

trade have done much better and more consistently than public companies, which are engaged mainly in industry. The index for public companies stood at 100.4 in 1961 (1955 = 100) after a downward plunge in 1957 and 1958, while that for private companies went up consistently to 170.8. Those of the public companies which engage in trading shared the trend for private companies; their index stood at 143 in 1961. The inference to be drawn from this, however, is not so plain as it appears at first sight, for many business groups consciously and deliberately siphon off some part of the profits of their public companies to close, 'owned' trading companies within the group which are private limited.

The negligible increase in the profitability of public companies over the period 1955 to 1961 was due mainly to the substantial decline in the profit ratios in plantations, sugar, iron and steel, mineral oil, cement, paper and shipping. The industries which improved their profitability were vegetable oils, all textiles, engineering, chemicals, matches, and trading. The most significant increase in profitability was recorded in silk and woollen textiles, and chemicals; their respective index numbers in 1961 were 208 and 161. Why should one be surprised, then, if the actual pattern of private investment tends to be different from what is intended in the Plans?

Unrest in Ceylon

THE problems of Mrs Bandaranaike have recently assumed a more gloomy aspect. Things have not yet assumed the pattern preceding the abortive coup of early 1962, nor do they justify a return to the Emergency, but nevertheless substantial grievances are visible. Last August's budget touched off frictions in the Government Party over Finance Minister Hangaratne's alleged failure to cope with rising inflation. Colombo Municipal elections in September (which went to the rightist United National Party) sharpened the criticism, and the trade unions became increasingly restive under the wage-freeze. To this purely economic stimulation of the trade unions has subsequently been added the split in the Ceylonese Communist Party which leaver the militant Pe-

king-inclined trade union leaders to work independently of the Moscow-inclined Communist Party leadership. At the end of the year, port clerical staff struck, and some 13,000 other white-collar workers subsequently came out in solidarity—such that on January 9 the Government was forced to issue a straight ultimatum to the unions.

But this was not the only sign of unrest. The loss of a Government stronghold in a by-election at Nikawaratiya (again to the United National Party) precipitated an angry Party meeting in which Ministers were shouted down, and ordered to resign if they could not stabilise the cost of living by next April. The Government's response to all this has been to press on with its elaborate Ceylonisation measures (including the new nationalisation moves) and the linguistic reforms to enforce national unity. On January 1 general insurance and domestic petrol and petroleum products distribution points were nationalised, and Sinhala replaced English as the national language.

The nationalisation measures were part of the general Ceylonese attempt to control the economy and provide opportunities for the Ceylonese—they cover two of the most profitable interests in Ceylon and are thus not an encouragement to foreign investors to come to the island for new ventures. Henceforth, the State petroleum corporation will maintain all petrol stations, and private companies will be restricted to the sale of aviation spirit, bunker fuel and lubricants. American protests have been strong, particularly after the earlier experience of Ceylonese nationalisation (which led to the suspension of U S aid), but the British have been more circumspect, primarily to protect their extensive interests in the plantations, even though they claim that here the State already takes some 90 per cent of the profits in taxes or export duty.

While compensation was offered to the oil companies, it has so far been refused to insurance companies on the grounds that no physical assets are involved. Some fifty or so companies are affected (10 Ceylonese, a few Commonwealth, American and Swiss, and the rest British). The measure follows the 1961 appropriation of all new life insurance

by the State Insurance Company, In addition, banks have been warned to behave (whatever that means in such contexts), and measures are afoot to Ceylonise the export-import trade. At present about half the import trade is controlled by foreigners although the State reserves to its nationals the right to trade with the Eastern bloc and in certain key commodities. It is proposed to set up a State Trading Corporation. In the coming year, some 175 non-Ceylonese textile importers have been excluded from the trade; and on January 10, a new 10 per cent tax on remittances abroad for the maintenance or transfer of assets was introduced, along with a 20 per cent tax on the purchase of foreign exchange (or tickets for foreign travel). All this will have its effect on the Indian nationals on temporary residence permits in Ceylon who number some 5,688 of the 6,679 foreign nationals employed in the private sector. In addition, the problem of the almost seven lakh 'stateless' persons remains.

Leftists Divided

THE linguistic approach to unity has received its 'final solution'. While the DMK is still officially prohibited, the Tamils still have their Federal Party and Jatika Vimukti Peramuna, both of which have been active in opposition to the introduction of Sinhala. On October 1, the Federal Party launched a campaign of civil resistance, demanding a boycott of all who follow the Government policy in the Tamil areas, and culminating in a mass demonstration against the official Language Act at the beginning of this month. Many—some 1,110 Sinhalese and 848 Tamils—in the Civil Service have availed themselves of the opportunity to retire with full pension rights (on the grounds of lack of proficiency in Sinhala).

The sharpness of the left opposition attack, however, has been increasingly blunted by the split in two of the three parties comprising the United Left Front, announced with much flourish in August. In November, the left Communists, expelled from the Party, decided to convoke the Party Congress (postponed since December, 1962) in defiance of the central committee majority; and when the Trade Union Federation held its annual session in

mid-December, the two factions came to blows. The President, M G Mendis, stormed out of the meeting with his pro-Moscow faction, determined to call a separate session next month, and leaving the field open to the T U F secretary and supporter of Peking, N Shanmugathasan. When it is remembered that the Ceylonese CP has sought to moderate the demands of organised labour in order to woo peasant and white-collar support, the significance of the split can be seen more clearly — and Shanmugathasan has accordingly promised increased industrial militancy and less reliance on parliamentary methods. The Party branches are dividing, but it is unclear who will end up with the majority. As a footnote to all this, at the beginning of the month, the Tass and East German diplomatic offices in Colombo sacked five Ceylonese members of staff, incidentally supporters of the Peking faction in the CCP. The Trade Union Federation has sprung to the defence of the workers, and is threatening to sue the errant employers.

Some aspects of the Ceylonese scene have a familiar ring, particularly the linguistic problems and, remembering Bhubaneshwar, the appropriation of financial institutions. But matters are a little sharper in Ceylon. Ceylonese business, no doubt delighted with Ceylonisation, is hardly pleased with nationalisation, particularly of the most profitable activities. The Ceylonese workers and middle classes are increasingly restive under the inflation. The Tamils have declared war on the official language. And the left parties, the crucial support in Mrs Bandaranaike's election campaign, are increasingly divided. Perhaps she will weather the storm, but the meteorological signals are not currently optimistic.

Letters to Editor

Investment in Man

APROPOS your Weekly Notes "Wastage in Technical Education" and "Investment in Man" (December 14, 1963), there is much to be said in favour of orienting our educational system towards 'Investment in Man'

After being in the profession for nearly 20 years and having the privilege of teaching in & 'small'

college of a 'provincial' town, I can lay down three or four steps to the right approach.

Medium of Instruction : It is high time our politicians stop dilly-dallying with this subject. What is needed now is a *decision* and willingness to adhere to it for a number of years. Both English and the regional language have to be accepted and the teaching of English revolutionized. It is 'now or never.' Hindi has come to stay as a medium of communication and the radios and cinemas are doing that work wonderfully well. In colleges students talk Hindi fluently without any difficulty. Wastage and failure in examination are due mostly to this faulty use of medium of instruction and students' inability to grasp a foreign language.

Technical Education : One of the reasons for wastage in technical education is that many students go in for science because that is in fashion, later to realize that one had misjudged one's aptitude and then change over to humanities. Exceptionally, in the college where the writer taught till recently, students of science and humanities were equally distributed. This in itself underscores the need for sound education on the humanities side. The teaching of economics, sociology, psychology, history and politics and the other allied subjects requires complete reorientation. For the lack of adequate knowledge of English, whatever is available in the regional language is read and the teachers have to orient their teaching to the requirements of the students. Even though these students do Shelley, Keats, Shakespeare, and many other known and unknown authors in their pre-degree classes, even in the final year, their knowledge of English remains just as elementary as it was when they joined the college. It is necessary therefore to minimise this waste and emphasize the acquisition of knowledge of the language rather than the study of the authors.

Teachers : Last but not the least is the selection and training of teachers.

The old habit of 'judging' a lecturer by the way he speaks rather than what he teaches has to go. There is a need to create a sense of purpose in the mind of teachers and a feeling of urgency in the minds

of students. Today lecturers are discontented and the students remain the victims of the system.

The time for research, deliberations, seminars and conferences in the case of educational reforms is long past. What is needed is 'decision' — and following the decision to its logical conclusion. One has to remember that today all those who receive education — from primary to University level — have been brought up in an environment which is mostly unfavourable to learning. This adds to the responsibility of the educational institutions to minimise failures. One has to look through the registers of the schools and colleges to realize the extent of revolution that is taking place before our eyes. As teachers, we need to revolutionize our outlook in order to fit ourselves for the great task. The students are not irresponsible, it is the educational system that makes them so.

H ACHARYA

Deccan College, Poona
January 15.

Regional Inequalities

WILL you please refer to the Book Review 'Regional Inequalities' published in your issue of December 21 1963? As a member of the staff of the National Council of Applied Economic Research closely connected with this study I furnish below answers to some of the points raised by J Krishnamurty.

Krishnamurty's comment that the use of two sets of population figures (i e, by projection and by interpolation) imposes a methodological limitation is correct. However, it will be seen that the two sets of figures for different States are so close to each other that the use of either would not have affected the results except in a trivial sense. [Compare the State population figures for the year 1955-56 as given in 'Inter-State and Inter-District Income Differentials' which were obtained through interpolation of the 1951 and the 1961 Census data with the projected population figures for different States prepared by the NCAER given in 'Population Projections of India 1951-1976' (Table 9, page 41).] The use of two sets of figures was necessitated by the fact that the estimates of income for certain States