

SRI LANKA

(Ceylon)

NEWS LETTER

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IMF Praises Economic Achievement

An inspection mission of the International Monetary Fund (IMF), headed by Mr. Douglas Scott, Chief of the South Asia Department of the Fund, was recently in Sri Lanka to examine the Government's economic performance during 1978. In its Report just issued, the IMF mission praises the Government's achievement during last year.

The mission states that "in terms of broad economic aggregates, 1978 should be regarded as a year of vigorous economic recovery in Sri Lanka". It also noted "a major strengthening of confidence" during last year.

The country's Gross National Product (GNP) increased by 8.2% in 1978, whilst investments rose to 20% of GNP and domestic savings to 16% of GNP.

The Report notes that, although the balance of trade last year showed a deficit due to a higher volume of imports and to exports not rising sufficiently, the country's balance of payments showed an overall increase of SDR 65 million, reflecting a sharp rise in the inflow of foreign capital.

The Report records that "the degree of domestic price increases was contained within very reasonable limits, given the magnitude of policy adjustments initiated in 1977 and pursued through 1978". The IMF survey also states that 1978 was a year in which agricultural and rural incomes increased strongly, partly because of more favourable producer prices and also because of increased output of nearly all crops except tea.

The Report states: "we would anticipate that this development in rural areas contributed to reducing under-employment and unemployment in those areas. Given the small-holder structure of most land ownership in Sri Lanka, this improvement in agricultural income has probably contributed to an improvement in the distribution of incomes and the lessening of rural poverty".

Focusing attention on the widespread recovery in investment and industrial output, the Report notes the interest shown by foreign and domestic investors in new investments both within and outside the framework of the Greater Colombo Economic Commission's operations, the replenishment and expansion of truck transport capacity and the rising demand for building materials.

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The mission has also noted that, apart from private sector investment, public sector investment has also risen fast in 1978. It concludes that, besides the economic policy changes in 1977-78 which had brought about this vigorous economic recovery, growth has also been activated by a major strengthening of confidence. The Report states that the IMF has been most favourably impressed with the progress made in freeing the economy of unnecessary regulations and control, particularly in such areas as exchange controls, customs procedures, tax administration and price controls. The Report places considerable importance on maintaining "the sound monetary, fiscal and balance of payments policies that have been characteristic of the past eighteen months", and stresses that "the country should persevere with these pragmatic and practical measures at a pace appropriate to the social and economic conditions of the country".

These salient points of the IMF survey were released to the public by the Minister for Finance & Planning, the Hon. Ronnie de Mel, at a press conference on 21 April. The Report will be one of the matters under examination at the forthcoming meeting of the Consortium of Aid Donors providing assistance to Sri Lanka.

New Tax Proposals

On 3 April, Finance & Planning Minister, the Hon. Ronnie de Mel tabled in Parliament a new Bill giving effect to a change in the basis of taxation in Sri Lanka. Introducing the Bill, Mr. de Mel said that the purpose of the Government in doing this was to give tax payers every encouragement to make a substantial contribution to savings and investment. In offering the new deal, the Government had proceeded on the basis of trust. The people had to realise that if the Government failed to achieve its development goals, it would only serve to sound the death knell of Parliamentary democracy in the country.

The Bill gives legal effect to taxation proposals first announced in the Minister's Budget Speech last year. Some of the many points are:-

- from year of assessment 1979/80 onwards all income will be taxed on a current-year basis,

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- emoluments of public servants are to be exempted from tax from 1 April 1979,
- exemption from income tax upto Rs. 12,000 p.a.,
- tax relief for individuals who contribute to savings and investments in the approved areas,
- profits upto Rs. 200,000 p.a. will be tax free (the limit previously was Rs. 100,000),
- married couples to be assessed separately for taxation purposes including wealth tax,

Subsequently, the Inland Revenue Bill was passed in Parliament with a two-thirds majority. 133 members voted for the Bill with none against.

Post-Graduate Medical Exams Locally

The practice of holding in Sri Lanka the Primary and Final medical examinations of the Royal Colleges of the United Kingdom is to be replaced commencing this year by the local examinations of the Institute of Post-Graduate Medicine of the University of Colombo. Explaining this major policy decision, the Minister for Health, the Hon. Gamini Jayasuriya, made the following points at a recent press conference.

He said that it was a sad reflection on Sri Lanka that every other country in the South Asian region - e.g. India, Burma, Bangladesh, Thailand - had commenced its own system of post-graduate medical education many years ago. Sri Lanka, which had a tradition of under-graduate medical education for over 100 years was only now setting up an institute of post-graduate medicine.

He said that the country spent hundreds of millions of rupees to teach and train doctors in order that they could treat the sick and the ailing nationals of the country, and not for the benefit of patients in affluent countries.

The Minister emphasised that the new Institute of Post-Graduate Medicine would not only maintain existing standards in the profession but would improve them and thereby provide the country's base, provincial and district hospitals with specialist medical officers which they do not have at present.

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The Minister noted that foreign examiners from the United Kingdom would be examining students alongside local examiners. Thus, the examinations would in effect be similar to those conducted hitherto.

Students who qualify at the final examinations would be sent to the UK at Government expense for periods of six months to one year to work at centres of excellence in their respective specialities. After a period of compulsory service which is even now required, medical officers could if they so desire proceed abroad to sit foreign examinations. The Minister stated that degrees and diplomas to be issued by the Institute would be given preference over foreign degrees and diplomas in specialist appointments in the Department of Health.

The Minister concluded by revealing that foreign examiners who visited Colombo in December last year and February of this year had advised the Health Ministry to commence holding post-graduate examinations. The WHO and the Commonwealth Medical Association had also given similar advice to the Government.

News Briefs

SLBC Regional Services

The Sri Lanka Broadcasting Corporation has commenced regional services with the inauguration, on 12 April, of the Rajarata Handa, which broadcasts programmes from Anuradhapura beamed to the NCP and surrounding areas.

Sacred Bo-Sapling for Indonesia

On Wesak Day this year, there will be a unique ceremony at the famous Buddhist Shrine at Borobudur in East-Central Java. A sapling from the Jaya Sri Maha Bodhi in Anuradhapura will be planted at Borobudur by the Ven. Naradha Maha Thera.

Private Bus Services

Private bus services have been re-introduced on a limited scale for the first time since their nationalisation in 1958. The resumption is to be for a three-month trial period in the first instance, and on a limited number of feeder-service routes. There will not be any direct competition between private operators on any route. The main trunk routes are still reserved for the CTB.

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Improvement of Archives

The Director of National Archives of Sri Lanka is presently visiting Britain for negotiations towards the return of valuable Sri Lankan historical records which had been removed by the then colonial authorities. Whilst here, he will photograph and photocopy many important items. Meanwhile, the National Archives at Reid Avenue are to be modernised at a cost of Rs. 22 million.

New Books

Prof. Ediriweera Sarachchandra has now issued an English translation of his own earlier novel, in Sinhala, about the 1971 youth insurgency. It is called "The Tragedy of the Insurrection" and has been published by Heinemann Educational Books (Asia) Limited. The original Sinhala version was titled "Heta Echchara Kaluwara Na". The Ceylon Daily News of 14 April carries a review of it by Dr. Sunanda Mahendra.

Sri Lanka Cricket Tour

The Sri Lanka cricket team arrived on 4 May to begin its tour of this country. The tour party comprises the following:-

Manager:	Maj. Gen. B.R. Hoyn
Asst. Manager:	Mr. A. Fuard
Captain:	A. Tennekoon
Vice-Captain:	B. Warnapura
Others	R. Dias
	R. Gunatilake
	R. Jayasekera
	S. Jayasinghe
	S. Jeganathan
	R. Madugalle
	D. Mendis
	T. Opatha
	S. Pasqual
	A. de Silva
	D.L.S. de Silva
	D.S. de Silva
	S. Wettimuny
	R. Wijesuriya

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The team, captained on tour again by Anura Tennekoon, contains seven of those who last toured Britain in 1975 to participate in the first World Cup: Tennekoon, Warnapura, Mendis, Opatha, A. de Silva, D.S. de Silva and Wettimuny. This team also includes three school-boys: Madugalle and Pasqual of Royal College, and Wijesuriya of St. Sebastian's Moratuwa.

The tour will comprise three phases: first, some practice games leading upto the 'Associated Members' elimination tournament and that competition itself, which ends on 6 June and during which time the team will be based in Birmingham; then, the period of the Prudential World Cup from 9 - 23 June, when the team will either participate in that competition (if successful in the elimination tournament) or play some practice games (yet to be arranged); and finally, a programme of three-day matches against some counties.

Below, is a summary of the tour programme:

May	9-10	Vs. Bedfordshire at Luton
	12-14-15	Vs. Nottinghamshire at Trent Bridge
	24	Vs. USA at Northants Saints (Elimination tourney)
	31	Vs. Holland at Moseley (" ")
June	6	Semi-Finals of Elimination tourney
	9-23	Prudential World Cup
	27-28-29	Vs. Derbyshire at Derby
June)		
July)	30-2-3	Vs. Kent at Canterbury
July	4	Vs. County not in Benson & Hedges semi-finals (yet to be named)
	7-9-10	Vs. Ireland at Dublin
	11-12-13	Vs. Worcestershire at Worcester
	14-16-17	Vs. Glamorganshire at Swansea
	18-19-20	Vs. Scotland at Glasgow
	25-26-27	Vs. Sussex at Horsham

From 15 May to 8 June, the team will be billeted at Norfolk Hotel in Birmingham. Thereafter, whenever in London, they will be at the Hill Hotel in Richmond.

Those wishing to meet the team have the opportunity to do so on Sunday 10 June, from 11 am to 3 pm, at the Ceylon Tea Centre in Lower Regent Street, where the Coordinating Committee of Sri Lankan Organisations in the U.K. are holding a subscription lunch @ £2.50 per head (lunch will be served at 1 pm).

With acknowledgements to Gemini Service.

"AT LAST THE TEA WORKERS GET A BETTER DEAL

For long the plight of the Indian Tamil tea workers of Sri Lanka has attracted international concern. Wages were rock bottom, conditions of living appalling. Now, at last, change for the better is taking place. This is because their leader, the man who has campaigned for their rights for 40 years, is now Minister of Rural Industrial Development. He is the first Indian Tamil to join the Cabinet. Gemini News Service reports on the benefits he has already won for his people.

BY GAMINI NAVARATNE

COLOMBO

Sri Lanka's tea plantation workdrs of Indian origin --- the Indian Tamils --- long at the receiving end of step-motherly treatment by their successive employers and island governments, are now assured of better times.

The change for the better began with the recent induction of their leader, Savumiyamurthi Thondaman as Minister of Rural Industrial Development in President Jayewardene's government.

This is the first time that a representative of the Indian Tamils --- who number about a million in a total population of 14½ million --- achieved the status of a cabinet minister.

Thondaman is the 66-year-old leader of the Ceylon Workers Congress (CWC), the largest plantation workers union, with a membership of nearly 500,000. It is also the largest trade union in this Asian island.

He said he accepted office in order "to bring my people, long isolated from the rest of the people, into a mainstream of national life."

He has already obtained for them a number of benefits: constitutional recognition as a national minority assured of equal status with the other citizens; the right to communicate with the government in their mother-tongue, Tamil, which has been made a national language (along with Sinhala, language of the major Sinhalese community); the right to vote and be elected to local bodies (a right denied in the past 30 years); and bank loans to buy cows.

A scheme for the improvement of housing, health and educational facilities in the plantations is also under way.

Workers from South India were brought down by the British beginning in the mid-19th Century, first to work in the ports and for the construction of roads, later to work on the coffee, tea and rubber plantations.

Thousands died of illness or starvation during their journey on foot from the port of Mannar, on the north-west, to the interior. Those who survived were forced to work for long hours for low pay under primitive living conditions.

The British turned to India because they found the indigenous Sinhalese workers unwilling to live on the plnations under the harsh conditions.

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Tea finally became the crop with which the Indian Tamils came to be most identified. The estates, some several thousands of acres in extent, were mostly in the hilly central region so that these people were concentrated in that region.

The Indian Tamils are distinct from another minority group, the Sri Lanka Tamils. They too came from South India, but about 20 centuries ago, and settled in the northern part of the island. Although they profess the same religion, Hinduism, and speak the same language, Tamil, they rarely mix.

The influx of the Indian Tamils was not viewed with favour by the Sinhalese. They had already lost their land to the planters who had used fair means and foul to obtain them. This situation bred social, economic, and later political, problems some of which have still not been fully resolved.

At the elections in 1947, a year before independence from the British, the Indian Tamils, too, were allowed to vote. They sent seven representatives, including Thondaman, to the 101-member Parliament.

This alarmed the Sinhalese. After independence they pressurised their leader to pass a law requiring Indian Tamils to apply anew for citizenship. Many found they could not satisfy the stringent conditions stipulated. Those who failed were to be deported to India.

Sri Lanka's case was that it could not possibly absorb all the Indian Tamils without adverse economic and political consequences for the indigenous people - a policy that led to friction with India, which disclaimed responsibility for the rejects. They became "stateless."

After talks in 1964 and 1973 India agreed to accept back 600,000 people while Sri Lanka agreed to give citizenship to an equal number. These agreements are still being implemented.

In 1973, the British press and television exposed the plight of the plantation workers, who had to contend with low pay, bad housing and sanitation and poor educational and health facilities.

It raised an outcry in Britain and gave impetus to a movement favouring nationalisation. It was argued that under local management more of the profits from tea exports could be diverted for the betterment of the people who produced it.

Two years later Mrs. Bandaranaike's government took over all the plantations, about three-fourths of them owned by British companies. There was an improvement in conditions on the estates, but those who benefited most were the Sinhalese workers who applied pressure through their elected representatives in Parliament.

As had happened since 1952, the Indian Tamils had only a member nominated by the ruling party to present their case.

But at the 1977 elections enough Indian Tamils had obtained citizenship to be able to elect one representative (Thondaman) and influence the result in about 20 other constituencies in the central region. The influence was in favour of President Jayewardene's right-wing United National Party.

After Jayewardene came to power Thondaman generally supported his policies and finally accepted office late last year. Son of a plantation worker, Thondaman has been in the forefront of the agitation for the rights of his community for 40 years. Now, as Minister, he is in a position to help his people directly.

He is charged with developing the livestock industry and cottage industries in which plantation workers could engage themselves either part time or full time.

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Every family is being encouraged to rear at least one cow, through provision of easy bank credit of 2,500 rupees for each animal. Besides serving to increase the national milk supply and save on foreign exchange spent on milk food imports, this would bring plantation workers extra income and help improve their nutrition standards.

There will also be more manure for vegetable cultivation. Centres are being established to produce and sell handicrafts, like mat weaving, basket making and wood carving, this should relieve unemployment and underemployment.

Daily wages have been raised to around 15 rupees for male workers - nearly double the amount during the time of the exposure by British media. Women workers still get slightly less, but this is likely to be rectified soon. Thondaman insists on equal pay for equal work.

The barrack-style tenements, housing about 12 families or more, are being replaced with twin cottages. Along with this will go better water supplies and sanitation, and expanded health and education facilities. All the 850 estate schools are being taken over and integrated in the national system.

Better education, Thondaman believes, holds the key to the advancement of his community. Hitherto, few plantation workers' children studied beyond the primary stage.

Attempts are also being made to break the barrier between Indian Tamil and Sinhalese workers by mixing the work forces on estates. Up to now, most estates employed either Sinhalese or Tamil labour exclusively.

At the annual CWC convention in March Thondaman said he hoped that before the end of the government's term in 1983, the economic and social life of the Indian Tamils would be vastly improved. - GEMINI

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