raised their voice against this latest affront to civilised values, and one must acknowledge the watchdog function that these groups perform.

Yet, there remains no mass protest, only muted dissent against what must rank as a horrendous piece of fascist legislation by any standard.

In the last issue of *Counterpoint* we reproduced a poem by the late Mouin Beseisso, writing about Palestine, where he says, hyperbolically, "On a cloud I wrote / Down with Censorship / And they confiscated the sky". Hyperbole has taken on a menacing reality in Sri Lanka today, and unless concrete and systematic measures are taken to combat this state terror in the intellectual sphere, the sky will also be taken away from us before we wake up to our predicament.

At *Counterpoint* we shall carry on regardless of this unconstitutional and abhorrent promulgation. Adherence to the law can only be based on respect for its intent and purpose. We cannot take responsibility for the Government's own attempts to bring hatred upon itself by its corruption, its greed, its fascism and its megalomania. In a manner of speaking, then, the Government and the President have made themselves prime candidates for indictment under their own new law. Who knows whether even they realised this probability and, therefore, just as tactfully as they left out the "truth" clause, opted for a narrow definition identifying the nation's interest with their self-seeking "Government" and not with the interest of the broader polity or "the state". ■

<b>Managing Editor</b>	Victor Ivan
<b>Editor</b>	Waruna Karunatilake
<b>Editorial Coordinator</b>	Ymara de Almeida
<b>Layout</b>	Charitha Dissanayake
<b>Cartoonist</b>	K.W. Janarajana
<b>Photographers</b>	Dexter Cruz
	Anuruddha Lokuhapuarachchi
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## Sports in a market transition

With the 6th South Asian Federation Games to be commenced in Bangladesh in December, the President of Sri Lanka has appealed to the private sector to be actively involved in the sponsorship of athletes and sports in general. This attempt at sports promotion directly related to a lack of funding has historically plagued amateur sports with the possible exception of cricket and rugby. For the private sector, or essentially big business, sports promotion is viewed mainly as a publicity gimmick.

With foreign teams visiting the country, local teams on foreign tours, and numerous challenge trophies being awarded at a multitude of competitions, sports is a thriving social phenomenon. At least, predominantly in urban areas. Especially for the NIC-directed, competition-minded urban capitalist elite, sports is an essential facet of "high" culture, illustrated by membership at prestigious sports clubs. Consequently it is this group that can derive the ultimate benefit by promoting sports in this market-oriented accumulation process.

This historically emergent dominant mode of accumulation along with the increase in productivity has afforded a surplus consciousness which is not necessarily limited to a small elite of the leisure class. Even the unemployed, partially by destitution as well as by default, demonstrate this surplus consciousness. But this critical energy of the people, which looks for alternatives is suppressed by various means. Therefore, the values of the system are forced through state-terrorism or harmlessly channelled through entertainment. In a benign form of coercion, sports can be effectively utilized to further market orientation.

The apparent social benefit of sports, in a national realm, is its capability to spontaneously advocate the patriotic, populist

ideology of unity, especially at a low cost. This may be simply denoted by the radio and television audience that converge during a cricket test match, some of whom may have a disinterest in the game itself.

The second visible reason is that the unemployed and frustrated youth can be productively engaged (also strategically distracted from any anti-establishment protest) in a self-satisfying, socially interacting activity. With rural and urban unemployment between the ages 15 and 19 close to 35%, not to mention underemployment, sports can be mobilised as a form of appeasement for their marginalisation from mainstream economic activity.

But a principal unrevealed benefit of sports, especially in this political-economic transition from state paternalism to free-market capitalism is its potential to foster the spirit of self-interest and competition that is a fundamental feature of the present articulation of the social production process.

Sports can be effectively

mobilised as an impetus to promoting a market system, where fair competition is honoured rather than the ruthless accumulation of profits by any means. In the socio-economic context of Sri Lanka, the approach must be targeted towards, and solicit the participation of rural youth, men and women, that are economically constrained and culturally isolated from participation in sports. As a result, marketed sports must be broad-based in participation, low in material investment, with ease of access to facilities and equipment. Moving away from the urban-based cricket and rugby, this may include track and field, cycling, volleyball, netball, possibly swimming. The ideal would be games such as "Gudu" or Kabbadi, an inexpensive group game to be held as an official event at the SAF games this year.

Significant principles that complement and reinforce a market consciousness must also be emphasized through sports promotion. Thus, the ideology of the system, as opposed to the actual imperfect mechanism and

its seriously flawed logic, will reflect the utopian economic convention of perfect competition.

The SAF games are to be held in Bangladesh this December and at present the poor in Dhaka are under severe threat of increased water-borne disease due to excessive rainfall and lack of access to sanitary living conditions. But the Government is willing to spend valuable and scarce resources which can be productively used for the benefit of the vulnerable segments right there in Dhaka. But, the Games will go on, sustaining and escalating contradictions in society.

The irony of glorifying sports in mass poverty conditions has been a reproduced structure in society that complements the prevailing social consciousness which reflects the dominant mode of accumulation. Since sports manifest that capacity to socialise a market consciousness, the capitalist and bourgeois must focus their energy in enhancing those structures that promote mass-based sports. Specific sports, because of their historical continuity and the popularity propagated by the media have maintained a superior status. The macho brutality of rugby and the gentlemanly finesse of cricket -- both have enjoyed these privileged positions purely by default, regardless of the absurdities of the games. Thus, the impetus to transform the existing structures to include more mass-based sports activity must remain a key concern. Although the competition in sports can never be paralleled with social structures of the market place, at least the ideological framework can be socialised especially to transform those precapitalist structures which resist capitalist transformations. ■

M. Rajya, Colombo 5

### One more question for Prof. G L Pieris

Prof G L Pieris in an interview given to *Counterpoint* discussed openly the affairs of the University of Colombo. This is commendable. As public institutions financed by the tax payer, Universities should be publicly accountable. Although readers could not be sure if Prof G L Pieris's responses were based on fact, mere speculation, or calculated guesses given that issues were not fully substantiated, still, in bringing them into public discussion their truth or falsity could be further pursued. What Prof. Pieris did in the course of this interview is basically similar to Prof Nalin de Silva's open discussion with the press (*Divaina/Island*) in November 1992 about the affairs of the university, for which, Prof de Silva was presented with charges 5 and 6 in a "show cause" charge sheet. My question is simple: How does the same act constitute an offence in the one case but not in the other, since in both cases the dons were subjecting to critique university administrative matters? ■

S. G. Liyanage, Peradeniya



# Sinhala nationalism's latest bogey

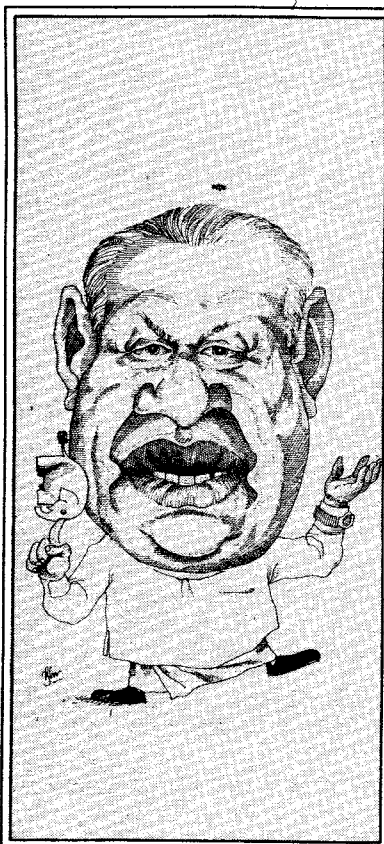
**S**inhala nationalism periodically needs a bogeyman on whom they can heap all their fears and anxieties. It is almost as if trapped in the endless war and haunted by the phobia of Tamils over-running the land, Sinhala nationalism, often degenerating into shrill jingoism, needs to regularly rejuvenate itself by burning some scapegoat ritually at the stake. Once it was Mr. Amirthalingam. Later it was Mr. Varatharaja Perumal. Mr. Prabhakaran is never absent from the picture. And last month it was the turn of Mr. Thondaman. Clerics and agitators, Jathika Chinthanaya ideologues and vociferous editorialists, they all band together to hound Mr. Thondaman.

Mr. Thondaman, of course, derives his enormous political clout from the undisputed sway he holds over the plantation workers. Neither his offshoot the late Mr. Abdul Aziz, nor the traditional left nor the UNP's Lanka Jathika Estate Workers Union has been able to break his grip on the plantations. When Mr. D.S. Senanayake disenfranchised the workers of Indian origin little would that wily old patriarch of the UNP have imagined that by this single action he would be making Mr. Saumyamoorthy Thondaman the messiah of a powerful bloc capable of decisively determining the politics of the hill country.

In his autobiography, *My Life and Times* Mr. Thondaman traces the development of his father's life from its humble beginnings as a personal servant to a distant relation in the Gampola area. At a young age he had run away from his family in India and come to Ceylon where he adopted the name Karuppiyah. By the time Thondaman came to Ceylon in 1924 after his eleventh birthday Karuppiyah was a wealthy man, the owner of Wavendon Estate in the Nuwara Eliya district where he had once worked as a labourer at 13 cents a day. In Thondaman's own words: 'Even more remarkable was the fact that he was

## Prospero

able to do this about the turn of the century when the British as a matter of policy never allowed a native to become an owner of an estate in the higher elevations particularly in the Nuwara Eliya district.' Mr. Thondaman therefore unlike his father never suffered from any sense of privation.



*Currently Buddhist nationalism's bete noire, Thondaman appears to be walking a tightrope both nationally as well as within his party.*

He is in fact that curious phenomenon much derided by the old left, a plantation owner who is also a plantation trade unionist. But is this all humbug? Not entirely perhaps. One does get the feeling that the privations suffered by his father did touch and inspire the son to take to public life. Being a second generation Indian Tamil, educated, wealthy and head and shoulders above the mass

of the plantation proletariat, the wretched of the earth on the surplus produced by whom the urban bourgeoisie was having its post-independence ball, Mr. Thondaman was ideally equipped for his role. The plantation workers identified with him as they never did with any left leadership.

Mr. Thondaman was happily bereft of an ideology. His was the practical pursuit of goals on this earth rather than the formulation of ethereal philosophies in outer space like his Marxist antagonists on the plantations. In the sixties in particular CP (Peking) leader N. Shamuganathan was able to make some headway in organising the Red Flag unions along with his campaign against Vellala domination in the North but finally it was Mr. Thondaman's primal Tamil sway which held against Shan's sophisticated theorising. With his charismatic personal appeal Thondaman kept the mainstream plantation working class safely within the movement whose only godhead was Thondaman.

Bereft of any ideology and solely committed to Mr. Thondaman the Ceylon Workers Congress was an organisation the potential of which most Sinhala politicians discovered only belatedly. In 1947 at the first General Election he was elected as MP for Nuwara Eliya but was kept out of Parliament until 1960 because of the legislation disenfranchising the workers of Indian origin. In 1960 he was made an Appointed MP by the SLFP to represent Indian interests and voted to defeat that Government in December 1964 whereupon he was nominated by the UNP Government of 1965 which succeeded it. This itself was an acknowledgement by the country's two most powerful political parties of his undisputed position in the plantations. But it is to Mr. J.R. Jayewardene that Mr. Thondaman owes his present position as king-maker. The former President whose hand writing can be detected



in much of the sad and shabby happenings of the last two decades successfully exploited Mr. Thondaman's quite justified chagrin and anger over the reorganisation of the plantation sector after nationalisation by the United Front Government by Mrs. Bandaranaike. Following the appropriation of plantation land particularly by the Udarata Wathu Sanvardhana Mandalaya (USAWASAMA), thousands of helpless plantation folk were driven out into the inhospitable streets. Exploiting this Mr. Jayewardene successfully co-opted Mr. Thondaman as a major figure in the Satyagraha movement he launched against the then Government. One of his first master strokes after capturing power in 1977 was to win Mr. Thondaman's support for his Government and make him a Cabinet Minister which he has remained since.

This support has been crucial to the UNP particularly after the franchise was restored to the plantation workers. Under the leadership of Mr. Thondaman the plantation workers have docilely walked into polling booths to elect UNP Presidents and Governments. Both Presidents Jayewardene and Premadasa were deferential to him but when he saw that Mr. Wijetunge was less than respectful Mr. Thondaman began rocking the boat.

Mr. Wijetunge's problem is typical of the Kandyan mentality. The President is a middle-class Kandyan belonging to the drawer between the peasantry and the aristocracy and like all Kandyans is seized with a sense of historical grievance. The Kandyans have always been purblind enough to see the Indian plantation workers rather than the British Raj which settled them here as the source

of their discontent. In his autobiography Mr. Thondaman argues that the "Indian immigrant labourers were never settled on land from which the Kandyan peasants were uprooted or evicted by the plantations....It is true that nominally these lands may have 'belonged' to the Kandyan King and nobles 'in trust.' The jungle lands the Kandyan radalas could show as in their actual possession were 'leased' by plantation companies for rent." But the Kandyans

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did not see it that way. Timidly reluctant to visit their wrath on the English King in his Palace and the Civil Service mandarins in Whitehall they chose the far easier target, the Karuppias who were closer home. And Karuppias was Thondaman's father.

It is this longstanding but ultimately petty sense of grievance, if one sets it against the far more pressing realities of the day, which had made Mr. Wijetunge sideline Mr. Thondaman. Buoyed by his conquest of Mr. Anura Bandaranaike (a former Third MP for Nuwara Eliya-Maskeliya) the President seems to be thinking that he can win the hills on his own Kandyan credentials. Mr. Thondaman, of course, is not amused and Mr. Gamini Dissanayake has been quick to seize the opportunity though at the cost of enhancing his image as the biggest political opportunist of the

year. Not that there was any love lost between the two in the past. As first MP for Nuwara Eliya-Maskeliya and the President of the UNP's answer to the CWC, the LJEWU, Mr. Dissanayake and Mr. Thondaman competed for years on the same turf but now to Mr. Dissanayake Mr. Thondaman is his steadfast ally.

Mr. Thondaman has been like a gnarled old banyan tree under which nothing else could grow. Swarthy, rough-hewn, straight-spoken to the point of incoherence, he has been a singular phenomenon in Sri Lanka's politics. His present moves to make an opening towards the Opposition is entirely in keeping with his lifelong devotion to political bargaining and the enhancement of his own career. He has been quite ruthless in the past in suppressing any incipient opposition as in the case of Mr. Chandrasekaran. But Mr. Thondaman at the end of the day seeks in vain for a successor from

the family. His son, who is anyway pushing on himself in years, is not interested. Perhaps a grandson but the ambitious Mr. Sellasamy is fidgeting in the wings.

As the foremost representative of plantation politics and the major conduit to India Mr. Thondaman occupies a powerful position in Sri Lanka's politics. That is what drives the fear of Moses into a congenitally nervous Sinhala nationalism. But Mr. Thondaman is also a moderate who eschews the extremism of Tamil nationalism. Though not a Sri Lankan Tamil he is perhaps Sri Lanka's leading Tamil politician who has often offered to bargain with the LTTE. He would like to keep the plantations free from extremist influence. This is why succumbing to atavistic Sinhala fears and antagonising Mr. Thondaman might mean compounding the country's problems still further. ■



# Uncertain alliances and unwilling bedfellows

**S**ri Lanka has gone through many turbulent years in recent times, but none of them have been characterized by the degree of uncertainty that grips the nation as it enters 1994.

The importance of the new year lies primarily in the fact that it will be an election year, and much of the action as well as the inaction that follows, will no doubt, be a result of this prime focus. What can be expected then is an year in which the nation as a whole will be in a state of flux, as individuals, factions and political parties jostle for positions of power in the forthcoming electoral contests, where 10.5 million will qualify to vote. That this contest will be ruthless, bitter, violent and of a no-holds-barred nature, can also be expected, given the context that none of the political parties seem confident of their policies or their strength. In fact what is clear from the recent acts of desperation exhibited by all sides of the political spectrum is that in facing up to the election year, what each has of themselves, is the 'image of a loser'.

The greatest uncertainty in the imminent contest will be the manner in which the (one million plus) estate Tamil population will cast their vote. In the past they have voted en bloc for the UNP. Presently, the Opposition has made no apologies in courting them to support its candidate, a proposition Mr. Thondaman had lured the Opposition to believe they were on the verge of doing.

But what the recent crisis in the Central hills has underlined is that not only, has the unassailable Mr. Thondaman lost his grip on the flock he controlled so tightly, but also that no longer can it be expected that the estate Tamils will vote en bloc for any

## Oracle

particular candidate or party. Both these situations will be further aggravated in the event that Chandrasekaran who is presently behind bars for alleged involvement with the LTTE, is to be unleashed to pursue active politics. In the present context it would seem that what Mr. Thondaman is presently engaged in, is a battle to safeguard his own position rather than for any significant principle. Although the UNP saved him from the embarrassment of having his party men going against his whip through the rejection of the No Confidence Motion against the Chief Minister of the Central Province, the showdown within the last monolithic political party in Sri Lanka -- the CWC -- has not ended, but merely been postponed.

Another important constituency all

parties will try to woo is the 0.8 million Sri Lankan Tamil vote. In the absence of any significant democratic Tamil leadership which this group may rally around, what this section will ultimately do also remains an uncertainty. However, two obstacles lie in the way of effectively counting them as part of the vote banks "up for grabs". Unless normalcy is restored in the North and East the conduct of elections in these areas is itself a dilemma. Also given that the mainstream political parties have continued to pay mere lip service to the urgent need to solve the ethnic problem but have done nothing towards this goal, this may result in a sizeable section of the Sri Lankan Tamil voter being disinterested in the electoral process itself.

President Wijetunga's line that the present crisis is merely a terrorist problem, and his emphasis on military victory has no doubt hurt the Tamil psyche and may deflect Sri Lankan Tamil voters from casting their lot with the ruling party. It is no doubt sensing the potential of harnessing these dissatisfied Tamil votes that the SLFP appears to be taking on the slogan of "seeking a political solution to the ethnic problem". However, judging by what happened at the recent Nugegoda rally, where except for Chandrika there was hardly a mention about the theme of the meeting, it appears that in spite of picking on the Achilles Heel of the UNP, in the absence of an alternate strategy the Opposition is incapable of making any inroads. This attitude by the two mainstream political parties to place the ethnic issue on the back burner is particularly unfortunate given the opportunities that could have been opened up towards

**In fact what is clear from the recent acts of desperation exhibited by all shades of the political spectrum is that in facing up to the election year, what each has of themselves, is the 'image of a loser'.**



reconciliation with the appointment of the more professional Gerry Silva as Army Commander and Lionel Fernando, a man who is held in high esteem by the minority communities, as Governor of the North-Eastern Province. It is a pity that Fernando in particular will be preaching peace and racial amity on the ground in the North-East, while the centre continues to bomb the hell out of these areas from the skies. A more cohesive strategy aimed at redressing the genuine grievances of the Tamil community while marginalizing the LTTE, is desperately needed if we want to keep this country united. In this sense Lionel Fernando may in fact be the last train to Jaffna.

As for the Sinhalese voter, it is likely that it is the economic issues that will primarily determine the direction in which s/he will cast his/her lot, come election time. However, the possible disruption of work on the estates and the escalation of the separatist war will continue to take its toll on this variable. The UNP's calculation that taking a tough stand against Mr. Thondaman and opting for a strident nationalistic line in relation to the North-East conflict would endear the party to the Sinhala voter, and compensate for any loss of Sri Lankan Tamil and Estate Tamil votes that it might lose in the process, may prove faulty. For it is well known that the successive victories the UNP has enjoyed in the past few years

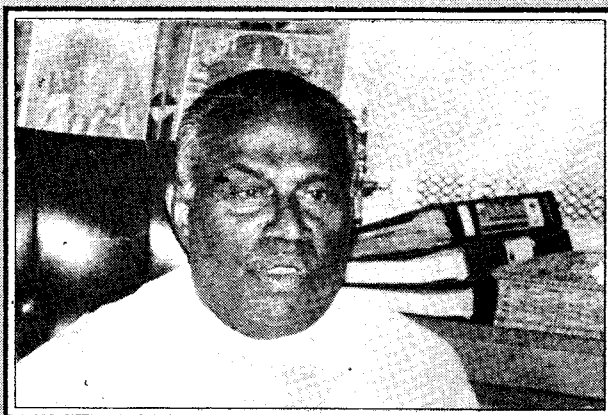
have been possible largely due to the party's ability to appease the marginalized sections of the population. As for the SLFP, it has still to get its act together and to decide whether to play the 'Sinhala card' as the UNP seems to be doing or to project itself as a secular alternative around which the many now patron-less groups can rally. Given the DUNF's roller-coaster ride with the SLFP and

As for the Muslims, following the recent PC polls with Ashraff having given up his quest to assert an independent political constituency among them, few surprises can be expected. However, the fall out of the separatist struggle will continue to be a factor that will influence particularly the Muslims of the Eastern Province in deciding between the ruling party and the Opposition. The Muslim vote

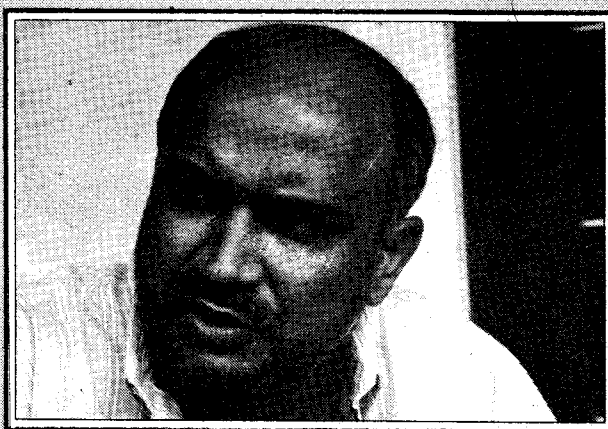
will also be important in the local government elections scheduled to take place in certain areas in the North-East early in 1994. If the referendum on the merger is to come up, then this constituency can be expected to become even more crucial. By focusing some attention on the plight of the Muslims in the East, as of now it would appear that the SLFP is attempting to woo them as well.

Amidst all these uncertainties and a situation where nothing can be taken for granted there is of course one certainty. That irrespective of race, religion, caste or class what the Sri Lankan voter would be confronted with is not a choice between political personalities -- for there are no 'big'

leaders left who can be expected to lead Sri Lanka into the 21st century. As such, the focus will more likely be on the party and its policies. Whether this is desirable or not one cannot quite judge, for given the degree of personalized politics that has prevailed in Sri Lanka since independence, this sure is a novel situation. ■



*The minorities have traditionally voted with the UNP, but is this alliance nearing its end?*



apparent "sour grapes" attitude towards the UNP, which horse the DUNF decides to back come a Presidential election will also be a factor the two mainstream parties will have to take into account in galvanizing support among the Sinhalese.

# THE LONG ROAD TO NOWHERE

**F**ollowing on the heels of the Welioya, Kilali and Pooneryn military setbacks suffered by the Government, the November 12 report of the Parliamentary Select Committee appointed "to recommend ways and means of achieving peace and political stability in the country", is analogous to "Nero fiddling while Rome was burning".

The failure of the committee to deliver appears all the more distressing when one considers the circumstances under which it was appointed. Despite the feeling in some circles that the Government's agreement to appoint a select committee for this purpose following a proposal made by and SLFP MP Mangala Moonesinghe on 9th August, 1991 was targeted at foxing the SLFP and buying time, there was genuine satisfaction that there was a fleeting chance of arriving at a political settlement to the ethnic problem. Not only were all major political actors in the country a party to this process, there was even the expectation that it might be possible to draw in the views of

the LTTE, a necessary factor to any settlement of the crisis. The agreement of the SLFP to actively participate in the deliberations, for the first time since it walked out of the All Party Conference in 1984 and the appointment of one of its members, the genial Mangala Moonesinghe as Chairman of this committee, also increased expectations that a serious attempt will be made to arrive at a national consensus that would either draw them in or else create the political climate within which the LTTE would be marginalized.

The setting up of the committee was delayed somewhat due to the impeachment moved against

## Rama

President Premadasa in August-October 1991, but it sat for the first time on 20th November 1991. With 45 members, this was the largest select committee in the history of the Parliament of Sri Lanka. It received 253 memoranda from MPs, political parties, other organizations and individuals some of whom appeared before the committee in person. Several public servants who had access to information and specialized knowledge were also invited before the committee and it has been noted



*If Mangala Moonesinghe was playing into the UNP's hand by diffusing the pressure for a political settlement, did Srinivasan bell the cat?*

in the report that "it was apparent from the evidence of these public servants that the devolution contemplated in the legislation relating to the Provincial Councils had not been fully implemented".

In March 1992 an offer from the LTTE sent through the International Committee of the Red Cross, that "a delegation of the select committee would be welcome to Jaffna" went a begging, when the select committee in return informed the LTTE through the same channel, that "any representation from the LTTE would be welcome". This too did not materialize.

The deliberation also suffered a major setback in that neither of the major parties, the ruling UNP nor the leading opposition SLFP presented any proposals, an event that effectively made the process largely impotent.

The seven Tamil political parties (EPRLF, ACTC, TELO, DPLF, EDF/EROS, ENDLF and TULF) and the CWC jointly submitted "a four point formula". It embodied permanent merger of the North-Eastern Provinces, substantial devolution of power ensuring meaningful autonomy to that unified unity, institutional arrangements within the merged

North-East Province for the Muslims for ensuring their cultural identity and security and for the Sinhalese people to enjoy all the rights that other minorities have in the rest of the country.

Subsequently, a "concept paper" was presented by committee chairman Mangala Moonesinghe in a bid to seek a compromise formula. It sought to provide for two separate councils for the Northern and Eastern provinces, and an apex assembly consisting of members of the two councils to

plan common policies and co-ordinate programmes. This was however rejected by the TULF and the CWC.

A further "option paper" which sought to expand the area of devolved subjects and to incorporate the salient features of hitherto- submitted proposals aimed at arriving at a settlement, beginning from the "Bandaranaike-Chelvanayakam Pact", also did not make much headway.

The much talked about "Srinivasan Proposals" were brought to the attention of the committee at this juncture. The thrust of his ten proposals was the conversion of Sri Lanka into a Federal State and the de-linking of the Northern and Eastern



provinces. The hitherto unknown personage of K.Srinivasan, [a London based businessman who was on the TULF list] and the proposals themselves which provided significant opportunity for quid pro quos/ compromise, prompted one to believe that in actuality they were the proposals of the Government. Although the Tamil parties opposed it on the grounds that it sought to de-link the North-Eastern Province, these proposals received support from both the UNP and SLFP. Upon being told at the PSC meeting on 26 November 1991. By Chairman Moonesinghe that "Mrs. Bandaranaike had accepted this formula" Minister Hameed was to declare that "if that was the position of the SLFP, then he on behalf of the UNP, was prepared to say that the UNP also accepts the "Srinivasan proposals".

However, in subsequent weeks both the UNP and SLFP back-tracked on their position regards the acceptance of the federal principle and at the meeting of the PSC held on 11 December 1992, a majority decision was reached on the following: a) on the establishment of two separate units of administration for the Northern and the Eastern provinces  
b) to adopt a scheme of devolution on lines similar to those obtaining in the Indian Constitution and;  
c) to devolve more subjects that are in list III (con current list) or to dispense with the list.

Members of the UNP, SLFP, SLMC, the CP, the LSSP as well as independent members K.Sirinivasan of Jaffna District and Basheer Segudawood of Batticaloa District supported this agreement. This was subsequently conveyed to the Speaker in an "interim report of the select committee". MPs belonging to six Tamil political parties and the CWC who served on the select committee and who had opposed this decision resigned from the committee with effect from 24th March, 1993.

After many long months the final report of the select committee submitted to Parliament in November, 1993, does no more than to merely

reiterate the three points agreed to by the majority on 11 December, 1992. It additionally notes that, on 21st July 1993 members of the PSC agreed "that wherever the security situation permitted, preparations to hold local elections in the Eastern province should commence".

Criticism can be levelled against this report on several counts:

Firstly, in presenting their report the signatories to the select committee have not only failed to come up with any tangible solution to the problem, they have also displayed their naivety and total lack of understanding of the full dimensions of the problem at hand. Even the clergy of all denominations who sat on the All Party Conference of 1984 were more

**Firstly, in presenting their report the signatories to the select committee have not only failed to come up with any tangible solution to the problem, they have also displayed their naivety and total lack of understanding of the full dimensions of the problem at hand.**

sensitive to the political realities of the times and were able to agree on more far-reaching proposals, like that of ending the problem of stateless persons.

Secondly, it is apparent that the ambiguity contained in the proposals particularly with respect to point (b) above, as regards adopting a scheme of devolution as obtaining in India and (c) above, pertaining to the concurrent list, are deliberate attempts to hide the lack of any forward movement in meeting the legitimate aspirations of the Tamil-speaking people.

Thirdly, with respect to point (a) above which recommends the establishment of two separate units of administration for the Northern and Eastern provinces, it is regrettable that rather than trying to move forward in reconciling the conflicting points of

views on the crucial issue of the 'unit of devolution', what the committee has done is to go back on the points of view presented by the UNP and SLFP through the Indo-Sri Lanka Accord of 1987 and the DPA manifesto respectively. It will be recalled that the Indo-Sri Lanka Accord provided for a temporary merger to be followed by a referendum which left the possibility of the continuance of a single province in the hands of the people. The Programme of the Democratic People's Alliance (DPA) which was the manifesto of SLFP leader Sirimavo Bandaranaike in the Presidential Contest in December, 1989 was emphatic that "there shall be a predominantly Tamil unit comprising of what is the combined Northern and Eastern Provinces but excluding the area covered by the predominantly Muslim unit" and that "there shall be a predominantly Muslim Unit comprising the predominantly Muslim areas in the Amparai District as the base and identified predominantly Muslim areas in the Batticaloa and Trincomalee districts". It is also noteworthy that as disclosed recently, at the time of the impeachment in August, 1991 the SLFP and the DUNF had agreed that the present Northern Province and the predominantly Tamil areas in the Eastern Province that lay contiguous would comprise a 'new North-East regional council', the predominantly Muslim areas in the Eastern Province were to come under a separate regional council while the predominantly Sinhalese areas in the Eastern Province were to be linked to the Central and Uva Provinces.

All this forward movement has been lost overnight with the select committee's 'non-report'. The only good that has come from its presentation however, is that it has ended months and years of false expectation, that it had the magic formula that could help end the prolonged war and evolve a lasting political settlement to the ethnic problem. Mr. Mangala Moonesinghe should be ashamed of himself for having helped the Government drag on this farce. ■

# HILTON

## The Hotel, The Scandal, The Cover up

**R**ight from the beginning it was clear that the Hilton was destined for preferential treatment. The seven acres of land on which the hotel is sited in Echelon Square was a "gift" from the late President Premadasa. How else can one describe the 99 year lease at a total cost of Rs 125 million, amounting to Rs 110,000/- a perch, to be paid back over 33 years with no interest levied at all? The fact that even these absurdly easy terms have not been adhered to by HDL who haven't paid the Urban Development Authority a penny is further evidence of the spirit in which this transaction took place.

Mitsui of Japan, whose local agents are closely related to former President Jayewardene, were a shoo-in for the construction contract for the Hilton. In fact, to this date the Hilton remains the one and only private sector enterprise which has received a government guarantee of its liability to Mitsui and Taisei (another Japanese multinational specialising in civil engineering work) to construct, equip and furnish the hotel. For instance, none of the other hotels in similar circumstances received such concessions.

The Hilton Hotel is owned by Hotel Developers (Lanka) Limited (HDL) who, in March 1984, issued a prospectus to solicit public funds on the basis of their plans to build a twin-tower 22 storey, 452 room hotel with basement parking for 400 vehicles. It must be noted that such a prospectus is a legal document and not one that

can be altered at will.

Profitability forecasts and cashflow forecasts with which to finance the cost of building and equipping the hotel were made by Hilton International and Mitsui/Taisei on the basis of these specifications. On receiving the government guarantees, Mitsui/Taisei entered into loan agreements with HDL where the cost of construction and supplies were deemed loans to the company.

The basis for all these agreements, the guarantees, the prospectus, the profitability analysis and so on was the 452-room plan which was approved by the Board of Directors in March 1984 and duly submitted to the UDA. Construction by Mitsui/

notice of the Board of Directors. The changes can only be described as drastic. Instead of 452 rooms (known as bays) there were now only 357, and the underground parking had been dispensed with altogether. Obviously, the hotel's ability to generate revenue to pay back its loans was adversely affected by these changes. Most troubling, however, was the fact that neither the architects nor the contractors had informed the Board of Directors or anyone else for that matter about these crucial changes. In addition, the circumstances in which the original plans were allegedly lost is hard to believe. The plans (Mitsui/Taisei's, the architects and even HDL's own copy) were supposedly destroyed in a fire at the site at 2.38 a.m. on 18/10/1985. The Fort Police Report on this fire is as strange a document as any. The Report which is undated does not even indicate the date of the fire, but states that the "report submitted to us [Fort Police] by you [Mitsui/Taisei Consortium] has been found to be completely accurate



*Nihal Sri Ameresekere in consultation with his lawyers K. Kanagisvaran, P.C., and attorney Harsha Cabral.*

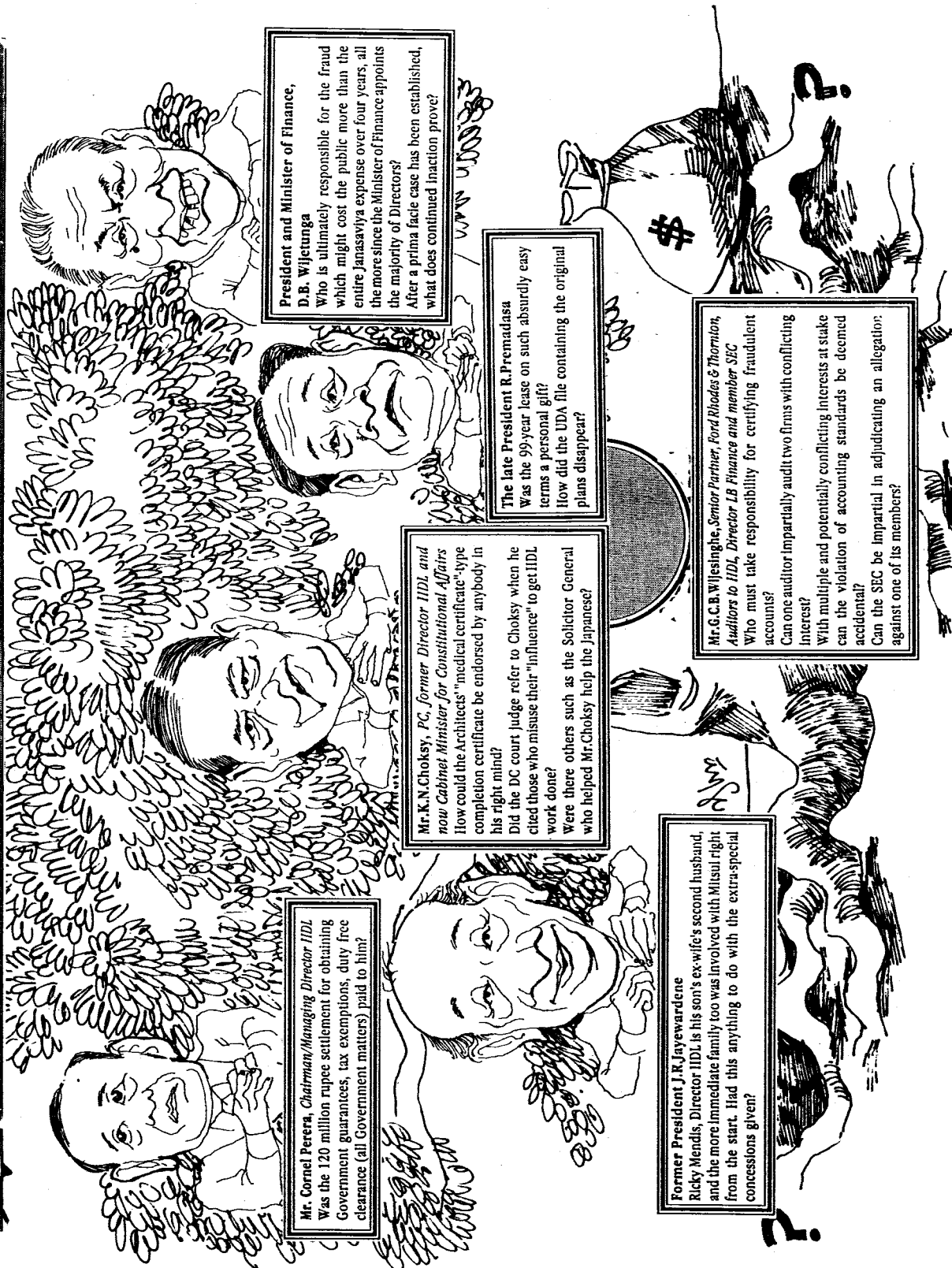
Taisei began shortly after on the basis of these building plans approved by the UDA. These building plans were submitted to the UDA in October 1983 and ratified in March 1984.

The hotel was completed and handed over in April 1987 and began operations in July. It was only in October 1987 that it was discovered that the hotel had been built to a "revised" set of plans which had not been approved or even brought to the

and honest." However, no copy of this report alluded to is attached, but the report has been certified and endorsed by the Police to be used "as evidence to the relevant authorities, Government Departments and also your Head Office in Tokyo." Such a thoughtful and all-encompassing endorsement must have really touched Mitsui/Taisei to the quick! Particularly since fires like this are getting to be more and more necessary



# The Happy Family



in Japan.

To make matters worse Tokyo claimed that it had lost its copy and the UDA, Mr. Premadasa's first love, had just as mysteriously lost its Hilton file. Thus, it was not possible to compare the new plans with the original ones, though it does seem more than a little strange that the old plans went up in smoke just a month after unauthorised new plans had been surreptitiously sent to the UDA for approval in September 1985. There is a minute on file at the HDL office to say that its plan copy was "borrowed by the Japanese architects" and was

of whom Cornel Perera, Chairman and Managing Director of HDL, has an interest in around 1.25%.

Mr. G. C. B. Wijesinghe, Senior Partner, Ford Rhodes & Thornton (FRT) who are auditors to HDL, did not disclose that his firm was also responsible for auditing the accounts of Mitsui/Taisei. He is also a Director of L. B. Finance which has a substantial interest in this company. There is clearly a conflict of interest in Mr. Wijesinghe's multiple commitments here. Thus, in a context where the Directorate was itself split about the reliability of the accounts, the

accounts, a Director of HDL, Nihal Sri Ameresekere had challenged the value of the building stated in the balance sheet, and this was brought in as Supplementary Note 19 in its final form. The auditors had advised HDL to also include, as a post balance sheet event, the fact that the change in the value of the buildings and fittings **would** also affect the total figure shown as liability to the lender, which instead reads in the annual report as "This may also affect the total figure shown as liability to the Contractor under the Construction agreement dated 31/1/84." This is a

DATE	TRANSFEROR	STATE CERTIFICATE NO.	AMOUNT	TRANSFER TO	TRANSFER NO.	NAME AND ADDRESS OF TRANSFEREE	SHARES	DISTRICT
1-1-1992	L.B. FINANCE LIMITED 101, VINAYALANWARA MALDATHA, COLOMBO 10	01498	31,700	27799907 27804906 (5000) 27805907 27806906 (1000) 27785707 27786206 (500) 27812007 27814006 (2000) 27786707 27788506 (1800) 27815507 27816506 (1000)	307	TAT GARMENTS (EXPO) LIMITED 103, SANGRA MITHTHA MAWATHA COLOMBO 13	01508, 3000	2779990 2780290
1-1-1992	"	"	12,000	27812007 27814006 (2000) 27786707 27788506 (1800) 27815507 27816506 (1000)	308	-DO-	01509, 1000	278029 278035
1-1-1992	"	"	12,000	27815507 27816506 (1000)	309	-DO-	01510, 1000	278039
1-1-1992	"	"	10,750					

DATE	NO. OF SHARES	AMOUNT	PRICE CHANGE	TOTAL
JAN. '92				51,750.00
02.01.92	2,300	22.50		34,500.00
03.01.92	1,500	23.00	0.50	264,500.00
06.01.92	11,500	23.00		726,800.00
07.01.92	31,600	23.00		331,200.00
07.01.92	13,800	24.00		87,600.00
07.01.92	2,600	26.00		81,000.00
07.01.92	3,000	27.00		81,000.00
07.01.92	2,000	27.25	4.25	54,500.00
07.01.92	2,000	32.00		64,000.00
08.01.92	3,000	38.00	8.75	114,000.00
08.01.92	12,000	36.00		432,000.00
08.01.92	5,500	40.00		220,000.00
09.01.92	13,900	41.00		569,900.00
09.01.92	2,000	40.75		81,500.00
09.01.92	1,400	40.00	4.00	56,000.00
09.01.92	10,500	40.00		420,000.00
10.01.92	14,400	40.25	1.25	579,600.00
10.01.92	300	41.25		12,375.00
10.01.92	2,300	40.00		92,000.00
10.01.92	1,700	40.25	1.25	68,425.00
13.01.92	1,000	40.75	(0.50)	40,750.00
13.01.92	4,000	38.50	(1.75)	154,000.00
16.01.92	5,500	40.00	1.50	220,000.00
17.01.92	2,000	40.00		80,000.00
17.01.92	2,500	39.75		99,375.00
17.01.92	29,000	40.00		1,160,000.00
17.01.92	250	37.00		9,250.00
		40.00	(2.00)	320,000.00
				57,000.00

"burnt in the fire in 1984" which is more than one year before the actual fire on record!

### FAMILY TIES

Mitsui had long since made Delmege Forsyth & Co. Ltd. its agents for its business activities in Sri Lanka, whose Chairman is Ricky Mendis, married to Charmaine -- the mother of J. R. Jayewardene's three grandchildren by an earlier marriage to Ravi Jayewardene. Delmege through its subsidiary company L. B. Finance, purchased 2 million rupees worth of shares in Hotel Developers Limited (HDL), the owning company of Colombo Hilton which is approximately 0.5% of the total issued share capital, the rest being owned by the Treasury (64%), Mitsui (28%) and about 1000 public shareholders,

Annual Report for the year ending 31/3/1990 of Hotel Developers Ltd. (HDL) was blithely audited and endorsed by FRT despite the fact that Mr. Wijesinghe was a Director of a company with substantial share-interest in HDL on the one hand, and a partner of the auditing firm on the other. During the preparation of the

clear case of misrepresentation for in the mind of any person there cannot be any doubt regarding the degree of certainty conveyed through "would" and "may". Substitution of "Contractor" instead of "lender" furthermore shows a keen interest in the Contractor Mitsui, and raises questions on the all-consuming role



played by the Contractor in this controversial project. Moreover, the liability to the "lender" directly affects the company (HDL) since the lender must be given the money back at some point, whereas liability to "the contractor" distances the liability of HDL.

It is interesting to note that this concern for the Contractor by HDL is given new meaning when the Chairman LB Finance, Mr Eric Amarasinghe appeared as lawyer for Mitsui, in the subsequent court action instituted on behalf of HDL itself by a shareholder against the contractors and architects!

When Nihal Sri Ameresekere appealed to the Government to investigate what appeared blatant fraud to all but the other Directors of HDL, the State brought Justice J F A Soza out of retirement to conduct an inquiry into Ameresekere's allegations. Whilst the choice may never be ideal, it is nonetheless astonishing that the learned gentleman accepted the brief knowing full well that his son, Harsha Soza, married to Ricky Mendis's niece, was a Director of two Companies in the Delmege Group, who in general have been agents for Mitsui products. Moreover, Mendis himself was one of those cited in the plaint as having aided and abetted the Japanese multinationals to perpetrate the fraud on HDL. Not surprisingly, having taken on the assignment, he found "no irregularities in the implementation of the project". In the next phase of the Court action brought against Mitsui by Ameresekere, Harsha Soza was to appear for Mitsui, confirming, beyond a shadow of a doubt, his loyalties in this conflict.

### AND THE COVER UP

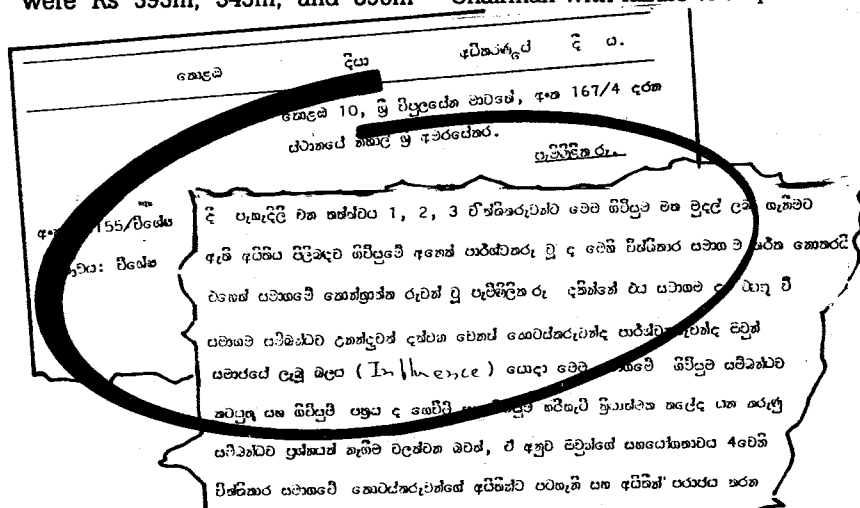
More recently, continuing a lonely crusade, Ameresekere wrote to the Director General, SEC through his lawyer, in August 1992 drawing attention to 10 letters written to the Commission during the period August 91 to March 92, calling for their intervention in matters that clearly contravened Sri Lankan law. He

charged that the Commission had deliberately failed and neglected to take action against HDL, and to investigate these complaints made in the interests of the investors, and the public in general by using its semi-judicial power to look into, and above all safeguard this very interest.

In addition to the Commission not taking any action at all regarding the financial misrepresentation in HDL's published annual reports, he draws the attention of the SEC to the losses for the years 1989 to 1991, which were Rs 393m, 343m, and 395m

unconscionable profit, before the price plummeted when the actual position was revealed. G. C. B. Wijesinghe is also a member of the SEC, and in an earlier letter to the Director General SEC, Mr Stanley Jayawardene, Ameresekere had questioned the propriety of G C B Wijesinghe sitting in at meetings convened to look into his allegations, of a company in which he had a financial interest.

In his letter to Stanley Jayawardana, Chairman SEC, dated 28/12/1991, Nihal Sri Ameresekere charges the Chairman with failure to respond to



respectively. In each year mentioned, the interest costs exceed the total turnover. In other words, the company could not generate sales even to cover interest costs, let alone other expenditure. He states that upto 30/9/92, the cumulative losses of the company, at Rs 1914m, is more than four times its share capital.

In a grave case of misrepresentation, he points out that by misreporting the net assets at 31/3/90 as a surplus of Rs 171m, whereas in reality it was a massive deficit of Rs 1306m, the investing public were deliberately misled regarding the actual financial position of the company. In the three months following the report being published, the share price rose from Rs 10/- per share to over Rs 40/-, and LB Finance, of which G. C. B. Wijesinghe, Senior Partner of the auditors FRT, is a Director, as well as Delmege Forsyth itself unloaded much of their holding of 200,000 shares onto the public, at what is an

several serious irregularities in the published company accounts of 90/91. In particular, he refers to the fact that the company has understated its current liabilities in contravention of accounting standards that give the company a surplus of Rs 171 million instead of the actual deficit of Rs 1,231 million. The regulation which is legally binding by gazette notification clearly stipulates the condition under which the current liabilities falling within the forthcoming 12 months may be excluded from the statement of current liabilities, for example in the case of refinancing. This requirement attempts to safeguard both existing and potential investors, to convey unambiguously, the liquidity position of the company, its ability to service its long term debt and remain an on-going concern.

Instead, HDL has misstated its true position to show a comfortable financial state when, in fact, on its own admission, its inability to service

debt had defaulted in both capital and interest, circumstances under which normally winding-up proceedings would be instituted.

The effect of misleading the public has been to sustain their interest in the share as a financially sound business, and permit continued trading of share in the stock market. The movement in share price cannot be disregarded in the events immediately after the publication of the in-effect falsified annual accounts. The price moved from Rs 10/- to Rs 22/50, an increase of 114% following the Colombo Stock Exchange's letter overriding Ameresekere's objections, and, for all intents and purposes, confirming that there were no irregularities. As mentioned above, the share price went up to Rs 40/-, and LB Finance disposed of its shares in the company in a steady stream of instalments, making a handsome profit at the expense of the deceived public. The record shows, for instance, that on January 9, 1992 just as the controversy was at its height, L. B. Finance sold 31,700 shares at just over 40/- per share. When the company, in an undated circular admitted that they had contravened the accounting standards, the price fell to what they were considered worth, by which time LB Finance and its sister-companies had made a killing. One can hardly envisage a 300% price increase on hearing that the Company had a deficit of Rs 1.2 billion, nor even that it couldn't generate sufficient funds to meet its loan interest, let alone capital plus interest. Can anyone under these circumstances honestly say that these amazing events were simply a miracle via the Fairy Godmother's wand?

Despite drawing to the notice of the Chairman, SEC, this gross matter of misrepresentation in the annual report, the Commission did nothing, although its own gazetted rules required the share to be suspended from being traded. In other, less influential instances, the SEC has been known to "interfere" as in the case of Kelani Cables and of Cargo Boat Company. What compounds this shocking state of affairs is the attitude

## CHRONOLOGY OF EVENTS OF THE SCANDAL

Preliminary Agreement signed with Mitsui/Taisei for construction of the Colombo Hilton. All costs and supplies defined in this agreement. Project Plans of July 1980 reconfirmed	March 1983
Profitability forecast by Hilton International and Mitsui based on original plans	March 1983
Letter of award for construction to Mitsui/Taisei	March 1983
Original Plans submitted to UDA	October 1983
99-year lease of 7 acres at Echelon Square	January 1984
Investment Agreement, Construction Agreement, Supplies Contract, Loan Agreement and Design and Supervision Agreement entered into as approved by the Attorney General	January 1984
Government Guarantees granted	February 1984
Plans approved by UDA	March 1984
Prospectus issued by HDL	March 1984
Construction by Mitsui/Taisei begins	March 1984
Agreement Signed	April 1984
Requests for Progress Reports on construction	July 1985
New set of Plans submitted to UDA without Board approval (discovered in March 1990)	September 1985
Fire at Construction Site Office at which all plans, including HDL's copy "borrowed" by Architect, burnt	October 1985
Architect's completion certificate given and hotel handed over by M/T. Change in plans not indicated	April 1987
Hilton Hotel opened for operations	July 1987
Mitsui submits revised profitability forecasts on the basis of original plan of 452 rooms	July 1987
Discrepancy in number of rooms discovered by Director Ameresekere	October 1987
Mitsui profitability forecasts changed to tally with actual number of rooms (387)	October 1987
Memo to Board by Ameresekere stressing that loans can't be serviced even with 100% occupancy at a rate of \$100.00 per day	December 1987
Final Inspection by Architects conducted	March 1988
Request of independent engineering examination and inspection by Director (Govt) Fernando who alleges connection between architects and construction companies	March 1988
Choksy upholds architect's completion certificate	August 8, 1988
Final Inspection Certificate by Architects submitted. Still no reference to change of plans	August 25, 1988
Mortgage of hotel property to Mitsui/Taisei, done despite Board's rejection	July 1989
Commitment to mortgage hotel to Mitsui/Taisei discovered. Secretary/Finance directs deletion from Agreement	November 1989
Director Ameresekere raising discrepancies objected in writing to any payments to M/T until clarification received from architects. He states, unless matter properly resolved monies should be refunded to private shareholders	December 1989
Choksy accompanies Cornel Perera and Mitsui/Taisei to meet Paskaralingam where \$2 million paid to Mitsui/Taisei, of which \$1m from govt funds	January 1990
Choksy's second letter ratifying Architects' Inspection Certificates, despite Ameresekere's detailed protests	February 1990
Illegal substitution of plans discovered by Ameresekere and reported to the Board	March 1990
Government Director Shanmugalingam reiterates that guarantees were given on the basis of original plans	March 1990
Ameresekere's Memo to the Board indicating the serious nature	



of the problem and suggesting arbitration	April 1990
HDL admits that it does not have Bills of Quantities & Final Measurements to support Architects' certificates	April 1990
Cabinet-appointed committee assigned to negotiate with Mitsui/Taisei	April/May 1990
J.F.A. Soza (retd. Supreme Court Judge) appointed by Finance Ministry as one-man-committee to investigate this issue, and finds no irregularities	May 1990
Deletion of mortgage clause surreptitiously included in Agreement	May 1990
UDA discovers that it doesn't have original building plans approved in March 1984	June 1990
HDL admits not possessing owner's copy of original plans	July 1990
HDL admits not possessing original schedules of furniture, fixtures and equipment of the supplies contract with Mitsui	September 1990
Ameresekere institutes legal action on behalf HDL against Mitsui/Taisei aided and abetted by some Directors, before the District Court. The derivative action is premised on fraud by wrong-doers controlling the company.	
Judge issues Enjoining Orders preventing payment to M/T	September 1990
Accounts for year ending 31/03/1990 certified by Auditors (FRT) despite serious discrepancies brought to their notice by Ameresekere.	
Accounts in violation of AG and Enjoining Orders of Court	November 1990
Ameresekere removed from HDL Board of Directors	December 1990
Ameresekere institutes Accounts Action in District Court preventing HDL from adopting the certified annual accounts of 31/3/1990	January 1991
Wijeratne J issues Enjoining Orders preventing any payments to Mitsui/Taisei	January 1991
After having considered the objections of M/T District Judge Wijeratne issues Interim Injunction preventing any payments to M/T as there was no basis for such payment	October 1991
Second of many complaints (in over 12 letters) by Ameresekere to Stock Exchange and Securities Council regarding accounting violations. No action to date	October 1991
Application to Court by Ameresekere to conduct architectural inspection of hotel premises	March 1992
Solicitor General Shibley Aziz appearing for HDL opposes application by Ameresekere for an independent architect's inspection and examination supervised by Court on grounds that it would affect interests of M/T!	March 1992
Interrogatories filed in District Court by Ameresekere	March, April 1992
Justice Palakidnar, President Court of Appeal allows Mitsui/Taisei and the Japanese Architects leave to appeal against the Interim Injunctions. Choksy and Shibley Aziz support this application.	January 1992
Ameresekere allowed Special Leave to Appeal to the Supreme Court by Justice Bandaranaike. Choksy and Aziz refused permission to participate	May 1992
Supreme Court presided by Chief Justice G.P.S. de Silva upholds District Court order and issuance of Interim Injunctions. The judgement states that Ameresekere has established a prima facie case of fraud with real prospect of success even in the light of the defence. The Interim Injunctions were granted to prevent "syphoning out of money" from the Company and the Country	December 1992
Repeated requests supported by specific charges and evidence by Vasudeva Nanayakkara, MP, to President to initiate an inquiry into this fraud (In addition to letters dated 08/8/91, 05/9/91, 18/11/91, 17/12/91)	Jan, Feb, March 1993
Choksy resigns from HDL Board of Directors on becoming a Cabinet Minister	June 1993

of the Chairman of the Securities Council, Stanley Jayawardana, and the Council's careless callous disregard for its own mandate in the face of the fraud taking place and being brought to their notice. Jayawardana adduces a host of excuses which are merely alibis for inaction and evading an investigation into the complaint because of obvious vested interests. For example, inadequate staff, pleaded by him, cannot be a valid excuse when a three member committee should look into the complaint.

Clearly, if the Commission did not intend to investigate such cases it really has no *raison d'être*. Moreover, he states in the **Daily News** of 9/8/91 "I would like to assure investors that the SEC is deeply conscious of its responsibilities to protect the interests of investors and I invite investors who have complaints or constructive comments or suggestions to write to the SEC." And later in the third of a series of press advertisements, "most certainly, you can expect that all valid complaints will be looked into in-depth, by either the Stock Exchange or the Securities & Exchange Commission, who will make a full inquiry and take the necessary action."

Jayawardana is his reply to Ameresekere of 3/12/91 then tries to justify his inertia by using the popular dilatory stratagem of "sub judice". As Ameresekere points out this refers to a court action brought against Mitsui/Taisei for an injunction against payment of dues by HDL because they had not completed the construction of the hotel according to its prospectus and the original plan, allegedly burnt and lost, at the hotel site and at Tokyo and the Urban Development Authority respectively! Misrepresentation of company accounts and the construction con are clearly two different matters, but it is in their coming together that they constitute the cover up of the decade.

As the matter had been on the agenda for discussion at the immediately-following meeting of the Securities Council, it is important to note that G. C. B. Wijesinghe, who had already allowed the inaccuracies

and misrepresentations to pass, was present as a member. He was also a Director of LB Finance at the time whose Group Chairman's activities were being called into question here. In keeping with Section 9 of the Securities Council Act No: 36 of 1987, he should have disclosed his status as an interested and affected party and withdrawn from the proceedings.

Ameresekere and his battery of distinguished lawyers have established a pioneering action in the court proceedings against the directors of the company for aiding and abetting Mitsui/Taisei in their alleged attempt to defraud the shareholders, the chief of whom is the Government. The lengthy and detailed correspondence undertaken by and on behalf of Ameresekere with the SEC shows clearly, through the SEC's shallow and evasive replies, that what has happened at that end is its deliberate and determined endeavour to do nothing at all. The additional question for ordinary citizens concerns the fact that if Ameresekere -- a man of resources and tenacity, a fully-qualified accountant of stature and seniority in the profession -- cannot make himself heard by the SEC, what can the rest of us expect of this institution which has been set up to "protect the interests of investors"?

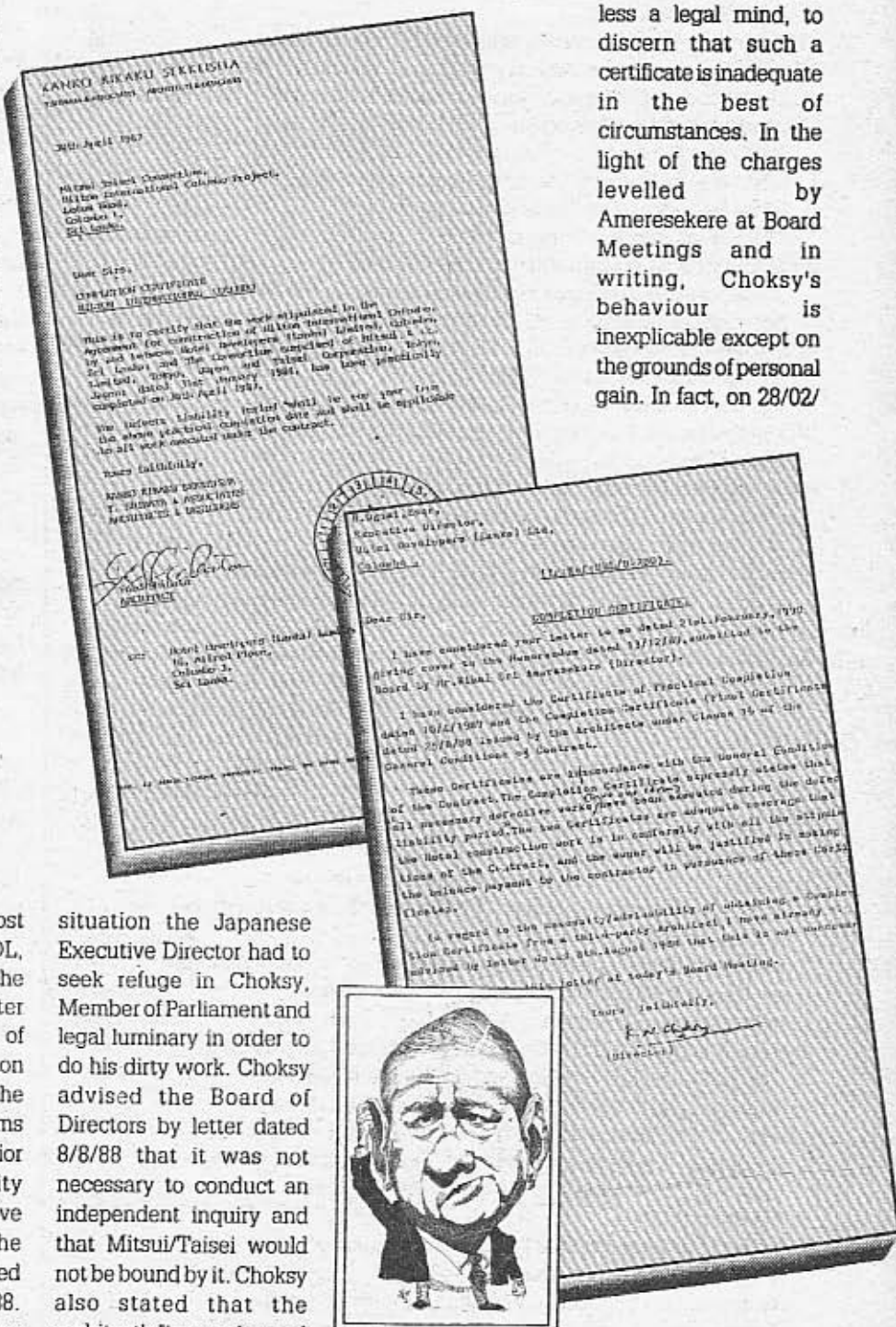
Mr. K. N. Choksy's involvement in the cover up is perhaps the most shocking of all. A Director of HDL, Choksy acted as a cat's paw of the Japanese contractors. Soon after Ameresekere informed the Board of Directors that the Colombo Hilton Hotel had been constructed on the basis of a reduced number of rooms (387 instead of 452) without prior approval or revised profitability forecasts, the Japanese Executive Director had intimated that the Japanese architects had conducted their final inspection in March 1988. In the light of the serious discrepancies that had come to light by then, a government-appointed Director,

chartered accountant M. T. L. Fernando had urged the Board that an independent engineering examination and inspection be carried out, stressing the obvious connections between the Japanese contractors Mitsui/Taisei and the Japanese Architects.

It is a telling irony that in this

that the construction is in order in every respect." All this on the basis of a "Completion Certificate" submitted by the architects Kanko Kikako Sekkeisha Yozo Shibata & Associates, a two paragraph letter dated 30/04/1987 without Bills of Quantities or Final Measurements to support it. It does not take an accountant, much

less a legal mind, to discern that such a certificate is inadequate in the best of circumstances. In the light of the charges levelled by Ameresekere at Board Meetings and in writing, Choksy's behaviour is inexplicable except on the grounds of personal gain. In fact, on 28/02/



situation the Japanese Executive Director had to seek refuge in Choksy, Member of Parliament and legal luminary in order to do his dirty work. Choksy advised the Board of Directors by letter dated 8/8/88 that it was not necessary to conduct an independent inquiry and that Mitsui/Taisei would not be bound by it. Choksy also stated that the architect's "inspection and certification is an adequate protection to both the Board and the shareholders

1990 he writes reiterating his position that both the Certificate of Practical

Completion and the Final Certificate (dated 25/8/1988) issued by the architects "are adequate coverage that the Hotel construction work is in conformity with **all** the stipulations of the Contract" despite the fact that he is responding to Ameresekere's Memorandum to the Board of 13/12/1989 in which he quotes the construction agreement with reference to the number of floors (22), rooms (452) and floor area (39,042.3 sq. metres), and expresses his dissatisfaction with the Completion Certificate in that it has neither numbers or quantities in violation of conventional practice. If Choksy were to be deemed honest and non-partisan in this matter, one would have to credit him with such colossal stupidity and crass ignorance that is beyond belief. Then, there is the evidence of Choksy's active intervention in obtaining payments for Mitsui/Taisei despite Board opposition and his gratuitous pleadings in the Appeals Court, all of which irrevocably tarnish his bona fides.

Choksy is also disqualified from being an MP according to Section 91 (1) (e) of the Constitution where it states that "No person shall be qualified to be elected as a Member of Parliament or sit and vote in Parliament if he has any such interest in any such contract made by or on behalf of the State or a public corporation as Parliament shall by law prescribe". The Government guarantees given to HDL make for precisely the type of contract that would disqualify a member under this rule.

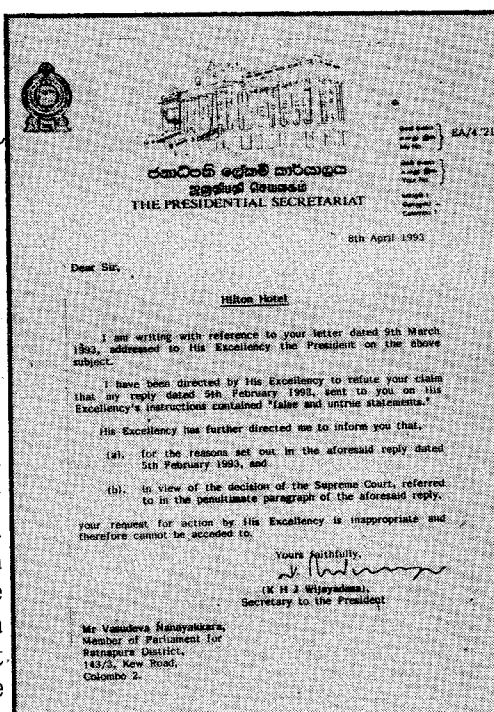
The most blatant and direct case of bribery associated with this deal involves the payment of 340 million Japanese Yen (about 120 million rupees) by Mitsui to a dummy company in the United Kingdom for certain services rendered in connection with the realisation of the hotel project. The required services are identical with what was contained in Article 17 of the Investment Agreement which Cornel & Co. Ltd. were required to fulfill. More importantly, the requirements were those that only the Government of Sri

Lanka could deliver, such as the total exemption from corporate income tax for the company (HDL) for 10 years, the total exemption from tax on interest to be paid or other payments to be made by HDL under the Loan Agreement, the total exemption from import duty on all materials and equipment, the favourable opinion of the Attorney General as required by Mitsui, and the Letters of Guarantee by the Government of Sri Lanka. The conditions for payment were duly met and Mitsui paid this amount in two instalments in April and December 1984 to the account of Mr. S. C. S. Cloppenburg at the European

the controlling shareholder with 64% of the share capital invested, it is a concerned party to all dealings of the owning company, HDL. Secondly, as guarantor to the loans taken by HDL, the Government must see to it that the company is not in default or in danger of going bankrupt. Six of the eleven Directors of HDL are appointed by the Minister of Finance who is none other than the President himself. The Memorandum and Articles of Association of HDL stipulate that the appointment of Government Directors be made directly by the Minister of Finance who has the sole power to remove them at his discretion. The silence of this majority cannot be taken to mean anything less than the full and self-conscious condoning of all that has taken place so far, and, by simple implication, the covering approval of the man who has appointed them and whom they continue to represent at the Boardroom.

The Supreme Court in its judgement observed in December 1992 that "it might be pointed out that it could not entirely be a matter of indifference to the Government". More than one year later this Government remains indifferent, not merely to its liability to the Ten Thousand Four Hundred Million Rupee (Rupees 10.4 Billion **which is slightly less than the entire cost of Janasaviya for the past four years!**) claim made by Mitsui/Taisei, but also to the Supreme Court itself.

In their written submissions to the District Court, Hotel Developers (Lanka) Limited, whose major shareholder is the Government, states "that in the event that this Court finds that the averments made by the plaintiff [Ameresekere] are legitimately entitled to succeed, this defendant will as a matter of course take **immediate action** to protect its interest and those of its shareholders as circumstances would deem fit" [emphasis added]. By its own admission, then, HDL stands indicted since "immediate action" has taken the form of utter inaction at best, and collusion to defraud at worst. ■



Asian Bank, Hongkong. The 120 million rupee question is how services that could only have been granted by the Government were ensured by the payment of money to a Hongkong account operated by a UK company! It is interesting to note in this regard that the then Minister of Planning, advised by the Attorney General, had recommended by letter dated 2/3/1984 that no waiver of customs duties be granted to the project. Choksy was constrained, therefore, to write a dissenting opinion (in what capacity, one wonders) on 6/3/1984 on the basis of which the waiver was granted.

The Government's involvement in the Hilton Hotel is two-fold. First, as



# A time for realistic long-term planning

**T**he Sri Lankan military goes into the 12th year of the war with a new Commander, Major General Gerry Silva. In a year that the military as a whole and the Army in particular faced a series of disasters, the appointment of the new commander with years of experience in the battle front and highly respected by his men is the only bright spot in what was a bleak year for the military.

The Army suffered major setbacks in Welio-Oya, Pooneryn, Kilali and Vettalaikerni without any success in the Northern theatre during the year. The Kilali Operation aimed at improving the morale of the soldiers backfired. Other than for some successes in the Eastern theatre the Army has little to celebrate in 1993. To make matters worse despite being on the defensive the whole year and losing around 400 million rupees worth of military equipment to the Tigers the Army also suffered heavy casualties.

## Waruna Karunatilake

	Killed in action	Missing in action	Wounded in action
Army	601	340	1276
Navy	27	100	81
Air Force	04	00	06
Police/STF	51	01	54
Home guards	03	00	07
Total	686	441	1424

One of the main reasons for the setbacks is the Government's East first policy which does not make any military sense unless the Army can keep the LTTE occupied in the Northern theatre at the same time. This is a difficult task for an army that has already over stretched itself holding on to strategically unimportant areas in the North. It is common sense for the Army to pull

out of these areas such as Pooneryn and the Vettalaikerni-Elephant Pass corridor now held for reasons of prestige rather than for strategy. It is up to the new Army Commander to persuade the politicians to accept it whether the Sinhala chauvinist lobby in Colombo likes it or not. Wars are not won on prestige but on strategy and tactics and the ability of the Generals to use their troops to the maximum advantage. Tying down thousands of soldiers to hold on to these areas has deprived the Army of its ability to launch offensive operations as well as rest and give refresher training to the fighting battalions which have served in the battle areas continuously since June 1990. No army can keep on fighting at this intensity without rest and this is one of the main reasons for the high rate of desertions and the slack in discipline. General Silva, the first infantryman to command the Army since General



*Unlike these ruins of Jaffna it helped create, the Army appears to be in a shambles of its own making. The new Commander's task is to forge a more humane, yet more professional, military force.*

Weeratunga will know better than anyone else the importance of training and of keeping morale at a high level for the foot soldier. No amount of sophisticated weaponry is going to help the Army in battle unless the infantrymen are motivated and well-trained to fight. The unbelievably short training given to soldiers merely to increase the numbers in the Army has proved to be a disaster already. It will be suicidal for the Army to continue this policy. It is better to have less numbers of well trained well motivated soldiers than larger numbers of badly trained soldiers who cannot be blamed for running away from a fighting force as fierce as the LTTE. Therefore, much longer training for recruits would be the answer rather than throwing them into battle after just six weeks of basic training.

In this background General Silva's extensive experience both in the North and the East which he commanded and the respect he commands from his officers and men will come in handy in correcting the fundamental weaknesses in the Army. General Silva, an officer who was ear-marked for the top job in the Army for years but was always in the shadow of his charismatic batch-mate General Denzil Kobbekaduwa will have his hands full in putting the Army back into an efficient fighting force. His undoubted financial honesty in a country where Generals, politicians, bribed by businessmen make hundreds of millions of dollars by buying either sub-standard or over-priced military equipment at the cost of providing

basic comforts to the soldier in the frontlines, and his reputation for fairness not only in dealing with his men but also in dealing with the ethnic crisis as a whole alone, is not going to get the Army out of the doldrums it has fallen to in the post Kobbekaduwa-Wimalaratna period.



**General Silva's biggest challenge will be to fight the war on the basis of military priorities rather than on priorities set up by politicians for their own short-term political gains. Pleasing politicians at the cost of alienating the soldiers and the officers is a guaranteed way towards early retirement.**

General Silva's biggest challenge will be to fight the war on the basis of military priorities rather than on priorities set up by politicians for their own short-term political gains. Pleasing politicians at the cost of alienating the soldiers and the officers is a guaranteed way

towards early retirement. It is the soldiers who are fighting this war and dying because of it, and not politicians and the war mongers in the south. It is better for an Army Commander to get sacked for refusing to bow down to political pressure when it has negative consequences on the Army rather

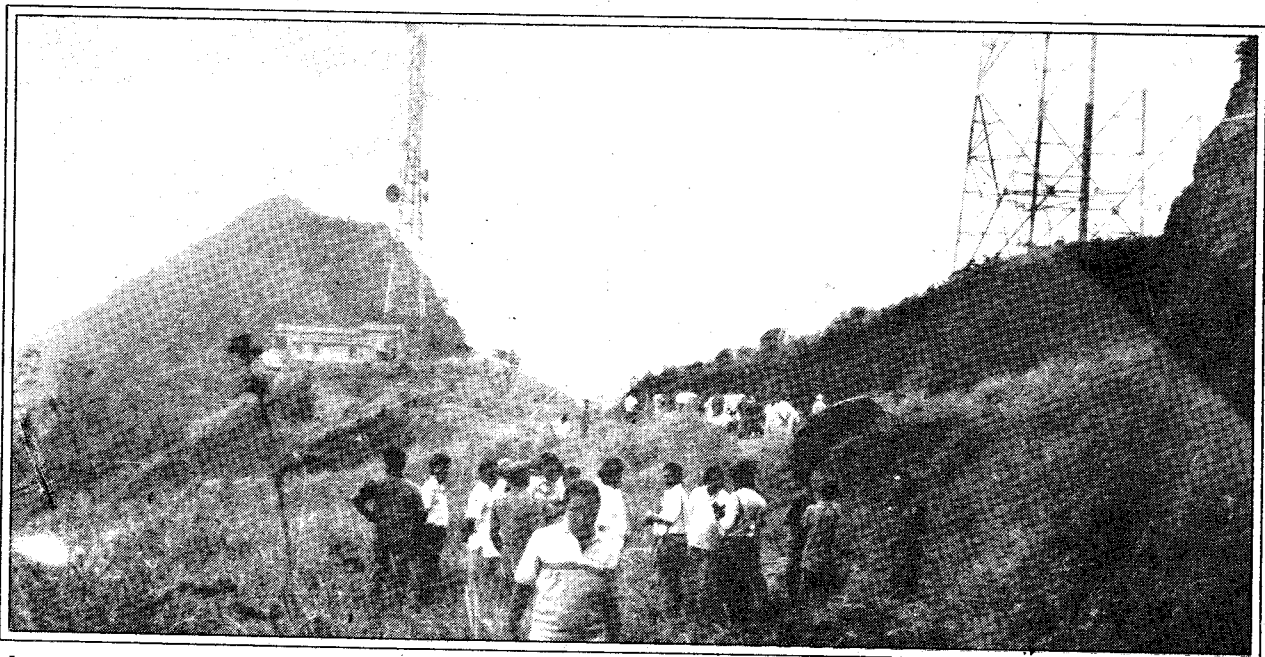
than lead it to one disaster after the other, which is inevitable if the military hierarchy is willing to please a bunch of not so smart politicians at any cost just to get their next extension of service. That would be a sure way for General Silva to lose the great amount of goodwill that has been generated within and outside the Army following his appointment.

Since 1983 every Army Commander preceding General Silva were men in a hurry who rather than taking a realistic long term view of the war were aiming to end the war during their time, to satisfy their own egos. General Silva would do a great service both to the Army and to the country by not making promises to end the war in "six months" and instead put the fundamentals in place and prepare the Army for a long battle. In the unlikely event of the politicians seeing the stupidity of fighting the LTTE without a political package to correct the legitimate Tamil grievances it would strengthen the military and

drastically improve the chances of ending the war sooner than expected. But to count on this would be foolhardy. The ultimate test for General Gerry Silva will be when he hangs his boots after over three decades of army life, whether he can do so with his reputation intact. ■

# THE SAFEST PLACE TO HIDE ONE'S SKELETONS

The discovery on January 3, 1994, of a mass grave at Suriyakanda, in the Kolonne electorate approximately 150 km from Colombo, is significant even for those who are aware that similar sites are not uncommon in the South and East of the country: First, the location of the bodies just beside the Telecom and Rupavahini towers at Suriyakanda (elevation 4400 feet above sea level) in a restricted area that has been heavily guarded and policed day and night for the past seven or eight years indicates that the bodies were dumped by those whose access to such places was beyond question. The road is difficult at the best of times, combining a steep incline and the requirement of personal transport. Second, Suriyakanda which is just 45 km from Embilipitiya, the location of arguably the most meaningless and inhuman massacre in a period of meaningless and inhuman massacres where 31 school children were allegedly abducted and murdered for no apparent reason in 1989, may unearth the remains of these children. The Embilipitiya incident which caused an international outrage has so far not resulted in any prosecution, though the perpetrators are well known, due, it is said, to the absence of physical evidence. Physical evidence there is at Suriyakanda, in an abundance that indicates that many many more brutalities lie buried than will probably ever come to light.



*A panoramic view of the terrain that takes in both the mass grave and the Telecom and Rupavahini Towers, showing that the perpetrators could not have chosen this site by accident.*



*This tell-tale saffron robe is all that is left of a bhikku, one of many who disappeared during this period.*



*Photographs  
Chandragupta  
Amarasinghe*



*The bodies, mostly of young people, appear to have been killed elsewhere and dumped in heaps, perhaps 300 in all.*



*The mother of one of the missing children from Embilipitiya is seen crying as she thinks she recognises her son's clothes among the remains.*

# The Handapangala Elephants and the values of conflict

**Rajan Hoole**

**H**ow are the two apparently distinct tragedies of the Handapangala elephant herd and the North-East conflict related? The former is about 150 or so elephants displaced from their habitat by the over-extended Pelwatte Sugar Company, which have since posed a threat to local villagers in the Moneragala district (see **Counterpoint** of October). Both man and beast have died. One of the singular and noblest traditions observed by a number of Buddhist sovereigns is the protection they afforded to animals, which included a recognition that they too had a right to an equitable share of space and resources to lead a fulsome life. In the Mauryan and Gupta Empires of India at the height of their glory, the slaughter of animals was banned. So too it was under several kings in this country. An instance that concerns us relates to Padaviya Tank lying in a region that comprises one of the intractable issues of the current war.

It is recorded that King Nissanka Malla (A.D. 1187-96)

successor to Parakramabahu the Great, declared 'Padaviya' a sanctuary for animals. Sir Emerson Tennant who was guided to 'Padivil Kulam' by the Udayar of the area in the 1840s testifies to the abundance of wildlife in the environs of the breached tank. Our ancient Buddhist kings lived in times of

very different values, and many of whom despite several personal failings, tried to combine kingship with the ideals of a Bodhisattva. Themselves coming from very mixed origins, and living in a plural culture, the heightened communal differences of modern times must have been very alien to them.

With 'modernisation', values changed dramatically. Accumulation and profit maximisation tended to eclipse all restraints of an earlier era. The

repressive character.

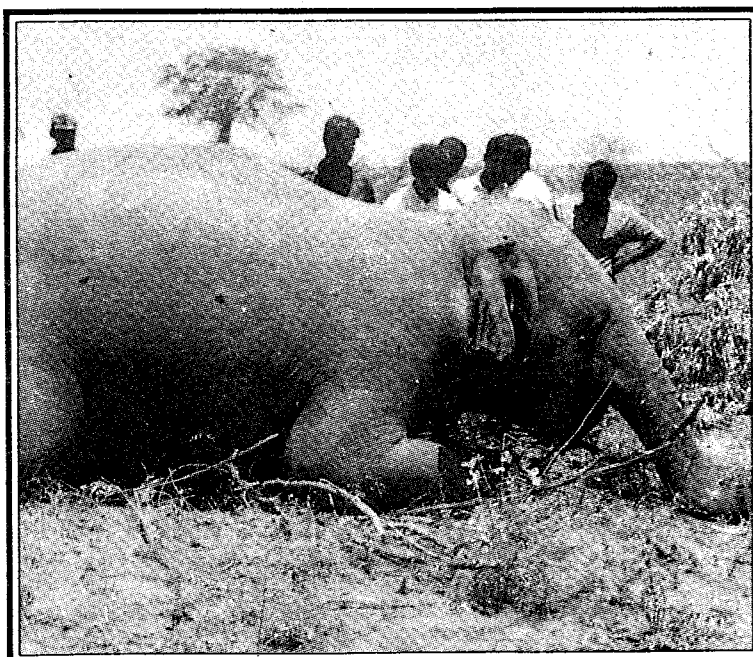
Communalism often overshadowed colonisation schemes for marginalised peasantry, particularly from areas in the South where large tracts of land were given over to commercial cash crop cultivation. Against this backdrop the question posed was whether Padaviya and its northern reaches, Manal Aru or Weli Oya, belonged to the Tamils or to the Sinhalese. The state answered it unilaterally by using its armed forces to drive out the former.

Although the current politics holds the ancient kings in formal veneration, their wisdom is seldom respected. It was never asked if Padaviya belonged to the elephants and other wildlife, as Nissanka Malla had intended.

The region has now become one of conflict, massacres and impoverishment, with the displaced Tamils drawn into the LTTE's 'Volunteer Force'. The area, like Handapangala after it, became of little use to either man or beast. The Pelwatte Sugar Company became an exercise in replacing real

elephants with a white one.

The Handapangala elephants also bring into focus some baneful features of current nationalist politics. The fate of the Kandyan peasantry in the aftermath of the British suppression of the Kandyan rebellion of 1817 comes out in pithy, but graphic detail in Dr. John



*This dead elephant can be taken to symbolise the egregious violence of our times, where some elephants are more equal than others.*

nationalist mass politics which took root in the early years of this century, it has been ably argued, reflected these values of the modern age. It appealed to ancient symbols of language and religion, adapted to clothe dominant group interests. Its narrowness and communal appeal masked its

Davy's first hand account. He speaks of 'traits of parental attachment among the natives, and of cool resignation to their fate, that have seldom been surpassed. He estimates at 10,000 the civilian losses 'killed in the field, executed or died of disease and famine'. Its effects are quantitatively comparable with the ongoing ethnic conflict, and qualitatively far more severe, owing to the smallness of population at that time and the absence of any international machinery or relief. As for military behaviour, little has changed.

From the 1840s, using the Waste Lands Ordinance, the plantation economy was introduced to the Kandyan regions. Tamil labour brought in from India formed the new underclass. The land owning

Kandyan upper classes found the new breed of Low Country Sinhalese entrepreneurs a greater threat to themselves than the oppressed Tamil labour. They had to often transfer land to these entrepreneurs to redeem their debts. It is also significant that Anagarika Dharmapala, the leading nationalist at the beginning of this century, did not object to Tamil labour from either a Buddhist critique of the new values transplanting the old, or from an understanding of the alienating nature of the modern political economy. His objections were rather based on the Tamil labour coming from the lowest strata of Indian society.

To this day politicians and nationalists have faulted the British

for the past. The Tamil labour has been punished with disenfranchisement and physical violence. But there has been no genuine effort to make a reappraisal of the values of the modern age, to assess options that will bring justice to all and to incorporate

disillusioned peasants, who were drawn into the armed forces. Among the 300 raw recruits killed recently in Pooneryn were many from the Moneragala district. They had been sent for training on the front as a preventive measure against desertion. Such is the

reality behind the ruling ideology which makes a travesty of nearly all its benign pretensions.

The Tamils too owe it to their weaker sections now being sacrificed to ask themselves how much their own fate owes to a rejection of the gentler and wholesome influence from the past, while adopting values exalting a ruthless drive for material success -- values which are therefore conflict-prone. The blow received by the Kandyans has kept them down for



*Like the elephants before them, many young soldiers who died at Pooneryn were from Moneragala. Pelwatte and the war have become, in this sense, strange bedfellows.*

these into a new politics. Indeed, the current unfortunate relations between the Kandyan peasantry and the Tamil plantation labour show that 'divide et impera' (divide and rule) neither began with the British nor ended with them.

The 36,000 acre Pelwatte sugar Company among other similar agribusiness investments shows that little has changed. It was instituted in the mid 1980s in almost the same manner as plantations under the British in the 1840s. Accountability was again denied to the native Kandyan peasantry who launched mass protests. Their displacement was secured by force and intimidation.

The fate of the native elephants has been paralleled by that of many sons of these marginalised and

more than 150 years. Can the Tamils afford the methods of their would-be-leaders that have closed all healthier options?

Coming back to the theme, the knowledge that peace between man and man cannot be exclusive of peace between man and beast goes back before 700 BC: "The wolf also shall dwell with the lamb, and the leopard shall lie down with the kid; and the calf and the young lion and the fatling together; and a little child shall lead them... They shall not hurt nor destroy in all my holy mountain: for the earth shall be full of the knowledge of the Lord, as the waters cover the sea".

These seasonal words of the Prophet Isaiah were uttered when another society was on the brink of a social and a moral catastrophe. ■



## Selling shop-space for a song

**A**irport and Aviation Services Limited, the state-owned company that runs the Colombo International Airport in Katunayake is losing over 500 million rupees on its duty free shopping complex following political pressure to give further its to shop owners who have used their political connections and pay-offs to highly placed officials to force the company to make unprecedented concessions after tenders were finalised.

In late 1989 Airport and Aviation Services Limited called for tenders for operating duty free shops within the terminal building of the Colombo Airport. There were six shops in the departure lounge and eight in the arrival lounge on offer. The tender specified a minimum monthly rental (the tendered offer had to be above this amount) of 350 rupees a square foot a month and called for bids. The tender also specified a yearly 5% increase on the tendered rental during the five year contract. Another clause was that if 12.5% of the turnover was higher than the monthly rent the shop owners had to pay the higher amount.

The tenders were opened on August 31st 1989 and the highest tender for each of the shops was well above the minimum price set in the tender. Those who bid for the tender say the rentals tendered would have been even more if not for the 20 percent

Business Turnover Tax (BTT) imposed on all sales and the high landing charges that had to be paid, including port handling charges.

For example, Siedles bid Rs 515,000/- a month for a shop with a floor price of 78,050/- and Abans bid Rs 278,050/- a month for a shop with a floor price of 78,050/-. Uni-Walkers got one shop for a bid of 75,000/-. The minimum rate was Rs 46,200/-. Obviously these companies made these bids because running duty free shops would have been profitable even after taking in to consideration the taxes that were in place.

The Rs 515,000/- a month Siedles paid for their shop was brought down to a mere Rs 31,220/-. At no point did Airport and Aviation Services Limited think of calling for fresh tenders to see whether other private sector companies would be interested in paying more than this absurd price, nor did the company think that it was unfair on other unsuccessful tenderers to make this arbitrary decision without calling for fresh tenders if the shop owners could not pay the agreed rental.

The shop owners got a bonanza when in the 1989 budget the 20% BTT on sales at the duty free shops was removed. Following representation by the owners' association the Government made more concessions. They were given concessionary rates for the landing charges of the Port Authority which was 4.2% of the CIF value of the goods. The Government also removed the 2% stamp duty payable when opening an LC for imports to the duty free shops. These steps increased their profit margins dramatically.

However, the lessons of the open economy -- the never ending greed of the private sector to make large profits at unbearable cost to both customers and the country -- came into play in this instance as well. The association using its connections to the Late President Ranasinghe Premadasa lodged a complaint that the rentals were too high. Amidst accusations of pay-offs to highly-placed officials the President ordered Airport and Aviation Services Limited to re-negotiate the rents. By the end of 1990 the new rents were finalised and to everyone's surprise they were fixed at Rs 120/- a square foot for the shops in the departure lounge and at Rs 140/- a square foot in the arrival lounge. This is a 65% reduction on the minimum price demanded by the company in the tender. The real reduction on the tendered rentals goes to up to an unbelievable 93% for some shops. The Rs 515,000/- a month Siedles paid for their shop was brought down to a mere Rs 31,220/-. At no point did Airport and Aviation Services Limited think of calling for fresh tenders to see whether other private sector companies would be interested in paying more than this absurd price, nor did the company think that it was unfair on other unsuccessful tenderers to make this arbitrary decision without calling for fresh tenders if the shop owners could not pay the agreed rental. **Counterpoint** has tabulated the loss to the Airport and Aviation Services Limited from 6 of the 14 shops during the five year period from 1990 to 1994 when the contract expires.



## Tendered amounts that should have been paid to date

### Monthly rent

	1990	1991	1992	1993	1994
		Add 5%	Add 5%	Add 5%	Add 5%
Siedles	515000.00	540750.00	567787.50	596176.88	62595.72
Uniwalkers	175000.00	183750.00	192937.50	202584.38	212713.59
Abans	200000.00	210000.00	220500.00	231525.00	243101.25
Singhagiri	125600.00	131880.00	138474.00	145397.70	152667.59
Easwaran	76000.00	79800.00	83790.00	87979.50	92378.48
St. Anthony's	100000.00	105000.00	110250.00	115762.50	121550.63

### Current rent

	1990	1991	1992	1993	1994
Siedles	515000.00	39025	39025	39025	55750
Uniwalkers	175000.00	23100	23100	23100	33000
Abans	200000.00	39025	39025	39025	55750
Singhagiri	125600.00	28000	28000	28000	40000
Easwaran	76000.00	28000	28000	28000	40000
St. Anthony's	100000.00	28000	28000	28000	40000

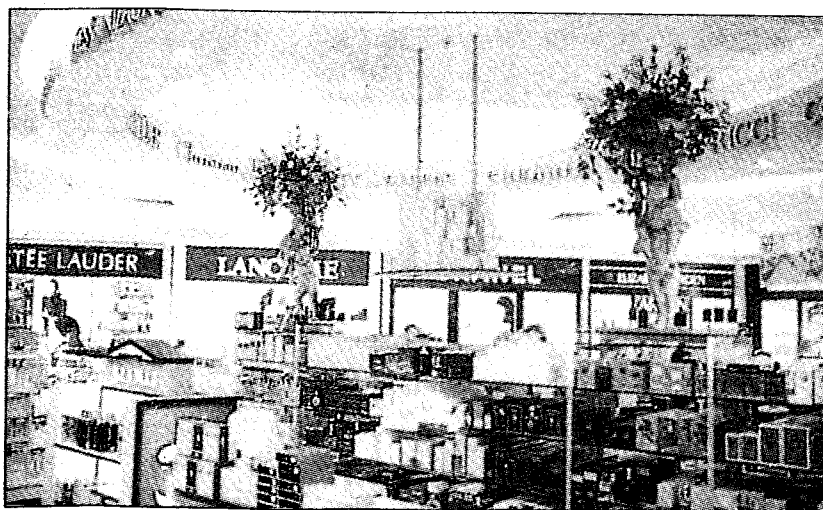
### Loss to Government per month

	1990	1991	1992	1993	Total Per year
Siedles	501725.00	528762.50	557151.88	157639.38	19051672.50
Uniwalkers	160650.00	169837.50	179484.38	509971.88	6119662.50
Abans	170975.00	181475.00	192500.00	544950.00	6539400.00
Singhagiri	103880.00	110474.00	117397.70	331751.70	3981020.40
Easwaran	51800.00	55790.00	59979.50	167569.50	2010834.00
St. Anthony's	77000.00	82250.00	87762.50	247012.50	2964150.00
					40366739.40

Despite this massive loss of revenue to the Government due to pay-offs and political pressure brought on by the shop owners association the Government last month signed an agreement with them to open a new duty free shopping complex outside

the airport. The rationale for this complex is that now the returnees have to bring goods to match their duty free allowance on their return. They can buy duty free goods at the new complex up to one month after their arrival. A similar duty free shop

set up in the early 1980s in Colombo 3 was closed down after massive leakage to the open market. Even now if one has the right connections one can buy goods at duty free prices from duty free shops in the airport. The new complex will be built by the association and shop owners at the airport will have the right to run duty free shops in this new complex for 15 years without paying rental. The basics of the open economy -- free and fair competition-- is thrown out of the window to please politically-connected businessmen and those who make pay-offs to high officials. The fact that the country is losing millions of rupees a month is, of course, not a problem for these politicians or businessmen -- both of whom work on the basis of making the most amount of money for themselves while the going is good. ■



In an open letter to those concerned about the tea industry, the 'Progressive Front' of the TRI staff ask whether the TRI has become the door wedge in the path of progress of the tea industry. They cite numerous instances of defections from the scientific staff, in the face of ad-hoc appointments, favouritism by the Directors, and an over-riding sense of frustration and low morale. Furthermore, they charge that professional envy and lack of direction has resulted in research with interest only to the scientific community. Several cartoons too have also emerged from the local TRI wit, in one alleging corruption in high places, and in another, depicting the quality of TRI research in a collection of dogs sniffing each others' posteriors.

In January this year an inquiry was made into a TRI decision last year to recommend, and subsequently withdraw, the application of the fertilizer SUL-PO-MAG, thereby seriously affecting the credibility of the Institute. The Consultant's report concluded that the basis of recommendation was not in accordance with normal procedures, that the test trials were not in the latest annual report of the TRI, and also made the general observation that a breakdown in communication between the Director and certain Heads of Divisions was apparent, causing confusion in the industry.

Sensing belatedly that all was not

well with this important and once prestigious Institute, the Minister of Plantation Industries appointed a committee to review its activities. This report was submitted to the Minister in August this year, and its recommendations are under consideration. The committee was chaired by Mr. Panambalana, former Health Secretary, and included the late Dr Balasuriya, Deputy Chairman UGC and Chairman Rubber Research Board, Dr L H Fernando, former Director TRI, Prof. Gunasena, Dean, Faculty of Agriculture, Peradeniya, and several Directors from the Department of Agriculture and Ministry of Plantation Industries.

Terms of reference for the committee included:

- \* Review of research objectives of the TRI in the short, medium and long term
- \* review of management of research projects, programmes and policies
- \* evaluation of procedure adopted in

motivation etc.

The TRI was established in 1925 with a mandate to research into and investigate all problems and matters relating to tea, to provide and publish information on the subject, and to provide facilities to students in tea research. Its stated mission is "to assist in the achievement of an increase in the total income from tea growing in the country". The TRI has its main laboratories at St. Coombs Estate, Talawakelle, whose factory is well equipped for research in tea technology. In addition, the Institute has a low country station in St. Joachim Estate, Ratnapura, and Advisory and Extension Centres at Talgampola, Deniyaya, and Passara.

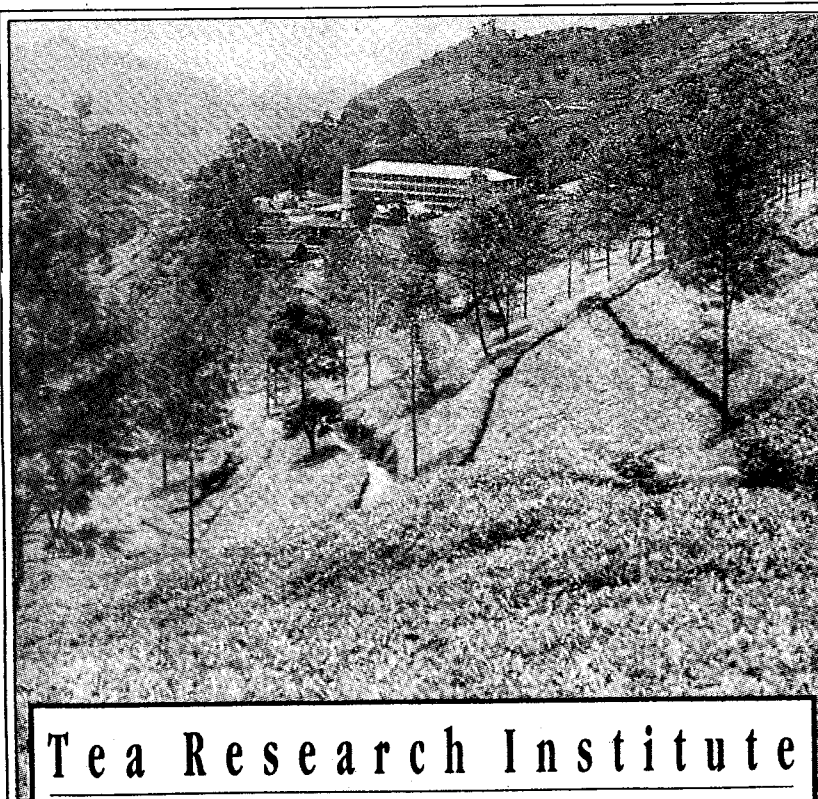
There is a total of about 200,000 hectares of land under tea cultivation, with an annual production of 250m kgs, and despite a diversification from the traditional tree crop export sector, tea still generates the highest value added (income less material costs),

the management of staff

\* evaluation of criteria adopted in allocation of resources for research programmes and balance in relation to the needs of the tea sector

\* evaluation of the impact and usefulness of projects and programmes

and many others covering assessment of quality control of research undertaken, effectiveness of advisory aid extension and linkages to the industry, ensuring adequate staff training, competence,



Tea Research Institute

## Teacup in a storm



accounts for 21% of total exports, and far exceeds Garments in importance, which in any case remits over 70% abroad in fabric and accessory costs.

Although Sri Lanka has a long history of being one of the two largest exporters of tea in the world, it is facing severe competition from India and several East African countries. This is attributed to both nationalisation and all it entailed in the 1970s, and heavy taxes imposed on the industry, eroding producer margins. The result is that the average Sri Lankan yields have remained at 1200kg/Ha, whilst India and Kenya achieve yields in excess of 2000kg/Ha. This enables those countries to remain profitable even when world market prices for tea are low.

It is vital then that the local industry is ably assisted and supported by an effective TRI to introduce high yielding, drought resistant clones, more economical replanting methods, improvements in disease and pest control, development of cost effective fertilizers, development in new value added teas to penetrate world markets, and savings in the cost of manufacture. Unfortunately however, this support has been lacking, and many professional planters blame the inadequate response of the TRI for much of the deterioration in the industry.

Interestingly enough according to a document "Views on the activities of the Tea Research Institute of Sri Lanka", by the Secretary General of the Planters Association of Ceylon (PA), Sepala Ilankoon, addressed to the Committee in May 1993, the PA had requested a Presidential Commission of Inquiry into the affairs of the TRI way back in 1987. It had taken 6 years and privatisation for the Government to realise the urgency of the request.

The 40 page report is a harsh indictment of the Institute's affairs, and confirms the views of the Association. Summarizing the Committee's observations is a list of shortcomings, permitting only a few concessions to a golden era which

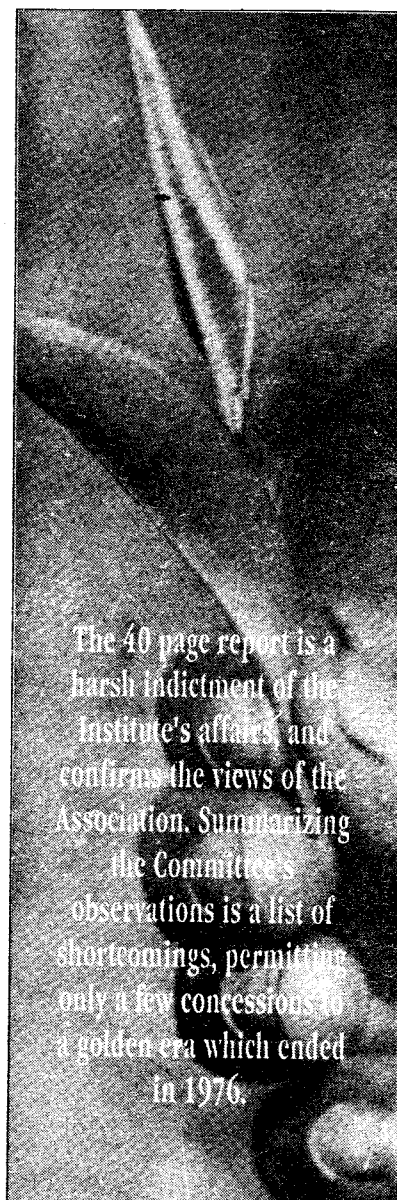
ended in 1976. Notable in their findings is that there "is no strong leadership provided by the TRI to the industry, ...lacking specific recommendations on pruning, shade, manufacture and plucking". It criticises the isolated and compartmentalized research undertaken by the various divisions of the Institute, resulting in overlap, and little or no integration or continuity in cases of obvious inter-disciplinary research. It also observes that no critical evaluation of research is

manufacture.

In its recommendations the Committee has sought to place the Institute as an organisation of prime importance serving the national interests in a crucial industry. Therefore, research programmes should in future conform to needs and strategies of the industry, and this too on a prioritised basis. The question of quality is to be monitored, through periodic internal reviews, and economic evaluation for cost effectiveness. Restructuring of some of the sub-divisions is also recommended to avoid unnecessary waste, and strong emphasis is placed on an inter-disciplinary approach to projects.

Several recommendations are also made to address much of the ad hoc and irregular staff management procedures adopted, through setting up a transfer Board, and standard procedures for recruitment and promotions. In the penultimate note, they place responsibility for several lapses that have contributed to the state of affairs at the TRI, on the Deputy Director (Administration) Mr. Munindradasa, who does not appear to have had the knowledge nor training in the required fields of finance or personnel administration. Finally, the Committee ends by questioning the ability of the present Director, Dr Sivapalan, to meet the challenges of the emerging industry, and recommends that the term of appointment of future Directors be limited to 5 years.

This report clearly now places the onus on the Ministry of Plantation Industries, to either accept the report in its entirety and act accordingly, or to simply proceed on a piecemeal fashion, perhaps, even appoint another task force of inquiry, and in effect, do nothing. However, with a marked change in direction by the private sector management companies, the TRI will have to metamorphose radically to meet the challenges of the day, or face extinction, since it is unlikely that the cess, paid out of estate revenue, that funds the TRI can continue to be justified, if only to keep a few fighting scientists in clover. ■



undertaken to ensure quality, and adds that although the Sri Lanka Journal of Tea Science, published by the TRI, contained several valuable articles during the last 8 years, few had relevance to the subject of

## The milk of human blindness

Nestle has never had anything like a spotless reputation in the international community in terms of its business practices. In fact, it's not so long ago that Nestle faced severe reprimands for its misleading advertising, particularly in the third world. However, even given this unenviable history, Nestle Lanka seems to be in a class by itself.

First, there was the horrendous circumstance of the contaminated milk imported from Central Europe. Only one container load was identified as containing radioactive substances, but **Counterpoint** reliably understands that 9 more have been invoiced from the same supplier in Poland. In the light of the following revelations and of their on-going labour practices, the most profuse of apologies from Nestle Lanka would ring hollow.

Certainly, contaminants do not have to be brought from abroad because Nestle apparently specialises in cutting corners which may have similarly disastrous consequences for consumers. Take, for instance, the manner in which the company cuts costs that result from milk spoiling at the various chilling centres. Hydrogen Peroxide is allegedly used in large quantities to retard the spoiling of milk, thus ensuring the largest possible profit to the company, notwithstanding what Hydrogen Peroxide will do to the hundreds of thousands of people, from infants to octogenarians, who drink the milk treated in this manner. The Nestle factory at Gonawila uses 1200 kgs of Peroxide per week which means that consumers pay for and ingest Rs 50,000/- worth of this chemical 52 times a year!

In the case of Nestomalt, Milkmaid, Lactogen and Everyday, Nestle allegedly substitutes the cheaper coconut oil for the less unhealthy butter oil, vegetable or palm oil. Thus it is that one can explain Nestle's monthly purchase orders for around 25 metric tonnes of Refined Bleached Deoderised Coconut Oil at a cost of Rs 1.5 million. The reason why the coconut oil has to be refined, bleached and deoderised becomes obvious when you consider that it has to masquerade as, say, butter oil. The relationship between coconut oil consumption and cholesterol levels is clearly not a concern for the company. In fact, a Nestle product, Everyday, had to be virtually withdrawn from the market after research analysts found that the whitening substance used was taken from coconut milk extract, for precisely this reason. Here too the consumer was given no

inking as to the potential health hazards in the product, and this is tantamount to deliberately misleading the ordinary citizen of this country.

According to regulations, the ingredients of all products must be included in the label and most people take it for granted that what is on the label is in fact included. A Nestum packet available in the market lists "rice flour" among its component elements.

Evidence provided to **Counterpoint** indicates that "wheat flour" has been surreptitiously and illegally substituted instead. For instance, Nestle purchased 30.15 metric tonnes of wheat flour from Prima Ceylon Limited on October 28, 1993 at a cost of Rs 341,901/- whereas rice flour would have been much more expensive to the company.

The company produced Coconut Milk Powder and Lactogen using the same machines until March 1993. Even after that, though new machines have been brought into service, this practice continues whenever the management sees fit to do so.

When it comes to treating their own workers, however, not even the most tyrannical feudal chieftain can teach Nestle Lanka! Some workers have been on the payroll continuously for as long as six years on a daily paid basis, though the hiring of casual labour for a period exceeding six months is illegal according to the nation's statutes. The bulk of Nestle workers are "permanently casual" employees which frees the company from providing leave and other financial benefits. In addition, the threat of immediate termination acts as a strong deterrent to legitimate union activity and to the agitation for basic rights and

privileges due to workers. Even clerical workers are dangled for years as daily paid employees. Anyone who complains or rocks the boat will get sacked. For instance, a worker who refused to do unscheduled overtime -- which would have meant that he would have had to work continuously for 16 hours -- was terminated.

The most frightening prospect for a Nestle worker is, however, his/her reward for long years of service. It is reported that some of those who have completed over 5 years in the milk powder processing plant have lost the power of hearing and have gradually become blind as well. Even if such a claim made by workers is somewhat exaggerated, it demands a scientifically thorough and impartial inquiry by the authorities and not a callous dismissal because of Nestle's high-profile publicity campaigns. ■

The image shows a collage of documents. At the top left is a handwritten note on lined paper. To its right is a circular official stamp. Below these is a large, detailed ledger or table with multiple columns and rows of text, likely representing financial or inventory records. The documents appear to be evidence related to the article's claims.

**F**or those who demand that the country be placed on a war footing there can now be a great deal of satisfaction. The Government is strengthening the war on democracy on all fronts. If the first salvos were fired with the conniving abduction in the South, it did not take long for the battle lines to be extended to the central hills. If Mr. Thondaman warned that the war in the North and East may spread to the hills, the Government has made sure that the war on democracy would come there from the South before that.

For a country which still unashamedly boasts of a half-century of universal franchise, the administration of Dingiri Banda Wijetunga seems to have reached the nadir in its contempt for the choice of the people. If one believed that the appointment of UNP chief ministers to the South and NWP after the party's defeat at the provincial polls was mere pique

at being rejected by the people, the subsequent record shows the Government is not ready to tolerate even the mildest challenge to its writ.

Although heading a party which introduced provincial councils to the country, Mr. Wijetunga makes no secret of the fact that he would rather not have them if they are not under the direct control and manipulation of the central government. His thoughts on the matter are quite simple. Provincial councils, if they do exist, should live on the leash of the central government. If they do not, they should be brought under the rein of the Government by hook and by crook.

So, the open war on provincial democracy complete with the armoury of manipulative abductions and

## A plateful of deceit

Lucien  
Rajakarunanayake

emergency regulations. The theatre of war is extended. It is the people's will that is the enemy. It will not be long before we are told there is a new terrorism in the country. The terror of devolution, which should be crushed with the weapons of war and deceit.



There seems to be no limits to the depths the Wijetunga administration could reach in the demonstration of its contempt for the norms of decency. We saw it well in the presidential conversations with Premadasa Udugampola, a man wanted by the police and the courts. We now see it even worse in the conversations with Francisco. It would now appear that almost at the time the Chief Minister of the Southern Province was making a complaint to the IGP about the missing Francisco, he was engaged in pleasant conversation with Mr. Wijetunga, and getting a pat on the back for his chicanery. In the first instance, the President who has sworn to defend the law was in conversation with a man who was a fugitive from justice. In the latter, the man who has

sworn to uphold the Constitution, devolution and all, is in conclave and conversation with a willing abductee in the crude game of toppling an elected administration.

All this apparently fits well with the chorus of voices and editorials that see the flaws in the provincial councils and not in the central government. There is a curious logic which seems to say that the fault for the "abduction" of Francisco or the designs of Thondaman and Dissanayake lie with the Provincial Councils themselves, and not with the Government and its determination to suppress the democratic expression of protest through the provincial councils.

Ridding the country of provincial councils or confining such an experiment in devolution to the North and/or East may fit well with the political thinking of those who see no diversity of interest in the different regions of the country. These are

people who fail to observe the significance of a ten-year-long war, except to look at it from the point of view of the over-arching rights of the Sinhalese majority. There is little doubt that in such a majoritarian view there is no room for devolution at all.

The Wijetunga led war on democracy that is now being waged is the logical follow-up to that majoritarian view. There is on the one hand the theme that the problem in the North and East is one of terrorism and nothing else, and the problems that lie elsewhere are all those of the terror of democracy and devolution. So be done with the two in one fell blow, if that be possible. Who says it is not, with an Opposition that the country does not deserve?



Don't ask for more is the theme of the Wijetunga Chintanaya. Not in the courts, not from the platforms, not through the provincial councils, not through the Press. The President certainly lives up to the words of his first public intervention in the provincial council elections. It is he who has the spoon and it is he who knows how to serve. He has a clear fixation with the image of the ladle. At the recent 39th annual celebrations of the UNP, with Mr. Thondaman sitting beside him, he once again served a spoonful of his thoughts. He said that to a person who pleads for a plate of rice his government would give it, but if anyone asks for two, then the answer is certainly not.

There is nothing strange in the leader of the UNP looking at all national and regional issues from the point of view of the plate of rice. It is fully in keeping with how the UNPers earned the jibe of being "bath-gottas". But there is a bigger danger in Mr. Wijetunga's idea of dishing out plates of rice. It does not take into consideration how much of rice a person may need. It is not impossible to heap on to one plate the quantity held by two or to give on one plate, what is hardly sufficient to keep the pangs of hunger at bay. The problem seems to be that Mr. Wijetunga and those of his chintanaya do not seem to believe that dishing out involves both the server and the served, and the purpose of the ladle is to serve and not to be used on the head of those who seek more. Obviously in this age of political correctness one has to shift the adage of the mind being as short as the handle of "handimita" to Mr. Wijetunga.

There is a sense of the farce that all this becomes while some newspapers are raising funds for the fallen heroes of war and the banners and white flags that went up after Pooneryn are being discoloured with the dust and grime of time. The Government which has exhorted people to cut short on Christmas and New Year festivities because of the war, seems quite happy to go on its great celebration of the destruction of democracy. It is the

idea of the ladle and plate all over again. It is quite in order for a government at the centre to tell the people to cut down on festivity when it is matter of a minority feast. But no one will ever cry foul when a majority festival is celebrated, even in the midst of burning bodies, full of all the vulgarity of flashing bulbs and carousing revellers on the streets.

It is time indeed for those who plead for a war footing and the tougher

**Someone needs to ask the families of those untrained soldiers who died at Pooneryn whether they sent their sons to the front to let Franciscu have a wholly vulgar tete-a-tete with the President, in a plot to bring down the lawfully elected administration of the Southern Provincial Council.**

prosecution of the war to be asked what this war is all about. However much the emotive slogans on the banners, the Rana Viru Gee and Heroes Funds call for remembrance of the heroes of war, the fact is that they are fast being pushed back into the dust heap of history. Many more who have added to the thousands who have died before them. What needs to be done now is to find out why they fell and how such killings can be prevented.

Why did they fight or why were they sent in to battle, while others made their fighting speeches and wrote their martial lyrics from a safe distance? What in fact were they sent to defend? Is it the right of the central government to serve one plate of rice and nothing more? Did those who died at Pooneryn die for the success of political abductions? Did they die for the central government to silence the voices of protest in the South? Did they die for Mr. Wijetunga to be able to tell the plantation workers that it is thus far and no further?

Someone needs to ask the families of those untrained soldiers who died at Pooneryn whether they sent their sons to the front to let Franciscu have a wholly vulgar tete-a-tete with the President, in a plot to bring down the lawfully elected administration of the Southern Provincial Council.

In all this there must be a happy observer. All those who see the flaws in the Provincial Councils for the horrors of government political manipulation, seem to ignore the one truth that this is more than what Velupillai Prabhakaran is asking for on his plate. There is nothing that Dingiri Banda Wijetunga could give Prabhakaran and the LTTE leadership, that is better than what he and his ministerial cohorts are doing to democracy in the South.

One can almost imagine the smirk on the face of Prabhakaran as he discusses the current issues in the South with his fighting cadres.

"They want us to give up arms and come for negotiation. See what they do to democracy in the South. See how they treat their opponents, among their own people, who speak their own language. See how their trample of the rights of the voters over there. Do you think they will do anything better with us? Would it not always be something worse? See what Thondaman gets for all his support. Just a single plate of rice. So why don't we tell them to keep the plates and the rice and hold on to our guns?"

Anybody for a plateful of the "Bath pingan chintanaya" step forward with your plates. ■

## Airlanka in a global context

# Thoughts on Regaining Paradise lost

**A**irlines are one way of countries, especially relatively new ones, advertising their presence to the world. Among the first things a newly independent country does, once it has a national flag is to paint that on the side of a shiny new aircraft and start services to its nearest neighbour and/or former colonial overlord. In the heady post-war years, loss-making airlines were a rarity, with world capacity nowhere near full and profits were an accepted fact. Every country seemed to have an airline and amazingly most of them were reasonably profitable. On top of that, leaders loved the idea of flying into a foreign country under their own flag, surrounded by sycophants of their own choosing and they sought comfort in the fact that their every whim would be met by a crew over whom they held enormous power. JRJ was a classic victim of this ego trip and it is largely in his own image that Sri Lanka's national airline Airlanka was created.

The brave new world of the late seventies has passed and we are now under the colder, harsher light of the nineties. The time has come, especially in the context of the very costly recent debacles inflicted on the state by the LTTE, to debate whether our impoverished country can continue to afford such a drain on its resources such as the unprofitable Airlanka.

The airline industry in general has changed beyond all recognition in just the last decade. Invented by the Americans largely to bring together their vast and rich country, their modern airline, (although many ex-colonial companies who started life in the nineteen twenties will argue otherwise) came into being as a result of the huge surplus of aircraft and trained aircrew created by the Second World War. Due in part to the complexity of the task and its technological requirements, airlines remained immune from the changes that had effected most other businesses in the fifty years since. Until recently, airlines remained proudly under the protection of the state, with archaic "bilateral agreements" guaranteeing their market share and airline employees among the highest paid in the land.

The "Deregulation" initiative by the Carter administration of America changed all this forever. From being completely under government protection for most aspects of its business, including routes and ticket prices, the industry was suddenly allowed to compete under market forces. Though many vested interests warned of a catastrophe, this did not happen, and in fact the Americas' airline industry is the world's healthiest, with inefficient producers being driven to bankruptcy and airfares the lowest in the world. The recession of the nineties brought reality to another market, Western Europe. Home to many of the world's pioneering international airlines, Europeans paid the highest fares in the



world to companies with strongly unionized workforces. That looks to change very quickly, as anyone who has followed the recent fortunes of the major European carriers can vouch for. It is quite likely that, in the coming years, many countries the world over will no longer have a "national carrier" in the true sense, but rely on a large airline conglomerate serving their transportation needs. The only expansional sectors left in the industry are in the Pacific Rim and, possibly, the Indian subcontinent. Whether we in Sri Lanka can seize this opportunity or if it, like most others offered to us in the recent past, will be lost still remains to be seen.

At the time of its inception, Airlanka came under a lot of criticism, as there was very real doubt if the country needed a glamorous company of the type it obviously hoped to be. In the fifteen years since,

though, the marketplace, the competition and Airlanka itself has changed beyond recognition.

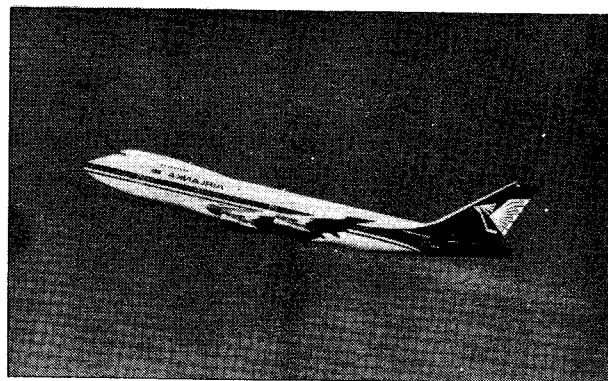
Today, the flood of tourists that was to transform our economy has just recovered to 1983 levels. The airline that was supposed to bring hordes of sun worshippers to our shores has in fact survived due to the vast growth in the expatriate labour market in the Middle East. The yields from this sector and the associated cargo market far outstrip those from the tourist trade. That the airline's standards have fallen (in respect of the competition) has gone largely unpunished due to the uncomplaining nature of the (mainly poor) Sri Lankans who form the majority of passengers to the Gulf. But to assume that this will go on for ever is foolish thinking and inept management policy. Hungry newcomers to the market are gobbling up Airlanka's market share, while the airline squabbles incessantly with itself.

One of the newest to the scene is Emirates Airlines based in Dubai. Recognising the value of the labour market and using the yields to subsidize vacation fares to and from Europe, Emirates has managed to seize a considerable slice of a market that was once Airlanka's own. Offering a standard that is reminiscent of Airlanka's at its vanished best, and aircraft equipped in keeping with the latest standards of technology, this sort of competition is hard to beat. Gulf Air, based in Bahrain, is also busily cleaning up its act, with a new fleet on order and more routes in the offing. In the meantime more conservative outfits such as Saudia and Kuwait Airways continue to hold market share in their, more protected, routes. The only sector of probable growth is the subcontinent, but given the strict protection of Indian aviation and our lack of diplomatic rapport, this is only likely to worsen not improve. A number of private airlines are giving the government-owned (and very inefficient) Indian Airlines fierce competition on domestic routes. When this spills over to international routes, as it must, Airlanka will have a serious problem on its hands. The time to tackle the problem is now, while the company is still profitable (albeit marginally) rather than when the situation worsens.

The major difference between a loss making and profitable airline is very hard to ascertain. Aircraft cost basically the same (provided the purchasing teams know what they are doing and are honest). Fuel costs

have to be borne by all competitors, so the cost of operating and maintaining the aircraft is what is crucial. (While older aircraft burn more fuel, at current price of oil the saving in finance costs equalizes the difference) Europe's giant airlines are suffering from spiralling payrolls, imposed by a heavily unionised workforce. The carriers from the Gulf offset expensive, largely expatriate crews with cheap Asian labour and almost unlimited state coffers. Airlanka falls in between these extremes, with unskilled labour costs among the lowest in the world and a literate, skilled and trainable workforce at hand, but has proven itself unable to compete even with these advantages.

So what should be done? Productive employment is one of the key requirements of this country. Airlanka, even in its present sorry state, provides almost 4000 direct jobs, many thousands more indirectly and pumps billions into the country. Closing down the company is a drastic step and



would result in a terrible shock to the economy, so it should be considered only as a last resort. There is sufficient potential and, most importantly, enough motivated people in the company to still turn it around. Doing so, however, is a long hard road and will take a few years to accomplish.

The first step is to rationalise the route structure. To this day, the Gulf routes are treated as a mere stopping point on to Europe. As such, passengers bound to the Middle East are forced to show up at unearthly hours of the night at both ends. That most of these people either set off from or are travelling to destinations far outside Colombo seems to have somehow escaped the notice of the airline management. A convenient arrival time in Europe translates to the wee hours of the morning in the Gulf and tremendous inconvenience to the passengers who generate real profits for the company. It is high time that these two



geographically related, but very diverse markets are separated. The European routes are seasonal and capacity should be modified to reflect this. The Middle East routes are usually full all year round, with extra services required during the Christmas and Lunar New Year periods which coincide with the tourist season and lead to a shortage in capacity. Schedules should be arranged to reflect these trends, rather than sticking to a set pattern of services like a more traditional airline.

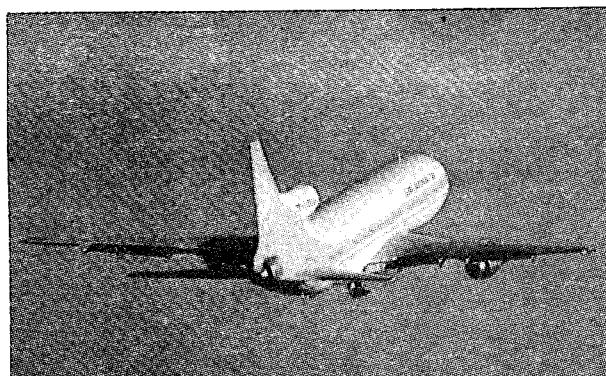
Cargo capacity should also be increased significantly. This is one of the fastest growing segments of the industry and generates huge profits. Airlanka's older Tristars have a relatively small cargo capacity and the new Airbus 320's have almost none. The fleet should be added to, or existing aircraft modified, so that an increase in capacity is available.

All this would be to no avail, if the aircraft do not fly in time. Nicknames such as "Usually Late" have dogged the carrier since its inception and reflect an abysmal on-time record. While some of this is due to the Lockheed Tristar's maintenance needs, many other airlines operate the same aircraft to much better standards. There is obviously something amiss on the Engineering side and it should be addressed quickly. The next generation of aircraft are even more complex and a "Panchikawatte" approach to the problem will not suffice.

The problem of a new fleet should be addressed more openly. The Airbus 340's which are on order are not the most suitable type, as has been highlighted in this journal. The only reason to operate a four-engined aircraft is to cross vast oceanic spaces. With the Australian route off the schedule, Airlanka has no such requirement. To fly this type on a shorter distance is not profitable. In fact, two of the most efficient airlines in the world, American and Delta refuse to operate four engine types, regarding them as a liability. A swift decision must be made to purchase appropriate aircraft before interest rates rise again to prohibitive levels. A wide-bodied two engine type should be introduced for the profitable Gulf routes as soon as possible, offering this key market a quality aircraft. The Tristars can continue to serve the European routes for some years, while a replacement is sought out at leisure. All possible steps must be taken to ensure that market share to the Gulf is not frittered away. This is the

only sector that Airlanka has a competitive advantage in, as the passengers are overwhelmingly Sri Lankan. European or Far Eastern tourists can only be wooed away from their national airlines or charter operators by suicidally low prices, which eat into the bottom line and only serve to subsidize the hotel industry. The European and Far Eastern tourists are far more fickle, with Colombo more often than not being a transit point to other destinations. This leads to reduced yields, which coupled with the already low fares charged to this segment of the market, make it unprofitable. Airlanka should be transformed into the airline of choice to Sri Lanka, Maldivian and South Indian destinations. To try to compete with the likes of Singapore, Malaysian and Thai through-traffic is a losing battle. Airlanka's inability to fly on time also makes transfer passengers unhappy.

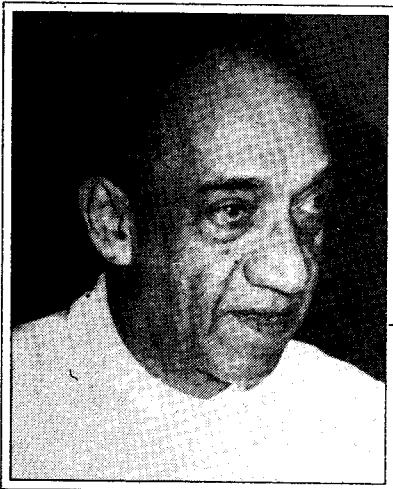
The new Board of Directors seems to be



trying hard to rationalize the mess the company is in, but more needs to be done. Costs have been steadily rising, with salaries of outstation staff (so called "country managers" in particular) being astronomical, and not tied to results. Too many expatriates are present in the technical branches, while qualified Sri Lankans work in many airlines abroad. The national carrier should be made into a magnet of excellence, attracting the best from all branches of the private and public sectors as a focus of international standards and competition. Instead, it has become a refuge for charlatans and fools, with no "esprit de corp" at all, but amazing inefficiency in its place. Airlanka seems to have lost direction completely over the last few years, with even the standards of service, once the company's pride, suffering as a result. If something drastic is not done soon, it will be a case of the "Taste of Paradise Lost". ■

# A crisis of credibility and confidence

**T**he United National Party of J.R. Jayewardene attached a great deal of importance to stability and the need to promote stability. Jayewardene and his admirers claimed that the Constitution of 1978 was designed primarily to promote stability. The "stability for development" thesis was preached to Sri Lankans in the late 1970s by Lalith



*J.R. Jayewardene*

Athulathmudali and even Lee Kuan Yew, and at the recent annual sessions of the U.N.P. by Prime Minister Wickremasinghe. We have now come to realise, however, that, to Jayewardene and his cronies, stability was synonymous with strong government and that a different, more sophisticated notion of stability is what is necessary for the political and economic development of the country.

One of the essential features of a stable liberal democracy is public confidence in important institutions. It is crucial that institutions such as the Parliament, the Judiciary, the Executive, Provincial Councils and the Media command public confidence and that democratic processes, including elections, and officers in charge of these processes too, are not perceived as biased or politically partisan. When such confidence and respect is lost, the biggest beneficiaries are the extra-parliamentary, anti-democratic forces

## Rohan Edrisinha

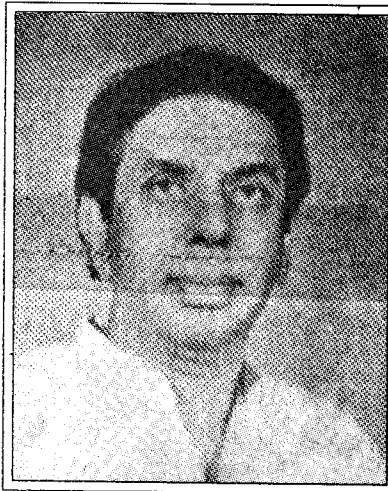
who flourish in situations of public apathy and cynicism. For example, it was more difficult to counter, with moral authority, the claims of the J.V.P., after the unconstitutional, undemocratic Referendum of 1982, as compared with, for example, the situation in 1971. The electoral process had been brought into disrepute as never before and the legitimacy of Parliament too was seriously undermined. Therefore, ironically, those who in the post-1977 era paid lip-service to stability, contributed to the most dangerous form of instability, by creating a crisis of confidence in liberal democratic processes and institutions.

A vigilant public opinion must ensure that this extremely dangerous trend begun by the United Front Government and accelerated by the Jayawardene and Premadasa Governments does not continue. However, recent developments have done little to revive public confidence in basic democratic institutions.

## Parliament

One adverse consequence of the Executive Presidency has been the shift away from Parliament as the focus of the political arena. The fact that the Constitution and the Supreme Court recognise that the party can exert control over MPs and the reduction of parliamentary scrutiny over finance following the recent Budget have exacerbated this trend. However, the manner in which Parliament had exercised its qualified power has been far from satisfactory. The role of Parliament as a deliberative assembly in which policy, executive action and legislation are subjected to rigorous and enlightened scrutiny, has not been performed adequately. The Opposition has allowed unconstitutional legislation such as the National Transport Commission Act to be passed. The Select

Committees and Standing Committees of Parliament are not as effective as they should be. The Select Committee appointed to frame a political solution to the North-East crisis, despite widespread initial optimism and the tenacity of Mr. Mangala Moonesinghe, failed to come even near to achieving its objectives:



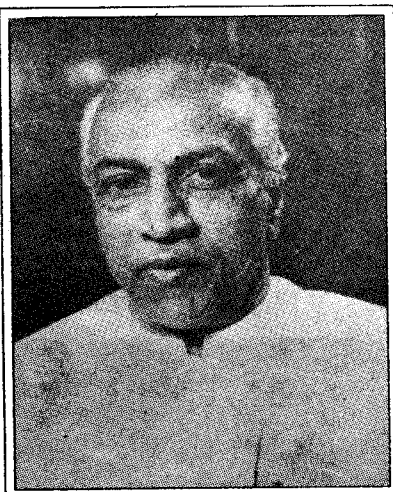
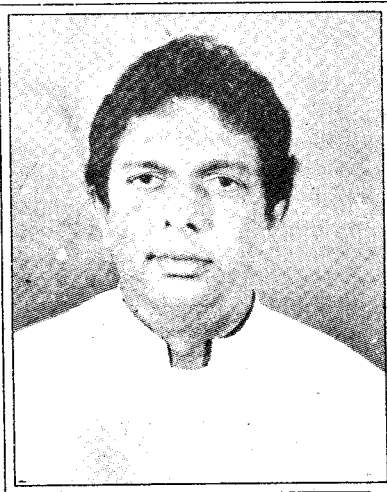
*Mangala Moonesinghe*

## The Executive

The proliferation of Ministries coupled paradoxically with the concentration of power in one exalted office, a public service which is either appointed by the President or the Cabinet of Ministers, and which holds office at their "pleasure" and, a relatively impotent and devalued Public Service Commission inspire little public confidence. The public bickering and division in the military high command which has continued from the time of the Premadasa Administration, President Wijetunga's simplistic and grossly insensitive pronouncements on the national crisis, his utterances on other important public matters including devotion of power and the widespread belief that he lacks Presidential stature have increased public cynicism and disenchantment.

## The Law

The legal institutions recognised

*D.B. Wijetunga**John Amaratunga**Tyronne Fernando*

by the Constitution too have suffered from the same malaise. Despite some welcome exceptions in recent times, the Supreme Court remains a conservative institution. The bestowing by the Government of land to judicial officers for housing, and photographs in the press of judicial officers receiving keys to vehicles from Ministers at a time when several sensitive issues were before the courts, did little to enhance public confidence in the judiciary. The Attorney-General's Department whose credibility suffered considerably during the Premadasa impeachment fiasco, received several blows in the past few months: the Udugampola affair, the controversial rape case, and the Solicitor-General's questionable involvement in Airlanka.

*P. Udugampola*

## Provincial Councils

The 13th Amendment to the Constitution and the Provincial Councils Act seem to have strengthened the claims of the anti-devolution and chauvinist forces in the country. It is now becoming abundantly clear that these laws have not devolved power in reality, but have only appeared to have devolved power. It is therefore not surprising that there is widespread disillusionment with the Provincial Council system which is seen as another unnecessary tier of government, politician and bureaucrat and a colossal waste of money. The net result is that the concept of devolution is discredited, minority aspirations are not met, their leaders become more frustrated and bitter, and ultimately the positions of the "Pol Potists" of both the North and the South are strengthened.

## The Media

State control over the media remains excessive and what seems amazing is that the Minister of Information, Tyronne Fernando, and his State Minister A.J. Ranasinghe, get away with bizarre, irresponsible and almost crazy statements about what is after all one of the most vital features of a liberal democratic society: freedom of expression and information. While most people have stopped taking A.J. Ranasinghe seriously, (and it is

shocking that the Government keeps him in his position), Mr. Fernando's recent pretentious pronouncements suggesting that journalists should only be allowed to speak "the truth" and his nonchalant and unconvincing defence of the ban on the production of news programmes and telecasting of news items on Sri Lanka on "private" television channels, suggest that Minister Fernando is singularly unqualified to protect the citizens' rights to freedom of expression, thought and right to information. The fact that the Government-imposed restrictions have failed to provoke public outrage and the inability of the Opposition to pulverise the Government for its clumsy and blatant censorship of news is an indication of the political listlessness that afflicts our country. How dare a government or a Minister or a government official tell people what they can or cannot see on television? How dare a government or a Minister or an official permit private television channels to telecast subject to capricious conditions? Fundamental political and ethical questions are involved, but Sri Lanka's politicians, both government and opposition, seem oblivious to them.

## Policy Making

The public also lacks confidence in the manner in which decisions are made on important issues.

Recent legislative initiatives to





G.L. Peiris

respond to the serious challenge posed by the HIV/AIDS epidemic illustrate the shortcomings in this area. Last year a group of academics from the Faculties of Medicine and Law of the University of Colombo who set up a working group (of which I was a member) to study issues pertaining to medical ethics heard of attempts to introduce legislation to provide for mandatory testing for HIV/AIDS. Studies conducted in a number of countries have indicated that apart from the human rights implications of such testing, it has indeed been counterproductive as it sends HIV/AIDS patients underground and inhibits them from obtaining treatment and other assistance. The most effective method of combating this dreaded disease, on the contrary, is to provide for accessible centres for voluntary testing and safeguards for the confidentiality of those undergoing the tests.

To the amazement of the group, however, it transpired that mandatory testing was to be introduced. Efforts to obtain clarification and further information on the subject met with negative responses from officials in the Ministry of Health. Many officials avoided meeting with members of the group, others passed the buck to a special AIDS Task Force but no one claimed responsibility for the initiative. The manner in which the legislation was to be introduced (by an amendment to the **Quarantine and**

**Prevention of Diseases Ordinance No.3 of 1897**) suggested stealth and secrecy. When I finally tracked down an official who had a copy of the draft amendment, he was scared to give me a copy but allowed me to read it in his office. It contained hopelessly inadequate provisions for the protection of confidentiality, and would have allowed a bureaucrat to determine who would be tested. Finally, Professors G.L. Peiris and Nalaka Mendis convened a meeting, to which Ministry officials, lawyers, judges, doctors and academics were invited and the working group presented a critique of the proposed initiative. No one spoke in its favour. The matter was, thereafter, dropped.

The campaign to introduce mandatory testing, however,



Wimal Wickremasinghe

that every citizen of Sri Lanka should be subjected to Special Medical Investigations to ascertain whether he/she is suffering from Acquired Immune Deficiency Syndrome (AIDS) to enable the Health Authorities to take necessary steps to eradicate AIDS from the Island."

The motions were seconded by the Minister of State for Muslim Religious and Cultural Affairs, Mr. A.H.M. Azwer and the Minister of Environment and Parliamentary Affairs, Dr. Wimal Wickremasinghe, respectively. **Amazingly, both motions received support from all sides of the House, and there was no opposition to the motions whatsoever!**

The crisis of credibility and competence faced by our institutions and the cynicism and apathy it has fostered, poses a serious threat to Sri Lanka's political system. The fact that the competition for votes in elected legislatures in Sri Lanka today and political discourse seems to be based not on ideology, political debate or persuasion, but rather on abduction, blackmail and bribery is a sad reflection on the current state of Sri Lanka's politics and political institutions. The absence of public outrage, the complacency and indifference of public opinion, and the lowering of public expectations of its leadership and institutions are symptomatic of a more fundamental cancer that afflicts our body politic. ■

**The crisis of credibility and competence faced by our institutions and the cynicism and apathy it has fostered, poses a serious threat to Sri Lanka's political system.**

unfortunately did not end. On 9th July 1993, Mr. Srinath Kumarasinghe M.P. moved two Private Members' motions in Parliament which advocated mandatory testing.

1. "That this Parliament is of opinion that the Department of Health should take necessary steps to subject immigrants into the Island for a medical check up to ascertain whether those immigrants are suffering from Acquired Immune Deficiency Syndrome (AIDS) or any other infectious disease."

2. "That this Parliament is of opinion

**N**ineteen ninety three may well be remembered as the year in which the peace process advanced in a number of conflicts. In Cambodia, Palestine, South Africa, even Somalia and Bosnia, conflict resolution has been initiated, albeit, with mixed results. Nevertheless, that enmity is not eternal and that agreements can be made between governments and terrorists in mutual acknowledgement of the futility of conflict, is a common element. Northern Ireland, the latest addition to this list is no exception. The revelations of the British Government's talks about talks with the Provisional Irish Republican Army (IRA) and the Anglo-Irish Declaration of 15 December attest to this and provide additional insights into the conflict resolution process.

It is now known that the British Government, despite denials by ministers including the Prime Minister, have had secret contacts with the IRA since March and that these exchanges came to within 10 weeks of initiating official talks with Sinn Fein -- the political wing of the IRA.

A ceasefire which would have been unofficial or undeclared at the outset, was the basic precondition. This quid pro quo still exists, but only if the cessation of violence is permanent. What is clear is that the Government was adamant on an end to violence before the talks and that the IRA needed a corresponding action on the part of the Government to satisfy its political constituency.

The Government's version is that contacts followed the IRA message that the 'conflict is over' and 'we wish to have an unannounced ceasefire in order to hold dialogue'. Accordingly, the contacts proceeded to the point when on 5 November the Government was ready to agree to 'a first meeting for exploratory dialogue' in the week of 11-18 January, if its precondition of

## TALKING ABOUT TALKING TO TERRORISTS ABOUT PEACE

**Paikiasothy Saravanamuttu**

an end to violence was met in full.

Fortunately, although this has not happened, the peace process has not been completely derailed. The Anglo-Irish declaration released by the Prime Ministers of Britain, and the Irish Republic on the principles of a

respectively, to exercise their right of self-determination on the basis of consent, freely and concurrently given, North and South, to bring about a united Ireland, if that is their wish'. Britain also reiterates that it will respect the democratic wish of the majority in Northern Ireland.

The Taoiseach (Irish Prime Minister), expresses his hope for eventual Irish unity and commitment to this objective. He also promises the Unionists i.e. essentially the majority Protestant community in Northern Ireland who want the province to remain a part of Britain, that mutual confidence-building measures would ensure that the ideal of Irish unity would not be 'pursued either by threat or coercion'. He acknowledges that there are sections of the Irish Constitution which are entirely unacceptable to the Unionists -- articles 2 and 3 claim Northern Ireland -- and pledges that in the event of an overall settlement, the Irish Government will propose constitutional change which 'would fully reflect the principle of consent in Northern Ireland'.

The Irish Government will also foster dialogue between democratic parties about the political future and the Taoiseach hopes that this will include the setting up of a Forum for Peace and Reconciliation.

Whilst peace will not come to Northern Ireland in a couple of weeks or even months and the Christmas ceasefire may not last into the New



*Sinn Féin leader Gerry Adams, the centre of controversy.*

settlement, has sustained the momentum for conflict resolution even though it has also provoked violence from hard-liners.

In the Declaration, the British Government agrees that it is for 'the people of the island of Ireland alone, by agreement with the two parts

Year, what is significant is the change of perspective that is signified by these developments -- a change of perspective at the highest levels without which peace will have no chance.

It was not so recently that the British Government banned the Sinn Fein leader Gerry Adams from entering the country to address MPs on the Northern Ireland situation, at the invitation of maverick Labour left-wing MP Tony Benn. Mr. Benn's invitation was greeted with outrage by all parties including his own. We know that the Government was in contact with Mr Adam's colleagues at this time. More importantly, the reaction to Mr Benn's overtures stands in sharp contrast to that which followed the revelation about the secret contacts.

By all accounts Sir Patrick Mayhew, the Northern Ireland Secretary, successfully defended the British Government's approach in the Commons and won vital support from ruling Conservative party backbenchers for expediting conflict resolution as well as for his denial that the contacts constituted 'negotiations'.

Of special importance was the reaction of Opposition parties -- Labour criticisms of Sir Patrick were marginal and the crucial Official Unionist reaction omitted accusations of bad faith or denunciation of British Government action.

The political relevance of this should not be underestimated. Since July, the Government has been courting the nine Official Unionist votes in the Commons to offset rebellious elements within its own ranks. Significantly, the 10 week 'fast-track' timetable mooted in the contacts is a world away from the Unionist demand that Sinn Fein be isolated for up to five years.

Predictably, the Reverend Ian Paisley leader of the diehard Protestant group the Democratic Ulster Unionists, roundly condemned the talks and was suspended from the House when he refused to withdraw accusations of 'lies' against Sir Patrick. Therefore,

whilst the Official Unionist reaction represented by its leader Sir James Molyneux is heartening, it should not lead to complacency or underestimation of the consequences of the Reverend Paisley's wrath.

For the moment it would seem that the Reverend's extremism is confined to his local base. However, the peace process has a long way to go. The devil will lie in the detail. The Reverend will stalk it out and in doing so could even derail the whole process. Moreover, the IRA, and this unfortunately is the unholy alliance of political extremism in the context of the peace process, could opt out in spite or because of the Reverend's actions. Gerry Adam's nevertheless is on record saying that despite British

***It is after all of the utmost importance in conflict resolution to recognize the protagonists as political actors, even though the tactics and instruments they employ are terrifying and terrible.***

Government 'duplicity' over disclosure of the secret contacts, he is prepared to 'forgive' and resume talking.

What all this suggests is the emergence of a fresh paradigm which recognizes the limits of violence and the indispensability of democratic legitimacy to the conflict resolution process.

Where military victory is not possible and where extremism is buttressed by even a modicum of popular support, an end to violence will entail contact with the hitherto

unconscionable in the interest of peace. As reflected in the section of the Anglo-Irish Declaration regarding the British Government's attitude towards Irish unity, recognition of and a response to the sources of political violence within the confines of democratic norms and procedures, is crucially necessary. Furthermore, partisan political advantage has to be shelved, constructive criticism made and vital support given.

The catalyst for all this, if the British version is accurate, was the IRA message that the 'conflict was over'. The reasonable interpretation of this must surely be that violent conflict can no longer serve political objectives. This is an estimation that can be made by both sides and communicated if there is a strong expectation of discretion and most important, receptivity. When difficulties arise to prevent protagonists from directly communicating this calculation to each other, the role of intermediaries is highlighted.

In the event that there isn't a coincidence in this strategic calculus, the requirement is that political advantage be pushed through the peace process rather than through the resumption of violence. The challenge is to initiate this process and institutionalise it. The situation thereby created will be one in which attempts to abandon the peace process will risk the erosion of political capital. It is after all of the utmost importance in conflict resolution to recognize the protagonists as political actors, even though the tactics and instruments they employ are terrifying and terrible.

What has been advanced in Northern Ireland and what needs advancing in other protracted and futile conflict situations including our own, is the re-humanising of the conflict and the legitimation of the peace process. Only then will the possibilities of politics be fully and productively explored.

In the ultimate analysis is not talking about talking preferable to fighting about fighting? ■



# THE NEW JOKER IN THE PACK !

With AJR sidelined the Oxford cricketer (his claim) seems keen to jump into AJR's shoes (or is it 'slippers?') as the joker in the pack.

After the Moratuwa fiasco the President of the CB should have done a "Cecil" and offered his resignation instead of which he tried to justify his decision to play the only test against the West Indies at the paddy field named after him.

Long before the West Indies tour when arrangements were being drawn up to host the inaugural test against the West Indies and Sri Lanka's 50th -- the President had been adamant that the match be played at Moratuwa.

"We will play at Moratuwa -- there's no debate about it" was his remark to Board Officials who tried to suggest valid cricketing reasons why Moratuwa was not a suitable venue.

What should have been an absorbing clash between the Davids and Goliaths of cricket was turned into an utter farce by this outrageous choice of venue.

The match did get into the record books though as the only test match which could not be played despite blazing sunshine because the previous day's rain had not drained away.

## 'Twixt Slip and Gully

To make matters worse, on the days when the test match venue was unfit for play all other grounds in the city had full days' play for school and club cricket matches.

Our hero now spends his time replying to the letters to the editors

as key reasons for selecting an important test venue?

Don't basic facilities like proper drainage systems in the outfield, facilities for spectators and players and media personnel matter?

Moratuwa should be struck off the list of test venues until it can fulfil these basic requirements, although this should happen

automatically if Richie Richardson's comments reach the ICC.

The West Indies captain was bitterly disappointed that they could not do the main thing that they had come to Sri Lanka for and that was to play cricket. Having seen the playing facilities at the other venues in the city he was furious that Moratuwa had been selected as the venue for a test match.

Ah, but then Richardson didn't know that this was our lucky ground where in 1979 we beat the West Indies in a one-day game (which incidentally was a hollow win because our

target was reduced due to RAIN!).

1994 is Election year for the Cricket Board as well and we hope that the Minister of Sport will ensure that the new President is someone who is closer to cricket than politics!■



*Minister of Information and Broadcasting Tyronne Fernando obviously has time on his hands, because wearing his other hat as President of the Cricket Board he is able to reply to the many protests levelled against him. Practice has not helped him, however, because none of his responses remain convincing.*

*Richie Richardson, the West Indies' skipper, may already have voiced his displeasure to the ICC over Sri Lanka's choice of test venue, though not necessarily via Call Link.*



of almost all the newspapers on his choice of venue and this should be a full time occupation because there have been nearly 50 letters from cricket followers around the country.

What kind of a man is this really who talks of luck and crowd control

## IS THAT ELUSIVE OVERSEAS TEST WIN CLOSE AT HAND ?

Sri Lanka got a lucky break when it received an invitation from India to fill in the breach created by Pakistan's cancellation of their tour to India.

Sri Lanka will now play three tests and three one-day games on a six-week tour which begins on January 10th.

A new sense of purpose seems to have been injected into the team with the advent of new Cricket Manager Bandula Warnapura.

This is a welcome move and one that we advocated some time ago. What now needs to be done is that Warnapura must be offered a long-term contract.

The team members who were all used to ten minute team meetings on the Sharjah and Indian tours were jolted by Warnapura who literally read the riot act to the players.

Team meetings are far more lengthy and productive and morale is on the up again. It is now up to the selectors to give Warnapura a fighting hand.

There is a general feeling that we do not have enough back-up players to replace any injured "stars" but this is not quite the case. We don't have a whole host of top quality players but the cupboard is by no means bare.

Duleep Samaraweera and Nisal Fernando could be groomed to stand in for Roshan Mahanama and Chandika Hathurusinghe. Fernando's added wicketkeeping ability would be a bonus.

Marvan Atapattu will be an adequate replacement at number three if Asanka Gurusinha is not fully fit.

A team composed on the following lines could be the one to carry our future hopes and bring us that overseas test win which we crave for:

Roshan Mahanama, Nisal Fernando, Marvan Atapattu, Aravinda de Silva, Arjuna Ranatunga, Hashan Tillekeratne, Sanath Jayasuriya, Ruwan Kalpage, Dulip Liyanage, Pramodaya Wickremasinghe and Muttiah Muralidharan.

Fernando's inclusion allows us to play an extra batsman. Alternatively Chandika Hathurusinghe and Pubudu Dassanayake play as opener and wicketkeeper which means that Atapattu, Jayasuriya and Tillekeratne will have to contest for two places in the side. The first step however should be the inclusion of Cricket Manager Warnapura in the Selection Committee. ■

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# IN THE RENAISSANCE OF MY LIFE

In the Renaissance of my life  
black-and-white films made in the concentration  
camps  
were shown, Dachau, Buchenwald,  
images and books fell like lead.

In the Renaissance of my life  
the Cubans had fought their revolution;  
the poor studied and with doctors  
and administrators worked the plantations.

In the Renaissance of my life --  
Fanon had worked to death, Lumumba killed, then  
heroic Che crucified  
on metal, his dead face  
soaked in the brine of that photograph.

In the Renaissance of my life  
Lyndon Johnson and the Pope lived well and poked  
each other in the ribs  
and blessed the world,  
Mao blessed Nixon blessed the presidency blessed  
Brezhnev,  
all blood-smeared.

In the Renaissance of my life  
millions starved, millions exterminated,  
black millions, browns, yellows,  
millions who would have died anyway,  
their bodies sprawled across the T.V. sets.

IN THE RENAISSANCE OF MY LIFE  
ENTERED THE LAND OF THE PIG.

In the Renaissance of my life  
that most beautiful name, Bangladesh,  
was cried out by beggars for alms.  
Biafra, Bangladesh -- Beyond these  
what poetries?

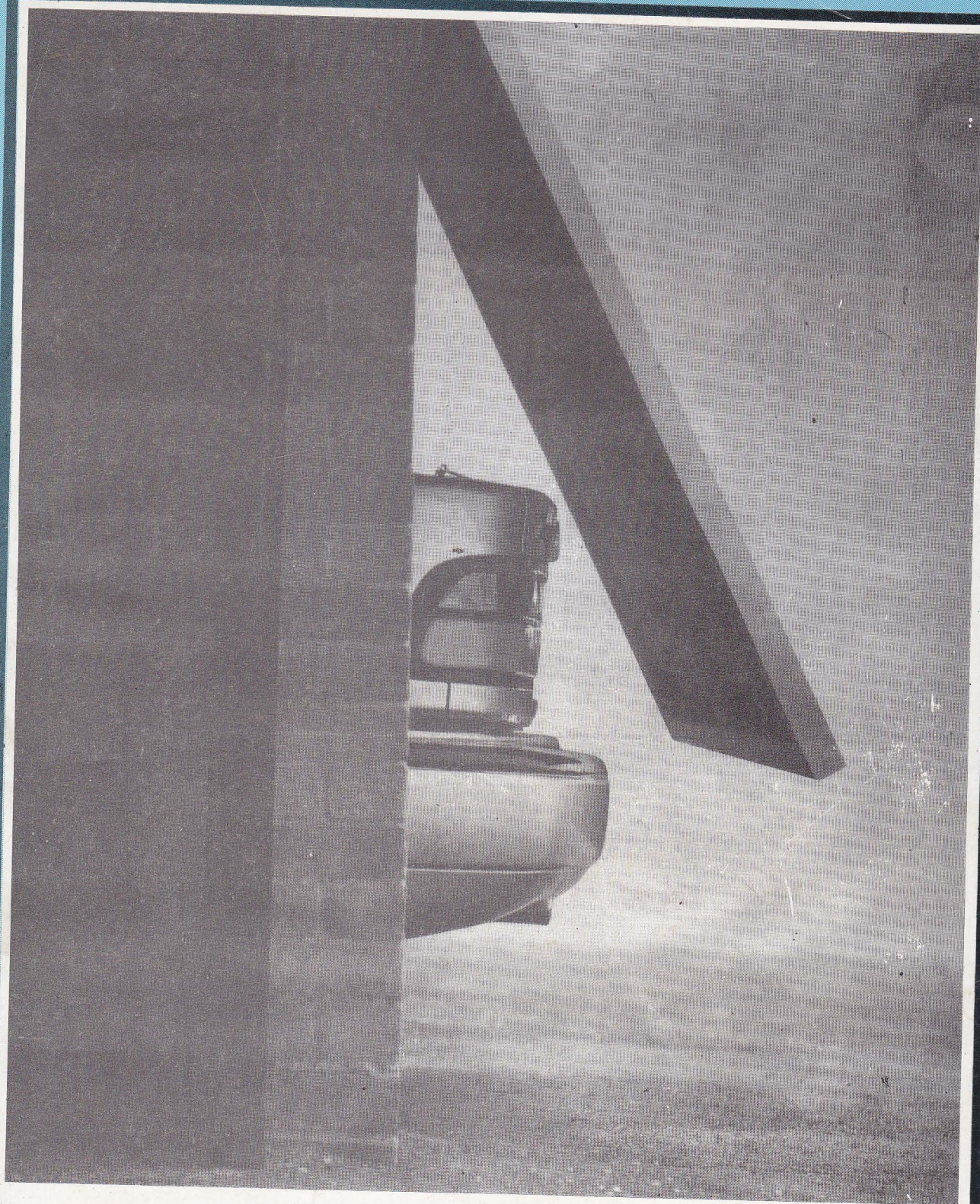
Peasants were slaughtered, refugees ran  
in the Renaissance of my life.  
I ran from Blake to Marx to Buddha to  
the Renaissance of my life.

the blacks penned, starved, tortured under  
apartheid,  
in the Renaissance of my life,  
the Moratoriums clamped down between police  
lines and horses;  
the tanks rammed back a people along the streets.

In the Renaissance of my life  
the cries of the damned crowded my ears,  
the curses of the damned poisoned my mouth,  
the arms of the damned demolished my verse,  
the guilt of two generations hit like the plague  
and boarded up the town  
in the Renaissance of my life.

**Peter Scharen**





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