

NEWS OF CEYLON

Vol. 1

February 1, 1972

No. 3

Annual Subscription £2

DETAINEES TO BE RELEASED

There is a move by the Government to release all detainees in the detention camps. An announcement is expected shortly that the political prisoners will be freed on the eve of the Republic Day.

PASSPORT ACT

Only one month and two issues ago News of Ceylon asked whether the Passport Bill was really necessary. The section of particular concern was that which sought to compel Ceylonese were abroad to remit a percentage of their earnings to Ceylon to help bridge the widening foreign exchange gap. We advised caution, we said compulsion cannot be the best way to extract the boodle. We said it would place an unfair burden on patriotic feelings and undermine goodwill. We said a considerable bureaucracy would have to be set up if it was to be made to work, and that then it would not be worth it. We said the net may catch the sprats but it would have very little chance of catching the bigger fish if they wished to wriggle free; and that the very fact of compulsion would be an inducement to look for loopholes. We advised other ways of encouraging this kind of saving.

The Bill became law – Passport (Regulation) and Exit Permit Act, No. 53 of 1971 – before the legislators could read our case. Whether it would or not have influenced them is now not important. The Act itself has nothing in it to allay our doubts, though we may earnestly hope that here we will be found wrong. We still think that this is the worst way of enlisting the assistance and involvement of Ceylonese abroad, but it would be against all our convictions to suggest that, while that it is there, it should not be co-operated with.

Since the Act has come into force, officials both in Ceylon and abroad have shown a welcome willingness to operate it with considerateness for the individual. The principle which appears to have gone out from Colombo to all diplomatic outposts is 'negotiate rather than compel'. The legal framework within which they have to operate is loose. Part IV of the Act reads as follows:-

1. Where any citizen of Ceylon who is in a foreign country and is engaged in any employment in such country applies for the issue or renewal of his passport or emergency certificate to the competent authority in such country, the competent authority may, as a condition precedent to the issue or renewal of such passport or emergency certificate, require the applicant to enter into an agreement with

the competent authority for and on behalf of the Government substantially in such form as may be provided by the competent authority and containing the following terms and conditions:-

- (a) that such person shall, if he does not already have an account in his name in a commercial bank in Ceylon, open such an account; and
 - (b) that he shall remit in foreign exchange to his account in such bank, such amounts, at such intervals and for such period, as may be determined by the competent authority.
2. In determining the amount to be remitted under sub-section (1) the competent authority shall take into consideration the ability of such person to remit such sum, so however that the amount determined shall in no case exceed ten per centum of the total monthly emoluments that he obtains from such employment.

How the law is to be enforced – encouraged to be observed, if you like – depends on the regulations and memoranda which guide officials. These remain 'classified', but the way the Ceylon High Commission in London is working them provides enough clues.

Passports are being issued and renewed valid for a period of one year for most people, two years for those living in countries where Ceylon does not maintain a diplomatic mission and three years for those working for international organisations.

Each applicant is given one or other of two Agreements to sign, depending on whether or not he already has a bank account in Ceylon. In filling in the blanks – between this hereinafter and that whereas – and signing the agreement, the applicant undertakes to remit to an account 'in his name in any commercial bank in Ceylon . . . by mail or telegraphic transfer' a specified sum regularly for a given period.

In these few weeks the agreed amounts have been

amicably arrived at, though it is admitted that most applicants have taken the form away: to study it. So far there has been no attempt to extract the ceiling 10 per cent. In fact there was the one 'unusual case' in which a young lady earning £72 a month said something like: 'oney, alright I'll pay £7. . ' and when she found she could get away with £1. 25, agreed to pay £3. There is no working plan, no slide-rule, ready-reckoner to decide how much has to be extracted from whom. So far the arithmetic has been simple. Nothing even as complicated as deciding the percentage difference between a bachelor earning £100 a month and living in company-subsidised digs in Dorking, and a £100 a month head of a family of four living in a flat in Fulham has been contemplated. So far also, the professionals and businessmen have shown only an academic interest in the agreement. But at least the little ones are forking out and there is no denying that every bit counts.

Officials are at pains to point out, and rightly, that these payments are a form of personal savings and not a tax. The individual is at liberty to use the money once it has been converted into rupees. The money translates itself into rupees in the Ceylon accounts at the enhanced rate of £1 = Rs.22, while the official exchange rate is marginally over 15 rupees to the pound. For the purpose of this particular scheme, banks in Ceylon have persuaded to open individual, running accounts without the required initial, minimum deposit of Rs.1000. These facilities alone would, we are sure, have encouraged the transfer of considerable funds if they had been provided over the years, without any coercion from the law.

In fact, coercive law, this law, should not have come in at all. The first chinks have begun to show already. A recent newspaper report, which officials agree is substantially correct, says:-

"Ceylonese employed in the UK who earn less than £100 and those in the US drawing less than \$700 - 800 a month are unlikely to be asked to remit money to this country . . .

"However, if both husband and wife are employed and their joint income exceeds this amount, they will have to remit part of their earnings . . .

"Government sources said that it would be difficult for those earning less . . . to remit the maximum 10 per cent. These sources feel that remittances of less than £10 per month will not be worth the administrative exercise. "

Of course this is only reasonable and human. And if reason and humanity are extended to include real expenses as they should be, nearly all the husband and wife units and many individuals earning more than £100 a month will still pay less than the amount needed to make the administrative exercise worthwhile. And if the tiddlers are mercifully let off and the big fish cannot, for the most part, be caught, what is the purpose of Part IV of the Act ?

Legislation is often a fascinating exercise, but incautiously pursued it can be worse than pointless; it can be dangerous. Ceylon has a desperate foreign exchange problem and a lot of goodwill among its citizens working abroad. If the

message of need is properly got across and simple facilities, such as those provided for transferring the "compulsory" savings, are provided, much more will be channelled through than the pittances levered out by law.

Ceylonese abroad are not a selfish, penny-pinching mob, and many could use the rupees exchanged at FEECs rates. Only goodwill can create a flow of those earnings-percentages into Ceylon. And if the Passport Act is an exercise in goodwill, then Sir Gerald Nabarro IS Mrs Mason.

ARREST AND UNREST

Twenty opposition members of Parliament have sent a signed request to the Prime Minister Mrs Bandaranaike for the release of Mr Vasudeva Nanayakkara, MP for Kiriella, who was arrested in connection with April 1971 insurrection. Mr Nanayakkara is being held in custody without charge or trial.

The Opposition MPs from the UNP, the FP and the Independents have requested that Mr Nanayakkara be released to enable him to participate in his normal activities in the House of Representatives. No action on the request has still not been taken.

Meanwhile, the government has ordered the CID to probe the existence of a Pirate radio station in the island which was transmitting "false" news about government ministers. One broadcast - believed to have emanated from Borella area - said that four Cabinet ministers had been dismissed by the Prime Minister. News also comes in from the provinces, especially from the South and Centre, that armed "robbers" are waylaying trucks ferrying goods for Co-operative stores. There was a raid on a Bank in the South. Many believe that insurgents are still operating from some jungle areas.

CEYLON'S INDEPENDENCE

Passport and Exit permit act, Judiciary, Identity cards, Emergency Laws and Political Prisoners are the issues to be discussed at the Independence Celebration meeting organised by the Ceylon Solidarity Campaign. 'Come and discuss these issues with other Ceylonese, British people and guest speakers at a public meeting on 4th February 1972 at NUFTO Hall, 14 Jockeys Field, London, WC1 at 7.30 pm' says the press handout issued by the CSC.

REPUBLIC DAY DANCE

Arrangements to celebrate the first Republic Day with a dance have now been completed by the Association of Ceylonese in UK. The Kensington Town Hall has been hired for March 3, the day after the new Constitution is expected to get through Parliament. Don Sheli Combo will provide the music from 7.30 p.m. till midnight and there will be a bar, buffet and spot prizes. Admission is 50p.

OPPOSITION LEADER MAY JOIN GOVERNMENT

Speculation that the Leader of the Opposition and "Lion of the United National Party", Mr J. R. Jayewardene, may join Mrs Bandaranaike's Cabinet grow stronger every day. One newspaper reported Mr Jayewardene as saying that rather than work for the fall of the Government, the day had dawned when leaders of all parties should work with a single purpose. Mr Jayewardene is chairman of one of the 11 Parliamentary Committees studying the draft Constitution. His committee is on Control of Finance.

The following are extracts from an interview with the Observer Magazine:

The insurgent movement of April last year should have opened our eyes to the fact that there is a dedicated group of youths who are tired of parliamentary democracy interchanging governments between the parties and other privileges of democracy....

The country is getting more and more into debt and living beyond its means, causing the problems of landlessness, unemployment and the cost of living to become more acute daily in spite of several changes of government....

I have therefore sought to conduct the affairs of the Opposition in a manner which does not embarrass the government and make it more difficult to govern in these troublous days.... "

Asked whether he was intending to act as a buffer against ultra-radical measures of the government, Mr Jayewardene said: "I feel that when the Prime Minister stated in Parliament that her government seeks to achieve socialism within the framework of democracy, she is following an economic policy which we can agree with and accept. For example, I have clearly stated that I agree with the principle of a ceiling on ownership of land.... the people have shown they cannot wait any longer and are tired of the political game that parties and party leaders play".

MOTOR MANUFACTURERS VIE FOR CEYLON PLANT

Motor manufacturers from the UK, USA, France, Italy, Australia, India and Japan have tendered to collaborate with the government to set up a plant in Ceylon. The Ministry of Industries expects to decide which is best by the middle of February, and informed indications are that it would be a Japanese firm.

The initial project is to turn out lorry and bus chassis, though some of the tenderers are said to favour production of small cars as well. Land has already been purchased and the programme could get under way by the middle of 1972. The early target is 2000 vehicles a year.

TWO MORE FOREIGN LOANS

The two latest loans which the foreign exchange shortage has obliged Ceylon to accept are from Hungary and Denmark. They total fractionally over £5 million.

The £4 millions from Hungary is at three per cent interest and is repayable in 10 years.

Denmark's 20 million Kroner (£1 + m.) come interest free and repayable in 18 years with an initial seven-year grace period.

The Hungarian money is to buy such things from Hungary as telephone exchanges, machinery for the chemical industry, electrical power substations, refrigeration plants, ships and fishing boats.

The Danish money may be used to buy capital goods and spares from Denmark and pay for Danish experts to help Ceylonese development projects.

SHIPPERS PROTEST AGAINST SURCHARGE

The Ceylon Shippers' Council say the currency adjustment imposed by the Conference Lines based on the re-alignment of the rupee-value to the devalued dollar is "another surcharge." The shippers have lodged a strong protest with the local agents of the Lines.

The adjustment can be particularly damaging as a similar levy had not, up to a week ago, been imposed on India. Ceylon has long maintained that its exports had to carry a greater freight rates burden than India's. This new "surcharge", without a similar levy on India, the Shipping Council say, will further reduce Ceylon's competitiveness, particularly in tea.

SHIPPING CORPN. TO EXPAND WORK

The Ceylon Shipping Corporation has taken early note of findings of the recent Bangkok shipping conference. At that meeting, U Nyun, the Executive Secretary of the UN Economic Commission for Asia and the Far East (ECAFE) outlined the "grave" position of merchant marines and ports of the region.

ECAFE countries whose share of the world's seaborne trade in 1970 was 38 per cent owned only 11 per cent of the shipping tonnage. Among the developing countries of the region the respective percentages were 18 and three.

U Nyun said the position was made worse in the past two years by unprecedented freight escalation; a number of shipping conferences making successive increases in a 12 month period. Governments, he said, must play an increasingly important and involved role.

The Ceylon Shipping Corporation has now begun a regular service to United Kingdom and European ports. It still has a fleet of only one, and until a few sisters can be acquired for "Lanka Rani" the Corporation is chartering a number of vessels.

SEXOLOGY EXED

The import of some English magazines like Playboy, Sexology, Pix, Carnival, Mad, Film magazines, True Romances, True Confessions and True Stories have been "banned" by the Controller of Imports and Exports, by asking importers to act as their own censors. The cut is intended primarily to save foreign exchange.

Some romantic novels are also expected to come under the 'self-censorship' by the importers soon.

CEYLON TEA PROMOTION IN THE UNITED KINGDOM

by R. J. Dennis, Public Relation Officer, Ceylon Tea Centre London

One of the questions we are most often asked is why the Ceylon Tea Centre does not devote the whole of its resources to advertising and promoting "pure" one hundred percent Ceylon leaf teas; the implication being that to spend our appropriation on boosting the sales of blends which are not wholly Ceylon is somehow helping rival producing countries at Ceylon's expense.

In an ideal world, of course, a "Pure Ceylon" policy would be the only logical one and in some countries it is certainly possible. But we have to take the market as we find it.

Ever since the tea merchants began mixing teas from the new producing areas of Ceylon and India with the traditional China produce one hundred years ago, the British housewife has become accustomed to buying her tea as a blend, under the brand name of the packer or retailer. She has also, regrettably, grown used to buying her tea at a cheaper price than anywhere else in the western world.

So there are two criteria to be considered if the housewife is to be persuaded to buy one hundred percent Ceylon tea. Can it be sold competitively enough and will it appeal to the average tea drinker ?

Unfortunately (or perhaps fortunately!) it would be difficult for the British packer to buy sufficient Ceylon leaf at a low enough price to be able to sell a pure Ceylon blend that would compete with the mass-selling "popular" packs retailing at 6p to 9p a quarter. Of course, some excellent pure Ceylons are on sale at 10p or more, but it must be remembered that sales of packet teas of 10p and over represent only a meagre four percent of total UK tea sales, so the potential for growth is virtually non-existent.

With regard to the second point, we have to face the unpleasant fact that the average British tea drinker is reasonably happy with her cheap, mass-market blend. Product tests have shown that she prefers the taste of Ceylon tea but, compared with her usual strong, coloury brew she often finds pure Ceylon tea "too weak" or "not economical". In other words, you need to use more of it to get the colour that the public wrongly equates with "quality".

Given these market conditions the Ceylon Tea Centre's policy is "If you can't beat 'em, join em!". Get right into the mass-market sector by making sure that the blend the housewife prefers and buys, although it may have some cheap Indian or African for colour, has a minimum of 55 percent of the leaf that gives the flavour - Ceylon. Persuade a housewife away from one of the big-selling rival brands with 25 percent or less Ceylon leaf in it to a "Ceylon character" tea and you up Ceylon sales by 30 percent or more, and this in the 83 percent sector of the retail tea market where the battle is fierce but the potential awards much greater.

I have dwelt overlong on these points because I believe an understanding of the market conditions

is fundamental to an understanding of the part of the Ceylon Tea Centre is trying to play in it by our promotional campaign.

In the UK there are about 150 packs identified by the Ceylon Lion symbol and until recently our advertising attempted a blanket coverage of them all by concentrating on the theme "Look for the Lion". But although we have so many packs, the vast majority are sold by individual stores, small multiple chains or are strictly local in distribution. So just over a year ago it was decided to concentrate our resources on the packs that had national or strong regional distribution and that were in the "popular" price, mass-market sector.

These packs, as it happens, are all "own-label" teas, packed for the leading multiple grocers and the big symbol groups (voluntary associations of private wholesalers and grocers) with thousands of retail outlets.

An integrated campaign is devised for the national daily press made up from advertisements each featuring an individual tea and while the advertisements are appearing, in-store displays and promotions are organised for the appropriate firms.

Television is used to reinforce the strongest areas, such as London and the North West and again pack shots are included so that the housewife can clearly see the Ceylon teas that are available.

The success of the campaign so far can be judged from independent audit figures for the year to end-November 1971 which show that "popular" priced Ceylon teas in the multiples increased their sales volume by eight percent compared with 1970 and in the symbol groups the increase was 25 percent. With new Ceylon blends coming on to the market in 1972, Ceylon identified teas and teabags will eventually be available in 70 percent of multiple stores and 90 percent of symbol group grocers, affording a solid base for expanding sales still further.

Much has been written in the Ceylon press in the past about the six UK Ceylon Tea Centres, not all of it complimentary and much of it ill informed. It is easy to place too much importance on these tangible symbols of the Ceylon tea campaign, for they represent merely the tip of the iceberg in terms of our overall activities.

From the brief outline I have given of our national campaign it will be evident that it entails a considerable amount of hard work in any year quite unrelated to the existence of the Centres, in terms of negotiations with the tea and grocery trades, the physical merchandising of thousands of shops, public relations projects and many hours of discussions with our advertising agents.

Nevertheless, the Ceylon Tea Centres continue to have a useful role to play in putting over a favourable image for Ceylon tea. Their main

NO MORE APPEALS TO PRIVY COUNCIL

The last appeal has been heard and after 125 years and more than 400 substantive cases the right of appeal from Ceylon to the Privy Council has ceased.

In the Privy Council on January 11, Lord Wilberforce, presiding, said: "Today this long and honourable association comes to an end, but their Lordships can safely assert that this is a parting of friends. They are confident that the ties of over a century will be maintained by friendly contact between the judiciary and legal professions of Ceylon and the United Kingdom."

In his address on behalf of the Ceylon Government, the High Commissioner, Mr Tilak Gooneratne, also spoke of the long and close association.

"During the early colonial period the presence of the Privy Council in our legal and constitutional framework had a salutary effect on the colonial administration," he said. "for the Privy Council had the highest reputation for dispensing justice between individuals and between individuals and the colonial Government."

"It was, however, in the development of our legal system and the enrichment of our jurisprudence in almost every branch of the law that the Privy Council made its most valuable contribution.

One cannot fail to be impressed by the erudition and scholarship that the Privy Council brought to bear on the very complex issues arising out of the Kandyan, Thesavalami, Muslim and Roman Dutch law, all of which are part of the law of Ceylon, and in which the members of the Privy Council could not be expected to have any special experience."

Since independence, as the High Commissioner pointed out, the Privy Council continued to hear appeals from Ceylon and "the Government of Ceylon itself was an appellant on several occasions . . ."

But now, Mr Gooneratne said: "Ceylon is introducing a new Constitution which draws its inspiration and strength from the people of Ceylon themselves and it was felt that it would not be consistent with our concept of the sovereignty of the people of Ceylon for matters arising in Ceylon to be dealt with in appeal outside the Courts of Ceylon. Our legal system had, therefore, to be remodelled and the right of appeal to Your Lordships Court from Ceylon has ceased . . ."

"My Government has asked me," the High Commissioner said, "to place on record my Government's deep sense of obligation for the invaluable services the Privy Council has rendered Ceylon for two centuries."

Ceylon Tea Promotion (continued)

function is to provide an opportunity for the public to sample the product in ideal conditions, to the tune of some two million cups a year. Incidentally, unlike the rival Indian establishments, the catering operation pays for itself, with profits being ploughed back to improve and replace equipment and facilities.

Recently there has been discussion in Ceylon on widening the scope of the Centres so that they can become shop windows for other products and services, such as fruits and fruit juices, tourism, Air Ceylon, etc.

At the present time this is a matter for the Ceylon Government and the Tea Board, but as a purely personal view I am sure that the immense amount of goodwill the Centres have created could be used to good effect this way. In fact, we are already doing a useful job for the Tourist Board with attractive displays of literature. The only proviso it is worth emphasising is that the introduction of a new role would need to be carefully planned and co-ordinated so that the appearance of the Centres is not spoilt for visitors by a haphazard bazaar of tinned fruit and tourist posters.

It is also worth repeating the "tip of the iceberg" remark, for the display and sale of products in the Centres, helpful as it may be, cannot substitute for a planned and aggressive marketing policy to sell them in the supermarkets.

CEYLON

17 days £178 inclusive

Why not spend a fabulous holiday back home in beautiful Ceylon at these absolutely unprecedented inclusive prices 2 or 4 weeks from £178.

Ceylon guest house	17 days £178
Mount Lavinia Hotel	17 days £229
Pegasus Reef Hotel	17 days £250

A few seats available on our Boeing 707 jet departures 11, 25 February and 10, 24 March.

Phone or write for free brochure:

KUONI
Challis and Benson Ltd.
133 New Bond Street
LONDON, W1Y 0JB

EXPORT: TAX INCENTIVES

A new crop of tax incentives have been introduced to diversify Ceylon's export structure beyond the traditional tea, rubber and coconut framework.

Any industry which exports 25 per cent or more of its total output will, if its trade is approved by the Ministry of Industries, be exempt from tax for five years from any date within three years of starting to export, according to conditions worked out between the Industries and Finance Ministries.

Established export firms will qualify for the five-year holiday from the date on which profits climb higher than the average annual profit of the past three years. Companies will be allowed to deduct from assessable income, investments in any registered export industry up to Rs. 100,000. At the moment companies are not entitled to deduct investments in industry from assessable income. The ceiling of Rs. 25,000 which individual investors are now allowed to deduct from assessable income will be raised to Rs. 50,000.

PRODUCTION HAMPERED

Production of industrial goods, whether for export or internal consumption is forced down to one third of capacity in most industrial ventures because of a continuing shortage of raw materials. An official report before the Foreign Exchange Allocation Committee blames lack of raw materials for this low output level. Not only is possible employment in the private industrial sector limited by this but, as the report points out, import substitution on industrial goods cannot be achieved unless the flow of raw materials is smooth enough to maintain production at full capacity.

EXPORTS FALL

Export earnings for the first 10 months of 1971 fell by around Rs. 100 million compared to the corresponding period in the previous year. Central Bank statistics show tea and rubber, the principal exports, down by 19 and 110 million rupees respectively. The fall in tea earnings was in spite of a slight increase in prices obtained. A drop of 50 million pounds in the quantity of rubber exports was compounded by a fall in the average f. o. b. price averaging as much as 18 cents.

Earnings from coconuts and coconut products, however, rose by Rs. 32 million, mainly because of a quantity increase of over 100 million nuts. Other minor exports rose by about Rs. 2 million.

NEW LEGISLATION

Legislation promised for this month by the Ministry of Agriculture and Lands is geared to create adequate market facilities regionally for various crops. The new Agricultural Corporations Act will make for separate institutions to promote particular crops and arrange proper marketing. Regional concentration on selected crops and a network of market centres are expected to boost production by giving the local grower both assistance in cultivation and a better return.

CTB CAN EXPORT BUSES

The Ceylon Transport Board is now turning out five new buses a day. The Board's Chairman, Mr Anil Moonesinghe says, "instead of importing buses from abroad it will soon be possible to export buses to countries like India and Indonesia and others in Asia and Africa".

REFUNDS TO EXPORTERS EXPEDITED

A new allocation system has been approved which is designed to smooth and hasten claims, by exporters of industrial goods, for rebates on import duties. Some delays have been known to extend for years, but now it will be possible for exporters to get the refunds from banks when inward remittances for their exports are realised.

Small manufacturers who are forced out of the export business just by lack of institutional facilities will have the assistance of 'foster parent' companies as soon as a recent government decision comes into force. These companies will also be committed to pooling the experience and resources of small manufacturers to set up factories.

CO-OPERATIVES TO RUN TODDY TAVERNS

About 220 co-operatives will be set up in North Ceylon to run palmyrah toddy taverns in which over 15,000 tappers will be employed by the Co-operatives with benefits of regular wages and provident fund.

The new scheme that does away with the tree-tax system comes into operation in March. Plans are also afoot to set up a distillery in the North and tap more trees.

NO MORE PENSION

The government has scrapped the pension scheme for new entrants to the public service from January 1 this year. The employees will be covered by a contributory provident fund scheme in which the employees will pay 6 per cent of their consolidated salary while the employer will pay 9 per cent.

QUALIFIED CEYLONESE IN UK IN A QUANDARY

The Ceylon Daily News carried a lead story in its first page under the title "Qualified Ceylonese in UK in a quandary".

The story said that on account of unemployment problems in UK, many Ceylonese are poorly employed but are reluctant to return home as there are no job opportunities in Ceylon.

The Daily News cited the instances of a Ceylonese qualified chemical engineer working as a porter in the London Underground and a university science don being unable to find a job for the last 6 months.

Many qualified men are reluctant to return home on account of the government's current moves to curb the brain drain, the story said.

Kenton Travel Ltd.

OFFER YOU THE FOLLOWING:

COLOMBO	FROM £98. 50 ONEWAY
SINGAPORE	£ 85. 00
KUALALUMPUR	£ 85. 00
BANGKOK	£ 80. 00

SERVICES OPERATED BY  VC10 & 707.

WORLDWIDE INCLUSIVE HOLIDAYS AND WEEKEND TRIPS

ALL AIRLINE TICKETS

BRITISH AND CONTINENTAL RAIL TICKETS

COACH TICKETS

FOREIGN EXCHANGE AND TRAVELLERS CHEQUES

MEMBERS ASSOCIATION OF BRITISH TRAVEL AGENTS

(INTERNATIONAL AIR TRANSPORT ASSOCIATION) APPOINTED
PASSENGER SALES AGENT

APPOINTED AGENTS FOR:
AIR CEYLON, BOAC, UTA:, AND ALL IATA AIRLINES

CALL US FOR SERVICE AND RELIABILITY - - - 907 4433/0171 (10 lines)
Telex 923510

BRANCHES IN THE WESTEND, ALSO IN CYPRUS, LOS ANGELES, AND
CEYLON.

HEAD OFFICE: 213 KENTON ROAD KENTON HARROW MIDDLESEX.

Mc NAMARA'S VISIT

World Bank President Mr Robert McNamara spent a day in Colombo. For the government, McNamara's visit was crucial. Much of what it can deliver during the coming years depends on hard cash. And Mrs Bandaranaike's Five Year Plan, despite its socialist taint, needs the prestigious support of the World Bank. During his day's stay, Mr McNamara had a busy round of talks with the Prime Minister, Dr N. M. Perera and with many other ministers and government officials, including the Governor of the Central Bank Mr H. E. Tennekoon, covering the "entire range of Ceylon's economic and political problems."

The subjects of discussions and the President's mood towards Ceylon's proposals are still secret. Government communiques however said that Mr. McNamara was in favour of Ceylon's proposed land reforms and that he was anxious to know how Ceylon would tackle her most immediate economic problem of curtailing consumption in order to find resources for development. "An understanding of this problem was necessary since the bank made a case for assistance for Ceylon to the Aid Consortium Group which will meet in May", the communique said.

At present, the backlog of aid totals up to something like Rs. 500 million. The Aid Consortium Group has channeled about 50 million US dollars of aid a year since it was sponsored by the World Bank in 1965. This year, Ceylon has to reserve nearly 766 million rupees - one-third of the export earnings - to meet the debt obligations.

The government communique denied speculation that the devaluation of the rupee was discussed or that the Finance Minister put forward proposals to the bank President to meet the budget deficit of Rs. 400 million.

BRITISH 'CITY' DELEGATION

A three-man delegation from Britain representing British interests in Ceylon - Sir Duncan Oppenheimer, Chairman of British American Tobacco Co., Mr Ronald Brooks of Commercial Union and Mr Ronald Mann, Deputy Chairman of National and Grindlays Ltd - returned to Britain after meeting government officials on a number of state policies.

The delegation which met Dr N. M. Perera, Finance Minister Mr Maithripala Senanayake, Deputy Prime Minister and other officials pointed out that they were concerned about the capital levy, compulsory savings, the proposed income ceiling and other measures which affected British interests in Ceylon.

The delegation's report for circulation among the City interests is expected shortly.

EX-SENATE MINISTERS TO RESIGN

The two members of the now defunct Senate who continue to hold Ministerial Office are expected to resign this week. They are Mr C. Kumarasuriyar (Telecommunications) and Mr J. M. Jayamanne (Justice).

LOOK FOR THE LION OF CEYLON ON THE PACKET

Most Well Known Tea Packers have a Ceylon Tea on the Market.

You can recognise them by the Lion of Ceylon on the Pack.

CEYLON TEA
the teas with the golden taste.

CEYLON TEA CENTRE
Lower Regent Street, London, S.W.1.

