

POLITY

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BRINGING THE THIRTEENTH AMENDMENT BACK?

The Sri Lankan government seems to be promoting a public discussion on the 13th Amendment as the framework of a solution to the ethnic conflict. The context of this new interest in the much-maligned 13th Amendment has two interesting dimensions. The first is the belief that the government is winning the war against the LTTE. The government now seems to be confident to talk about a political solution from a position of strength. The second is the Indian government's insistence that along with a military offensive, the government should also pursue a political solution. The 13th Amendment constitutes India's most favoured framework of a political solution to Sri Lanka's ethnic conflict.

The 13th Amendment has a chequered political career. It was introduced in 1987 on India's insistence. It provided the constitutional basis for devolution of power institutionalized through Provincial Councils. From its early days, the 13th amendment met two types of criticism. Sinhalese nationalists committed to the unitary model of the state were angry. They charged that the 13th Amendment created a federal system in Sri Lanka at the behest of the Indian government and to please Tamil 'separatists.' Tamil nationalists viewed it as an inadequate constitutional arrangement that fell short of their political demands. Despite the opposition, the UNP government of President J. R. Jayawardene implemented the 13th Amendment in 1987. The Provincial Councils thus established are now an integral component of Sri Lanka's state structure.

Meanwhile, in the mid-1990s, a new argument developed with regard to the Provincial Councils. It proposed the enhancement of the powers of the Councils through a constitutional amendment. The objective of this proposal was to make the system of devolution a firmer basis of a political solution to the ethnic conflict by enhancing provincial autonomy. President Chandrika Kumaratunga and her Minister of Constitutional Affairs, as well as the Left parties of the People's Alliance government, were the key advocates of this position. There were many civil society groups too who argued for greater regional autonomy. This proposal came to be named 'Thirteen Amendment Plus.' Its basic assumption was that a credible constitutional arrangement to address minority aspirations should go beyond the limited devolution framework of the 13th Amendment. But no attempt to constitutionalize a 13th Amendment Plus has so far succeeded. The lack of political

backing to such a move across the political spectrum has been a major reason for this failure.

The present resurgence of official interest in the 13th Amendment is interesting for a number of reasons. The government seems to think that instead of bringing a new constitutional package for greater regional autonomy, the implementation of the existing constitutional provisions would be pragmatic, practically feasible and politically acceptable even to its extreme Sinhalese nationalist coalition partners. But this would be seen by some Tamil parties, particularly the Tamil National Alliance, as minimalist devolution with no relevance to a serious project of addressing Tamil political aspirations. It appears that the government is more concerned with a political solution that is acceptable to Sinhalese society.

Obviously, the government has its own strategic calculations to bring the 13th amendment back to public attention. Three factors seem to define the government's thinking. The first is that once the LTTE is militarily defeated, Tamils would not be in a position to bargain beyond the 13th amendment. The second is the reality that there are Tamil political parties already linked to the government who would accept a solution even minus the 13th Amendment as long as they are given access to power and economic resources. The third is that by reviving interest in the 13th Amendment, the government can please the external actors, particularly India and the US.

Can President Mahinda Rajapakse seriously pursue the proper implementation of the 13th Amendment in the North and East as well as the rest of the country without moving away from his own formula of 'maximum devolution within a unitary state'? This question can generate more than one answer. It also leads to some more questions. For example, is the coalition which President Rajapakse leads committed to serious and genuine devolution of power to the North and East? In the event of the LTTE being neutralized as a major stakeholder in the conflict, will the government have the political compulsion for any measure of regional autonomy, even a limited one under the 13th Amendment? Will the non-LTTE and non-TNA Tamil groups which the government views as the authentic representatives of the Tamil community, be in a position to bargain for full implementation of the 13th Amendment in a context where the government continues to

fail to fulfill its devolution promise? Will the Tamil people be content with an old formula that could not resolve the conflict twenty years ago? Will the extreme nationalist forces aligned with the regime and emboldened by the present military campaign against the LTTE, allow President Rajapakse to implement a political solution even in its truncated form?

Answers to above questions are not very clear. One thing clear, however, is that if the present government is seriously and genuinely committed to a political solution to the ethnic conflict which will guarantee both equality and autonomy to the ethnic minorities, a new configuration of domestic political forces will be necessary. ■

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PRESIDENT OBAMA

Sankaran Krishna

There comes a time in politics when one should be swept up by the passion and euphoria of the moment and still the voices of reason, moderation and doubt in one's mind. For many of my generation, the parliamentary elections of 1977 were unforgettable: the defeats of Indira and Sanjay Gandhi, the decisive rejection of the Emergency, and the heady hopes for the future, are still etched in my mind. That many of the hopes would be belied, and that so many of the stalwarts who won in 1977 would turn out to have feet of clay, is no doubt true. But so too was the thrill of that victory and the joy that ensued: politics matters to us because of such moments when we are more alive than ever.

It was just such a moment late in the evening of 4 November 2008, when major television networks declared Barack Hussein Obama had won the presidency of the United States (US). A crowd of thousands at the Grant Park in Chicago erupted in celebration and joyous camaraderie. Similar captures were enacted all across the US, from Harlem to the Ebenezer Baptist Church in downtown Atlanta (where Martin Luther King Jr and his father had served as pastors) to the streets of Los

Angeles and halfway across the Pacific as students and volunteers revelled in neighbourhoods where a young Barack had grown up in the Honolulu of the 1970s.

As television cameras panned across the rainbow of beautiful faces celebrating in Chicago and elsewhere, they evoked William Wordsworth's lines on the French Revolution, Bliss was it in that dawn to be alive, But to be young was very heaven!

Jesse Jackson

Almost hidden in the surging and ebullient crowd at Grant Park was Jesse Jackson, his granite face glistening with rivulets of tears. As I saw the greying temples and the weathered visage, I remembered the candidate. In 1984 Jackson won five primaries and garnered over three million votes (representing nearly 20% of the popular vote

in the Democratic primaries). He did even better in 1988 when he won in seven state primaries, four state caucuses, and more than doubled his support to over seven million voters. All this was accomplished with practically no money or donors, and a hont-strap organisation of volunteers. Despite running so strongly, Jesse Jackson found no place on the ticket in either contest and his policy platform was simply ignored by the Democratic Party. His stunning outburst at the Democratic national conventions, his energising slogans of 'Keep Hope Alive, It's Nation Time' (the latter borrowed from a famous poem of the same title by Amiri Baraka), and the call Run, Jesse, Run, still resound in my ears.



This issue of Polity is dedicated to the memory of

**JAYARATNE
MALIYAGODA**

Council Member of the
Social Scientists' Association,
and
President of the Lanka General Services
Union and founder of the
Workers' and Peasants' Institute,
Kandy

Progressive Agenda

Jackson was one of very few American politicians who regularly used 'third world' not as a pejorative adjective but as an empirical descriptor of the poverty and colonised history of the non-western world. A look back at his election platforms is instructive. He called for, among

other things, the establishment of a Palestinian state; a nuclear freeze followed by disarmament (not merely arms control with the Soviet Union); slashing the budget of the Defence Department; a single-payer universal healthcare system; a foreign policy attentive to the interests and needs of developing societies and not solely focused on a narrow definition of US interests; equal punishment for the buyers of illegal drugs moment at the apex of the world of nations rather than the one-sided and punitive excess visited on dealers; increased taxes on the richest 10% of Americans and using that money to support public education and the needy; reparations for descendants of slaves; and declaring South Africa a rogue nation (at a time when the Reagan administration pursued 'constructive engagement' with the apartheid regime). Jesse Jackson saw the US as one of many equals in a world order rather than a preponderant power, and seemed to have a greater empathy and understanding of the non-western world than any other leading politician.

Distance to Cover

It is astonishing to read Jackson's platform over two decades later and realise not only how sensible it was but also the distance that remains to be traversed. For me, the high point of Jackson's candidacy was when he pronounced at one of the conventions that the problem of the US was not that it had a two-party dominant political system but that both parties were so similar and so far over at the conservative end of the political spectrum. In a society eternally besotted by the 'choice' offered at the end of a process that weeds out anyone with independent thought, Jackson epitomised wisdom. At Grant Park on 4 November, Jesse Jackson was crying, like thousands of others black and white, young and old, men and women at the enormous symbolism and incredible victory of a black man finally ascending to the presidency of a nation with a history of slavery. They were perhaps also the tears of a man who realised more acutely than many others in that crowd that in order to attain the White House, Obama had to leave Jackson and his brand of politics firmly behind. Pragmatism may produce political victories, but it does exact a severe price: sometimes it may even demand of you your soul.

Crossing the Barrier

Obama was able to transcend the prejudices of a deeply racialised society because of his obvious intelligence,

and the competence and moderation he radiates. He inspires safety and reassurance in a society deeply doubtful about the future and maybe even dimly aware that its financial crisis in a century, eight years of the most inept presidency in its history, two costly and ineffectual wars, and an opponent seemingly trapped in a time-warp, for the American public to finally accede to a black man in the White House. Obama deserves a huge amount of credit for sensing the political moment and running a perfect campaign. Yet, the conjuncture that has elevated him to the presidency also indicates the magnitude of the challenge he faces. It is both ironic and apt that a society in which the inferiority of racial minorities has long been accepted as fact has turned to one of them for deliverance in its moment of grave crisis.

Realising King's Dream

Over four decades ago in April 1968, less than a day before his assassination, with a prescience that has often characterised leaders about to meet their death, Martin Luther King Jr famously said, I've been to the mountaintop And I've seen the promised land. I may not get there with you. But I want you to know tonight, that we, as a people, will get to the promised land. And I'm happy, tonight. I'm not worried about anything. I'm not fearing any man. Mine eyes have seen the glory of the coming of the Lord.

Barack Hussein Obama's election as the 44th President of the United States is a substantial step towards the colour-blind and egalitarian society that King envisaged. His election should also serve to remind Americans and people everywhere (for we all live, often too comfortably, with our own myopias on race, caste, colour, religion, class, gender and other inequities) of the huge distance that remains to be traversed.

Yet, even as we are sobered by all that, now is the time to celebrate the extraordinary improbability and incredible beauty of what we saw on 4 November: a handsome young black man turning to hug his tall and lovely wife and their two daughters as they raced along a ramp, cheered by tens of thousands of Americans of every hue, and the echoes of his first speech as newly elected President of the United States of America slowly faded into the night sky over Chicago.

Courtesy, *Economic and Political Weekly*: November 8, 2008.

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THE US PRESIDENTIAL ELECTION 2008 – Part 3

The Economy Crashes the Party

Judy Waters Pasquaige

This third part of a series (see *Polity*, March-April and July-August 2008) follows the McCain and Obama campaigns from early June until the end of October. With McCain having secured the Republican Party (RP) nomination several months earlier, and Obama just beginning his drive after defeating Hillary Clinton, this article first looks at the period before the formal party nominating conventions in late August and early September. Included is a brief look at the candidates' vice-presidential choices, announced just before the conventions. The next part deals with the two conventions, which I was fortunate to view gavel-to-gavel in the US on the TV station C-SPAN – coverage without advertisements or commentators. In this way, the conventions can be seen as giant ads in themselves. With the conventions over, the candidates took to the campaign trail non-stop, each party hammering away with set themes. Then, in mid-September, the US in general, President Bush, executive and legislative branches, and the two candidates were overtaken by the global credit and financial crisis caused by the bursting of the US housing bubble. During an amazing month, politicians scrambled to try to contain the crisis, amid the escalation of national awareness of and anxiety about its severity. The candidates' responses would prove to be crucial, and the economy as subject to dominate the three presidential and one vice-presidential debates from late September to mid-October. By this time the move towards Obama was clear, if the specifics not. The last part of this article looks at how the candidates fare on a state basis at the end of October, crucial in the context of the US electoral college system. This part will also look generally at the races for Senate, House and governorships.

The McCain Campaign: June-August

As noted in the previous article, the McCain campaign sought to portray him as a patriotic RP maverick (vis-à-vis Bush) who operates in a bipartisan manner.¹ By contrast, Obama was portrayed as an inexperienced and anti-American Democratic Party (DP) hack. In June Obama was attacked for changing his position on several issues: no support for amnesty for phone companies participating in federal warrantless wiretapping; to opt out of public finance for his campaign (since he could raise more privately); and to

opposition to the Washington, DC, handgun ban. He was also compared to an ineffectual Jimmy Carter.²

With polls showing concerns regarding McCain's age, support for the Iraq war and connection to Bush, in late May a book was published by former Bush White House press secretary Scott McClellan entitled *What Happened*, the book dealt with the lies used by the administration to justify going to war.³ McCain's campaign continued to be criticized for its regional bias, unclear message, bad decision-making, sloppy staging and a schedule determined by fundraising level. There was disagreement over how much McCain should criticize Bush and whether to take a more general anti-Washington line. At the end of June McCain went on a three-day trip to Colombia and Mexico, stressing trade and drug trafficking issues, returning to the US to speak about jobs. Such was the confusion that in early July McCain reorganized his campaign staff. Steve Schmidt, a protégé of Karl Rove (chief strategist for Bush's 2000 and 2004 campaigns), was put in charge; he had also run Governor Schwarzenegger's re-election campaign, and was a top Vice-President Cheney aide. Two longtime advisors were demoted: Rick Davis, of the lobbying firm Davis Manafort, and Mark Salter, McCain's speech writer since 1988, former chief-of-staff, biographer, and closest advisor.⁴

In August the campaign attacked Obama's 'celebrity status,' comparing him to Paris Hilton, Britney Spears and Moses. That month, a former senior Cheney advisor published a book by Jerome Corsi, *Obama Nation*, alleging Obama had ties to Islam and employed communists on his campaign staff, and containing many factual errors; in 2004 it was Corsi who had falsely written about John Kerry's record in Vietnam.⁵ As the end of August neared, speculation on McCain's vice-presidential choice centred on Tim Pawlenty (governor Minnesota), Sen. Joe Lieberman (Connecticut), Mitt Romney (former governor Massachusetts), Tom Ridge (former governor Pennsylvania), Carly Fiorina (McCain advisor and former CEO Hewlett-Packard), and Meg Whitman (former CEO eBay). The choice of former town mayor and current Alaska Governor Sarah Palin stunned the world.

Sarah Palin

McCain's choice of an inexperienced woman – just after Obama had chosen Sen. Joe Biden (see below) – was indicative of both his method of operating and of the status of his national campaign. McCain seems to have ascertained that such an unorthodox choice would fire up the RP base and ensure the enthusiasm of the Christian right. While to a degree this tactic succeeded, Palin soon received so much attention that she as a topic overshadowed issues important to most voters, and the information coming out on her became increasingly negative.¹ It is important to note that the choice was vetted by the Council for National Policy, a secretive group of RP donors and operatives.² A quick run-down on the negatives:

- as mayor: hired lobbying firm to obtain federal earmarks (worth \$27 million (m); earmarks are congressional funds for projects in legislators' states); fired town librarian twice over refusal to remove books;

- as governor:

- Troopergate: role in firing state commissioner of public safety who had refused to fire her brother-in-law (in contentious divorce/child custody proceedings); state legislature appointed an investigative committee in July (10 RP and 4 DP members); and in October ruled she abused power (see below);

- claim that she opposed big federal government money for a 'bridge to nowhere' belied by her initial support for it (until opposed by DC legislators); supported another \$200 m bridge and lied about it;³

- took on a corrupt Alaska RP, but did not follow through on ethics reform;

- no record of work regarding education, health care, alternative energy, for school vouchers, home schooling, teaching creationism; doubts role of mankind in global warming;⁴

- questions regarding taking state meal allowance when staying at her home/away from capital Juneau;

- hands-off style; doesn't go into details on issues, sides answer questions, doesn't tolerate dissent, spends a lot of time with family, gave jobs to friends, master at self-promotion.⁵

- other: former six-year member of pentecostal Assembly of God; said that Iraq war was 'God's plan'; pastor said crisscrossing for Kerry would not go to heaven; church supports prayer to change homosexuals to hetero; Current member of Wasilla Bible Church, where pastor believes in doomsday scenarios regarding God's wrath on US via an alliance of nations.⁶

As September progressed, with the McCain campaign finally allowing Palin to speak to the press, the thought of Palin as second in line to the presidency appalled most people. There were calls for her withdrawal (see below), and doubts cast on McCain's judgment. Criticism of Obama as being inexperienced was negated. And the idea that Palin, given her extreme views on abortion and birth control, would attract many Hillary Clinton supporters due to her gender was absurd from the start – a red herring that served to exaggerate the idea of women voting due to gender over issues. In the end, the choice of Palin was perhaps only indicative of the McCain campaign's assessment of the strength of Obama. It was certainly an example of the RP's long-term strategy of recruiting right-wingers to run for local office.

The Obama Campaign: June-August

Obama continued to tie McCain to Bush, and to push his plans regarding health care, energy policy, education, taxes and Iraq/Afghanistan. The campaign immediately dealt with the Hillary Clinton issue. Obama and Clinton met privately on 5 June. At the end of the month she met top Clinton donors in Washington and appeared together at a public rally. Obama agreed to help her with her campaign debts. The Obama campaign hired Clinton's former campaign manager, policy head, and an economics adviser, and obtained help from Clinton supporters Smart Eisenstat (former EU ambassador), Madeleine Albright and John Podesta (Bill Clinton's chief-of-staff); if Obama wins, the latter will play a key role in the transition team. While a large part of the media tried to play up the animosity between the two, and suggest that Clinton supporters might support McCain, this too was a bogus issue.

In June the Obama campaign took steps to deal with the smear on him as being Muslim and anti Israel. New York City Mayor Bloomberg urged Jews to reject such information, and Congressional Jews contacted their community. In July the cover of the *New Yorker*, a cartoon entitled "Politics of Fear," set off a controversy regarding free speech and good taste: Obama in Muslim attire, and an angry Michelle Obama in camouflage pants, boots, with an afro and carrying an assault rifle (and looking like Angela Davis), do a fist pump in the Oval Office, where a flag is burning in the fireplace and a picture of Osama bin Laden hangs above. That month Obama received Al Gore's endorsement, and in August that of two former RP legislators: former Rep. Jim Leach (Iowa) and Sen. Lincoln Chafee (Rhode Island).

In mid July Obama went on a week-long trip abroad. He visited Afghanistan with Sen. Jack Reed (DP, Rhode Island) and Chuck Hagel (RP, Nebraska), meeting US officials and President Karzai. He then went to Iraq and met Prime Minister Al-Maliki, who shortly before had stated he was for a 16-month timetable for US troop withdrawal. Obama then spent a day each in Jordan and Israel. In addition to visiting the Holocaust Memorial and Wailing Wall, he met President Mahmoud Abbas at the Palestinian Authority headquarters in the West Bank; he stated that he supported a dialogue with Syria. In Germany Obama met Chancellor Merkel and Foreign Minister Steinmeier; he also addressed a crowd of 100-200,000, speaking of Berlin's Cold War history, calling for US-Europe reconciliation, and cooperation regarding Afghanistan, climate change and decreasing nuclear weapons. He met with PM Brown in Britain and President Sarkozy in France.

Two days before the DP convention, Obama announced his choice for vice-president, Sen. Joe Biden (Delaware). A Catholic and lawyer who was first elected to the Senate in 1972, Biden chaired the Judiciary Committee (1987-93), dealing with Reagan and Bush Supreme Court nominees Robert Bork and Clarence Thomas. He has been on the Foreign Relations Committee for over 30 years and for several years has been its chair. At the announcement rally, Obama spoke of Biden's connection with working people, and his central role in the 1994 crime bill and the Violence Against Women Act, his work on college tuition assistance, pay equity, family medical leave, the minimum wage, and his support for US involvement in the former Yugoslavia. Biden called for reclaiming the US from eight years of Bush; he called Obama a "clear-eyed pragmatist" who could bring people together; the US, he said, needs more than a soldier.

The Conventions

The C-SPAN view of the conventions was very different from that of the mainstream media, which tended to cover the speeches of only important party officials, with commentators then analysing various aspects. Running over the course of over four days, the two parties scheduled the formal business for the evenings, with various meetings of various groups being held during the day. The DP formal business was conducted for six hours on each of four evenings; the RP allocated about four hours per evening, with the exception of the first night, which was shortened to under an hour by Hurricane Gustav. For both parties, the official sessions were a mix of business (acceptance of committee reports, the actual nomination procedure), speeches, music

and brief information videos. Each session started with a (political) prayer, the presentation of the 'colours' (flag), and the pledge of allegiance or national anthem. It seemed to me that the conventions served partly as an advertisement, and partly as a party for the (politically active) delegates. They aimed to: present the candidates and their families; present the party platform issue positions; portray the opposing party; present both party influentials and certain younger up-and-coming politicians; and to fire up the delegates for the additional two months of on-the-ground campaigning. In general, the DP convention seemed more elaborate and better organized.

The Democratic Convention (Denver, 25-28 August)

After availing the spectacle for several decades, I was quite surprised at this show. As the camera scanned the huge hall, it soon became apparent that more than half the delegates were women, and there were huge numbers of black Americans, Hispanics and Asians. The music was largely provided by a 'convention band', consisting of two guitars, various drums and percussion, keyboards, saxophone and trumpet (at the least) and great women vocalists; and it played rock, jazz, r&b, funk and boogie – after presenting the highlights of each day's session (in chronological order), the 'soundtrack' (songs) will be noted; the selection sure was a far cry from the days of LBJ, Jimmy Carter and Bill Clinton; during the music interludes, many delegates danced.

Day 1: Aim: present Obama and his link to a recognized past. The convention chair set the tone: jobs disappearing, inflation, children at war, US moral authority compromised, the need to 'take back' the country. A video of Rocky Mountain DP politicians (governors or senators from Colorado, Wyoming, Nevada, Arizona and Montana) stressed the success of Democrats in the region on issues of health care, education and renewable energy. The Credentials Committee announced that all the delegates from Michigan and Florida would be seated with full voting power. The Rules Committee named House Speaker Nancy Pelosi (California) as convention chair. Video on community organizing with Obama speaking. The convention treasurer, stating he is a homosexual, spoke of the RP economy and budget deficit. The Platform Committee gave the issue rundown under the two headings of economic issues and the restoration of democracy, the latter including against illegal wiretapping, National Security letters to spy on citizens, torture, no-bid contracts, sexism, and for a gift ban, campaign finance reform, and of Iraq war and a win in Afghanistan, to 'do good

in the world. The mayor of Denver, pro-business and pro-environment. Video of Obama speaking in New Hampshire. Speeches by four House reps in the Congressional Hispanic Caucus. President of National Abortion Rights Action League: the next president will decide *Roe v. Wade*. Speeches by an Illinois state senator and the president of the National Education Association. Video of Michelle Obama speaking against fear. Speeches by Illinois state attorney general (on Obama in state legislature), state comptroller, state treasurer. President of American Federation of Teachers. Sen. Amy Klobuchar (Minnesota): Bush a "subprime leader in the White House." Video of Obama speaking to the 2004 convention, his background and parents. Sen. Sherrod Brown (Ohio) conducting the first of three 'town halls,' in which people ask questions to a panel: on the middle class, public education and working families.¹² Video of Nancy Pelosi. Nancy Pelosi: health care is a right. Obama's half-sister Maya Soetoro-Ng, speaking about their mother. Rep. Jesse Jackson Jr. (Illinois). Video on assistance to injured veterans. A couple from Indiana: they fear their jobs will move overseas. President of the Service Employees International Union, Chicago branch. Caroline Kennedy: tribute to Obama and Ted Kennedy for their sense of justice and service. Video on Ted Kennedy. Ted Kennedy (crowd hollering Teddy, Teddy): Obama will close the book on black vs. white, straight vs. gay, group vs. group, change is possible (many Kennedys take the stage). Video on Obama. Speeches by Chicago city clerk and community activist. Sen. Tom Harkin (Iowa). Former Rep. Jim Leach: country before party, Obama a transcending candidate. Video on Michelle Obama, her family and career. Michelle Obama's brother on her. Michelle Obama (great speech, very astute): listen to hopes instead of fears. Obama live via video conference from Kansas City. (soundtrack: we will live together, dance to the music, r-e-s-p-e-c-t, oye como va, celebrate, isn't she lovely)

Day 2: Aim: deal with domestic issues, the economy (the American dream is broken and needs fixing, all blamed on RP abuses, exalt middle class, nationalist and at times anti-foreign). Video demanding vote for Washington, DC. Rep. Eleanor Holmes Norton (DC): Obama supports DC vote. Ted Sorenson (JFK advisor, speech writer): Americans losing jobs, services, homes, hope; wants another candidate like JFK. Rep. Honda (California), chair Asia-Pacific American Caucus. Native American from North Dakota. Rep. Sanchez (California) on working families. Iowa Governor Culver on need for energy plan. New York Governor Patterson on disability rights. Video of Obama speaking on jobs, health care plan, energy. Four reps from the Congressional Black Caucus. Video commemorating deceased DP politicians. Sen.

Patrick Leahy (Vermont) on needs of rural US. Rep. Chris Van Hollen (Maryland) (father was ambassador to Sri Lanka): recalled as a kid going to a village hut in Sri Lanka and seeing a photo of JFK; now the image of US is tarnished; he introduces eight new DP House candidates (of 52). President of Planned Parenthood: Obama for choice and women's health care. Rep. Dennis Kucinich (Ohio) (rousing speech): in 2001 oil companies, war contractors and neo-con artists seized the economy – Wake Up America; insurance companies took over health care; pharmaceutical companies took over drug pricing; speculators took over Wall Street; multinational corporations took over trade policies. California state comptroller. Video of Obama: we have a stake in each other. Wisconsin Governor Doyle. West Virginia Governor Manchin. Video of Hillary Clinton introducing Sen. Barbara Mikulski (Maryland). Speeches by Senate women: Mikulski on pay equity; Barbara Boxer (California) for energy policy and against polluters; Mary Landrieu (Louisiana) on Hurricane Katrina; Blanche Lincoln (Arkansas) on health care; Debbie Stabenow (Michigan) on jobs in US; Maria Cantwell (Washington) on energy independence; Clair McCaskill (Missouri) on Bush fiscal irresponsibility; Amy Klobuchar (Minnesota) on falling incomes (all of them on stage to music: sisters doing it for themselves). Pennsylvania Governor Rendell on Obama's alternative energy plan. Rep. Baldwin (Wisconsin) on health care. Rep. Becerra (California) on situation of workers. AFL-CIO President John Sweeney on people losing jobs and benefits. Michigan UAW local president on jobs and health care. Rep. Rahm Emanuel (Illinois) on problems of the middle class. Video of Obama speaking. Iowa flood victim. Rep. Hoyer (Maryland) on Bush's "country club economics." California SEIU home care worker. SEIU secretary treasurer on unions. Governor Janet Napolitano (Arizona): McCain doesn't understand the economy. Video: Obama on hard work and personal responsibility. Second town Hall meeting: questions on energy policy, gas prices, subsidies to oil companies. Fairbanks, Alaska, Mayor Whitaker (RP): endorses Obama. Oregon wind power entrepreneur. Video: Obama on people the same in their needs. Governor Sebelius (Kansas). Former Denver Mayor Pena against big oil. Rep. Nydia Velasquez (New York) on small business. Sen. Bob Casey (Pennsylvania): McCain not a maverick but a sidekick (crowd chants 'four more months'). Lily Ledbetter from Alabama, a middle-aged, thin, white woman, who lost pay equity case in Supreme Court, calmly in Southern accent tells story and calls on Congress to pass legislation – to huge applause. Former Governor Mark Warner (Virginia): nationalist on US science, defeat terrorism. Governor Ted Strickland (Ohio): McCain supports Bush. Governor Deval Patrick

(Massachusetts): American dream at risk. Governor Brian Schweitzer (Montana): versus energy dependence, money to countries not friendly to US. Video of Chelsea Clinton on Hillary (music: girl, you really got me going). Chelsea Clinton introduces Hillary. Hillary Clinton: unite, take back country; money from China to buy foreign oil: vs. Russia in Georgia vs. McCain agenda.

(soundtrack: every move you make, sing a song, have I got news for you, I'm so excited)

Day 3: Aim: formally nominate Obama; unite Obama-Clinton factions; deal with foreign policy issues. A speech was given to nominate Hillary Clinton, with two seconding speeches: one speech to nominate Obama with three seconding. Rep. Pelosi conducted the roll call of states, listed alphabetically, where each delegation relays candidate tally. As the list progressed, Illinois passed for later consideration. Then New Mexico yielded to Illinois, and Illinois yielded to New York (delegation included Clinton); she moved to suspend the roll-call call/count and to select Obama by acclamation; convention delegates approved (to music: love train, and crowd chanting yes we can). Sen. Charles Schumer (New York) presented DP candidates for the Senate: Rep. Udall (New Mexico): middle class squeeze, former governor Shaheen (New Hampshire); Oregon house speaker: a rep from Maine. Chicago Mayor Daley. Rep. Wexler (Florida): Bush national security mistakes, belligerent Iran, Obama a friend of Israel, criticism of Hamas, Hezbollah, Syria and Iran. Rep. Pelosi presented DP House women: reps from Connecticut, New York, California and Florida speak: pay equity, end war, energy independence, health care, housing, education. Rep. Cummings (Maryland): resurgent Russia, Georgia situation, Michigan veteran on unions. Rep. Clyburn (South Carolina). Miami Mayor Diaz. Sen. Jay Rockefeller (West Virginia): real threats to the US and growing; belligerent Russia; need alliances where US leads; US as energy superpower; Obama understands use of force, strong, steady; McCain has Cold War view. Iowa veteran who had served in Iraq. Sen. Harry Reid (Nevada): third world thugs' using oil for energy independence; Cheney conspired with oil companies. Retired command sergeant from DC: Obama understands veterans. Rep. Murphy, an Iraq vet on stage with other vets: treatment of vets. Former secretary Madeleine Albright: Obama has toughness, good judgment: Bush policies emboldened enemies; Iraq war strengthens radicals. Sen. Evan Bayh (Indiana): money going to hostile countries for oil. Sen. Jack Reed (Rhode Island): against Iraq war. Former Sen. Tom Daschle (South Dakota). Bill Clinton: Hillary supporters should support Obama; American dream/ leadership in trouble; Obama inspires, is intelligent and

cautious, can lead a diverse country; Biden a great choice; first must be strong at home. Marine wife from Virginia on health care problems. Sen. John Kerry (Massachusetts): Obama will close Guantanamo; McCain not a maverick; cannot question Obama's patriotism. Lt. Gen. Kennedy. Governor Bill Richardson. Rear Admiral Hutson (New Hampshire): Bush - arrogance abroad, incompetence at home. Rep. Edwards (Texas): on veterans. Video on armed forces. Iraq war vet: Iraq not connected with 9/11. Nomination of Biden. Video on Biden and family. Sen. Biden: criticizes Russia; importance of Afghanistan/Pakistan; US should lead; Obama in surprise on-stage appearance.

(soundtrack: getting ready, dancing in the streets, modley of times they are a changing/give peace a chance/born in the USA, shake, shake, shake, don't stop thinking about tomorrow, we are family)

Day 4: Aim: present Obama; show support for him in armed forces. The event was held at Invesco Field, capacity over 75,000; a semi-circular stage on the field with Roman Forum-like columns behind and many flags, and an extended platform with podium; no live band for regular music, but appearances by Sheryl Crowe, Stevie Wonder, John Legend. Iraq war vet. Army captain who served in Afghanistan. Marine captain. Marine sergeant major. Rep. Gutierrez (Illinois): McCain's broken promises to Hispanics. Rep. Schafrinsky (Illinois). Video on Obama. Several resolutions of appreciation regarding convention organizers and staff. Colorado politicians: Governor Ritter, Reps. Perlmuter, Salazar, DeGele. Video tribute to DNC chair Howard Dean. Howard Dean. Segment honoring Martin Luther King Jr.: Rep. John Lewis (Georgia), video, Rev. Bernice King (daughter), Martin Luther King III. Video of people speaking of hope for change. Video of Obama: as all be honest and will listen. Video of Obama: put aside differences. Rep. Udall (Colorado). Governor Tim Kaine (Virginia). Governor Bill Richardson (New Mexico): respect constitution, stop spying on Americans, women's choice, unions, shut Guantanamo, stop torture (big cheers). Video on big oil and tax breaks. Video of a girl who lost mother due to lack of health coverage. Al Gore: economy, security, global warming, RP is big oil and coal, special interests control RP: Iraq, torture, choice. Tribute to retired generals. Video of Obama: people's values are the same. Susan Eisenhower (granddaughter of Ike): divisions in US, restore US leadership, endorses Obama's temperament. Gen. John Adams with about 15-20 military officers on stage. Maj. Gen. Gratton: Obama understands use of force, complexities of 21st century: has integrity, cares for vets, military can trust. Biden introduces six ordinary people who speak on job loss, health care, education; one,

Barney Smith (former RP, TV factory worker whose plant has closed), yells 'Barney Smith before Smith Barney' (Citigroup brokerage, investment banking and asset management division) – crowd chants 'Barney, Barney.' Video of Obama: US must lead free world. Sen. Dick Durbin (Illinois): US wants change, 'yes we can.' Video of Obama at 2004 convention: in no other country is his story possible. Obama: (as he speaks, people are crying, cheering, chanting 'yes we can'): failed Bush policies, veterans sleeping on the streets, government absent during Katrina; McCain voted Bush line 90% – 'with McCain, you're on your own'; tax policy, energy independence, education, health care, pay equity; Bush/McCain foreign policy – tough talk, bad strategy; restore US leadership.

(soundtrack: freedom, ain't no mountain, it's a beautiful day, move along, I'll take you there, signed sealed delivered, you're a shining star, nothing's gonna change my world, a change would do us good, who says you can't go home, let the sunshine in, born in the USA, ain't no stopping us now)

The Republican Convention (St. Paul, 1-4 September)

In comparison to the DP convention, the RP one was shorter, with fewer speakers, videos and less music; the latter included country and western, inspirational and rock, and some of the songs I did not recognize; among those I did: go Johnny go, everyday people, Saturday night, I'm ready to play, celebrate, rock this town. The C-SPAN camera seemed to be continually scanning the crowd to find minorities – relative to the DP convention, there were far, far fewer. But the RP enthusiasm matched the Democrats – delegates danced and shouted.

Day 1: the first day was cut to less than an hour due to Hurricane Gustav. The RNC chair nominated Sen. Mitch McConnell (Kentucky) as convention chair. Credentials Committee report. Rules and Order of Business Committee report. The Permanent Organizations Committee moved that House leader Rep. John Boehner (Ohio) be convention chair. Report of the Resolutions/Platform Committee. Sen. Richard Burr (North Carolina) spoke on the platform. Resolution of appreciation of convention officers, organizers, staff. Laura Bush: first priority is safety in the Gulf of Mexico. Taped message from RP governors Perry (Texas), Riley (Alabama), Crist (Florida), Barbour (Mississippi). Laura Bush brought out Cindy McCain, and called for assistance to the Gulf states via website causegreater.com. Cindy McCain: gave a list of state agencies receiving donations. (news break: Sarah Palin's daughter is five months pregnant; Obama: families are off limits, people should back off) The RP clearly was using the hurricane to support one of its themes – service; Gustav also

seemed like a good reason for George Bush to not show up, as he was handling the crisis. Also noticeably absent was the vice-president.

Day 2: Aim: present McCain's connection to themes of service and reform. Video tribute to former RP leaders. Video of Gerald Ford handling foreign policy. Rep. Boehner: DC is broken with DP House most visible symbol, stop earmarks, RP for reform. Video with shots of Lincoln, Teddy Roosevelt, Reagan, Schwarzenegger, Martin Luther King, Eisenhower, Bush senior and junior. RNC co-chair Joann Davidson (Ohio) on reform. Sen. Norm Coleman (Minnesota): McCain for reform. Winner of Minnesota school essay contest on the meaning of the flag. A pastor: god is always with us. Mississippi teenager who started a non-profit to renovate homes for the poor, service, rebuild country. Rep. Bachmann (Minnesota): McCain and service; he has an adopted daughter. Arizona man who with McCain's adopted babies from Bangladesh after Cindy McCain's visit to a Mother Teresa orphanage. Video on Teddy Roosevelt. Former Arizona superintendent of public schools: info on phone numbers for Gulf assistance. Minnesota fire department captain on service. Video of Teddy Roosevelt and Lincoln. President of the Raza Development Fund on McCain's public service. North Dakota non-profit helping injured farmers. Retired army captain's story. Video on Navy SEAL who died saving two others in 2006: country first. A POW who was detained with McCain in Vietnam. Laura Bush: women's role in the RP; Bush success regarding education, use of faith-based charities. George Bush via video: honours McCain as a POW; against higher taxes; supported surge. Laura Bush: on Cindy McCain's foreign travels. Video on Reagan period economic expansion and break-up of the Soviet Union. Former Sen. Fred Thompson (Tennessee) on McCain family and career. Sen. Joe Lieberman (Independent, Connecticut): McCain for country over party, change in DC; Obama's eloquence is no substitute for a record, votes DP line; Palin a reformer.

Day 3: Aim: present issue of the economy and role of small business. Video showing people at work. Founder of a pretzel company on US as beacon of light. Sen. Norm Coleman (Minnesota): for jobs, efficient government. A small business owner. California state Sen. Maldonado on hard work, open markets. A Kansas woman on rural, small town US. A Pennsylvania country executive on local government. President of the National Hispanic Medical Association. California Hispanic entrepreneur, previously for Hillary Clinton. Virginia restaurant franchise owner, DP but McCain for small business. Texas Railroad Commission chairman:

McCain a maverick, for change. Resident commissioner of Puerto Rico on energy policy. Former CEO eBay and co-chair McCain campaign. Video: for jobs, strong dollar, summer gas holiday, low small business taxes, Carly Fiorina, former CEO Hewlett-Packard: clear choice of government bureaucracy or by people who are empowered and making their own choices. Unfair GOPAC (RP political action committee): country first, school choice, win war on terrorism. Mitt Romney (former Massachusetts governor). Former Arizona Governor Mike Huckabee: against the 'elite media'; Obama for European ideas, more government. Governor Lingle (Hawaii): Palin is authentic; Obama and Biden have zero executive experience (crowd chants zero, zero). Rudy Giuliani (former New York City mayor): censures 'left media', McCain a true hero, his career in the Senate as service; scathingly laughs at Obama's experience as community organizer, his role in Chicago machine politics, celebrity status, while he has 'led nothing'; McCain has substance over style, on the offensive against terrorism, was right regarding the surge; Palin as governor took on the RP furor and sarcastic speech, introducing the politics of hate to the convention). Sarah Palin: against community organizers; Obama tailors talk to the audience, McCain is straight; her own achievements regarding ethics law, against wasteful spending, attacks Russia, Iran and Venezuela; Obama for big government, forfeit of Iraq, rights for terrorists, tax increase (same demeanor as Giuliani).

Day 4: Aim: Portray defense as McCain's strong point. Republican National Congressional Committee chair Rep. Tom Cole (Oklahoma): against DP leaders. Candidates for the House from Minnesota, Alabama, Maine, Illinois, Connecticut. Sen. John Ensign (Nevada): against big government and unions. Video showing flags and the armed forces. Nomination of Palin. Rep. Blackburn (Tennessee): against the media. A Pennsylvania pastor on Gulf assistance. Sen. Mel Martinez (Florida): need strong commander-in-chief, against Castro, Venezuela, Iran, North Korea. Minnesota Governor Tim Pawlenty: McCain tough and compassionate. Former Senate Majority Leader Bill Frist (Tennessee): for medical volunteers abroad, Bush health assistance. A retired Marine lieutenant general from Indiana. Sen. Sam Brownback (Kansas): US exceptionalism. Rep. Fazio (Oklahoma): against terrorism, evil. Video on hostages in Iran, terrorists, 9/11, World Trade Center. A Hawaii athlete for god. Former Washington Redskins coach Joe Gibbs. Sen. Lindsey Graham (South Carolina): the surge is working. Video on Palin. Former Governor Tom Ridge (Pennsylvania): on McCain. Video on Cindy McCain's background, activities for medical assistance abroad. Cindy McCain: work abroad,

US people are generous. Video on McCain's career and family. McCain for school choice, oil drilling, nuclear power, will change DC, surge working, for lower taxes, experience as POW.

September Surprise

After the conventions, media coverage generally portrayed the race as being tied, almost as if a close contest was desired. Looking back, one can only see the conventions, two campaigns, the president and Congress as being in some kind of dreamland. Stocks and housing prices were on the decline. The subprime mortgage crisis was resulting in the creation of bizarre new jobs: in southern California near Los Angeles, as 700 families were losing their homes every day, 'trash out' companies, hired by brokers and mortgage companies, were emptying out vacated homes and dumping possessions in landfills—people had either left very quickly or could not afford a moving van; computers, furniture, toys, food, a cross on the wall—all dumped; one crew does 15 homes a day. One man started a company to spray paint the browning lawns of vacated houses with biodegradable green paint, charging \$120 per lawn. A county code enforcer spends his days pumping water out of the swimming pools at vacated homes.¹

A diversion is warranted here, because it is not as if no one saw the economic crisis coming; rather there was a marked sense of denial and a huge lack of will, from most quarters and both parties. The subprime crisis stems from both the issuing of loans to risky customers and vast company fraud in the issuing of mortgages. In 2006 one in five home loans were subprime (value about \$600 billion (b)). By mid-2007 \$1.3 trillion (t) subprime loans were outstanding, and 20 mortgage companies had gone bankrupt. Home prices were falling and unsold inventory increasing. That month Treasury Secretary Paulson stated that the problem was "largely contained." In early April 2007 the largest subprime lender, New Century Financial, filed for bankruptcy, to be followed by American Home Mortgage. The Alt-A mortgage sector (risk rated between prime and subprime) began to be affected, with subprime and Alt-A comprising 17% of existing loans (11% and 6%). The big Alt-A lenders? IndyMac Bancorp, Countrywide Financial, a holding company of GE, a subsidiary of Bear Stearns, and Washington Mutual (WaMu). By mid-year, short-term interbank lending based on mortgage-backed securities was in crisis, with no one wanting to buy non-government-guaranteed securities; the European Central Bank, US Federal Reserve (the Fed) and other central banks released billions of dollars into the system. By the end

of 2007 Wall Street banks revealed \$50b in losses due to the subprime crisis, and estimates of total liabilities ran at \$150-400b. The value of subprime mortgage-backed bonds had fallen 60-80% that year. No one knew the value of such securities or how they were held by financial institutions.¹⁴

In January 2008 the Bank of America rescued mortgage lender Countrywide. That month George Soros warned in the *Financial Times* that the subprime crisis now threatened municipal, mortgage insurance and reinsurance companies, and the credit default swap market; this was the worst economic crisis since the Second World War.¹⁵ In a panic, the Fed cut the federal funds rate by .75%. President Bush proposed a \$150b taxpayer give-back (up to \$1,200 per family), and called for the refinance of mortgages. Congress caved into Bush regarding his refusal to increase unemployment benefits, food stamps, and state and local government relief; the pundits stated that it was unclear if there would be a recession.¹⁶ In February NYU Stern School of Business professor Nouriel Roubini warned of a risk of system meltdown; foreclosures were spreading to Alt-A and prime sectors; commercial real estate was declining; credit card, auto and student loan defaults would rise; bond insurers would face problems; corporate defaults would increase; estimated total losses of \$1t.¹⁷ Gold, oil and producer prices rose. Investors were hoarding their cash. In March the Fed facilitated the sale of Bear Stearns, the smallest of the five main Wall Street investment banks, to JP Morgan Chase, and then set up a new \$200b emergency loan facility. Fears were expressed about Lehman Brothers and Merrill Lynch. Britain nationalized Northern Rock, and the Carlyle Capital Corporation fund collapsed. The Fed cut interest rates by another .75%. In April Citigroup sold a \$20b share to Abu Dhabi, Singapore and Kuwait funds. The federal mortgage assistance programme was not reaching most people. In June the Fed released \$400 b. In July Fannie Mae and Freddie Mac, private but 'government-sponsored' mortgage lenders holding half of US home mortgages, received emergency funds from the Fed (their stock prices down by about 75% since January). Federal regulators seized IndyMac, the largest savings and loan bank and biggest mortgage lender to fail so far.¹⁸ By early September 9% of homeowners with a mortgage were either behind in payments or foreclosed. Nevada closed the Silver State Bank, the 11th federally insured bank to fail in 2008.¹⁹

The Campaigns

With two months to go, the Obama campaign held a huge financial advantage. McCain, who raised \$47m in August

(for a total of \$194 m), had opted for federal campaign financing, giving him \$84m for use after the convention. In June Obama opted out of the federal programme, due to the receipt of massive donations – \$66m in August (total \$440 m), with \$150m more coming in September.²⁰

After the DP convention Obama and Biden appeared together in the key battleground states of Pennsylvania and Ohio. They spoke about the economy and energy policy, appealing to the middle and working classes. Obama's set speech model is divided into four segments: a brief bio (his or Biden's); the US is facing many problems, and McCain is like Bush; information on particular policy – taxes, health care, alternative energy; an appeal to go out and campaign and vote.²¹ In the context of parts of the media reacting to the RP convention's attacks on them and mocking of community organizers, Obama expressed 'bewilderment' at the portrayal of his record. He appeared with McCain via satellite at the convention of the American Association of Retired Persons; Obama warned of RP policy on benefits (Bush's plan to permit the investment of Social Security funds in the stock market had been defeated in Congress). In Indiana Obama criticized Palin's record vis-à-vis her attacks on accepting earmarks; later he criticized her record as a reformer. At this point, with Palin receiving so much media attention, the campaign debated whether it would be better to ignore her. But the issue became a moot one, as Palin was shown to be quite capable of undoing herself as she dealt with the media.

McCain and Palin campaigned in Wisconsin and Michigan, calling for change. In Colorado Palin referred to Biden as a relic of the Beltway establishment. In a 7 September op-ed conservative Charles Krauthammer referred to the choice of Palin as "deeply problematic," negating any criticism of Obama as inexperienced, even before the discovery of her "inevitable liabilities."²² After about a week on the trail, it was clear that part of the McCain strategy was to repeat over and over such lies as Palin's being against the 'bridge to nowhere,' and Obama as being for raising taxes.

On 11 September Palin gave her first televised interview, to Charles Gibson of ABC. He questioned her on her experience to be president. With regard to Russia's role in Georgia, Palin said that Georgia should be in NATO, and if Russia attacked then, yes, the US should go to war. Israel, she said, has a right to act with regard to the Iranian nuclear weapons programme. She did not know that the 'Bush doctrine' (of 2002) concerned US preemptive intervention. She supported going into Pakistan if necessary, and was questioned on a previous reference to the Iraq war as 'God's plan.' She

maintained that she had opposed the bridge to nowhere, could not defend the position on Obama's tax plan, and said that the legality of abortion should be left up to the states.²⁷ The general view of Palin's performance was that she had done very badly, merely repeating campaign positions that she had recently memorized.

Exit Lehman Brothers – Hello Economy

At this point, during the week of 15-19 September, both campaigns were overtaken by Wall Street. The failure to arrange a deal to save the investment bank Lehman Brothers, saddled with bad subprime mortgage debt, led to its bankruptcy on the 15th. That day it was also announced that the Bank of America would buy Merrill Lynch for \$20b, and the US stock markets experienced the biggest decline since the first trading day after 9/11. The stock of insurer AIG fell 61%, prompting New York state to open a \$20b line of credit. Eleven large world banks allocated \$77b to aid market liquidity. A day later the US government effectively nationalized AIG, providing \$85b for a 79.1% share. Barclays announced the purchase of Lehman's North American investment banking business. Investors pulled \$80b out of money market funds, panic hit the credit markets, with money being put into US government securities or hoarded; corporations could find no buyers for their commercial paper and so drew on bank credit lines. The US banned the short selling of some financial stocks. The stock exchange in Russia was forced to suspend trading on two days. Lloyds TSB bought mortgage lender HBOS. On the 18th central banks injected \$247b into the system (US share \$180b). Investment banks Morgan Stanley and Goldman Sachs agreed to convert themselves into deposit-taking bank holding companies – the last two main investment banks were history. President Bush made his first appearance of the week, issuing a remarkably short statement. That night Fed chair Bernanke and Treasury Secretary Paulson met with Congressional leaders regarding a \$500b plan, causing stocks to rise on Friday the 19th. Bush announced that federal guarantees would be extended to mutual funds, and the ban on short selling was extended to about 800 financial institutions.

Early in the week McCain stated that the "fundamentals of our economy are strong," but then he soon shifted to talk of a crisis. Obama hit out at the Bush/RP policies, and his campaign attacked McCain for using tactics similar to those used by Bush against McCain in the 2000 race, and for adopting Obama's theme of change. McCain then called for the regulation of Wall Street, and Obama for measures to support homeowners; both were vague. In Wisconsin McCain

called for rising Securities and Exchange Commission chair Cox; a campaign ad linked Obama to the former heads of Fannie Mae and Freddie Mac. Obama met with his economics advisors, including former Fed chief Paul Volker. Warren Buffett and Robert Rubin, he called for a second stimulus package. McCain called for the formation of a government trust to aid mortgage and finance companies. Biden campaigned in Pennsylvania, Ohio and Michigan.²⁸ As the now \$700b bailout plan emerged, both candidates stated support.

Week of 22-26 September

As Congress considered the plan, amidst the increased freezing of short-term interbank lending, McCain revived the attacks on Obama's past ties to the Chicago DP machine and to Tony Rezko, a Chicago real estate developer and fast-food magnate. Rezko had political ties to the state governor, and in June was convicted on 16 counts of fraud and money laundering regarding the extracting of money from companies seeking state contracts, to be used for campaign contributions.²⁹ With polls showing Obama ahead of McCain on the issue of dealing with the economy, on the 21st McCain announced that he was suspending his campaign, called on Obama to do the same, called for the first presidential debate (26th) to be delayed, and dramatically returned to Washington to deal with the economic crisis. President Bush addressed the nation and appealed for support for the plan, and set a meeting for the next day with the two candidates, congressional leaders of both parties and his officials. At the meeting Republicans presented a new plan that had originated among a group of House members, and the meeting broke down; Paulson begged Speaker Pelosi to have the legislation passed. The take on the candidates roles that week was illustrated in the titles of key press articles.³⁰ That day also, WaMu, the largest savings and loan, collapsed, to be taken over by JP Morgan Chase. Biden campaigned in Virginia, amidst signs that the state might go to Obama. An article in the *Washington Post* detailed 41 gifts Palin had received during her 16 months as governor.³¹ On the 26th, with talks on the plan to run on a non-stop basis over the weekend, McCain agreed to participate in the debate that night.

The Candidates on Stage

First Presidential Debate – 26 September

The 90-minute debate was scheduled to focus on foreign policy, but given the circumstances national security and

domestic economic policy became tied in ways unusual in the US. Indeed, the first question included a quote from President Eisenhower regarding security and solvency, querying the candidates' views on economic strength as the basis for military security. Obama stated that the US was fighting two wars amidst a crisis caused by the shredding of government regulations; he was optimistic that the plan would be done, but that more measures would also be needed. McCain: both parties were aiming for a solution, accountability was needed, and he believed in the American worker. To get out of the crisis, spending had to be controlled and earmarks cut; Obama supported earmarks. Obama: earmarks had been abused, but such allocations totaled only \$18b; McCain was for the \$300b Bush tax cuts for the wealthy, while Obama's plan would lower taxes for 90% of households. McCain: he had fought against corruption all his career, Obama was for new programmes, McCain wanted to cut. Obama explained in detail his tax plan. McCain: for a \$5,000 tax credit to families to pay for health insurance, and a cut in business taxes. Obama: there are business tax loopholes, McCain would tax people's health care benefits received under employer plans. The candidates were asked what they would give up, given the current crisis. Obama: his plans regarding energy independence, health care and education/science/technology had to be started. McCain: cut ethanol subsidies and examine every agency including defense for possible cuts; institute a spending freeze for all but veterans affairs and defense. Obama: wind down the Iraq war, costing \$10b a month. McCain: he would not hand over health care to the federal government.

With regard to Iraq, McCain: the US would win, he was for the surge and Obama against. Obama: he was against going into Iraq. More troops were needed for Afghanistan as soon as possible. McCain: the US made mistakes on Afghanistan after the Soviet Union left; criticized Obama for saying he would go after Osama bin Laden in Pakistan. Obama: referenced McCain's remarks against North Korea, Iran, and his support for President Musharraf. McCain: he had supported the US role in Iraq and Bosnia/Kosovo, was against the action in Somalia; he has a record regarding sending troops, while Obama only first visited Afghanistan recently. Iran could not be allowed to obtain nuclear weapons, and he was for sanctions: a League of Democracies should be formed; and Russia was preventing united action in the UN Security Council. Obama: the war in Iraq had strengthened Iran, US policy had not worked, sanctions were needed and direct diplomacy; the US should work with other countries; its isolation strengthened Iran and North Korea. Russian action in Georgia was unacceptable, but the US should work

with Russia on common initiatives such as nuclear proliferation. McCain: Obama's restraint was naive, he did not understand the situation, that Russia was run basically by a KGB apparatchik. Obama did not understand the Iraq-al-Qaeda link. Obama: McCain, like Bush, viewed the world through the single lens of Iraq, while China is active in Africa and Latin America; a broader strategic vision was needed. McCain: Obama lacks experience and knowledge.

Sarah Palin and Katie Curic (CBS)

Sarah Palin was definitely not up to handling the astute questioning by Katie Curic. Palin claimed that living in Alaska, in close proximity to Russia, gave her foreign policy experience. She seemed to not understand that the economic bailout plan aimed to deal with the freeze in credit lines. Palin came out against abortion, even in the case of rape or incest, and the morning after pill; she was skeptical of the connection between man and global warming. In response to a question on what newspapers and magazines she read, Palin said, "I've read most of them," but couldn't give examples. She referred to the elite media's 'gotcha journalism'.¹²⁸

Week of 29 September-3 October

The week began with a significant Monday morning op-ed in the *Washington Post* by Fareed Zakaria (editor, *Newsweek International*), entitled "Bow Out, Governor – Palin's Unreadiness Is Now Painfully Clear." Zakaria called Palin "unqualified" to be the vice-president, and said that McCain's choice was "fundamentally irresponsible."

Over the weekend Congress and administration officials finished the plan, which would: disburse \$700b in three stages; increase oversight of Treasury; allow the government to obtain shares in companies; limit executive compensation; provide measures regarding foreclosures. On Monday Asian markets fell; the European Central Bank injected \$173b, and the Fed increased funds available to nine central banks to \$620b; and Citigroup announced that it was going to buy Wachovia Bank. Then early in the afternoon, the House voted down the plan by 12 votes; the RP rank and file had revolted against party leadership (228-205; 140 DP and 65 RP for; 95 DP and 133 RP against). After the vote the House adjourned for the two-day Jewish holiday. After that, markets fell globally: the Dow down by a record 778 points (7%), the Nasdaq 9.1%, and S&P 500 by 8.8% – \$1.2t in value was wiped out. Even though McCain had said that he'd formed a yes vote coalition, the RP and McCain first blamed Speaker

Pelosi and the Democrats; Obama called on both parties to return to negotiations. On Tuesday interbank lending was frozen, with lending rates spiking. The Senate worked on its own bill, passing it on Wednesday night. 1 October (74-25; 9 DP and 15 RP against McCain and Obama both voted yes and called for unity). The same day, Warren Buffett (Berkshire Hathaway) bought a \$12b stake in GE, whose financial arm was said to be in trouble. On 2 October markets again fell. The week saw European action to support financial systems or rescue institutions; Ireland's guarantee of all deposits. Fitch in a Dorcelux rescue. Bradley & Bingley nationalized. Glitnar (Iceland). Hypo real estate (Germany). Dexia.

Vice-Presidential Debate – 2 October

After her two interviews with the press, it was obvious that Sarah Palin had to do well. Biden's challenge was to be very respectful and watch out for his practice of ad libbing. The subject of the 90-minute debate was the economy. Biden attacked Bush policies and McCain's support for deregulation. Palin said McCain was for reform and Obama for tax increases. Biden said that Obama's plan to increase taxes only on people earning more than \$250,000 was an issue of fairness; Palin said that it was redistributing the wealth and would hurt small business; Biden said that 95% of small businesses earned less than \$250,000; McCain's \$5,000 tax credit for health insurance would not go far when plans cost about \$12,000 – this was the ultimate bridge to nowhere. Palin said that global warming had both cyclical and manmade causes, but instead of looking at causes the focus should be on what to do; Biden said the solutions required an understanding of causes. Palin said that she was for diplomacy, but that Obama is dangerous; Biden replied that US allies are for diplomacy, Bush sent a diplomat to Iran, and McCain won't even sit down with the leader of ally Spain. Regarding the role of the vice-president, and Cheney's belief that the position had both executive and legislative roles, Palin said that she agreed with Cheney; Biden said that Cheney was one of history's most dangerous vice-presidents; the constitution says the only legislative role is to break a Senate tie vote; the vice-president has no authority relative to Congress.

There was no doubt that Palin was very well prepared for the debate, and that she is a quick study; she continued with her mocking and aggressive tone. Biden was fully under control and did what he had to do. The next day, the 3rd, in addition to coverage of the debate, the *Washington Post* ran stories on: Mark Buse, a former Freddie Mac lobbyist who is now a McCain aide; Judicial Confirmation Network attacks

on Obama's ties to Rev. Wright, Tony Rezko and William Ayers (former Weather Underground); the Alaska Troopergate probe, set to continue as a judge ruled against RP legislators trying to stop it. That day, the House approved the Senate plan (263-171; 108 RP and 63 DP against), and Bush signed it. The McCain campaign announced new attacks on Obama's character. Late in the day, Palin released her tax returns, showing a net worth between \$880,000 and \$2.1m.

Week of 6-13 October

Markets fell globally all week, averaging a 20% loss (\$1.6t), and central banks coordinated a .5% interest rate cut. European countries announced their own plans. On the 10th there was panic, and Bush met with G7 finance ministers; governments agreed to purchase bank shares and insure deposits. Bush made a rare appearance at the G20 meeting on the 11th.

The McCain campaign stepped up attacks on Obama's links to terrorists and Ayers. There was said to be a "lynch mob" atmosphere at McCain rallies, with people yelling "terrorist" and "traitor."¹⁵ It seems, however, that the tactic may have backfired, with polls showing that Obama was identified more with addressing issues and McCain with attacking. As noted by Ari Berman, the right-wing smear groups rely on the mainstream media to spread their message far, and the Obama campaign aggressively challenged the accusations.¹⁶ At the end of the week McCain himself seemed uncomfortable, in Minnesota saying that Obama is a decent person, who people need not fear as president (to boos). Due to increased support for Obama, the McCain campaign pulled its ads from Michigan.

The Alaska legislative probe of Troopergate issued its verdict that Palin had abused her power by pressing subordinates to fire her brother-in-law; while it was in her power to dismiss the state commissioner, she had violated state ethics law by using her office for personal gain. Her husband had played a role, which Palin had not stopped.

Second Presidential Debate – 7 October

A lot of what was said during this debate had been said at the first, especially regarding economic plans and taxes. In response to a question regarding priorities of health care, energy policy and reform of entitlement programmes, McCain places entitlements first, followed by energy and health care; Obama said energy, health care and entitlements. With regard to the idea of reforming Social Security within

two years, Obama said it needed to be trimmed, but in conjunction tax policy had to be solved; McCain said it would not be hard to reform. McCain said the provision of health insurance was a responsibility, Obama a right.

Week of 13-17 October

Given the severity of the previous week's market rout, President Bush announced that the government would buy up to \$250b worth of shares in nine banks, including Morgan Stanley and Goldman Sachs, and insure interbank loans. European countries announced their own plans, worth a total of over \$2t.

Obama detailed a plan for Congressional action after the 4 November election: a 90-day moratorium on foreclosures; extension of unemployment benefits, allowing the withdrawal of some funds from retirement accounts without taxation. Hillary Clinton addressed a rally in Philadelphia, and along with Obama appeared in New Hampshire. The campaign announced that people could figure out their taxation level under Obama's plan by going online. On the 17th Obama received the endorsements of the *Chicago Tribune* (never endorsed a DP candidate) and *Washington Post*.

The McCain campaign started a wave of auto phone calls in swing states, linking Obama to terrorists and attacking his position on abortion. People could go to the McCain website to see the cost of Obama's programmes. Then, on Friday night, Minnesota Rep. Michele Bachmann (RP) stated on MSNBC's *Hardball* show that she feared Obama's anti-American views, and that anti-American members of Congress should be investigated. Within the next six days her DP challenger for the House seat, Elwyn Tinklenberg, raised \$1.3m from 20,000 people, and the race is now a toss up. Bachmann was criticized by Colin Powell, and the National Republican Campaign Committee pulled funding for her. Bachmann tried to deny the intent of her words, but this rep may be history.³¹

Third Presidential Debate – 15 October

With regard to Obama's tax policy, McCain accused him of "class warfare." On cutting the budget deficit, Obama said that any spending increases had to be matched with other cuts; McCain came out for a spending freeze. McCain criticized Obama for opposing the free trade agreement with Colombia – the country is fighting drugs, Obama has never been there, the issue is a "no brainer." Obama countered that in Colombia labour leaders are assassinated, with no

prosecutions following; human rights and labour issues must be included in agreements. With regard to Supreme Court nominees, McCain said there was no litmus test for nominees, but *Roe v. Wade* was a bad decision, and policy should be left to the states. Obama said women were in the best position to make such a decision; there is a right to privacy in the constitution, which is not subject to state referendum. On education, Obama came out for increased early childhood education, tuition help/credit for return community service, and better pay for teachers. McCain was for school choice and competition.

Over the weekend Bush met with Sarkozy, the EU Commission president, Paulson and Condoleezza Rice at Camp David. McCain stated that Obama's economic stimulus plan sounded a lot like socialism, and when questioned said he did not know if Obama was a socialist. Palin said that Obama and Biden are for higher taxes and spreading the wealth – which sounds more like socialism. On Sunday the 19th, while appearing on *Meet the Press*, retired General Colin Powell (Bush secretary of state 2001-04) came out with a surprise endorsement for Obama. One reason, he said, was the importance of future Supreme Court nominees. He said that Obama can inspire, his campaign is inclusive, he has rhetorical abilities and substance; he was troubled by the RP, the choice of Palin (not ready to be president), and the use of the Ayers/terrorist issue. The RP, he said, has moved further to the right, and the choice of Palin indicated a further shift in that direction. McCain was unsure as to how to deal with economic problems.³²

20-31 October

While some thaw was starting to be seen in the credit markets, fears of a global recession led to stocks falling across the world. Negative corporate earnings reports were revealed for Wachovia, Boeing, Merck, and more. Profits for many companies would be further reduced over the next two years due to the cash needed to fully fund pension plans after market losses. Treasury announced a new plan to buy mutual fund CDs, bank notes and commercial paper. World leaders are set to meet in DC on 15 November. Investors pulled money out of Eastern Europe, Latin America and Asia; there was a sell-off of Russian shares. The IMF made a deal with Iceland, and was in talks with Hungary, Ukraine, Belarus, Serbia, Pakistan and Turkey. On the 23rd, amidst signs that a run was beginning on hedge funds, NYU Professor Roubini warned that hundreds will fail, with investors dumping assets, and necessitating the closure of markets for a week or more; at month's end he predicted a period of 'stag-deflation'.³³ For

the week ending on the 24th the Dow fell 5.1%, Nasdaq 9.3%, and S & P 500 6.8%. The FBI called for the public's help in tracing the sender of letters containing (harmless) white powder (anthrax letters) to Chase, the FDIC and US Office of Thrift Supervision. Leaders from Asia and Europe met in China over the weekend. On the 27th most markets were down, the Nikkei to its lowest since 1982. Treasury announced that agreements to buy stock had been signed with nine banks. Macey's cut the credit rating of General Motors to 'junk' status, amid negotiations for its merger with Chrysler. The Fed cut interest rates by another .5% (to 1.5%) for the period July-September, the US was in recession (down 0.5%).

The McCain campaign stopped placing new ads in New Hampshire and Wisconsin, and focused on Pennsylvania. On the 24th Palin testified under oath for the first time regarding Troopergate before the Alaska Personnel Board, which will decide if there has been a violation of law; polls showed that about half of respondents now viewed her negatively. McCain campaigned in Nevada, Colorado and New Mexico, and then headed to Iowa, Ohio, Pennsylvania and Florida. He was forced to deal with dissension within his campaign, as Palin was at odds with her RP handlers and staff morale ran low in the face of defeat. In Ohio McCain sounded his main theme: Obama, "Barack the Redistributor," was more interested in controlling wealth than creating it; rather, opportunity must be spread.²¹

Obama spent part of the week visiting his ailing grandmother in Hawaii. The campaign focussed heavily on Indiana and Virginia; the latter last went DP in 1964. On the 23rd Obama was endorsed by former RP Governor Arno Carson of Minnesota; on the 24th by former White House press secretary Scott McClellan and former RP Massachusetts Governor William Weld; and on the 29th by former RP Sen. Charles Mathias (Maryland). Obama also received the endorsement of the *New York Times*.²² In a lengthy editorial the paper referred to eight years of failed Bush leadership, and to Obama's "cool head and sound judgment." McCain has retreated further to the fringe, "running a campaign on partisan division, class warfare and even hints of racism." Palin was "so evidently unfit for office," and the choice of her was a "final act of opportunism and bad judgment." By contrast, the choice of Biden was illustrative of Obama's "good judgment." McCain is still for deregulation and anti-rax policies, has no plan for Iraq, and is silent on the Bush attacks on the constitution and rule of law. The newspaper had chosen him as the best RP candidate during the primary season, but now McCain sought to "placate the limitless

demands and narrow vision" of the far-right wing; he had abandoned his standing as an independent thinker. The *Times* criticized the politics of fear, division and character assassination. On the 26th the *Anchorage Daily News*, Alaska's largest newspaper, also endorsed Obama, noting his handling of the economic crisis and saying that while Palin had been a good governor, she was not ready to be president. Other endorsements came from the *Denver Post* and *LA Times*; and on the 30th from the *Economist*, which would have preferred the 'old McCain' who did not embrace "theocratic culture warriors."²³ On the 27th the FBI announced that two white supremacists were being held in a plot to kill students at a majority-Black school, and then drive towards Obama shooting, fully expecting to be killed themselves.

Obama, like McCain, shifted to Ohio and Pennsylvania, giving his "closing argument speech" that day in Canton, Ohio. He came out against trickle down economic policy; honoured McCain, but said he had not broken with Bush on the economy; with no plan, McCain had rather attacked by name calling. He said that the economy had to be grown from the bottom up – what McCain called socialism, Obama called opportunity; it was not a question of bigger or smaller government, but of better and more competent government. He harkened back to his 2004 speech: no city or town was more patriotic than another; there are Democratic and Republican patriots; pro- and anti-war patriots; soldiers of all parties are fighting together; they have not served a Blue or a Red America, but a United States of America. The speech was better than the one he gave at the Democratic convention.²⁴ Then, on the 29th, the campaign spent about \$4 million to run a half-hour ad on CBS, NBC, FOX, BET, Univision, MSNBC and TV One; 34 million people watched. The ad showed clips of Obama speaking, people discussing problems, and endorsements, with a focus on the economy, and a message of change and hope. Obama's tone was empathetic and calm; people's stories were presented as a "chronicle of despair" – an old man going to work at Wal-Mart; a Louisville autoworker who had his hours cut in half; a sick person unable to afford medicine; teachers taking second jobs in order to buy the basics. John Nichols of *The Nation* called it a 30-minute slice of an American story that was crying to be told ... and that Barack Obama heard.²⁵ McCain said the speech was a "gauzy, feel-good commercial."²⁶

Later that night Obama appeared with Bill Clinton in Orlando, Florida. Clinton was at his oratorical best. He backed Obama for four reasons: his philosophy; policies; ability to make

decisions; and to execute them. Obama was right: the US worked from the bottom up; under the RP the country had seen the biggest redistribution of wealth (upward) since the 1920s. Obama's plans on the economy, education, health care and energy were better than McCain's. During the campaign, the two most important decisions were: the choice of vice-president, and Biden was a great one; and the reaction to the financial crisis – Obama had talked to his advisors, talked to Bill Clinton and his economic advisors, Hillary Clinton, Warren Buffett and Paul Volker; Obama had said, 'tell me the right thing to do,' not what would be popular. Clinton said that the world is full of good people who can't turn good ideas into real changes; Obama had run a great campaign, he could execute decisions. Clinton warned that the country was "hanging in the balance."⁴⁰ As the week ended, Al Gore campaigned in West Palm Beach and Ft. Lauderdale, Florida. Obama headed to Iowa, Indiana and Nevada.

A Few Days to Go

With the economy remaining the number one issue of concern, Obama being seen as more focused on issues and better on that one, and voter turnout expected to be very high, an Obama win is predicted. This year there are over 8.5 million new voters – comprising about 12% of total voters in Nevada, 10% in Virginia, and 8% in Ohio and New Mexico.⁴¹ Already the 30+ states that allow early voting are seeing huge numbers show up. States that were formerly in play are not so any more, with more turning to Obama.

Under the US system, the Electoral College actually chooses the president, not a direct plurality of votes. Each state has a certain number of electors, based on the total number of senators (2) and reps (number based on state population); states choose the electors before the election, and then all meet on 13 December to vote; all but Maine and Nebraska award electors on a winner-take-all basis. Of the 538 electors, 270 are needed to win. Thus, one sees the importance of states such as California (55 electors), Texas (34) and New York (31). As of 29 October, one source estimated that Obama had secured 259 electors (plus 52 leaning DP), McCain 142 (plus 15 leaning), with 85 a toss up; the toss up states were Florida (27), North Carolina (15), Missouri (11), Indiana (11), Georgia (15), and Montana (3). Of 10 polls taken between 23 and 29 October, the pro-Obama number ranged from 47 to 52%, with Obama's average lead being 49.7 to 43.8%.⁴² In addition to the toss up states listed above, watch for the close races in Ohio (20), Virginia (13), Arizona (10), Colorado (9), New Mexico (5), Nevada (5), and West Virginia (5).

The results will start coming in as soon as the polls close on the East Coast, sometime after 5:30 am Sri Lanka time on the 5th. The next and final article will deal with these. Also covered will be the Senate, where 1/3 of seats are up for election (current 51-49 DP, with support of 2 Independents), and the DP should gain at least five. Watch the races in Minnesota (DP Al Franken challenging), New Hampshire (RP John Sununu may be defeated), North Carolina (RP Elizabeth Dole may lose her seat), Kentucky (RP minority leader McConnell in a close race), Oregon (RP Gordon Smith may lose), New Mexico, Colorado, Mississippi, Georgia and Alaska; in the latter, RP Sen. Ted Stevens, convicted this week on seven felony counts for lying about \$250,000 worth of gifts, is set to lose to the DP mayor of Anchorage, after 40 years in office. In the House, all seats are up for election, with the DP likely to increase its lead by at least 20 (now 235-199). Eleven states are holding contests for governor (current 28-22 DP advantage).

The only question seems to be by how much Obama and the DP will win; but even a few days is a very long time, and a lot of people are holding their breath. Me, too – matching the enthusiasm I saw at ground level is a fear for the safety of Obama, the realization that the Bush administration may produce a foreign policy stunt, and a wariness about the soundness of the polling system, especially in states with a RP administration. However, if for any reason the results are seen to have been tampered with, watch for the real fireworks to begin.

Notes

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¹⁵ George Soros, "The Worst Crisis in 60 Years," *Business*, 22.1.08.

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THE US PRESIDENTIAL ELECTION 2008 – Part 4

Obama - Time for the Issues

Judy Waters Pasqualge

As November began, with three days to go until the election, I was getting jittery; I was looking back at October in relation to the last article, and ahead to election day, and if there was anywhere that I was not, it was in the present. So, I called the US, seeking reassurance. A high school history teacher in Maryland had told me in June: 'people are going to do what they did in 2006, despite what any polls say, and quietly go into their polling booths and vote anti-Republican, and this time in a really big way; it's not even close.' I knew he was right. The enthusiasm I'd seen in the US was quite abnormal. There were issues at play – health care, war, energy, civil liberties, the big Economy; and, irony of ironies, it was a Bush who, by pandering to the far right and Christian fundamentalist factions, had brought himself and his party into infamy, on a global scale. But my jitters were mirrored half a world away: fears of assassination, fears of vote rigging, especially in such states as Florida and Ohio, fears about what the consequences of an Obama loss might entail. For myself, I was looking at the almost daily US incursions from Afghanistan into Pakistan – not to mention the one into Syria, a seemingly pre-election escalation, perhaps designed to promote an election-related response. Stories were coming in about RP disinformation and intimidation of voters – when these guys get desperate, it's insane not to worry. Here in Sri Lanka, the election was a key topic, with the same fears expressed of assassination and rigging. All eyes were watching. Could Obama really win?

That pre-election weekend the candidates kept up a frenzied pace, visiting states where the race was close, making their final appeals. McCain went from Virginia to Pennsylvania and New Hampshire, and appeared on *Saturday Night Live*; and on 3 November itself to Florida, Tennessee, Virginia, Indiana, New Mexico, Nevada, Arizona and Pennsylvania. Palin was in Florida, Ohio, Missouri, Iowa, Colorado and Nevada. Obama went from Iowa to Nevada, Colorado and Missouri, then to Ohio for three events on the 2nd, including a Cleveland rally with Bruce Springsteen (of "Born in the USA" fame). On the 3rd he was in Florida, North Carolina and Virginia. Biden was in Indiana, Ohio, Missouri, Ohio again, and Pennsylvania. Obama was drawing the crowds, urging people not to let up. McCain grew feisty, and both he and Palin warned of the socialism an Obama win would bring. Conservative pundits warned of a one-party state. News was

coming in that in the 30 states that allow voting before election day, turnout was heavy – already some 29 million people had voted, about a third of the electorate.

The battleground states were still battlegrounds, and there was no definitive movement in the widely varying polls. A review of 11 polls taken between 25 and 31 October showed pro-Obama support in a range of 47 to 53%, with his average lead 50.2-43.6%. By election day, 15 polls taken from 29 October to 3 November showed a pro-Obama range of 50 to 55%, with an average lead of 52.1-44.5%. At the end of October it was estimated that 311 electoral college votes would go to Obama, 132 to McCain, with 95 undecided (270 needed to win). By 2 November the estimate was 278 for Obama, 132 for McCain, with 128 a toss up; the figures were the same on election day. Three toss-up states were said to be leaning to Obama: Florida, Virginia and Ohio; and six to McCain: North Carolina, Missouri, Indiana, Georgia, Montana and Arizona.¹

After a few last minute trips to the store, I prepared to settle in to a Wednesday of TV watching, and if Obama won I would be ready to celebrate – not the expectation of big change, regarding the current and unfolding economic disaster or the totally self-interested US foreign policy – but that an opening would remain for the promotion of a progressive agenda; under a McCain/Palin administration, possibly for eight years, a whole list of predictions were certain: from fewer people with access to health care, to increased inequality, and a climate of demonizing that would find many people labeled as traitors – an intensification of the path set by Bush and Cheney. As the polls opened on the East Coast on the 4th, and then across the country, in came the reports: long lines, hours long, and awestruck voters who had never seen anything like this before.²

The first result came in very early: in a small New Hampshire town, which usually goes to Republicans, 100% of the 21 voters turned out: Obama 15-6; if New Hampshire were to go to Obama, the RP would be wiped out of New England (states to the north and east of New York). By the close of polls in Chicago, people were swarming to Grant Park, where 65,000 would be present at an Obama speech, with hundreds of thousands more watching on screens outside.

Presidential Results

As results started coming in from the East Coast states, and then from the Midwest, the extent of the Obama win began to dawn on everyone. Some of the states were for awhile too close to call, but others that had been polled as battlegrounds turned out not to be so. But first, a look at the states where the results were certain.

For McCain (16 states): Kentucky, South Carolina, Tennessee, Alabama, Mississippi, Louisiana, Oklahoma, Arkansas, Kansas, Nebraska, South Dakota, Texas, Wyoming, Utah, Idaho, Alaska. In six states McCain won over 60% of the vote: in the last four just listed, plus Alabama and Oklahoma (in the latter a high of 66%). He scored significantly better than expected in Mississippi, Arkansas, Kansas, Oklahoma, Wyoming and Alaska; and less than expected in Idaho.

For Obama (18 states): in 11 polled more than 60%: Vermont, Connecticut, Delaware, Illinois, Maryland, Massachusetts, New York, Rhode Island, California, plus the two highs of Washington, DC (93%) and Hawaii (72%). He won between 57 and 59% in Maine, New Jersey, Michigan and Washington. The low was Minnesota (54%). He ran significantly above expected levels in Vermont, Delaware, DC, New York, Rhode Island, California and Hawaii.

Of the remaining 17 states: in five states, one candidate was either fairly strongly favoured, but the opinion poll margin of error made any certainty impossible, or there had been movement toward one. In these states the winner ended up with 53 to 55% of the vote. For McCain: Arizona, West Virginia, Georgia, North Dakota (in the last two his margin was better than expected). For Obama: New Hampshire (better than expected).

As the results came in for the remaining 12 states, the wins for Obama sent waves of cheering and crying around the country. It is worthwhile to look at these in more detail, for they tend to belie the general stereotypes regarding geographic support for the two parties, and thus some of the negative stereotypes about white voters. In the east, three big Obama wins: Virginia (52-47%, last voted DP in 1964); Pennsylvania (55-44%, above the expected, with Obama clearly not losing the blue collar support that had gone to Hillary Clinton); Florida (51-49%, with Bush's brother as governor, where shoddy poll machines had given Bush the win in 2000, and where the Cuban American population no longer so monolithically votes RP).

In the Midwest, three more big Obama wins: Indiana (59-49%, the dead heat as predicted); Ohio (51-47%, where the integrity of the voting system was suspected, a must win for McCain); Iowa (54-45%, a bit better than expected).

In the West, one for McCain (Montana, 50-49%, about as expected), and three for Obama: Colorado (53-46%, McCain had been seen as gaining); New Mexico (57-42%); Nevada (55-43%, above expected).

The results in the two last states came in late, too close for an early call. Obama won North Carolina (59-49%), and McCain won Missouri (50-49%). A final electoral vote came for Obama from Nebraska, which awards on a proportional basis: the vote came from the Omaha area, the first time the state has returned a DP elector.

These crucial Obama wins added to his electoral college total as follows: Florida 27; Pennsylvania 21; Ohio 20; North Carolina 15; Virginia 13, and Indiana 11. McCain picked up the 11 from Missouri.

Finally, a look at a map of the US now shows: the DP as no longer winning only on the two coasts; the DP controlling the 'rust belt' (where the old steel, coal and auto industries predominated), from Pennsylvania to Indiana, and then the upper Midwest; DP inroads, representing huge changes, in the states of Virginia, Florida and North Carolina; DP inroads in the west (Colorado, New Mexico and Nevada). In addition, the RP held on to Missouri by 1%, and to Montana by 3%.

Statistics

In the end, Obama won 365 electoral votes, to McCain's 173. This compares to Bill Clinton's wins (1992, 370; 1996, 379) and George Bush's (2000, 271; 2004, 286). Over 130 million people voted, the most ever; about 64% of the electorate (about the same as in 1960). Almost 65 million people voted for Obama, and about 57 million for McCain—52.83-46.18%; this was the first time the DP had gone over 50% since Jimmy Carter in 1976.

As for voting by population groups, these statistics are obtained from 'exit polls.' After voting, people are randomly sampled (every fifth or sixth person to exit) by use of an anonymous questionnaire. The results are more illuminating in hindsight than as predictors of an election in play, and are considered with much skepticism. Still, at times the

percentage differences may be so huge as to be indicative. With this in mind, people's conceptions echoed earlier polls: 75% thought the country was 'on the wrong track'; the same percentage disapproved of the performance in office of Bush and of Congress. 63% saw the economy as the main issue; 66% were worried about paying for health care; 60% saw importance in the selection of future Supreme Court nominees. Some 60% thought Palin was not qualified to be president.

By groups, Obama picked up the support from 95% of blacks (13% of electorate); 66% of Hispanics (61% in Arizona, 57% in Florida); 78% of Jews; 66% of age group 18-29. Among whites, 43% voted for Obama, the highest for the DP since 1976 (in 2004 Kerry got 41%). McCain won all white age groups except for 18-29 (Obama 54%); white women (54%), men (about 58%, Obama's 41% the largest since 1976); white college grads (51%) and working class (59%); white Independents were split. So were the suburbs, with McCain taking a slight rural advantage.⁴

Third Parties

A total of 51 parties ran candidates for president, sometimes endorsing the same candidate.⁵ There were four main third party contenders:

Ralph Nader, running under different parties in 40 states, received 672,195 votes (0.54% of total vote). A lawyer, consumer advocate and diligent campaigner, Nader ran under the Green Party in 2000 (2.7%), and supports issues that the DP won't touch: decreasing the military budget, single-payer health insurance, the impeachment of Bush, public finance of election campaigns. In 12 states he received 1% or more of the vote: Arkansas, Alaska, Connecticut, Idaho, Maine, Minnesota, North Dakota, Oregon, Rhode Island, South Dakota, West Virginia and Wyoming. The high was in Maine (1.48%). In 24 states he received between 0.5 and 0.99% of the vote. Numbers wise, he received the most votes in California (81,437), followed by Pennsylvania (41,523), Ohio, New York, Michigan, Illinois, Minnesota (all in the 30,000s), Massachusetts and Florida (in the 20s).

Libertarian Party candidate Bob Barr, a former RP rep from Georgia, received 496,809 votes (0.4%) in 47 states. Libertarians support a reduced role for government, the separation of church and state, the free market and free trade, abolishing taxes, ending corporate subsidies, right to own guns; oppose alliances with and intervention in other countries, conscription; support the individual's right to make

decisions regarding abortion, sexual partners and the use of illegal drugs. The party received more than 1% of the vote in Indiana, and between 0.5 and 0.99% in eight states: Arizona, Georgia, Idaho, Kansas, North Carolina, Texas, Utah and Wyoming. In Texas it received 56,397 votes, followed by California (51,529), Indiana, Georgia, North Carolina and Michigan (all in the 20s).

The Constitution Party ran Baptist pastor and talk radio host Charles Baldwin in 41 states, receiving 178,810 votes (0.14%). The party believes life begins at conception, that a family can only consist of a man and wife; supports a federal role only in what is specifically stated in the Constitution, with the states to decide the rest; a strong defense and gun ownership; opposes foreign alliances, globalism and free trade. It received more than 1% in Montana (2.16%) and Utah (1.26%), and from 0.5 to 0.99% in Idaho and South Dakota.

Green Party candidate Cynthia McKinney, a lawyer and former rep from Georgia, was on the ballot in 46 states, receiving 145,488 votes (0.12%). The Green Party is for ending the war, environmentalism, universal health care, non-violence, alternative energy, pro-labour policies; opposes corporate globalism. Percentage wise it scored best in Louisiana (0.47%), Maine (0.4%) and West Virginia (0.33%).

Two of the above candidates may have had the greatest effect in three states. In Indiana, an Obama win by 25,834 votes, the Libertarian Party scored 29,188 (1.07%). In North Carolina, an Obama win by 13,991, the Libertarians received 25,418 (0.6%). In Missouri, a McCain win by 5,861 votes, Nader gained 17,772 (0.61%) and the Libertarians 11,354 (0.39%).

Other main third party contenders included: America's Independent Party, with 36,084 votes (candidate Alan Keyes, assistant secretary of state for international organizations under Reagan, and then a media commentator; the party believes in life from conception, the right to bear arms, opposes the federal income tax); Ron Paul, with 19,858 (RP Texas rep and party primary candidate); Socialist Workers Party, running in 12 states and receiving 9,714 votes, under Róger Calero and James Harris; Socialism and Liberation, running Gloria Estela La Riva in 12 states, 7,377 votes; and the Socialist Party USA, running Brian Moore in 14 states, for 6,545 votes.

The Senate

The pre-election balance in the Senate saw a DP advantage of 51-49; this included two senators who usually supported the DP: Bernie Sanders (Vermont, a socialist), and Joe Lieberman (Connecticut, ran as an Independent after losing 2006 state DP nomination to Ned Lamont, a staunch supporter of McCain, who may be punished for his pro-RP election role). With one third of senators up for election this year, some 33 races, a DP gain of at least five was expected.² First, states where parties retained the Senate seat.

RP (5): Kentucky, Maine, Mississippi (2), Nebraska, Texas, Alabama, Oklahoma, South Carolina, Idaho, Kansas, Mississippi, Tennessee, Wyoming (2).

DP (11): Louisiana, New Jersey, Delaware, Illinois, Iowa, Massachusetts, Michigan, Montana, Rhode Island, South Dakota, West Virginia.

The DP has so far picked up six, with three RP-held seats still undecided (see below): Colorado (Rep. Mark Udall over former Rep. Bob Schaffer, 52-43%); New Hampshire (former Governor Jeanne Shaheen over Sen. John Sununu, 52-45%); New Mexico (Rep. Tom Udall over Rep. Steve Pearce, 61-39%); North Carolina (state Sen. Kay Hagan over Sen. Elizabeth Dole, 53-44%); Virginia (former Governor Mark Warner over James Gilmore, 54-34%); and Oregon (state House Speaker Jeff Merkley over Sen. Gordon Smith, 47-43%).

The three undecided contests are: Alaska (RP Sen. Ted Stevens, recently convicted on felony counts, leads Anchorage Mayor Mark Begich by about 3,257 votes; with more votes to be counted, the outcome may be known next week; even if Stevens wins, the Senate may expel him; Alaska would then hold another election within 60-90 days); Georgia (RP Sen. Saxby Chambliss has a slight lead over former state Rep. Jim Martin, but state law mandates a runoff election if no one receives a majority of 50% plus one vote, Chambliss currently at 49.8%; the runoff would be on 2 December); Minnesota (RP Sen. Norm Coleman leads Al Franken by 238 votes (out of 2.9 million polled), automatically requiring a hand recount, set to begin on 18 November and lasting some weeks).

A final factor impacting the operation of the Senate is the very liberal voting record of Maine's two moderate RP senators, Susan Collins and Olympia Snowe.

House of Representatives

All 435 House seats were up for election, with the pre-election balance favouring the DP 236-199; the DP lead was won in 2006 when it picked up thirty seats. With four races undecided as of 8 November, the DP has increased its lead to 256-179.³

The DP picked up one seat each in North Carolina, Pennsylvania, Alabama, Nevada, Connecticut, Colorado, Illinois, Idaho, Arizona and New Jersey. It picked up two seats each in Maryland, Florida, Ohio, New Mexico, Michigan and Virginia. In New York it picked up three. The loss of moderate RP Rep. Chris Shays in Connecticut now finds no RP reps from New England.

Four DP reps lost, one each in Kansas, Texas, Florida and Louisiana. The loss in Louisiana was of Don Cazayoux, who had won a special election in May to fill a vacant seat in a usually RP area. The two other DP reps who had scored upset wins in special elections in 2008 retained their seats: Bill Foster in Illinois (seat of former House Speaker Dennis Hastert); and Travis Childers in Mississippi.

The situation in the four undecided races shows: Virginia 5th (possible loss of RP incumbent, with more votes to count); Washington 8th (RP incumbent likely to win, many votes to count); California 4th (RP candidate up 709 votes, may require a recount); Ohio 15th (RP lead of 390 votes, with more to count). In addition, two seats in Louisiana will be decided in runoff elections on 6 December.

Governorships

Eleven states held elections for governor. The DP retained control in Delaware, Montana, New Hampshire, North Carolina, Washington and West Virginia. The RP held on to: Indiana, North Dakota, Utah and Vermont. The only change was in Missouri where the retirement of RP Gov. Matt Blunt set up a contest between DP Attorney General Jay Nixon and RP Rep. Kenny Hulshof; Nixon won with 55.38%. The DP now has 29 state governorships to the RP's 21.⁴ The balance of power implications of elections to state houses and senates are no doubt being analyzed now, and will have to await another article; expect, however, to see a continuation of the trend from 2006 of heavy DP gains; the question is the extent. One noteworthy state result: for the first time in the US a state legislative body will have more women than men: the New Hampshire Senate, 13 women and 11 men.⁵

State Referendums

There were 153 measures up for vote in various states. In several, people approved the state floating bonds in order to raise money for special projects (as opposed to raising taxes).¹⁰ With regard to abortion: South Dakota narrowly rejected a ban except in cases of rape, incest and mother's health; Colorado rejected by 3-1 the definition of life as beginning at conception; and California rejected parental notification for minors. California approved the definition of marriage as between a man and woman only (52-48%). Two states banned gay marriage: Arizona and Florida, joining 26 states. Arkansas banned unmarried couples from adopting or fostering children. Washington passed physician-assisted suicide (joining Oregon). Massachusetts decriminalized the possession of small amounts of marijuana; Michigan approved its use for medical purposes (joining 12 states). Nebraska banned gender or race-based affirmative action in government employment, contracting and education.

McCain and Obama Address the Nation

As the Obama win became clear, McCain supporters, gathered in a hall in Phoenix for his speech, became subdued, turned off the TV showing results, and listened to live bands. At about 10 pm, East Coast time, McCain arrived. After the very negative tone of his campaign and criticism of it, McCain had a lot of ground to cover if he wanted to redeem a positive image. He began by saying that the American people "have spoken clearly," and he had called Obama. When the crowd started booing, McCain hushed them up. He respected Obama for his ability and perseverance; and admired and commended him for inspiring hopes in people who felt they had "little at stake or little influence." He referred to old injustices, and the "cruel and frightful bigotry." The crowd applauded. McCain pledged to help Obama lead the country through the present challenges. He urged everyone to offer Obama their "good will and earnest effort," to come together and find compromises. He took the blame for his failed campaign (to cries of 'No!'). He thanked his supporters, family, Sarah Palin ("an impressive new voice" in the party), and his campaign organization.¹¹

After the speech, CNN showed live shots of people celebrating in front of the White House, in Times Square – it looked like New Year's Eve. Then, close to midnight, Obama appeared at Grant Park in Chicago. He began by saying that tonight has provided an answer to those who doubted that in the US all things were possible, that the dreams of the founders are alive, and the power of US democracy. People

had provided the answer because they believed that "this time must be different"; it was an answer by young and old, rich and poor, Democrat and Republican, black, white, Hispanic, Asian, Native Americans, gay, straight, disabled and not disabled. The answer had led people, who for so long were cynical, fearful and doubtful, to "put their hands on the arc of history and bend it once more toward the hope of a better day." He referred to an "extraordinarily gracious" call from McCain, and the people clapped. The US was "better off for the service rendered by this brave and selfless leader." Obama thanked Joe Biden, Michelle Obama, his children and grandmother, sisters and other family, campaign manager David Plouffe, chief strategist David Axelrod and the campaign team. But, he said, the victory belonged to the supporters and voters. It was a campaign built by "working men and women" who had contributed; it drew strength from youth "who rejected the myth of their generation's apathy," and from canvassers and volunteers. This had not been done to win an election, or for Obama, but because of the huge task ahead, challenges that are the "greatest in our lifetime – two wars, a planet in peril, the worst financial crisis in a century." People were in the forces in Iraq and Afghanistan, parents were worried about their mortgages, health bills and money for children's college education. It would be a long road – new energy, jobs, schools, threats to meet, alliances to repair, but "we will get there." The crowd chanted, 'Yes We Can.' This would be done as it has always been done: "block by block, brick by brick, calloused hand by calloused hand." The election victory was a chance for change, but it won't happen without a "new spirit of service, a new spirit of sacrifice." "... if this financial crisis taught us anything, it's that we cannot have a thriving Wall Street while Main Street suffers." While the election has been won, people must have the "humility and determination to heal the divides that have held back our progress." The crowd cheered. To those who did not vote for Obama: "I hear your voices. I need your help. And I will be your president, too." To those abroad, "from parliaments and palaces, to those who are huddled around radios in the forgotten corners of the world, our stories are singular, but our destiny is shared, and a new dawn of American leadership is at hand." "To those who would tear the world down: We will defeat you." The strength of the US comes not from arms and wealth, but the ideals of democracy, liberty, opportunity and unyielding hope. Obama then related the story of a 106-year-old black woman, a story worthwhile quoting as it indicates Obama's oratory ability:

"She was born just a generation past slavery; a time when there were no cars on the road or planes in the sky; when someone like her couldn't vote for two reasons – because

she was a woman and because of the color of her skin. And tonight, I think about all that she's seen throughout her century in America – the heartache and the hope; the struggle and the progress; the times we were told that we can't, and the people who pressed on with that American creed: Yes we can. At a time when women's voices were silenced and their hopes dismissed, she lived to see them stand up and speak out and reach for the ballot. Yes we can. When there was despair in the dust bowl and depression across the land, she saw a nation conquer fear itself with a New Deal, new jobs, a new sense of common purpose. Yes we can. [crowd, 'Yes we can.'] When the bombs fell on our harbor and tyranny threatened the world, she was there to witness a generation rise to greatness and a democracy was saved. Yes we can. [crowd, 'Yes we can.'] She was there for the buses in Montgomery, the hoses in Birmingham, a bridge in Selma, and a preacher from Atlanta who told a people that "We Shall Overcome." Yes we can. [crowd, 'Yes we can.'] A man touched down on the moon, a wall came down in Berlin, a world was connected by our own science and imagination. And this year, in this election, she touched her finger to the screen, and cast her vote, because after 106 years in America, through the best of times and the darkest of hours, she knows how America can change. Yes we can. [crowd, 'Yes we can.']"

Concluding Thoughts

As Obama spoke, he looked at the crowd, not into the cameras. At times everyone was totally silent, some almost in rapture. Jesse Jackson cried. The significance of some of the words he used – calloused hands, the depression, New Deal – cannot be underestimated; it was President Franklin D. Roosevelt's New Deal in the 1930s, in the midst of the Great Depression and hated by conservatives, that led to the backlash some call 'McCarthyism' in the 1940s and 1950s – the demonization of communists and socialists and radicals and liberals and anyone who did not follow the conservative agenda, producing a massive suppression of civil liberties, and among many people a fear of speaking out and getting involved.

It's been a very long road back from that time also. And here the role played by two people (as representative of much wider movements) must be acknowledged. The first is Ralph Nader, who has been criticized, demonized and scapegoated by liberals for taking votes away from DP candidates. But he has spent decades tirelessly keeping the progressive agenda alive at the grassroots level, and winning the votes of people who are not afraid of voting for someone who

cannot win; some of the issues at play this year were pushed from the bottom up. The second is Jesse Jackson, who throughout decades of DP politics that have shifted ever more to the right, kept pounding away, in brilliant oratory that just nailed the issues – how we laughed when he identified the biggest recipient of housing subsidies in the U.S. as being the man sitting in the White House.

The importance of issues was one of the most notable aspects about this campaign year. Some issues are now mainstream: global warming, alternative energy and the need for a new energy policy (and the connection with jobs), the connection of free trade and jobs, the importance of getting US forces out of Iraq (unfortunately into Afghanistan). Early on, it seemed to me that for the DP to win, given the similarities in DP and RP positions, its candidate would have to *appear* to offer some restraint on neoliberal economic policies. The events since the collapse of Lehman Brothers, however, nullified the DP dilemma – even the RP has had to support such restraint, not to mention outright nationalization. And, given the Bush/RP record and its lack of a plan, within the economic context, the RP could only revert to a campaign of demonizing labels – this was a necessity, not just an indication of personal meanness.

The words class warfare, nationalization, redistribution of wealth, the left and socialism (although what is meant is state capitalism) have been introduced into the public domain – again. There is a stunning contradiction here: what was meant as a smear to tarnish Obama and DP policies has turned out to be an introduction. And the negativity didn't work. Indeed, if people mistakenly associate Obama with socialism, it may increase the attraction. It is also a wonder that the RP avoided the word 'communism,' for this could have perhaps been more influential. Mention must also be made of a growing change in concept – the erroneous association of 'big government' with the DP, while the RP has excelled in big defense and big, now humongous, debt.

Here, in this discussion of issues, I must digress to two of a seemingly more technical nature, but which are, in fact, crucial to the functioning of electoral politics, if the desire is democracy, and especially in the U.S. but other countries as well; they should top the DP agenda, but do not come close. The first concerns campaign finance. This year \$5.3 billion was spent by candidates, parties and interest groups in the campaigns for president, Senate and House, 27% more than in 2004: \$2.4 billion was spent on the presidential election.¹² Obama put together a brilliant fundraising campaign, and

McCain agreed to public financing for the period from September, and there is no doubt that money affected results. Obama should now make a priority of getting influence via money out of all national campaigns – there is no legitimate reason to oppose public financing; he should be the last candidate to benefit from the present corrupt system. In addition, it is time that the US government – president and Congress – established a national voting system for national-level offices. With so many systems in place, even within states, people have lost faith in the integrity of the ballot. Delay in action on this will belie good words about change and democracy.

The second issue here is the use of opinion survey research, or polling. While some practitioners do realize the limitations, opinion polls are used by individuals, groups and the media to push agendas – to change public opinion, and not to reflect it. In its perhaps worst form, polling can be used to create and reinforce negative stereotypes. It was seen this year that polling results were used to give an image of close races: in Hillary Clinton's attempt to catch up to Obama, and in McCain's 'narrowing' of the gap with Obama. Results were also used to make erroneous predictions: that supporters of a defeated Clinton would turn to McCain; and that women supporters of Clinton would turn to Sarah Palin. The pervasiveness of these images, here in Sri Lanka also, was truly amazing. It is known that poll results differ depending on who is asking the question. For example, a question regarding preference for Obama or McCain finds different results if the questioner is CNN or Fox. There is also the problem of the many people who refuse to be polled, and a new problem of polls that do not call cell phones in addition to homes. A long-recognized problem concerns the widely varying results depending on how a question is worded. And finally, the presentation of results without mention of the built-in margin of error is simply misleading, but this is usually what happens. A poll that comes out 50-46%, with a margin of error of 3%, may actually mean a result of 47-49, or 48-48, or 49-47 ... With the spread of survey research the problem is going global, unfortunately to be seen in Sri Lanka also. Priority should be given to avoid use of this method for propaganda purposes.

With the global economic situation today, we cannot afford to wallow in stereotypes to the preclusion of issues. The situation in the US is bad, worse than reported or imagined, and the effects of what has been made in the US are spreading worldwide. Every day there is evidence; one recent statistic jumps to mind: in the US, \$2 trillion of value has been lost in people's retirement accounts (which had been invested in the

stock market or in bad bonds) – that's one half of value.¹⁴ Out of this economic crisis, no doubt, will come a positive consequence in the decrease in US financial power, but the world is in for a long period of greater suffering, and not just for people in the US.

In such a situation it is certain that sections of the far right, including religious fundamentalists and white supremacists, will find more support. Already, this year has illustrated the split in the RP and conservative movement, mirrored in the McCain campaign organization. Old sides are no longer clear.¹⁵

And it is time to realize that the promotion of old stereotypes will only serve to strengthen the right. In this context, and with regard to the US, it is time to discard the myth of the 'apathetic' voter, of apathy as the only reason why people do not vote – voiced by some people while also deriding the similarity between the DP and RP! It is also time to reject the derogatory images of people from various regions in the US – one example I heard here comes to mind: a sneering reference to a progressive as a 'white man from the Midwest.' And it is also time to discard the language of skin colour itself, along with identification by only ethnicity or religion.

I have already heard it said that Obama's win was due to the minority vote – this is partly true, but generally wrong. If Obama had lost, no doubt the blame would have been put on white racism – again, partly true, but generally wrong. Thus do the demonizers perfect the use of the Catch-22. And, since I have an audience now, I'll use it to make a plea to the citizens of Sri Lanka, to reject the stereotype of foreigners as representing the views of their governments or a country's policies, or their agendas of dominance and interference. And, reject the stereotype of certain foreign women. And, reject the corresponding language of hate, too often used to marginalize the foreigner in public gatherings.

As it stands, Obama now has a great opportunity to talk about the issues, the choices and the limitations – to directly address the US public. For this to happen, however, he must, and unlike the normal DP and RP elite – including the Clintons, see people as being ready to listen and able to understand. We will see how elitist Obama really is, or is not. While the election of an African American president is an achievement of both Obama and the US electorate – one that I thought I would never see in my lifetime, and over which I have cried – this is not what is most important. Rather, for now, the political space has been left open, and opened a little more. If, however, the US president and Congress continue the policy of the permanent war economy to achieve US

domination, in foreign and domestic spheres – in which a person is either for you or against – there will be no change. Either the US must be a nation equal to all others, or watch the further pauperization of the bottom 70-80% of people, in every country, including the US.

Notes

¹ For these estimates, see realclearpolitics.com, 11.10-11.1.08.

² Deborah Hastings, "Long Lines Greet Voters as Polls are Deluged," AP, 4.11.08.

³ For projections in this section, see "Latest State-by-State General Election March-Ups," cwpolitics.com, 9.10, 26.10 and 2.11.08; for final results, see realclearpolitics.com.

⁴ For the above stats, see Andy Barr, "2008 Turnout Shatters All Records," politics.com, 5.11.08; "The Latest from the Exit Polls," cwpolitics.com, 5.11.08; Eric Kleefeld, "Obama's Resounding Victory, By the Numbers," talkingpointsmemo.com, 5.11.08; David Paul Kuhn, "Exit Polls: How Obama Won," politics.com, 5.11.08.

⁵ For details on the candidates below, and on state results, see thegreenpapers.com.

⁶ For Senate results, see John Nichols, "Franklin Reborn in Minnesota and Other Disputed Races," thenation.com, 5.11.08.

"Darrn Puts Up at Least Five Senate Seats, Four Races Still Undecided," cwpolitics.com, 5.11.08; and Andy Barr and Josh Krushatz, "Key Races Remain Undecided," politics.com, 7.11.08.

⁷ "Democrats Hold on Their House Majority," cwpolitics.com, 5.11.08; politics.com, 7.11.08, 8.11.08; and Andy Barr and Josh Krushatz, "Key Races Remain Undecided," cwpolitics.com, 7.11.08.

⁸ Kirk Johnson, "Democratic Wins Missouri Governor's Race, but GOP Keeps Infant," nyp.com, 5.11.08.

⁹ thegreenpapers.com, 8.11.08.

¹⁰ AP, "Voters Let States Borrow, Leave Taxes Alone," msnbc.com, 5.11.08. The information in the rest of this section is from Josh Goodman, "Guide to the Most Interesting State Ballot Measures, from Abortion to Transportation and Crime and Punishment," cwpolitics.com, 4.11.08; and AP, "California Gay Marriage Vote Still Undecided," The Independent, 7.11.08.

¹¹ Joan McCarr, "Concessions Speech," cwpolitics.com, 5.11.08.

¹² Barack Obama, "Victory Speech," cwpolitics.com, 5.11.08.

¹³ Joanne Cummings, "2008 Campaign Costliest in US History," politics.com, 5.11.08.

¹⁴ AP, "CEOs, Famous Investors Hit by Market Plunge," The Independent, 5.11.08.

¹⁵ T.J. Dinneen Jr., "What's So Far Away On, Comrade," nbc.com, 24.10.08.

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Marx is back

Hasan Suroor

LONDON: With capitalism in crisis, Karl Marx has become fashionable again in the West. *Das Kapital*, his seminal work, is set to become a best-seller in Europe.

In his native Germany, copies of *Das Kapital* are reported to be "flying off the shelves" as failed bankers and free-market economists try to make sense of the global economic meltdown.

Joel Schuchman, head of the Berlin publishing house Dietz, is reported as having said that the sales of the works of Marx, and Friedrich Engels, have trebled. "Marx is fashionable again... We have a new generation of readers who are rattled by the financial crisis and have to recognise that neo-liberalism has turned out to be a false dream," he told *The Times*.

A dramatic rise has been reported in the number of visitors to Marx's birthplace in Trier. And film-maker Alexander Kluge is planning to turn *Das Kapital* into a movie.

Western leaders who once sneered at Marx's dense tome, breezily dismissing it as a "doorstop," have been seen devouring *Das Kapital* in recent weeks. French President Nicolas Sarkozy has been spotted "licking through" it. German Finance Minister Peer Steinbrück has said nice things about it, and even the Pope has praised the book for its "great analytical" quality.

Archbishop of Canterbury Rowan Williams recalled Marx's analysis of capitalism, saying: "Marx long ago observed the way in which unbridled capitalism became a kind of mythology, ascribing reality, power and agency to things that had no life in themselves."

Free-market cheerleaders such as *The Times* and *The Daily Telegraph* have become interested in Marx. There has been a wave of soul-searching analyses of whether he was right, after all. Courtesy: *The Hindu*

A WALL COMES TUMBLING DOWN

Devanecsan Nesiah

The US presidential election held the attention of many of us for several months. Its sequential structure and the capacity of the American media to dramatize the unfolding of that sequence is only a part of the explanation. More than any other contest, the outcome of a US presidential election is of global concern. This year the stakes were particularly high.

The victory of Barack Obama signals the breach of a major barrier impeding the emancipation of Afro-Americans. An early sign post in that long march was the following inspiring clause in the American Declaration of Independence (1776):

We hold these truths to be self-evident that all men are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness; that to secure these rights governments are instituted among men, deriving their just power from the consent of the governed.

But that inspiring sign post was not intended to define the status of all American men nor of American women. It was the Constitution to which the Declaration was attached that had the force of law and which reflected the will of the founding fathers and the US Congress. The term 'men' in the Declaration covered only a fraction of the population; all women and all non-whites were excluded. Even among white men, the poor, illiterate and semi-literate were denied voting rights. The US political establishment was white, upper class, male and slave owning; the Constitution was carefully drafted to ensure that it would continue to be so.

The first salient steps in the long process of emancipation of Afro-Americans was President Abraham Lincoln's Gettysburg address of 1863 setting out his vision of 'a new nation conceived in liberty and dedicated to the proposition that all men are created equal,' and his proclamation declaring all slaves in the Confederate states to be free. These were made tangible by way of the 13th Amendment of 1865 forbidding slavery, the Civil Rights Act of 1866 making the practice of slavery a criminal offence and extending citizenship rights to those freed from slavery and, most important, the 14th Amendment of 1868 incorporating the equal protection and due process clauses. It was only in 1870 that Afro-Americans gained voting rights, reaching the apex of what was termed the Reconstruction.

In the meantime Abraham Lincoln had been assassinated and the fate of many of the hard won rights of Afro-Americans was uncertain. Oppressive black codes and Jim Crow laws were formulated and enforced in many states. The presidential election of 1876 sealed the fate of the Reconstruction. US whites were willing to abandon slavery but not yet ready to accept desegregation and inter-racial equality. Though the 13th and 14th Amendments and the Civil Rights Act were not repealed, they were blatantly disregarded by the executive, judiciary and various state legislatures. In many states racial segregation was not merely tolerated but prescribed by law. The principle of 'separate but equal' was consistently upheld by the Supreme Court notably in the majority ruling in *Plessy v Ferguson* (1896) which includes the following formulation justifying laws prescribing segregation:

The State legislation may properly have concluded that the laws would preserve the public peace and good order ... The Constitution can act to equate the civil rights of the two races but cannot affect their social standing.

In this case, Justice Harlan, in his courageous and prophetic dissenting judgment, exposed the racism underlying both the state law prescribing segregation and the majority judgement of the Supreme Court:

... in the view of the Constitution, in the eye of the law, there is in this country no superior, dominant, ruling class of citizens. There is no caste here. Our Constitution is colour blind ... In my opinion, the judgment this day will, in time, prove to be quite as pernicious as the decisions made by the tribunal in the *Dred Scott* case [that] the descendants of Africans who were imported into this country and sold as slaves, were not included or intended to be included under the word 'citizens' in the Constitution; ... the thin disguise of 'equal' accommodation for passengers in rail road coaches will not mislead anyone, nor atone for the wrong this day done ...

There was little progress till a decade after World War II, but the changes thereafter came in quick succession. Several barriers to Afro-American emancipation were successfully breached in the third quarter of the 20th century by the American civil rights movement led by Martin Luther King and many

others. It was *Brown v Board of Education* (1954) and *Bolling v Sharpe* (1954), both handed down on the same day by Chief Justice Warren, that finally repudiated the separate but equal doctrine. The *Brown* judgment was based on the premise that public school segregation was a denial of 'equal protection of the law' set out in the 14th Amendment nine decades earlier, and the *Bolling* judgment on the premise that it was a denial of 'due process' set out in the same Amendment. These judgments were followed by a succession of significant executive, judicial and legislative advances for civil rights at both federal and state levels.

A dazzlingly brilliant collective leadership, among whom Martin Luther King was pre-eminent, developed and campaigned for a wide range of national, social and political issues. The achievements of the US civil rights movement in the 50s, 60s and 70s went far beyond expectations. Though its vigour gradually ebbed, it had initiated significant changes into American society and politics. Among these was the electability, in due course, of an Afro-American as the US president. Even that election required extraordinary confidence, courage, energy and vision, tremendous discipline, character and charisma, and exceptional innovative leadership and organizational skills. Obama was able to develop and project a vision that inspired and resonated with millions of voters. Hopefully these characteristics will enable him to go through his term of office with great distinction.

While the victories of Barack Obama, first in the Democratic primary and then in the presidential election, are widely welcomed as major advances in Afro-American emancipation, some feminists may have viewed them with mixed feelings. The loss of Hillary Clinton in the Democratic primary deprived the US of the possibility of electing a woman as the next president and the loss of the Republican team on 4 November 2009 prevented a woman taking over as vice-president in January 2009. There is a curious parallel with the long struggles of Afro-Americans and women for voting rights about a century earlier. As set out by Justice Brennan in *Frontiero v Richardson*:

Throughout much of the 19th Century the position of women in our society was in many respects comparable to that of Blacks under the pre-civil war slave codes. Neither slaves nor women could hold office, serve on juries or bring suit in their own names, and married women were traditionally denied the legal capacity to hold or convey property or to serve as legal guardians

of their own children. And though Blacks were guaranteed the right to vote in 1870, women were denied even that until the adoption of the 19th Amendment half a century later.

Much of the Afro-American gains of the Reconstruction had been lost and needed to be regained through renewed painful struggle. Women too were deeply disadvantaged. Afro-American women doubly so. The struggles of Afro-Americans and women were mostly but not always mutually supportive. Many who stood for desegregation and inter-racial equality were not yet ready for gender equality, and vice versa. At one point tension between proponents of women's emancipation and black emancipation developed into a split between the feminist movement led by Stanton, Anthony and others, and the Afro-American movement led by Frederick Douglass, Sojourner Truth and others. Some other members of the latter group supported the deferring of the grant of franchise to women – arguing for sexist reasons and others for strategic reasons. It was argued that a strategy of meeting one challenge at a time was likely to be more successful than taking on both simultaneously.

In the event, white women secured voting rights in 1920, whereas Afro-American voting rights continued to vary widely from state to state till the Voting Rights Act of 1965, passed through by President Johnson. Both in the near Democratic primary and in the presidential election that followed there were occasional and fleeting glimpses of such a conflict between Afro-American and women's emancipation. Happily, none of the protagonists in those elections personally contributed to that tension. Perhaps in the course of the next decade we may witness the election of a woman as president or vice-president of the US, signalling the end of one well.

It would be incorrect to dismiss the election outcome as merely the victory of the better candidate. For very many voters, race, gender and youth were vital campaign issues. Moreover, the occupation of the US presidency by a young Afro-American will have considerable social and political implications in the course of Afro-American emancipation, and in respect of various other justice and equality issues, many hurdles have been cleared and many remain. Though the clearing of each hurdle may merit celebration, struggles for justice and equality are never ending. ■

WORLD ECONOMIC CRISIS: IMPLICATIONS FOR SRI LANKA

G. Chris Rodrigo

Crises are an integral part of the evolution of market economies. All major industrial economies of the world have gone through periodic financial crises which from time to time turned into more generalized economic crises. *Yet the current crisis is universally recognized as different, on a scale that is comparable only to the global breakdown of production and trade in the 1930s, a once-in-a-century event.* While many people in Sri Lanka are concerned about the effects of the global credit crunch in depressing prices and demand for our exports, the greater danger that lies ahead appears to be less well appreciated.

The overriding concern for people in Sri Lanka is the question of how the unfolding world economic crisis will affect the Sri Lankan economy. It is difficult to give a definite answer since the depth and scope of the world crisis is still not clear. The consensus view among informed observers worldwide is that the current breakdown has the potential to develop into a worldwide depression on the scale of the 1930s Great Depression (GD). That GD was triggered by the Wall Street crash of 1929, but had other causal drivers besides a collapse of confidence in the integrity of the financial system.

The hope is that now since leading economic policymakers know much more about the mechanics of crises and the various errors of omission and commission made in the 1930s GD, they would be able to substantially mitigate the adverse impact and its persistence in time. Towards that end, the governments of the major industrial countries along with China and India are working in concert to stave off the worst effects of the crisis and restore stability in the international financial system.

It is important to emphasize, however, that no amount of coordinated action can guarantee that the world will not slide into a depression, though it seems unlikely that it would last as long as the first GD which ended only with the onset of the Second World War in 1939. The best case scenario is a worldwide recession lasting a couple of years. In the likeliest worst case, it may extend over a period of about five years.

The smooth flow of finance is necessary for the "real economy" of production and consumption to function smoothly. Financial flows are volatile and unstable since these are largely determined by price movements of financial assets (stocks, bonds, etc.) that are driven by market psychology. Asset prices can inflate way beyond real rates of growth, thereby creating asset price bubbles. Bubbles inevitably collapse at some point resulting in runs on banks that are over-exposed to such assets, which leads to the freezing up of credit for all economic activity which in turn leads to curtailment of production, consumption and trade which results in job losses and corporate bankruptcies. This winding down of economic activity generates a recession or amplifies a recessionary trend, which spills over into trading partners through reduced demand for exports. Many countries are now caught up in this descending spiral of generalized recession of production and trade which in turn generates job losses and corporate bankruptcies.

Much of the action taken so far in the US and other industrial countries has been directed towards restoring confidence in the financial system, so as to prevent a winding down of the real economy in the longer run. Measures taken so far appear inadequate, since financial instability has not eased in the West or the East. In theory, financial market integrity could be fixed relatively quickly by taking over the international financial system by a consortium of major industrial country governments and operating it like a 'global public good,' or more correctly, a global public service. In fact, some small steps in this direction are being taken already. What is holding back such a measure is of course the prevailing ideology of the desirability of minimal state interference in the operation of markets. In the end, it may well lead to this outcome since the alternative of descent into a global depression is too awful to accept. To save the real economy, it may become necessary to tightly regulate the international financial system. This will not eliminate capitalism, but it will constitute a radically new stage in the historic evolution of the capitalist system. The first question is how the nature of the present global crisis is to be apprehended. There is scant empirical material to guide predictions and there is no universally accepted theory. Much of theory in economics is based on equilibrium

concepts and a crisis is a disequilibrium event that does not lend itself to conventional analysis. We just have to start with the first cataclysmic global economic crisis, the Great Depression of the 1930s, and then see how the present situation is different.

A more comprehensive account of the current crisis would discuss its immediate causes and the economic mechanisms that drive its longer term dynamics. This is not possible here given limits imposed by the editors. In any case the innovations in the US financial system, such as mortgage backed securities and credit default swaps, that precipitated the financial breakdown are being written about in the mainstream press. What is important to note here is that these are the result of relaxation of regulatory controls on the financial system which have induced the finance industry to develop instruments that enhance returns to themselves, but which also greatly raise systemic risk. While the mandarins of finance reaped super-profits, the taxpayers through their governments are compelled to bear the cost of restoring stability to the system.

The other major topic left out is an exposition of why crises take place and the dynamics of their evolution. This would involve a technical analysis of sources of instability in the financial sectors of the economy, in particular the positive feedback mechanisms that amplify positive and negative shocks to the system. We would also need to go into controversial economic arguments since there is no widely accepted explanation of such deep crises. Simple explanations, such as the falling rate of profit offered by doctrinaire Marxists, can be easily dismissed since major crises are most often preceded by periods of rapid technical change and market euphoria related to elevated profit rates. Austrian and monetarist explanations such as the over-expansion of the money supply are also not credible since expansion seems to be driven by more fundamental determinants. Such issues are not raised here since the main objective of the article is to discuss the impact of the crisis on Sri Lanka.

The Great Depression of the 1930s

Apart from cataclysmic crises like the GID and the present world crisis, normal crises, while wreaking havoc on the productive forces of the economy, play a positive role as well. They highlight weak links in the banking system, the industrial system and to some extent in the governmental regulatory structures. If correctly identified and addressed, the economic system is thereby strengthened. This is the

essence of the evolutionary perspective adopted here, where episodic crises are seen as a self regulating mechanism by which structural and institutional flaws that need correction are placed on the immediate agenda for reform. But the GID was a systemic breakdown of a different order.

The GD was centred in the United States, but spread to most of the major industrial nations that were linked by strong economic ties to the central system. Japan, which at that time was less closely integrated with the Western industrial economies, was consequently much less affected. Germany was very badly hit and the economic misery generated there undeniably enabled the Nazi Party under Hitler to assume state power as the saviour of the nation. Some of the raw statistics that highlight the state of economic collapse in the United States are listed below.

- The stock market crash of 1929 caused the New York Stock Exchange to lose 25% of its value. One index of stock prices, the Dow Industrial Average fell from 381 to 41 between September 1929 and July 1932.
- The US was racked by a record number of bank runs and bank failures which contracted the money supply even further leading to sharp falls in production.
- 25% were unemployed at the height of depression in 1933 and high unemployment lasted for all of the 1930s and fell below 10% only in 1941 when production for the war expanded.
- Real GDP fell by around 30%, industrial production fell by 45% and the price level fell by 24%.
- Real GDP fell by 20% in Germany, 16% in France and 6% in the UK.
- People cut back consumption, businesses held back investment – in a self-sustaining cycle.

Financial crises and recessions are of course a normal part of the operation of capitalism. The post Second World War period has seen a number of crises at regular intervals, the biggest of which was the Asian crises of the 1997-98 period. The economies that were fundamentally strong as regards the real production base and institutional structure, such as South Korea, Taiwan, Singapore and Hong Kong, recovered fairly quickly. Weaker economies like Thailand and Indonesia took much longer and had to put in place much more comprehensive institutional reforms and regulatory controls, before regaining a measure of economic health.

In the 19th century as well there were many smaller, limited crises in the US and Europe; but these were not of much

consequence since they were confined within smaller geographic regions and these regional economies were not too tightly bound together, even in the continental US. By 1929 the world economy was much more closely integrated following a wave of major technological changes in the US and Germany, the advance of British and French imperialism across the world and rapid growth in world trade and cross-border investment. But integration had come about in a mostly ad hoc fashion with weak institutional support for trade, investment and financial flows. This structure was rent apart by the financial crisis in the US following the 1929 crash and rebuilt with greater care following the Second World War.

The present situation and likely outcomes

The world economy is very substantially different today from what it was in the early 20th century and governments now have more capability and understanding to deal with major crises. On the negative side financial flows are relatively larger, more complex and constitute a greater threat.

- The productive base is enormously stronger and technologically much more advanced, especially in the developing or 'emerging' regions of the world.
- The world economy is much more spread-out, possibly even more resilient with a large role played by strong emergent economies like China, India and Brazil. In other words, the relative role of the US economy in the world is smaller in quantitative terms. Most importantly, the so-called developing world has been growing very strongly over the last two decades or so and has the capacity to expand its domestic markets very substantially and upgrade production technologies which could create extra demand for capital goods from the advanced countries. Hence demand does not have to collapse all round as it did in the first GD. But, again, this is not going to happen automatically, but only in response to carefully coordinated action by all.
- Economic policymakers know a lot more about how destabilizing macroeconomic forces work, as a result of the lessons of the GD of the 1930s, though arguably not enough. Hence it is likely that they will avoid some of the crasser mistakes of the previous event such as letting too many banks fail which severely constricted the money supply and thereby exacerbated the credit crunch on the productive economy.
- The GD of the 1930s was totally unexpected by the policymakers of that time, who thought that it would automatically resolve itself fairly quickly like minor

crises. Therefore, governments did nothing for many years. Today, that situation has changed. Governments of all major industrial nations have acted very quickly to stave off bank failures, guarantee deposits and even take over failing banks and other failing financial institutions to limit the damage. Policymakers are aware of the likelihood of a catastrophe. Moreover, all governments have acted in close coordination, with even the Chinese recognizing that they have much to loose from a GD-style breakdown.

- On the negative side, financial markets and flows are relatively larger and more integrated throughout the world. Given the deregulation of financial markets over the last two decades in the US and elsewhere, they constitute a greater source of instability. In fact, the current crisis began with the collapse of the US housing bubble which was financed through sub-prime loans that were securitized and sold throughout the world.

As a result of all of the above, it is not likely that the long-drawn out resolution of the 1930s GD will be repeated this time. In general, it is a fair claim that history never repeats its events exactly. Yet there are major weaknesses to address, not least the collapse of confidence in the financial system and the capability of the leaders of finance. These weaknesses will take many years to address, though of course the world economy could continue to expand at a reasonable rate well before all the issues are settled. The likely best scenario is about two years to return to some form of stability. The worst case would extend this to perhaps five years. But these are guesstimates at best and there are troubling issues which could overturn such expectations. These problems derive from underlying imbalances driving the origin and propagation of economic crises.

Likely effects on Sri Lanka

The present global crisis is hitting Sri Lanka – and South Asia in general – at a time when the region is already suffering from adverse movements in the terms-of-trade, i.e. a decline in the price of exports relative to the price of imports. These countries have already made major adjustments, but the adverse impact – rising inflation, worsening trade and fiscal deficits and slowing growth rates – has been severe. Sri Lanka's high fiscal deficit – around 7% in 2007 – has risen even further in 2008. Inflation is running at 25%, the highest rate in South Asia, driven mainly by food and fuel prices and the budget deficit driven by extraordinary military expenditure.

These pressures have eased somewhat in the last few months as food and fuel prices have fallen.

The crisis has already had significant effects on major Sri Lankan exports. The financial crisis has led to a severe credit crunch which has reduced the ability of importers to obtain trade credits. This has reduced demand for all commodity imports, including tea and rubber. Demand for rubber has also fallen as a result of recessionary trends, though not in China and India. Tea and rubber prices have declined sharply over the last month or so, thereby reducing our foreign exchange earnings and imposing hardship on tea and rubber exporters. The credit crunch will also affect the export of garments, another major export of Sri Lanka. These problems come in the wake of a commodities boom in the earlier part of the year which had sent tea and rubber prices to record highs.

In general terms, an economic crisis could affect a trade-oriented developing economy like Sri Lanka in the following ways. These track the different ways in which the smaller, dependent economy is connected to the world economy.

Trade channels: exports and imports of goods and services including tourism

Any decline in economic activity in the major markets of the world, that is a recession or depression, will inevitably reduce demand for exports and thereby reduce the capacity of the country to import. Since recessionary trends are just beginning in the US and Europe, the main impact has still to be felt in the local economy. Clearly the effect will depend on the depth of the recession in the industrial economies of the world. Exports will fall off to the extent that recessionary trends spread to our major trading partners.

Imports will be affected as a result of the falling off in export earnings, though import prices are now falling. Lower commodity prices, including the price of petroleum, could positively affect the trade balance. It is likely that tourist arrivals will also fall away as the recession bites deeper. This may not be a very significant effect since earnings from tourism are already down on account of the impaired security situation in the country.

Remittances from expatriate workers

This is currently the country's largest source of foreign exchange earnings and one that has been growing rapidly. They are also a major source of livelihood support for poorer households in Sri Lanka. Since most remittances are from lower skilled workers employed in the Middle East, which has built up large reserves, these are not likely to be affected

in the short-to-medium term. It is hard to predict what will happen in the longer term since much depends on how the crisis will play out in the next few years.

Financial channels

Sri Lankan companies and individuals are not directly exposed to the international capital markets on account of restrictions on capital account transactions. The role of foreign capital in financial markets is limited. Hence the fallout from toxic subprime mortgage backed securities is not likely to affect domestic financial institutions. There is likely to be a reduction in external capital flows to both the private sector and the government. Currently the money supply is being tightened to avert inflation; this, together with increased demand for domestic finance, could lead to a slowing down of economic activity. Sri Lanka will avoid the worst effects of financial instability because it is a lower-middle income country and therefore not closely integrated into the global financial system.

Inward investment, including aid from development agencies
Inward private investment will likely fall, partly as a result of contagion effects as investors lose confidence in all equity markets and riskier foreign projects. Since Sri Lanka was never a very hot prospect for inward capital flows, the quantitative impact of such trends is likely to be small.

As regards development assistance, this will depend on the policy responses of major industrial nations. When the financial turmoil has been quietened, much of their resources will be directed towards stimulating demand in their domestic economies. It would, however, be extremely unwise to reduce development assistance to lower and lower-middle income countries since they constitute an important source of demand for advanced country exports. In fact, development assistance could possibly increase, especially that component coming from private sources like the Gates Foundation which has been giving on a scale matched only by rich country governments. Stimulating faster growth and technological upgrading in the developing world would actually boost production and employment in the industrial countries, which have a comparative advantage in the export of technology-intensive capital goods.

Conclusion: desirable global and local policy responses

It has been stated above that the collapse of the subprime mortgage bubble is only the trigger that initiated the financial crisis which in turn could lead to a more generalized economic

crisis. The main underlying problem is the existence of an anarchic global financial system that is relatively free of regulation. Called the New Financial Architecture (NFA), it consists of a globally integrated system of giant bank conglomerates and a 'shadow banking system' of investment banks, hedge funds and bank-created Special Investment Vehicles (SIV). By engaging in high-risk activities and dealing in complex securities that were not well understood, the NFA has generated a series of crises that have now led to this global breakdown in financial stability.

The NFA had evolved partly in response to the ever-rising size and complexity of the real world economy. But it was also a child of the recent turn to neo-liberal theology of the omnipotence of 'free markets.' Many leading economists, such as Tobin and Stiglitz, had argued for the need to closely regulate financial markets, especially after crises such as the Asian crisis of 1997-98. Now the urgent and immediate need to restore the integrity of the financial system will bring about extensive governmental control well beyond those called for earlier by the most ardent regulation advocates.

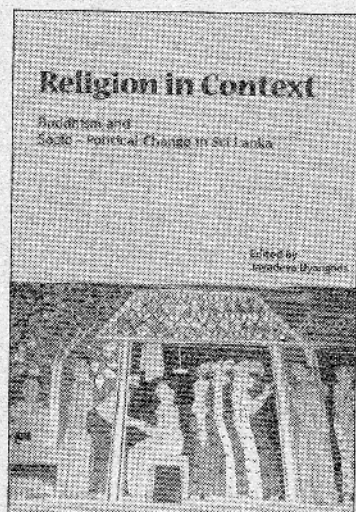
In a very general sense the global crisis indicates that the global system of production, trade and finance has outgrown its existing institutional structure of relatively light and autonomous oversight by a system of nation states. There is

an urgent need to set up an international system of integrated regulation over the globalized and integrated financial system, just as in the past a national state was needed to regulate an integrated national economy. Unfortunately, the policy responses so far all far short of this target, but as half-hearted measures fail to arrest the decline, the chances are that the system of industrial nations will be compelled to move further in that direction. It may even become necessary to take over the entire global financial system under the control of a supra-national consortium and run it like a 'global public service.'

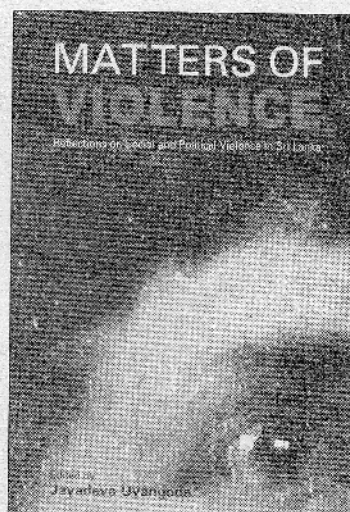
Whatever happens internationally, the demands on Sri Lankan policymakers are urgent and very serious. Though the country is relatively immune from direct financial effects, the fall off in export earnings will continue to grow as the recession spreads. Growth rates will fall on account of a combination of reduced exports and fiscal tightening. This is hitting the country when it already has large fiscal and current account deficits and has very little room for manoeuvre. There is an urgent need to cut government spending and promote growth. The government has to look to increased external assistance, especially to finance more infrastructure investment. The country has to also urgently develop new external markets in India, China and other strong emerging economies to partially compensate for losses in traditional markets. ■

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WHAT I HAVE LEARNED FROM BEING A PART OF SRI LANKA'S CIVIL WAR

Ram Manikkalingam

Twenty-five years ago Sri Lanka's conflict was suddenly transformed into a violent civil war. The Tamil Tigers then barely more than a couple of dozen – ambushed a convoy killing a dozen soldiers in Jaffna on 23 July 1983. Instead of targeting those who carried out the attack Sri Lankan state-backed goons went after Tamil civilians throughout the country the following day, leading to a week of violence and bloodletting. Since then, the separatist rebellion has been transformed from ragtag groups fighting a parade army to a high intensity conflict with the use of air-strikes, artillery, naval raids, bombings and suicide attacks. While lamenting what we as Sri Lankans have gone through (it is really hard not to), it would be useful to share lessons learned about ethnic conflict from Sri Lanka's efforts to go to peace from war. The lessons are about two basic questions: what is an ethnic conflict and how do you resolve it?

Three conflicts, not just a single ethnic one

The civil war in Sri Lanka consists of three distinct conflicts: the ethnic conflict between Tamils and Sinhalese, and other groups; the armed conflict between the Sri Lankan state and the rebel Tamil Tigers and the political power conflict among the main forces that have the capacity to influence political rule in Sri Lanka – the governing Sri Lanka Freedom Party (SLFP), the opposition United National Party (UNP), and the rebel Tamil Tigers.

Ethnic Conflict

The ethnic conflict between Tamils and Sinhalese is commonly considered the hardest to resolve. Most descriptions of Sri Lanka's ethnic conflict (or for that matter any ethnic conflict) are variations of the hate-and-greed explanation. These descriptions depict Tamils and Sinhalese (or you can substitute them for Serbs, Croats, and Bosnians, or Blacks and Whites, or Hutus and Tutsis, or Israelis and Palestinians) as either hating each other, because of conflicting nationalisms, or competing with each other for resources because of greed.

Where the nationalism comes from – ancient history (we did bad things to each other thousands of years ago), myth (we told stories about what we supposedly did to each other), or recent acts of violence (your father killed my uncle, so I will kill you) – is less relevant than that it exists and manifests itself in mutual hostility between Tamils and Sinhalese. Similarly, where greed comes from – individual interests (that a Tamil took the clerk's job I wanted), group solidarity (I want my kin to get more stuff) or nationalist passion (my people deserve more because they are superior to yours) – is less important than that it ultimately leads ethnic groups to get into conflict.

Existing approaches to ethnic conflict, however sophisticated, converge on hate and greed as the motivations to explain it. They fail to examine how reasonable differences might also cause conflict. If hate and greed are the only motivations of conflict, then we would be living in a very grim world indeed. Prospects for its resolution would depend either on external force (NATO will point a gun at you and make you co-exist) or economic incentives (the World Bank, EU, and other rich westerners will give so much money that you will be bought off and corrupted into not fighting). This is the implicit assumption behind contemporary models of peace building or humanitarian intervention. The failure to secure the support of rich western countries for UN peace-keeping efforts in Africa and the abysmally low amounts of aid provided to these countries suggest that mobilizing the resources for this approach is simply impossible in most parts of the world. Moreover, the widespread challenge to international efforts in the Balkans indicates how this approach is rarely sufficient – even when billions have been spent and tens of thousands of peacekeepers continue to be present.

Another approach is to focus on how identities are constructed, and to change them from more violent to less violent expressions. This is the implicit assumption behind the plethora of studies about the construction of identities. These studies show (correctly) how what it means to be a Sinhalese or a Tamil, a Jew or a Palestinian, a Hindu or a Tutsi, a Serb or a Muslim, today, is quite different from what it meant fifty or a hundred years ago. But the silence about

how to change identities for a peaceful future indicates that the latter is too difficult or takes too long. All these approaches invariably lead to deep pessimism about peace in situations of ethnic conflict.

While the explanation that Tamils and Sinhalese are enmeshed in a conflict over ethnic identity and material resources may continue to have relevance, it is becoming less and less plausible today as the only explanation for Sri Lanka's intractable conflict, or for that matter many others, as well. Most Tamils and Sinhalese desire an end to the war. Many of them have come to realize – whether enthusiastically or reluctantly – that a solution to the conflict will require the central government dominated by the Sinhalese to share political power with other ethnic groups, particularly the Tamils. Whatever the various solutions proffered, they will invariably converge on some form of federalism, in fact, if not in name. Except for extreme Sinhalese who want to centralize all power in Colombo and deny the presence of an ethnic conflict, and extreme Tamils who want a separate state on the grounds that the only conflict is ethnic, the majority of the people in Sri Lanka are likely to accept such a solution. But if that were the case, why haven't we arrived at a solution. This is where reasonable differences come in.

Reasonable differences can cause conflict

Even many Sinhalese who are critical of power-sharing are less concerned that it will give more rights to Tamils than they deserve, than that it will enable the Tigers to consolidate their power and establish a separate Tamil authoritarian state. Similarly, many Tamils who are wary of sharing power in a single state are less concerned about living among Sinhalese and more concerned that the state will actually implement its promises in the absence of the armed leverage of the Tamil Tigers. This reasonable difference can even lead to advocacy of war, belying the common association of those who seek peace with those who are reasonable.

For example, there are many who distrust the Sri Lankan state so much that they advocate violence as a way of pressuring the state to come to a solution that is just by Tamils. These people, mainly Tamils, but also members of other ethnic groups, do not necessarily believe the Tigers are decent freedom fighters. On the contrary, they condemn and even oppose its excesses. But they fear that only violence against the state, or the threat of it, can lead to a political solution where power is shared and that is subsequently implemented.

Similarly, there are those who advocate military violence against the Tamil Tigers. These are Sri Lankans, primarily Sinhala, but also members of other ethnic groups, who feel that the Tamil Tigers are only interested in consolidating their own power and not interested in a political solution for the Tamil people. They believe that as long as the Tamil Tigers are present a peaceful solution will not be possible. The Sri Lankans who advocate these positions are not opposed to a just solution that treats members of all communities as equals. So it would be a mistake to simply view them as chauvinists, although many do so.

These two political positions – exerting military pressure on the Tigers or on the Sri Lankan state for a just solution – may appear in the heat of war to be on opposite sides of the political divide. But they are ideologically closer to each other and desire the same political solution, than those who may share their views about militarily fighting the other side.

Unfortunately, because reasonable differences are rarely acknowledged in ethnic conflicts, we do not look for ways to reduce their adverse impact on finding a solution. This also leads us to more pessimistic views about the prospects for peace. By contrast, identifying reasonable differences offers a more optimistic alternative by showing how contemporary identities that lead to conflict may also be compatible with just and stable solutions, for which institutions can be designed. Taking these reasonable differences into account can help design a peace process that mitigates the role they can play in exacerbating conflict. Part of the challenge of identifying these reasonable differences in an ethnic conflict is that there are two other conflicts that complicate it further.

Armed Conflict

Addressing the ethnic conflict is complicated by the armed conflict between the Tamil Tigers and the Sri Lankan state. Although the armed conflict is generally viewed as stemming from the ethnic conflict, it is also distinct in character. States claim a monopoly over the legitimate use of force in a given territory. So any state will repress those who seek to oppose it by force. It matters little to the state that those who oppose it do so on the basis of democracy, ethnicity, class or regionalism. And when it comes to suppressing an armed rebellion, it matters little whether the state is capitalist or socialist, authoritarian or democratic. All states have acted with varying degrees of violence and repression in stemming armed rebellions. So also have rebel

groups opposing states. There are two ways armed conflicts between states and a rebel group can end – when one side defeats another or when both sides concede that they cannot defeat each other. Sri Lankan governments and the Tamil Tigers oscillate between these two approaches, sometimes promising outright military victories, and at other times agreeing to ceasefires. Which option will ultimately prevail is still not clear. The current Sri Lankan government continues to give deadlines for defeating the Tamil Tigers – the latest is yet another year. And the Tamil Tigers continue to assert that they are militarily secure. In the next few months, the fighting capacities and political sagacity of both sides will provide the answer to this question. I do not intend to speculate about the military outcome of Sri Lanka's war. Rather, I simply want to point out another element in the conflict – that of an armed group versus a state – that is distinct from the ethnic conflict, with its own dynamic, and one that cannot be reduced to ethnicity alone.

Political Party Conflict

Addressing the armed conflict is complicated by the political power conflict among the main contenders for power in Sri Lanka – the ruling SLFP, the opposition UNP and the Tamil Tigers. While there are many other smaller political parties and paramilitary groups contending for political power – it is only these actors that have the capacity to unilaterally transform the political context. There is a distinct power conflict among these three contenders that is derived from competition over the business of rule. The main political parties compete over who gets to rule the Sri Lankan state, while the Tigers seek to rule a separate Tamil one.

This competition cannot simply be reduced to varying ideologies of nationalism or competing policies over how to resolve the ethnic conflict or, for that matter, different socio-economic policies. Political parties are built around the express intent of securing political power. They may have different ideological leanings or social bases and therefore wish to carry out different programmes. Still, one of their central goals is simply to rule, not rule in order to do something else. Clearly, all three parties – the SLFP, the UNP, and the Tamil Tigers – do not contend for power in the same way. The two main political parties in Sri Lanka do so through more or less democratic means. The Tigers do so through more or less violent means. Yet, an important part of what they all contend for is power.

The position taken by these parties helps illustrate the distinction between policy on the ethnic conflict and political

alliances to secure power. During the last presidential election, the candidate of the current ruling party, the SLFP who is the current president, was considered to be a hardliner. During the campaign his manifesto condemned the ceasefire agreement and opposed a joint mechanism to work on post-Tsunami reconstruction. He also opposed a federal solution in favour of a unitary one. Yet the president said he would be willing to talk directly with the Tamil Tigers to resolve the conflict, even when he took hard-line positions on a political solution for the Tamil people.

This kind of contradiction between political deal-making and ethnic policy is not limited to one or the other ruling party in Sri Lanka – or for that matter only to Sri Lanka. During the two earlier parliamentary elections, the current opposition UNP opposed the government's political proposals for resolving the conflict – saying that it granted too much autonomy to the Tamils. At the same time, the UNP supported a ceasefire and talking to the Tamil Tigers, who were asking for a separate state.

These seemingly contradictory positions – opposing Tamil autonomy, but supporting a dialogue with the Tamil extremist Tigers – can be reconciled. The two parties competing for power to run the state wanted Tiger support to obtain Tamil votes or back them, in areas under Tiger domination, while keeping their Sinhala base satisfied. Similarly, the Tigers seeking a separate state were implicitly supporting a political party that sought to dilute measures granting autonomy to Tamil areas. The Tigers expected one party, and then the other, to be more conciliatory towards them. All three – the Tamil Tigers, and the two main political parties – have been disappointed by the outcome of their pre-electoral alliances after the elections.

The Tamil Tigers attribute this disappointment to opportunism on the part of the political parties, and the governing political parties to deception on the part of the Tamil Tigers. But this explanation is too simplistic and ignores instances where mutual commitments have been adhered to by different sides. Rather, once political parties secure power, they are now running the state, and the logic of the armed conflict between a state and an armed group takes over – making it harder for these parties to unilaterally fulfil political commitments they may have made in the past, when they were parties, operating outside the constraints of being office bearers of the state.

So if there is one thing I have learned about what an ethnic conflict is, it is that ethnic conflicts are never about ethnicity alone. This does not mean that ethnicity is not a central

element of the conflict or that ordinary people often experience the violence as ethnic. It is simply that failing to take the other two elements of the conflict – the armed and the political power – into account and seeing how they are inter-related, can lead to a mistaken view of what the conflict is and can befuddle efforts to resolve it.

How do you resolve ethnic conflict?

The toughest part in resolving conflicts, in general, and ethnic ones in particular, is less about finding the correct solution, or even agreeing on what it ought to be, but actually getting to a situation of peace from one of war. For example, in the case of Sri Lanka there is little doubt that the political solution will be federal in nature, if not in name. Similarly, in December 2002 the Tamil Tigers and the then government of Sri Lanka agreed “to explore a federal solution.” Now, clearly agreeing to explore is not the same as actually agreeing to such a solution, but the key point is the common understanding that any future solution to the ethnic conflict will be along these lines. The challenge we face lies less in intellectually figuring out what the solution should be, but in actually getting there politically. And these challenges can be better understood once we get beyond the broad goals such as reducing levels of violence and protecting rights, to actually seeking to implement these goals through practical mechanisms.

In Sri Lanka, as in many other situations, a solution requires that we move from a situation of violent polarization to one of peaceful co-existence. And this usually entails doing the following – reducing violence, protecting human rights, working out a political solution and reconstructing the war-affected areas.

Ceasefires are not always helpful to peace negotiations

Ceasefires are an integral part of all peace processes. How and when does a ceasefire help negotiate an end to violence, and how and when does it hinder such a process? While most mediators work to secure a ceasefire prior to political negotiations, they often find the ceasefire becomes the focus of the talks, rather than the political settlement itself. Mediators involved in resolving a conflict usually make an effort to secure a ceasefire agreement between the two parties before they do anything else. The implicit assumption is that a ceasefire will be helpful both in humanitarian terms as well as in political terms.

In humanitarian terms, ceasefires lessen the daily pain and suffering caused by war. They allow people to go about their daily lives without fear and anxiety. They create a climate that enables freer travel between areas, the movement of goods to markets, and the transportation of the injured, the infirm and the old for medical treatment. No one disagrees that no war is better than war from a humanitarian perspective. Obviously people prefer the peace and the right to go about their daily life without hindrance over the pain and suffering that inevitably accompany war. This is true even when the respites from war are only temporary, since a temporary respite from war is better than no respite.

In political terms as well, ceasefires are considered to be helpful. The assumption is that ceasefires can contribute to a positive climate for negotiations by improving the lives of civilians and building trust between the two parties. In addition, a ceasefire, it is believed, helps insulate political negotiations from military fighting, and move the negotiations away from pressing military and humanitarian concerns to longer-term political ones. So many efforts to resolve conflict begin with mediators working out a ceasefire and proceeding to monitor parties' compliance with it.

But the humanitarian and political desirability of ceasefires is not that clear cut, and in many cases can actually lead to the opposite – more adverse humanitarian consequences and less trust. For example, ceasefires can contribute to temporary respites that allow parties to re-arm and regroup and begin another phase of conflict with greater intensity, rather than to engage in political talks. Respites from war that lead to intensified fighting may not be desirable on humanitarian grounds if the subsequent conflict results in even greater pain, suffering and loss of life. Furthermore, a ceasefire that enables parties to attack minorities or suppress dissenting political opinion within their own communities can also vitiate the humanitarian arguments in favour of it. All of these factors have had a perverse effect on ceasefires in Sri Lanka – where children have been recruited, dissidents killed, and minorities expelled during ceasefires, and more intense fighting has broken out after they have ended.

Ceasefires can also have a perverse impact on a peace process because they are not isolated military decisions to cease fighting that take place outside of a political context. Instead, in most conflicts ceasefires are expressly political decisions made in the context of political jockeying for power. When negotiations and ceasefires are linked, it is common to find the relative military strengths of the two conflicting parties on the ground affecting their decisions whether or not to

support a ceasefire. The party that is militarily gaining ground is unlikely to favour a ceasefire and vice versa. Under these circumstances, for a ceasefire to lead to viable negotiations, the two parties must not only be in a strategic stalemate but also a tactical one. They must feel that neither side is likely to win the war in the long term, and that neither side can gain a tactical advantage in the short term that will strengthen its bargaining position at the negotiating table.

Ceasefires can also hinder progress in political negotiations, because parties will, in the absence of clarity about a permanent settlement, prepare themselves for a possible outbreak of conflict. This preparation can lead to increased suspicion among belligerents, and lead them to focus efforts on addressing ceasefire violations, rather than political problems. Ceasefires can also reduce the political pressure on parties to a conflict to work out a settlement. Finally, when ceasefires are a precondition for political talks, any violations, however small, can lead to parties dissipating political focus and effort on maintaining a ceasefire rather than proceeding towards tackling the longer-term political causes of the conflict. This can not only delay a solution, but also lead to the erosion of trust and goodwill.

This suggests that mediators/peacemakers ought to resist the instinct to negotiate a ceasefire prior to political talks. Instead, making efforts to de-escalate a conflict with steps to improve the humanitarian situation, rather than a ceasefire, may contribute to a more stable peace process. Several peace processes – such as the Salvadoran one mediated by Alvaro de Soto, and the Aceh process mediated by Martti Ahtisaari – did not include a ceasefire.

Conflict resolution and human rights do not always go together

We generally expect and would like good things to go together. When conflict breaks out, human rights violations invariably take place. So we hope the opposite is true – i.e., when we protect human rights, we can contribute to ending armed conflict. While this may be the case in many situations it is not always so. In my experience observing Sri Lanka's conflict closely, as well as studying a number of other violent conflicts, efforts to protect human right do not always contribute to efforts to promote peace. Sometimes

these efforts can come into tension with each other in practice.

First the good news, strengthening human rights can be good for resolving conflict. Human rights can contribute to the long-term stability of a society. It can help identify causes of conflict and potential mechanisms for its resolution. It can protect bridge builders between communities in a divided society. It can provide a neutral standpoint for addressing contentious issues, and it can generate international support for a peace process.

But strengthening human rights can sometimes be in tension with resolving conflict. This is particularly true at the initial phases of a peace process. Raising human rights violations with belligerents can reduce trust in a mediator. For example, the Tamil Tigers and the Sri Lankan government today are accused of widespread human rights violations. Indeed, they are also probably guilty of most of these accusations. Nevertheless, unless one or the other is decisively defeated, it is hard to imagine a serious peace process that does not involve these two parties. But is also equally hard to imagine these two parties entering a peace process, if the first issue raised is their violations of human rights, because this is bound to make them anxious that they will have to face some form of justice and make them skittish about entering a serious process of peace. Similarly, they will see protection for human rights as reducing their control over populations. And finally they may be anxious about the prospect of being prosecuted for war crimes. While these tensions between resolving conflict and promoting human rights exist, they are not inevitable and can be reduced through institutional design and political skill.

These lessons can be summarized. Ethnic conflicts are not only about ethnicity. They are also about political parties seeking power and armed entities confronting each other militarily – who are not necessarily divided neatly along ethnic lines. Starting with a ceasefire may not be the best way to resolve ethnic conflicts, even if this might give you a temporary respite from the armed conflict. Protecting human rights may not always help with promoting peace, though such tensions can be reduced with political shrewdness and strategic design. These lessons I believe are true not only for Sri Lanka, but for many countries struggling to go from a situation of war to one of peace. ■

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100th BIRTHDAY OF CAROLINE ANTHONY PILLAI THE LIONESS OF BORALUGODA

Charles Wesley Ervin

On 8 October Caroline Anthony Pillai, the last living link to the early socialist movement in Sri Lanka, will turn 100. Caroline and her family have much to celebrate. She was a pioneer in many ways. Drawn into politics by her fiery elder brothers, Philip and Robert Gunawardena, she participated in the nascent Ceylonese nationalist movement of the early thirties and helped launch the Lanka Sama Samaja Party (LSSP) in 1935.

During the Second World War, Caroline worked in an underground Trotskyist party in India along with her husband, S.C.C. Anthony Pillai. In 1947 she led a 100-day textile strike in Madras that became a landmark labor battle in India. After Independence, she and her husband remained in India to help build the left wing of the Socialist movement. With her support S.C.C. Anthony Pillai became a trade-union and parliamentary leader with national stature. It was only after he died in 2000 that Caroline finally returned to her native land. She lives with her family in Boralugoda, close to the ancestral home where she spent her happy childhood.

Formative Years

Donna Caroline Rupasinghe Gunawardena was born on 8 October 1908 in rural Boralugoda in the Avissawela District. Her father, Don Jakolis Rupasinghe Gunawardena, was a prosperous landowner who served the British colonial government as the village ralahamy (headman) and vidanc arachchi (local police officer). The local folk deferentially called him "Boralugoda Ralahamy." He gave all his children English names: Harry, Philip, Benjamin (Robert), Sarah, Agnes, Sophia, Emily Angeline, Alice, and Caroline. Yet he also taught his children to be proud of their Sinhalese Buddhist heritage and culture. He schooled the children at the Boralugoda Temple and the Siddhartha Vidyalaya in nearby Kaluaggala.

In 1915 commercial rivalry between Sinhalese Buddhist and Muslim merchants flared into communal violence. The British governor imposed martial law and rounded up suspected nationalists, including Caroline's father, who was accused of giving dynamite to rioters. Tried before a military tribunal, he was sentenced to death and jailed for seven months until he was released for lack of evidence. The ordeal

turned the Gunawardenas into resolute nationalists. Boralugoda Ralahamy pulled his sons out of the Prince of Wales College and sent them to Ananda, the Theosophist-Buddhist school for boys. Caroline and three of her sisters were sent to Musaeus College, the sister school for girls. After passing out of Musaeus, Caroline returned to Boralugoda and started teaching at the Siddhartha Vidyalaya.

Caroline was never one to bow to authority. Her niece, Vivienne Goonewardene (Goonetilleke), recalled how "Aunt Caro" taught her to be brave and defiant: "the young chaperone would induce the little children to run under the bellies of the elephants who



had been brought for their daily baths. This too she would insist the children do many times. Every time her mother came to know of this escapade, Caroline would receive a caning for her efforts in teaching the young to be courageous. Caning notwithstanding, the lessons would be repeated." (Pulsara Liyanage, *Vivi: A Biography of Vivienne Goonewardena*, 1998)

Prelude to the Revolutionary Party

In the late twenties Caroline and her brothers, Harry and Robert, became active in nationalist youth groups which were demanding democratic reforms with the ultimate goal of complete independence. When the British announced that a State Council would be convened in 1931, Harry Gunawardena decided to contest the Avissawella

constituency. Caroline and Robert went on the stump for their brother. In his memoirs Robert described how their campaign drove their opponent, a wealthy and powerful man, into frenzy. (*Daily Mirror*, 9 November 1971) Though Harry lost, Caroline found her calling. From that point on, she dedicated her life to winning freedom for Ceylon and social justice for all.

In late 1933 her brother Philip returned to Ceylon after a ten-year sojourn in the USA and England, where he had been an active member of the British Communist Party until he was expelled for supporting Trotsky against Stalin. Upon his return home, he converted Caroline and Robert to his revolutionary ideology. This was the nucleus of the revolutionary movement in Ceylon.

As part of the group around Philip, Caroline participated in the annual Suriya Māl campaigns, which were a form of protest against the official observation of Remembrance Day. Many Ceylonese and Indian soldiers had fought and died to help the British preserve their Empire in the First World War. Yet the Ceylonese veterans didn't get the same benefits as the British. Caroline and her comrades pushed the Suriya Māl activists to raise more overtly anti-imperialist slogans. As a result of their intervention, more young nationalists were won to their growing revolutionary group.

When an epidemic of malaria broke out in 1933-34, the Suriya Māl activists fanned out into the stricken villages to dispense food and medicine. Caroline played an important role. The Gunawardenas set up a dispensary in their house in Bambugoda. Caroline worked closely with her classmate from Musaeus, Selina Perera (Petris), who had just returned from university in London. She too joined the group around the Gunawardenas.

The LSSP

In 1935 the British government announced that elections for the Second State Council would be held in early 1936. The Suriya Māl workers decided that the time had come to launch a socialist party and field candidates for the State Council. Philip was without doubt the driving force behind the new party. Caroline attended the founding conference of the LSSP in December 1935. She was one of a handful of women who had the courage to defy convention and join a Red Party which boldly called for an "equal society" (*sama samaja*) cleansed of all racial, caste, class, and gender inequalities.

The new party promptly nominated four candidates to stand for the State Council. Philip contested the Avissawella constituency. Caroline trooked village to village, door to door, campaigning for Philip and their new party. He won by a strong majority of the votes. N.M. Perera also won in Ruwanwella. The two popular LSSP leaders used the chambers of the council to explain the message of Marxism to the people of the country and fight for reforms benefiting the working classes and village poor.

Caroline became a respected party leader in her own right. In 1937 the party selected her to be part of the LSSP delegation to the Faizpur session of the Indian National Congress.

Romance, Marriage, and Strikes

In 1937-38 a number of talented Tamil youth joined the LSSP, including S.C.C. Anthony Pillai, who went by the nickname "Tony." The party leaders felt that he had the potential to become a trade-union leader. However, he couldn't speak Sinhalese, and that was a major handicap. And so Philip Gunawardena suggested that Tony get some instruction in Sinhala from his sister Caroline at Siddhartha Vidyalyaya.

In many ways Caroline and Tony were worlds apart. He was cool and calculating, she was impetuous. He was a Tamil, she was Sinhalese. His parents were Christians, hers Buddhist. He was 24 years old, she was 30. Yet the two became close and fell in love. In 1939 Caroline and Tony married in a simple ceremony.

The newlyweds moved to Nawalapitiya, a hill town about 25 miles south of Kandy, surrounded by tea plantations, in order to organize the Tamil estate workers into an LSSP union. This was difficult and dangerous work. The British planters hired tough foremen to discipline the workers and keep out agitators. While living in Nawalapitiya, Caroline gave birth to their first son, Mahendran, and then their second, Ranjit Sen. While making speeches and organizing meetings, she also had to tend to the needs of her family.

The Second World War had just started in Europe. Following the Trotskyist line, the LSSP was vociferous in opposing the new "imperialist war." Unwilling to tolerate the pesky party any longer, the colonial government cracked down hard, arresting four LSSP leaders, including the two state councillors. More arrests followed. Despite the tightening vice

of repression, Tony and Caroline pressed ahead with their labor organizing. In 1940-41 they led a series of strikes by bus, harbor and granary workers. As her nephew, Vijith Gunawardena, recently told me, Caroline was "tough as nails – even tougher than Philip or Robert."

The Exodus to India

In April 1942 the LSSP underground workers carried out a perfectly planned rescue of their leaders from the Kandy jail. The jailbreak brought renewed repression. The above-ground cadres, including Caroline, were kept under close surveillance. Holed up in hideouts, the fugitive party leaders could do little. Meanwhile, the situation in India was heating up fast. Gandhi demanded that the British leave India or face a crippling mass civil-disobedience movement. Unable to do much in Ceylon at that point, the LSSP leaders decided to escape to India in order to give the impending mass movement the revolutionary leadership it would need to succeed. The LSSP had already helped organize a skeletal Trotskyist organization, the Bolshevik Leninist Party of India (BLPI), formed in May 1942.

In July 1942 about two dozen Ceylonese Trotskyists secretly crossed over to India in fishing boats. While most headed for Bombay, Tony went to Madurai. An anxious Caroline stayed behind with the two children. A month later the Quit India revolt erupted. The BLPI, new to the scene, threw its meager resources into the fight. In Madurai Tony and the handful of local BLPI members printed leaflets in support of the revolt.

After the Quit India revolt subsided, Tony sent a message to Caroline asking her to join him in Madras. The family was at last reunited. Yet the situation was trying, to say the least. The police were beating the bushes looking for the Trotskyists. Unable to speak Tamil fluently, Caroline couldn't easily blend in. Their living arrangements were risky too. She and Tony had to share their flat with several young party comrades. No matter how careful they were, all the comings and goings, and the late night meetings, must have had people talking.

Return to Ceylon

In July 1943 the police raided the BLPI hideout in Bombay where Philip and Kusuma Gunawardena and another half dozen young comrades were staying. The other Ceylonese fugitives in Bombay escaped the raid in the nick of time and

fled to Madras. They took refuge with Caroline and Tony in a large, two-story house in Venus Colony in Teynampet. With the police hot on their trail, Caroline and Tony decided that it was best for her to take the children back to Ceylon.

After Caroline left, Tony moved to new place which he thought would be safer: a modest outhouse behind the famous Ambi's Café, opposite the Nampally Railway Station. Ironically, this move backfired. The neighborhood was populated by strict vegetarian Brahmins. And so the young comrades who were living with Tony went to another section of town for their non-vegetarian meals. Someone recognized them and informed the police, who trailed them back to their place and arrested everyone. Tony and another Ceylonese comrade were sentenced to two years' rigorous imprisonment at the Alipuram prison for "possessing seditious literature."

The High Point of Her Political Career

After his release from Alipuram, Tony returned home to Ceylon. But he and Caroline had little time to settle back into the political life of their country. The BLPI in Madras sent word that their work in the Buckingham and Carnatic Mills during the war had paid off. The president of the Madras Labour Union, the oldest and largest union in India, representing the mill workers, was willing to pass the mantle of leadership to Tony. That was an opportunity that couldn't be declined. And so Tony, Caroline and the children went back to Madras.

On 6 June 1946 Tony was elected president of the Madras Labour Union. The very next day an incident in the mills precipitated a strike. Caroline and her BLPI comrades plunged into strike support activities. After 48 days the union won its key demands. In early 1947 the situation in the B&C Mills heated up again. The union leaders started collecting strike funds, organized a network of neighborhood committees, and recruited 1,000 volunteers to form a workers defense guard. Anticipating that Tony would be arrested once the strike began, the union formed a secret strike committee in which Caroline was to play a leading role. The Trotskyists were the brains and backbone of the committee.

Before dawn on 10 March the police arrested Tony. The secret committee called a mass meeting that evening. At the meeting, according to one eyewitness, "Mrs. Caroline Anthony Pillai's speech at the height of her emotions infused in the workers a new sense of dutifulness and her speech showed them a new path." (K. Appanraj, *Anja Nenjan*:

Thayil Sengha Meeha S.C.C. Anthoni Pillai Vazhian Varokora, Chennai, 1995) She said there would be no negotiations until Tony and the other leaders were released. The next day too, a single one of the more than 14,000 workers entered the B&C Mills. Afraid that the workers would march to the jail where Tony was held, the government transferred Lam to a remote jail in Andhra, where he was placed in solitary confinement.

On 28 March more than 40,000 strikers and their families turned out for a union rally. Caroline, the main speaker, called for a one-day hartal in Madras in support of the strike. More than 100,000 honored the hartal. The mood was militant. Workers created road blocks. The government deployed troops in a massive show of force.

One night, when Caroline and Selina Perera set out for a clandestine meeting of the strike committee in Perambur, they noticed two men following them to the bus stop. Certain that they were CID men, Caroline came up with a plan. When the bus arrived, Caroline told the driver that two men were pursuing them with evil intentions. Caroline stood at the front door of the bus, Selina at the back. As the two policemen tried to board, they kicked them as hard as they could, and the bus sped away.

The next morning, the Malabar Special Police came to Caroline's place and put her under house arrest. That didn't deter Caroline. She wrote notes, pinned them to the inside of her eldest son's trousers, and sent him to rendezvous with the union leaders in Perambur. When the government banned all rallies and demonstrations, Caroline and her comrades devised other ingenious tactics. On one occasion, about 500 strikers infiltrated into the central railway station in little groups and then closed racks and marched out in a procession shouting slogans, taking the police by surprise.

On 9 June the government illegalized the union, seized its funds, locked its headquarters, and arrested 49 BLP members. Caroline was put under house arrest. Night after night an army of 10,000 Malabar Special Police terrorized

the mill districts and arrested thousands of strikers. The Madras Labour Union had no choice but to end the strike. Even then nearly 3,000 workers stayed away from the mills in protest. Though the strike was defeated, Caroline and Tony had earned the admiration and support of the working class in Madras. In 1947 Tony was elected president of the Madras Port Trust Employees' Union and the following year he and two of his lieutenants successfully contested the elections to the Madras Municipal Council.

The "Woman Behind the Man"

In 1948 Caroline gave birth to her third son, Nalin Rajan, and two years later her fourth, Suresh Kumar. As a mother of a large family, she had less and less time and energy for politics. Meanwhile, Tony was becoming more and more consumed by his expanding trade-union responsibilities. He became the general secretary and vice president of the powerful All-India Port and Dock Workers Federation and president of the All-India Transport Workers Union. In 1952 he was elected vice president of the Hind Mazdoor Sabha, the Socialist's all-India trade-union federation.

Though she had to eventually take a back seat to his career, Caroline remained very much his political partner. She advised him, supported him financially in the lean years, assisted with his union work, and sometimes even pushed him to be more militant. She never lost her "Boralagoda fire."

Caroline Anthoni Pillai is one of the few living links to a bygone era in politics. She forewent a life of comfort and wealth to fight for the freedom of her country and the uplift of the working classes. She dedicated her life to the revolutionary movement. Fearless, she never flinched in the face of danger and adversity. She inspired and mentored others. She loathed lies, dishonesty, and hypocrisy.

Philip Gunawardena has often been called the "Lion of Boralagoda." Caroline deserves to be likewise honored and remembered as the "Lioness of Boralagoda." ■

Charles Wesley Erwin is the author of *Tomorrow Is Ours: The Trotskyist Movement in India and Ceylon 1943-1948*.

LOOKING BACK ON THE WRITING OF *A NICE BURGHER GIRL*

Jean Arasanayagam

I have much to look back on *A Nice Burgher Girl* and recall its genesis. Perhaps it's a book that had its seminal beginnings with my hybrid birth, my 'split-inheritance' and my life-long search for an identity and a sense of belonging, of finding my roots through the complex weave of racial strands which make me what I am. It's also an assertion of my identity in a scenario that has become increasingly political in a divisive ethnic community. *A Nice Burgher Girl* is also a tribute and legacy to my parents and my close and intimate family. It's also a book for posterity, of a life and an ethnic group now virtually extinct as a result of emigration and diasporic journeys and the record and witness of the left-behinder who finds value in the life lived in the Island. My marriage into another ethnic minority group has not made me lose my sense of independent inquiry and investigation into my lineage. Nothing can change that. My entrance into a different culture, hierarchy and heritage have enhanced my life, thought and literature, made me non-partisan and unbiased. I have gained immeasurably in my encounter with the multi-cultural context in which I live – perhaps my book is in a sense a political statement on my own personal autobiography the importance of which cannot be minimized, cannot be taken lightly. As time goes, this record and witnessing ceases to be merely personal and extends itself to cover a much wider range of ideologies, philosophies, and psyche-search. The radius is wide, very wide and to my way of thinking, authentic, unique, individualistic. It is my very own life I'm talking of, perhaps even legitimizing in the face of social, psychological and political opposition.

My experiences culled from my travels and my sojourns abroad gave me a wider spectrum and knowledge to add dimension to the book. I played around with time to give my memories a wider perspective which included the experiences of colonialism and insights and revelations of post-colonialism.

I began writing *A Nice Burgher Girl* at a period of time when ethnicity and divisiveness were not the burning issues of the day. I had had a very rich life, a kind of panoramic life, a

childhood full of happenings where I embarked on my own explorations and discoveries both at home and at school. School was Girls' High School in Kandy, a private Methodist School with British missionary principals and dedicated, committed, gifted and talented teachers who belonged to different communities. I was later on to assess that life in poetry and short stories. My parents gave me absolute freedom from the very beginning of my childhood to discover myself and indulge in my exploratory need for adventure. Headstrong and impulsive I must have been but those qualities gave me strength of will and resilience to survive. I had a most wonderful carer in my ayah Mungo – she brought her own rich traditions into my life. I had a vast array of aunts, uncles, cousins. I had my paternal grandparents. I had aunts who were very gender conscious without being aware of it and intellectuals among that close and intimate group who influenced my life and way of thinking. I loved my brother Pat and sister Rosemary dearly. They could embark on any adventure they wished and were also very gifted and talented.

I absorbed everything around me, the ambience of every place I found myself in, the landscape, conversations, the eras and epochs I passed through. To this day I have a very strong visual memory of places, people, events. I have memories that go back to the cradle! I always carry those images in my mind. I also remember and recall conversations and narratives from the past as if I hear them in the here and now and I have found myself to possess powers of intense intuition, even prophetic qualities – flashes of revelatory insight occur again and again in my life. I spent a great deal of my time in childhood and adolescence with my mother. Adulthood too. She was a wonderful story teller (I was the youngest and since my brother and sister were at school and college she must have been lonely). I was able to glean and retain much that was of tremendous importance by the stories she read. She was a great reader. My father was a reader too and since his career in the railway took him to different parts of the island he had a fund of adventure stories to tell us. I had a very colourful lot of relatives. Their own lives were full of

events, happenings, encounters, travels. It was a great sharing of experience and I was both receptive and responsive in my own way. I often heard the sotto voce utterance 'walls have ears and potatoes have eyes' whenever I was present among the adults.

I wanted, in a *Nice Daughter Girl*, to make all the personalities I had met, alive. I didn't want them to be forgotten, consigned to oblivion. Many of them created history and wrote autobiographies or were written about in the history books (Ceylon history) and are still being written about in the history books (Ceylon history). As time passed, I realized that not only did I have my own history and one can of course create a colourful personal history through the power of the mind and the imagination but that I was part of those histories too. My delving into my own life and Daughter background yielded not only a rationale and assertion of an identity but also gave me tremendous scope for creating that heritage, converting, transforming it into different genres of literature. I was interested in the various main strands that contributed to my inheritance but also the historical background those ancestors belonged to. I was able to be analytic about that whole colonial experience out of which I

was engendered. I was the as yet unknown cipher in that entire genetic code. I found my own phrase to describe myself, the being/writer 'suckled on a breast shaped by the genetics of history.'

A Nice Daughter Girl was a book that needed to be written. Things happened along the way. I removed some of the excerpts and published them as short stories in different collections. They have to be included once more when the book is reprinted. My book is more, much more than a purely personal autobiography, possessing descriptions of a lifestyle that have to be preserved in my linguistic visual rituals and inscribed and engraved in the alchemical transformations of the mind. It's not a book for myself alone - it needs a readership wherever it finds itself.

Perhaps 1983 was a watershed in my life. I realized that *A Nice Daughter Girl* had to be written. That I existed as a human being and not someone labeled as being merely hybrid, minority (non-majority). It's an extension of my vision of the world I lived in, the world I still inhabit. It's my gift, my legacy to my family, my children and a sharing of a heritage with whoever desires to share it. ■

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MARXISM AND THE ECONOMIC CRISIS

Rohini Hensman

A Theory of Crisis

The credit system was relatively undeveloped in Marx's time, and he would not have been familiar with hedge funds, mortgage-backed securities, collateralised debt obligations (CDOs), credit default swaps (CDSs), and all the other derivatives that are now part of the global financial system. However, he was familiar with generalized crises, and tried to explain financial turmoil in terms of what is now referred to as 'the real economy': i.e., a crisis in the accumulation of capital. In his view, such crises were inevitable in capitalism, because it is a system of production not for human need but for profit.

In Volume 1 of *Capital*, Marx divided capital into constant capital (machinery, raw materials, etc.) which transferred their value unchanged to the product, and variable capital, spent on labour-power. The latter, he argued, was the only creator of value greater than the value it possessed itself, i.e., of surplus value, and thus of profits. (He also referred to constant capital as 'dead labour' – objects that embodied past labour – and to variable capital as 'living labour,' embodied in living workers.) He called the ratio between constant and variable capital the 'organic composition of capital.' The competitive character of capitalism enhances the normal tendency in any society for the productivity of labour – i.e., the amount of means of production which one worker can handle – to grow, and under capitalism, this growth is reflected in an increase in the organic composition of capital. But the rate of profit – the ratio of surplus value to the total amount of capital, both constant and variable, required to produce it – would have a tendency to fall as the organic composition increases, because surplus value or profit is created only by living labour. Beyond a certain point, the amount of surplus value produced would be inadequate for profitable investment, and this, according to Marx in Volume 3 of *Capital*, was what resulted in crises. If this happened in all branches of production and not just one or two, people might be homeless while properties remained unsold, jobs would be lost while factories remained idle; businesses would go bankrupt and their assets would be taken over by others, leading to a centralization of capital.

In many ways, this resembles the scenario staring us in the face today, as more and more people recognize that this is not just a 'financial crisis' but also a crisis in the 'real economy.' In Marx's day, the crisis would end and the rate of profit would be restored only after a massive devaluation or destruction of capital, accompanied by a fall in wages, had taken place. Do we have to go through all this?

Counteracting Tendencies and Other Mechanisms

While Marx thought that the tendency for the rate of profit to fall was inevitable, he also identified counteracting tendencies which could slow down or even halt or reverse this fall temporarily. Chief among these was foreign trade, which, by cheapening the supply of raw materials (oil, cotton, iron, etc.), would counteract the fall; similarly, foreign investments in countries where capitalism was less developed, the organic composition of capital was lower and the rate of profit consequently higher would also boost the average rate of profit. Lenin took up this theme in his pamphlet on imperialism. Their argument suggests that globalization, which has vastly increased foreign trade as well as investment in developing countries, with their lower wage rates and lower overall organic composition of capital, should counteract a fall in the average rate of profit and prevent a crisis. Why has it not done so?

To answer this question, we have to look at possible causes of crisis that Marx examined less thoroughly than the tendency of the rate of profit to fall, or did not examine at all because they were not operative in his time. In Volume 2 of *Capital*, Marx draws up schemas for the social reproduction of capital, and they comprise only two departments of capital: one producing means of production, and the other producing means of consumption (goods and services) for workers. The products of both these departments re-enter production, either as infrastructure, machinery and raw materials, or as living labour working in production, and we could therefore refer to this as 'socially useful production.' Although Marx looks only at capitalist production, it is worth pointing out here that even if it is the state that invests in electricity and railways or healthcare and education, and no profit is made on these

investments, capitalism still benefits from them, because they provide it with cheaper and higher quality inputs.

But what about luxury production of items consumed by capitalists? These do not re-enter the process of production, and Marx opined that if there were to be a disproportionate diversion of resources into articles of this sort, the process of accumulation would suffer. Looked at another way, the surplus value is obviously not all re-invested; some part of it is used for capitalists' consumption, and we could call the branch of capitalism producing these items Department III. The more surplus value is diverted into Department III, the less there will be for Departments I and II, resulting in a shortage of surplus value for accumulation.

Neoliberal policies result in this diversion. It has been pointed out by scholars like Jan Breman that it is a mistake to think that neoliberalism constitutes deregulation of the market; it is, rather, a regulation of the market in the interests of the owners of capital. The truth of this observation becomes obvious if we examine the issue of patents. From time immemorial, so-called 'intellectual property' was unregulated; the men and women who invented the wheel and agriculture made no money out of these inventions, despite the fact that all subsequent generations made use of them. It is only under capitalism that corporations rush to patent not only their own but also other people's inventions and discoveries, so that, for example, pharmaceutical companies can make obscene profits by selling life-saving drugs at prices that condemn most patients who need them to death. This is an example of regulation in the interest of capitalist profits.

In other cases, regulations protecting workers and the public are abolished. From the 1980s onwards, an orgy of such deregulation took place, above all in the US, proceeding apace under all regimes, including the Clinton administration. For example, the Glass-Steagall Act, which was passed in 1933 amid the collapse of the banking system to segregate commercial banking (taking deposits and lending) from the much more risky business of investment banking (underwriting and selling stocks and bonds), and helped to halt the run on banks, was repealed in 1999. Alan Greenspan had been arguing for its repeal from 1987, and pursued the 'securitization revolution' vigorously under the Bush administration. This, as William Engdahl argues, is at the heart of the present financial crisis. By allowing the non-transparent spreading of risk – rather like sending bird-flu patients back home without telling them they've got the virus – it allowed contagion to spread from infected to formerly

healthy banks. And by allowing financial institutions to gamble with the money of non-gamblers, keeping the bulk of their winnings when they won but leaving the public with the bulk of their losses when they lost, it led to a much greater concentration of wealth in the hands of non-productive capitalists than ever before.

This is brought out graphically by the Oversight Committee's hearings into the American International Group (AIG) bailout. In Chairman Waxman's words:

'There are obvious differences between Lehman and AIG. Lehman is an investment bank; AIG is an insurance company. Lehman fell because it placed highly leveraged bets in the subprime and real estate markets; AIG's problems originate in complex derivatives called credit default swaps. But their stories are fundamentally the same. In each case, the companies and their executives grew rich by taking on excessive risk. In each case, the companies collapsed when these risks turned bad. And in each case, their executives are walking away with millions of dollars while taxpayers are stuck with billions of dollars in costs. Last month, the taxpayers bailed out AIG in an \$85 billion bailout. This was a direct result of the mistakes made by Mr. Cassano. Yet even today, he remains on the company payroll, receiving \$1 million a month. The federal bailout occurred on September 16. Less than one week later, AIG held a week-long retreat for company executives at the exclusive St. Regis Resort in Monarch Beach, California. . . . Invoices provided to the Committee show that AIG paid the resort over \$640,000, including nearly \$200,000 for rooms, over \$150,000 for meals, and \$25,000 in spa charges. Average Americans are suffering economically. They are losing their jobs, their homes, and their health insurance. Yet less than one week after the taxpayers rescued AIG, company executives could be found wineing and dining at one of the most exclusive resorts in the nation.'

No doubt the AIG executives provide employment to the hotel workers at the resorts they patronize, but this is at the cost of tens of thousands of jobs lost in industries engaged in socially useful production.

The Impact of Militarism

While Marx considered war to be detrimental to the working class, he did not see it as having a negative impact on capital. This is probably because in his day, war and militarism were needed to secure and keep colonies,

which contributed to keeping up the rate of profit. Today, when global trade and investment are better carried out through negotiation than through military occupation, militarism is no longer a necessity for capitalism.

Luxemburg came close to suggesting that military production belongs in a third department, since it constitutes the production of neither means of production nor consumption goods and services. It is clear that military products do not re-enter production, and we could therefore put it, along with luxury production, in Department III. Subsequently, there was a debate among Marxists as to whether a 'permanent arms economy' stabilized capitalism, while a more mainstream belief in the positive contribution of 'military Keynesianism' gained ground.

It is true that in the short run, the market for military production guaranteed by the state can boost employment in a downturn, thus smoothing over business cycles. Yet, like luxury production, it does this by diverting resources from the production of means of production and consumption; executives of military production units and private security contractors like Blackwater may be minting money, but this money constitutes a deduction from socially useful production. Seymour Melman concluded that excessive military spending by the US decimated its manufacturing base, slowed economic growth and reduced employment. In the words of Chalmers Johnson, 'Military industries crowd out the civilian economy and lead to severe economic weaknesses. Devotion to military Keynesianism is, in fact, a form of slow economic suicide.' This was reflected in the ballooning US national debt, more than \$9 trillion by the end of 2007.

Large-scale military spending is a feature of many national budgets, but US expenditure on 'national security,' according to Chalmers Johnson, amounts to over a trillion dollars per year: more than all other national defence budgets combined. Needless to say, none of the products of this expenditure return to production, so it is a massive drain on the economy. Worse still, the role of the US dollar as a world reserve currency means that huge dollar reserves of other countries – especially Asian countries, with China and Japan in the lead – are also funnelled into US military expenditure. US 'national security,' in other words, has been acting as a black hole sucking in surplus value from the whole world. The crisis, consequently, is a global one.

How Do We Get Out of It?

Some socialists have opined that this is the end of capitalism, but the notion that the divided, confused and demoralized workers of the world are ready to take over and run the world economy sounds highly unrealistic. To adapt a metaphor used by Marx, that would be like performing a Caesarian section to deliver a 16-week-old foetus: it simply would not survive. And until it develops sufficiently to be able to do so, we have to ensure the health of its capitalist mother. Fortunately, doing so in the current crisis does not involve sacrificing the interests of workers, since this crisis is caused not by a fall in the rate of profit but by excessive syphoning of surplus value into wasteful expenditure. What measures can we fight for through our civil society organizations?

A common and understandable response to the crisis is the call for protectionism and deglobalization, but this would remove the only countervailing factor sustaining the rate of profit, and worsen the crisis. Instead, multilateral agreements (rather than bilateral ones, where a stronger partner can bully the weaker one) should concentrate on establishing equitable terms on which international trade and investment can be conducted. It is neither realistic nor even desirable to abolish finance capital either; as Hilferding pointed out, it enables even people with small amounts of money to invest, and Marx himself saw it as a step towards the socialization of production. Currently, pension funds built on the savings of wage and salary earners are among the most important financial institutions, and could use their clout to ensure better regulation of financial markets. This might include banning predatory practices, ensuring maximum transparency, and much stronger regulation and oversight by public institutions whose personnel do not overlap in any way with the personnel of the financial institutions they are supposed to monitor. Progressive taxation would redirect production from luxury resorts to socially useful products. In countries like Sri Lanka, the political elite consumes a large chunk of the surplus, extracting more and more from the public through runaway inflation, and their power to do so should be curbed.

At the same time, there should be campaigns for defence budgets to be slashed; this would need to be accompanied by signing international treaties to ban the production of certain weapons (nuclear, chemical and biological weapons,

land mines, etc.), and nationalist ideologies would need to be combated. Thus in Sri Lanka, politicians espousing Sinhala and Tamil nationalism, who drive a war that has devastated the economy, should be rejected decisively. The US, being the biggest military spender by far, would need the most sustained campaign to end its wars, dismantle its foreign bases, wind up covert operations and shrink its military-industrial complex; and until it has done so, other countries should refrain from accumulating foreign exchange reserves in US dollars, because that simply contributes to the destruction of the surplus value produced by their own hard working people.

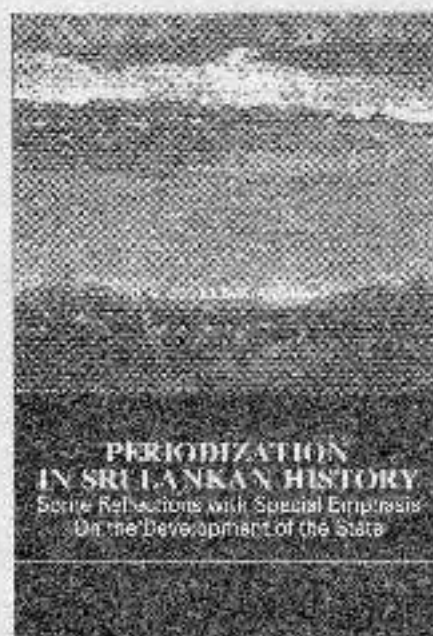
If these measures are taken, they would create massive funds for governments to invest in infrastructure (including water and energy conservation, flood prevention and renewable energy), and healthcare, education and child nutrition

programmes, thus increasing overall productivity and creating employment. Workers cooperatives should also be encouraged and assisted by the state. All this would reverse the fall in incomes and consumer demand. Social housing could help to eliminate homelessness. Many countries already have programmes that could be expanded as well as adapted for other countries, such as the National Rural Employment Guarantee scheme in India, the *bolsa familia* in Brazil, the National Health Service in the UK, and workers' cooperatives in several countries.

It is possible to get out of this recession without allowing it to become a depression if enough people press for decisive action along these lines. Eventually, another crisis will come along, of course: that is the nature of capitalism. But we can deal with that problem when we get to it! ■

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THE ALL PARTIES REPRESENTATIVE COMMITTEE

Lal Wijenaike

The All Parties Representative Committee (ARPC) recommendation that the full implementation of the Provincial Council System, that was introduced through the 13th Amendment to the Constitution in 1987 as the solution to the ethnic problem has to be considered in depth. Otherwise all studies done and efforts made after 1987 to find a solution to the ethnic problem and advances made towards that will be of no avail and we will be pushed back to square one.

It's necessary to consider whether the ARPC proposal, that was submitted to the president as directed by the president, when implemented can bring an end to the civil war, or in other words whether this proposal will be the political solution to the ethnic problem.

In this context it is of importance to trace the root of the problem that has caused the Tamil community to fight for a separate state.

With the advent of the Donoughmore Reforms and the introduction of universal franchise, the question arose regarding the mechanism for protecting the rights of the minority communities under the system with the Sinhala community forming 2/3 of the population and with a comparative voting strength. The danger existed of the majority community ruling the country disregarding the rights of the minority communities. The Tamil leaders suggested the balancing of representation in the Legislature between the majority and the minority communities as a way of protecting the rights of minorities. The demand for fifty/fifty was an outcome of this perception. The formation of the all Sinhala Cabinet after the State Council elections of 1936 further confirmed the fears of the minorities. Although the situation was corrected subsequently, the dangers inherent in the political system for minority communities continued to dominate the political thinking of the minorities.

The arrival of the Soulbury Commission and the discussion that followed between the leaders of the two communities centred around the question of safeguarding the rights of minority communities through a system of weighted representation for the minority communities in the Legislature. It is believed that at the discussions D.S.

Senanayake as the leader of the Sinhala community agreed to a ratio of two to one representation for the majority and minority communities in the proposed Parliament modeled on the British parliamentary system, with the guarantee of equal rights for all citizens with a firm assurance of non-discrimination. It is significant that the Tamil leadership and even the radical Tamil groups which were left inclined and politically powerful in Jaffna did not advocate a federal system or even some form of devolution of power.

The Soulbury report and the 1947 constitution (Soulbury Constitution) was no doubt a let down for the minority communities. The constitution did not contain adequate provisions for safeguarding the rights of the minorities. There was no provision for weighted representation for minority communities in Parliament. What was envisaged was the protection of minority rights through Section 29 of the Constitution which later turned out to be misconceived.

Within two years after independence it became clear that the Sinhala leadership has not kept up to its promise made before Independence. The enactment of the Citizenship Act No. 18 of 1948 and the Parliamentary Elections Act No. 48 of 1949 deprived the plantation Tamil community of their citizenship rights and their franchise.

The Privy Council in the case of *Kodakam Pillai vs Mudanayake* where those enactments were challenged held that those two enactments do not offend against Section 29 of the Constitution. The contention that Section 29 of the Soulbury Constitution was adequate to protect the rights of the minority communities proved to be a fallacy. This was further confirmed by the decision of the Supreme Court in the *Kodeswaran* case where a public servant who was subjected to discrimination, in the implementation of the Official Language Act No. 33 of 1956, declaring Sinhala as the only official language of the country, challenged a circular that discriminated against the Tamils.

The realization of the futility of Section 29 of the Constitution led to the formation of the Federal Party in 1949. The defeat of S.J.V. Chelvanayagam, the leader of the Federal Party, at the parliamentary elections in 1952 and the fact that the

Federal Party was able to win only 3 seats out of a possible 12 shows that even at that point of time the Tamil community was not demanding a federal system and that the demand was for equal treatment and non-discrimination.

The emergence of Sinhala nationalism based on the demand for more opportunities for the Sinhala community in the field of education, employment and distribution of state land, and the demand for special status for the Sinhala language, Sinhala culture and Buddhism, in this period based on the notion that the Sinhala community (specially Sinhala Buddhists) were discriminated under colonial rule, and the need to correct this historical injustice brought the Federal Party and the demand for federalism to the forefront of Tamil politics, as revealed at the parliamentary elections in 1956, where the Federal Party won all but three seats in the Tamil dominated areas in the North and East. The Sinhala leadership was insensitive towards the fears of the minority communities and this polarized society on ethnic basis. Further, the unimaginative and irresponsible manner in which the southern leadership reacted by physically and verbally attacking the Tamil people living in the South and the use of the armed forces to suppress protest movements of the Tamil people in the North and East led to the emergence of a radical movement fighting for a Tamil identity.

The promulgation of the 1st Republican Constitution in 1972 through the process of a Constituent Assembly and the failure of the Constituent Assembly to address the demands of the Tamil community, and its failure to at least consider some form of devolution further aggravated the situation.

The Constituent Assembly was insensitive to the aspirations of the Tamil community and declared Sri Lanka to be a unitary state with all power centralized in the legislature (National State Assembly) and to make matters worse did away with Section 29 of the Constitution, which was perceived by the minorities as the provision that even to a limited extent protected the rights of the minorities, without an alternative provision for the protection of minority rights.

The introduction of language-based standardization for admissions to universities during the same period changed the complexion of the struggle of the Tamil community from a struggle for equal rights and accommodation to one of a struggle for a federal state with autonomy in the traditional Tamil areas. This in turn caused the emergence of a radical militant movement fighting for a Tamil identity.

The failure of the Constituent Assembly to even consider the aspirations of the Tamil community and its over enthusiastic response to the aspirations of the Sinhala Buddhists turned out to be tragic.

The creation of a presidential system of government with executive power vested with an all powerful Executive President in 1977 and the constitutional meddling that was seen during this period, such as the enactment of the 6th Amendment to the constitution by which all Tamil members of Parliament representing the Tamils of the North and Eastern provinces were evicted from Parliament, the use of state power to suppress the struggle of the Tamil people for autonomy and the pogrom in 1983, have fractured the Sri Lankan state.

The Sri Lankan state exists if at all as a unit due to the presence of the armed forces in the North and East of Sri Lanka. This is the reality that has to be accepted if we are to think of a viable political solution to the problem.

Therefore, what is needed today is the restructuring of the Sri Lankan state incorporating the aspirations of the Tamil community. Nothing short of this can be a viable solution.

The provincial councils system established under the 13th Amendment to the Constitution has failed to satisfy the aspirations of the Tamil speaking people. The provincial councils system suffers from an incoherent deformation due to which meaningful devolution that will confer at least limited autonomy to the units is not possible.

Article 2 of the Constitution sets out that Sri Lanka is a unitary state. Article 3 states clearly that in the Republic of Sri Lanka sovereignty is in the people and inalienable. Article 4 sets out how the sovereignty of the people shall be exercised. The legislative power of the people is vested in Parliament and the executive power of the people is exercised by the president.

A unitary state is well defined and there is no reason for any controversy. A unitary state is a form of state where power emanates from one center. C.F. Strong in his treatise on "Modern Political Constitutions" states: "The essence of a Unitary State is that the sovereignty is undivided, or, in other words, that the powers of the Central Government are unrestricted, for the constitution of a Unitary State does not admit of any other law making body than the central one."

The two distinctive features of a unitary state are:
(1) the supremacy of the central government, and
(2) the absence of subsidiary sovereign bodies.

In the case of a federal state its definition is not so clear. There can be different shades of federalism and different federal models, and sharing of sovereignty can take different forms and extents. In a federal system the constitution is supreme and defines the sharing of power between the center and the periphery.

Therefore, when a constitution specifically lays down that it is a unitary state it unequivocally lays down the limitations within which power can be devolved. The peripheral unit will be a sub-unit and cannot be an autonomous unit. In other words there will be no sharing of sovereignty.

In a federal state the legislature of the federation and of each of the federating units are limited in their supremacy and neither of them is supreme. There is something above them both, namely the constitution, which is a definite contract, a treaty to which the contracting parties reduce the conditions of their union to writing. A federal constitution is, in fact, a charter of rights and duties of the federal and state authorities. The Supreme Court is the authority with the power to adjudicate the breach of the treaty. Therefore, the Supreme Court is the supreme body in a federal system upholding the supremacy of the constitution.

Therefore, there is no meaning in the much quoted statement that there is no significance in stating that constitution is a unitary one or not.

There are numerous other ways of describing the nature of the state in a constitution without describing it as a unitary state, so that there can be meaningful devolution, which one may call a quasi federal system.

The Indian Constitution described India as a union of states and in the 2000 draft constitution presented by President Chandrika Kumaratunga to Parliament the Sri Lankan state is described as one, free, sovereign and independent state consisting of the center and of the *regions which shall exercise power as laid down in the Constitution*.

Provisions of the 13th Amendment and the provincial council system cannot be thought of as a solution to the ethnic problem.

Further, it is seen that during the last twenty years we have moved far beyond the 13th Amendment in search of a solution to the ethnic problem.

At the Thimpu discussions between the Sri Lankan government and five Tamil militant groups, the proposals now known as the Thimpu proposals for the restructuring of the Sri Lankan state, the aspirations of the Tamil people emerged from these groups. At the Oslo round of peace negotiations during the Ranil Wickremasinghe government it was proposed by the LTTE that the parties explore the possibility of finding a solution based on a federal system with internal self-determination and autonomy in the areas traditionally inhabited by the Tamil speaking people.

In the draft constitution of 2000 presented to Parliament by the Chandrika Kumaratunga government what was proposed was something close to a federal system with wide powers devolved to the units and power sharing at the center.

Therefore, it is seen that having gone so far in search of solution, any suggestion that we seek a solution to the ethnic problem within the 13th Amendment through the provincial council system is a farce, to say the least. ■

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THE FIRST FIVE LIVES OF N.U. JAYAWARDENA

W.B. Lakshman

N.U. Jayawardena: The First Five Decades by Kumari Jayawardena and Jennifer Moragoda
Colombo, N.U. Jayawardena Charitable Trust

Deshamanya N.U. Jayawardena (NUJ for short) was a renowned and respected business leader in Sri Lanka who also had a strong scholarly streak. During his long life of ninety four years, he held a number of leadership positions in the public sector, before joining the ranks of Sri Lanka's fraternity of financial sector entrepreneurs. In the minds of persons of my generation, who have had some familiarity with the development of the system of banking and finance in Sri Lanka, NUJ occupied a position of great esteem as the first Sri Lankan Governor of the Central Bank of Sri Lanka, among his many other firsts over a period of twenty odd years of public sector career. During much of this time, Sri Lanka was under colonial rule. NUJ, as a self-made man, deserves admiration for being able to rise up so quickly to so many important positions of economic management. His innovative activities within the Sri Lankan financial sector during the later years of his life as architect and creator, as well as manager of a number of financial and banking institutions, are well known.

It was with keen anticipation that I started reading NUJ's biography. The interesting episodes in the first half of his eventful life are presented in this volume in the backdrop of contemporary socio-political and economic changes. It is sometimes said that biography is the only true history. The clever combination of personal biography with contemporaneous social history, presented in the excellent prose of Kumari Jayawardena and Jennifer Moragoda, makes this biography exceedingly readable. It has been particularly interesting to me as I too belong to what the biographers call the 'Ruhuna diaspora' both in broad regional and narrow community senses in which this term has been used in this biography. NUJ formed part of the "Southern Province exodus" (p. 50) of the 1920s. This exodus became larger in size, generation after generation. What would have been a trickle at NUJ's time had already become a significant outflow of human capital by the 1960s when I became part of that process.

I knew about NUJ many years before I came to know him personally. I had heard of him during my secondary school days in Galle, Mihiripenna, the small village of my birth and upbringing, was part of NUJ's life as well after he moved from St. Servatius' in Matara to Galle for his secondary education at St. Aloysius'. NU lived with his elder sister in Talpe and like many of us from Mihiripenna (the adjoining village), NUJ commuted by train to school having walked to the small rail station in Talpe. By the time I commenced my secondary education at Vidyaloka Vidyalaya in Galle, NUJ was already almost at the pinnacle of achievement in his public sector incarnation. The 5-6 years of my secondary education coincided with his rather turbulent association with the nascent Central Bank of Sri Lanka covering all major aspects of that association - work with John Eder in the relevant commission of inquiry which led to the establishment of the Bank, holding the position of Deputy Governor in its first few years under Eder's governorship, service as the first Sri Lankan Governor of Central Bank, dismissal from this position on charges of wrong-doing (1955) and eventual exoneration from those charges (1957).

In spite of the years between the times of NUJ's secondary education and mine, there were elderly people who knew him well and therefore occasionally talked about him with us during our childhood in Mihiripenna. Most such discussion would have referred to NUJ as a person whom children should emulate. I should mention Rev. Pangalle Dharmasankara of the Mihiripenna village temple telder brother of Professor Juffiya Dharmasekera, later Bhikku Dhammayahiri, referred to in the NUJ biography (p. 35) among these elders. I can also vaguely remember Rev. Dharmasankara talking of NUJ visiting the village temple to meet the chief incumbent, perhaps during the period when he was looking for "solace in religion and community" during the turbulent days of his transition from dismissal from Central Bank service to setting himself up in private sector (p. 165).

It was in the early 1980s that I met NUJ for the first time. My meeting with him was to discuss matters of mutual interest surrounding two institutions I was closely associated with at the time – the Department of Economics at University of Colombo and the Sri Lanka Association of Economists (SLAE) which was established only a few years ago. This first meeting, in the Mercantile Credit head office in the Fort, had left behind in me vivid memories of his life and style of work as a private sector leader of finance. I had the opportunity to meet him on a number of occasions since then, privately as well as in formal gatherings. The NU biography, portraying NUJ's personal traits so interestingly, takes my mind back to these encounters with NUJ. We discussed a variety of things in these meetings – about the promotion of the teaching of economics in Sri Lanka, development of the newly established SLAE and contemporary economic and financial issues. What remains from these early encounters with NUJ however, is the text of an interesting address he made in 1984, edited and published in the SLEA journal *Upanathi* Vol. 3:2 (July 1988) under the title "Current Approaches to Banking in Sri Lanka: A Critique and Some Suggestions for Reform".

NUJ's statement that he "came from a humble family and did not have any privileges of class or caste" has been cited at several points in the biography. This statement strikes a familiar chord with many of us who have come up through education – together with determination, commitment and hard work – to rise to leadership levels in the society in their respective chosen fields of specialisation without the support of family, class or caste privilege. Those in later generations would perhaps cite the push they had received from the educational reforms of the mid-1940s, the so-called Kannangara reforms, as a major factor in their upward social mobility, particularly the free education component of these reforms. NUJ however, grew up in a system without these state-sponsored subsidy schemes. In the absence also of adequate family support, NUJ was compelled to depend heavily on his individual qualities of, using his own words – determination, tenacity, purposefulness and cultural values – for upward social mobility. NUJ was indeed famous for his strongly held ideology, being averse to state intervention in private lives, including state-funded subsidies.

The biography under review would undoubtedly have been exceedingly difficult and time consuming to compile. This would have been particularly so in the case of the early

chapters covering NUJ's childhood, adolescence and early youth, given the paucity of written records. Although some of these early chapters have, as a result, little directly about NUJ's life story, the biographers have made good use of publications on contemporary social conditions letting the reader make his or her own judgements about NUJ's early life. In writing this biography, well-known publications describing and analysing Sri Lankan society and polity during the latter half of the nineteenth and early twentieth centuries (scholarly work of local and foreign authors, as well as of colonial administrators, together with numerous official documents) have been extensively and cleverly used without losing sight of the objective of biography writing. The carefully selected photographs and illustrations are excellent historical material sometimes worth more than hundreds of words. The long list of acknowledgements indicates another facet of the time-consuming and laborious nature of the compilation of this particular biography – identification of persons to meet, arranging interviews, and choice of material to be included. In drafting the second half of the volume the authors appear to have benefited from greater availability of material from NUJ's personal files as well as from more abundant publications. The research and writing skills of the authors may have been intensively taxed in drafting these chapters as the interesting components of the more abundant material had to be selected to be presented in a balanced and interesting manner as part of a bibliography.

As already noted, an interesting aspect of this biography is its skilful combination of the life history of NUJ with the relevant social history of the times. On the basis of my personal interest, let me select a few chapters and the social history component that is covered in those chapters. Chapters 3 to 5 examine some aspects of social conditions during the first half of the twentieth century under the British raj – conditions that exercised a sizeable influence on individual lives of many contemporaries. The commentaries about the educational facilities of the time, largely developed by the Christian missionaries, though brief, are interesting, particularly as conditions have undergone revolutionary change following the significant educational reforms of the mid-1940s and after. The biographers record NUJ's own judgement that it was his alma mater St. Aloysius College, Galle which inculcated in him some of the excellent qualities which helped him become what he eventually turned out to be – namely determination, tenacity, purposefulness and cultural values. I personally have had no exposure to

education in Christian missionary schools. I had the opportunity, however, of knowing, through relatives and friends, that some of the good comments about missionary school education and the teachers involved (highlighted in this biography) were applicable to such schools even in the 1950s, three decades after NUJ's education at St. Aloysius'. The difference perhaps was that by the late 1950s and early 1960s, the missionary schools lost the monopoly of 'good' education in the country. Competitive schools came up in the private sector under organisations like the Buddhist Theosophical Society and also in the state sector.

The analytical material presented by the biographers on contemporary social conditions is particularly interesting when it comes to the period of NUJ's life after his school education. For many years, comment has been made by scholars, policy makers as well as managers of private businesses about the predilection of educated youth for government sector jobs. Conditions have changed to some extent, but still this characteristic prevails among the bulk of the educated youth in our society. Widely heard was the comment about the educational system developed in Sri Lanka under British rule to train the locals for government service in administrative, accounting, clerical and other tasks. The lure of government service rested on security of employment it offered, social dignity attached to it and the opportunity it provided for upward social mobility. The numbers who rose from humble backgrounds to high social positions over the last hundred years did so through education, government sector employment and of course, conscientious hard work plus some luck, may be counted in tens of thousands if not in millions. Truly rare though are such meteoric rises from government sector clerical service to Central Bank governorship. Such talents and commitment to work as were found in NUJ also are extremely unusual, and rare in any society.

NUJ's expertise, both as scholar and practitioner, was in the area of banking and finance. His work as Assistant Secretary to the well-known Ceylon Banking Commission (also called Pothukandawala Commission) of 1934 was instrumental in strengthening his knowledge in banking and finance. The NUJ biography provides a succinct, clear account of economic history of colonial Ceylon to provide the backdrop for the appointment of this Commission of Inquiry. The

biographers have used some of the classic works on this subject to write the relevant sections of the volume. Examples are H.A. de S. Gunasekera's *From Dependent Currency to Central Banking*, Wickrama Weerasekera's *Natukottu Cheethu* and of course, the Report of the Commission itself.

One of the most highly valued sessional papers produced by a Commission of Inquiry. The pinnacle of achievement for NUJ in his public sector service was his appointment as the Governor of the newly established Central Bank after the resignation of the first Governor, John Exter. He thus became the first Sri Lankan to hold this key position in economic management. The last three chapters of the biography cover details of NUJ's turbulent association with the Central Bank and the political backdrop of this association.

The detailed account of political developments in the first decade or so after independence is likely to be exceedingly eductive to younger generations. In order to explain the political backdrop to the events of how NUJ was "made a scapegoat to shield the activities of bigger fish" (cited from the *Tribune* of 30 August 1957, p. 72 of biography), the authors explain the role played by family and caste links in Sri Lankan politics then (as they do even now), in addition of course, to ownership of wealth. The three final chapters of the volume are instructive of the process of evolution of electoral politics in Sri Lanka after independence. Details provided in this volume about the lives of some of the key persons in Sri Lankan political life of this period, are useful to understand the political processes. The story concerning NUJ is about political discrimination against an official who refused to bend rules to favour the political masters. Certain autonomy on the part of senior public servants was perhaps routine nature at that time. Conditions have changed so much, however, that today, similar instances of refusal to carry out wrongful instructions from political masters are believed to be exceedingly out of the ordinary. Today, therefore, cases of victimisation for non-compliance are perhaps also rare, clearly rarer than cases of political favouritism in appointments and promotions.

This biography of NUJ which covers the range of his life in the first five decades – 1908 to 1958, is a work of great interest to students of economics and politics as well as the general reader. ■

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TRUE COLOUR OF BLACK AND WHITE

Richard Boyle

Images of British Ceylon: 19th Century Photography of Sri Lanka, by Ismeth Raheem and Percy Colin Thome'. Produced for Ismeth Raheem by Times Editions Singapore: March 2000, 155 pp, Rs 3,950.00, ISBN 981 204 778 6

Regeneration: A Reappraisal of Photography in Ceylon 1850-1900, by John Falconer and Ismeth Raheem. Published by the British Council, London: January 2000, 95 pp, Rs 1,000.00, ISBN 0 86355 444 X

I am exceedingly grateful that a master photographer took my wedding photographs using black-and-white film. They nestle in the wedding album in their sharp and contrasting black-and-white glory, while the colour photographs of the conventional photographer affixed alongside have already begun to lose their vitality after less than two decades.

It is a problem that has begun to alarm not only those who want to cherish memories, but curators, archivists and art investors as well. *The London Times* of 11 July 1998 reported in an article titled "Why the past is looking just a little too rosy" that: "Millions of images taken since the invention of modern colour photography are changing because of the way their dyes break down. Just as the 19th century is now viewed in tones of sepia, so future generations may look back on the last three decades of the 20th as the era of purple lawns and red skies."

Such degradation can happen to colour cine film too, as a class of journalism students found out recently when I showed them a blurry, rose-tinted copy of Paul Zils' docu-drama, *Meditation*, made in Ceylon in 1960. In contrast to this almost unwatchable film, the earlier 1950s black-and-white documentaries screened with it, such as Ralph Keene's *Heritage of Lanka*, looked sharp and appealing.

This destructive process takes place because the three dyes used to create a picture fade at different rates, which results in a shift in colour. Not unsurprisingly, the conditions in which a photograph is kept determine how quickly the dyes degrade. For instance, light, heat and humidity – conditions all too apparent in Sri Lanka – are a deadly cocktail for a colour

photograph. Hanging on to negatives is no guarantee either, as they use similar dyes. Little wonder, then, that David Hockney remarked in the introduction to an exhibition of Polaroid photographs several years ago that "colour is fugitive in life, like it is in pictures" and labelled the pictures: 'Not Recommended for Investment.'

For reasons aesthetic as well as practical, black-and-white is still the 'colour' of photography. This thought first struck me years ago on experiencing an exhibition in London by Bill Brandt, the photographer described as "a poet of darkness, who wielded the colour black so successfully that his work should properly be called photography noir." The most recent occasion, however, was on viewing the consequential British Council exhibition of 19th-century photographs of Ceylon entitled "Regeneration."

How fortunate it is that the 19th-century photographer had no option but to work in the black-and-white medium. Never mind the odd resultant sepia-toned photograph. Imagine the frustration of future researchers and historians who wish to examine through photography the social, economic and cultural conditions of the period from the early 1960s, when colour photography became widespread, and a few years from now, when digital photographic processes become more prevalent. They will need to wade through mountains of red-hued photos of the Mahaweli scheme, Gam Udawa projects and the like before coming to a small core of more decipherable and perhaps more representative black-and-white pictures.

The organizers of "Regeneration" had no such limitations to contend with, although they did have to cope with a poorly documented and archived period of photography. Because of the pioneering nature of their research, compilation and presentation, it is apt that this exhibition is recorded – in fact almost reproduced – in a lavish catalogue.

Many catalogues are so limited and adjunct that their existence cannot be justified, other than as a mere annotated list. A precious few, though, are so informative on their subject matter and so extensive in their scope that they are independent publications in their own right. The

"Regeneration" catalogue without doubt falls into the latter category.

Why "Regeneration"? Brett Rogers, deputy director of Visual Arts at the British Council, explains in the Preface: "The title has been chosen to suggest not only the reproductive nature inherent within the medium of photography itself but to underline the scope provided by this unique body of historical images for reassessment by a new generation of Sri Lankan viewers."

So it was encouraging to see at the exhibition Sri Lankans young and old, taking in the landscapes, street scenes, portrayals of industry, and, most importantly, the figures in the landscapes and the subjects of the studio portraiture – their forebears. In doing so, they no doubt wished to connect with the past, but as Rogers remarks:

"Ironically, the power of these photographs is the reverse of what they seem – we may think we approach them for knowledge and understanding of the past, but it is the knowledge we bring to them that makes them relevant today. Whether drawn from official archives, as many of the images in the show are, or from family albums, it is those things which often remain unseen by their original makers which give these images their particular power as historical artefacts."

Looking through the photographs after reading these words, I could not help but seek examples to illustrate this intriguing school of thought. So it is that I suppose the photographer(s) of Charles Seowen & Co. who took the pictures titled 'Study of a Girl with a Vase' and 'Nude Study' (both 1880s) could not have foreseen that, a century later, they would come to epitomize the exploitation of the indigenous female in Ceylon – especially Rodi women – in order to provide Victorian men with pictures of exotic, bare-breasted natives.

On the subject of exploitation, the photographer of W.H. Skeen & Co. who took 'General Sifting of Small Pieces of Pambago' (c. 1880s) likewise could not have foreseen that his picture of children labouring under the gaze of vigilant adult supervisors would come to epitomize the plight of the native child worker at the end of the 19th century.

Then there is the unknown photographer of 'Tea Plantation, Looking towards Adam's Peak' (1870s), who could not have anticipated that his portrayal of the early years of a plantation, when the horrific scars of its destructive making were still all-too-clearly visible, would not come to be regarded as a shining example of economic development, but one of unparalleled environmental disaster.

One further example is 'Cuttings Nos. 180 and 181 with ballast train, Mutara railway.' It was taken in November 1895 by an unknown photographer, who no doubt thought it reflected the industriousness of the colony and the advances in transportation. But to many at the dawn of the 21st century this image is a perfect metaphor for the condition of native workers during the colonial era. Mostly sullen-faced, they are crammed in small numbers in open wagons and only able to travel in one direction.

"There is no doubt that one can read into these images a set of cultural attitudes, beliefs and practices that were shaped by an imperialist mission," Rogers comments. "From the construction of intimate portraits to the framing of grand narrative spectacles, we can see how particular social and aesthetic conventions were inscribed onto their subjects and the way in which the imaginative psycho-geography of the European mind was projected through the practice of photography. Landscapes were domesticated, huge wilderness made accessible and less hostile and racial and ethnic groups surveyed in an attempt to make the exotic familiar to a new, mainly western audience."

This through-the-lens anthropological survey is well represented. Apart from the aforementioned female studies, 'Veddahs' by Charles Seowen & Co. (1875) is of obvious interest, as is a series of four portraits by the same company – 'Malay Girl,' 'Sinhalese Headman,' 'Chettiar Man' and 'Mudaliyar' (1880s) – and 'Tamil Theatrical Group' (1890), by an unknown photographer.

Possibly the most telling social portrait is used for both the front and back cover of the catalogue. By Charles Seowen & Co., and titled 'Street Scene in the Pettah, Colombo' (1880s), it had a long exposure time, and as the human throng below the photographer's vantage point took the opportunity of displaying curiosity in what he was doing. Although the photographer must have cursed the tardiness of the process, the result is advantageous to us, because the sea of upturned yet discernible faces provides a unique portrait of a remarkable, albeit exclusively male, cross-section of working-class society.

"Regeneration" the catalogue includes over 40 full plates of prints from the exhibition, as well as an illustrative list of all the exhibits. Among the plates are the earliest known examples of photography in Ceylon by Fred Fiebig. His hand-coloured salt prints, such as 'Street Scene, Point de Galle'

and 'Establishment of a Coffee Plantation' (both circa 1852) are therefore of obvious historical importance. The former print, together with 'View in Galle Harbour during Monsoon' (1872), by the Indian company Bourne and Shepherd, adds a stunning visual dimension to the many written descriptions of Galle during its heyday as a port in the mid-19th century. Similarly, the picture 'Jewellers of Galle' (1872) – also by Bourne and Shepherd – provides an excellent record of the work environment, tools, and even the dress of the craftsmen.

Also included in the catalogue are a brief history of 19th century photography in Ceylon, a useful account of the many processes of the early photographic era, and a biographical index of photographers – local and foreign – who worked in Ceylon at the time. The content, together with the quality of the printing, makes this a catalogue that is definitely more than the sum of its parts.

The prime mover, the person who links the "Regeneration" exhibition and catalogue, and the subsequent album *Images of British Ceylon: Nineteenth Century Photography of Sri Lanka*, is the art historian Ismeth Raheem. The research and documentation of this subject has spanned many years, taking Raheem on an often-frustrating quest. However, it reaches a highly satisfactory culmination with the latter work, in which his perseverance and scholarship is evident.

Images of British Ceylon is co-authored by Percy Colin-Thome, authority on the Burghers. Why such a pairing? In their Preface, the authors draw the reader's attention to the fact that this is the second volume in a series begun with the controversial *People In-between: The Burghers and the Middle Class in the Transformations within Sri Lanka 1790-1960* (Ratmalana, 1989). The link between these publications is the study of the middle class in the colonial period, and both, it is noted, are therefore necessarily Colombo-centric.

Because of this specific focus, *Images of British Ceylon* mostly complements the "Regeneration" catalogue. While there is some inevitable duplication of information in parts of the text – in the history and biographical index, for instance – the photographs are largely distinct. In the final analysis, now there are two significant works on the early history of photography in Ceylon, where there were none just a few months ago.

Images of British Ceylon includes several illustrated essays. The core one expands on the brief history contained in the "Regeneration" catalogue. It necessarily begins with the unveiling of the daguerreotype process in August 1839, interest in which spread rapidly around the world. In India,

for instance, the process was made available within three months of its discovery. It took a little longer for it to percolate to Ceylon – three years or so – but, as the authors point out, this is in sharp contrast to the introduction of television to the country, which arrived almost half a century after the first transmissions in 1936. The comparison is not all that apt, of course, for the photographic medium had obvious benefits at the cusp of colonial expansionism, whereas the power of television represented a threat in post-Independence years.

The essay traces the history of photography in Ceylon from its very beginnings in the early 1840s, when the first daguerreotypists set up studios in Colombo and Kandy to specialize in middle class portraiture. (At up to 10 pounds each, such portraits were beyond the means of the poor.) It goes on to sketch the careers of the early exponents – such as J. Barrow, who was one of if not the very first. James Parting, the original 'official photographer' with his coverage of the cutting of the first sod of the Ceylon Railway Company's operation, and S. Slinn Skeen, who initiated a Skeen family connection with the formative years of photography in Ceylon. Indeed, the firm W.H. Skeen & Co. is considered important enough to warrant devoting a separate section to its history.

By the 1850s-60s, the potential of Ceylon had attracted a number of photographers from Europe and North America, who jostled with the resident British and Ceylonese to claim a share of the expanding photographic documentation market. Among them was the already mentioned Fred Fiebig, whose photographs of urban settlements, street scenes and buildings are of great interest to architectural researchers. In addition, there were two pioneers of 19th century photojournalism – Samuel Bourne, a great landscape photographer of the Indian subcontinent who revealed the Himalayas to the world, and John Thompson, who did likewise with Angkor Wat.

Considerable attention is deservedly paid to the most famous visiting 19th century photographer, Julia Margaret Cameron – one of the earliest pioneers of photography as an art form at a time when this concept was not altogether accepted. Cameron was a portraitist who had taken classical pictures of the cream of Victorian society and introduced several techniques designed to heighten the expressiveness of portraits, such as soft-focus, the narrow close-up and harsh lighting. There was much criticism of her work, no doubt partly because she was an interloper in a male preserve, but she was also simply ahead of the times, and too experimental to be appreciated. She travelled to Ceylon in 1875, and until her death in 1879 was domiciled in Kalutara, where she took

photographs mainly of Ceylonese women. Regrettably, though, only one of these portraits is featured.

The 1870s, we learn, were also notable for the contributions of the lesser-known, such as Joseph Lawton, who spent several years photographing the island's then remote archaeological sites before succumbing to malaria. There was also Charles Seowen, whose beautifully lit and elegantly composed photographs are considered the best of his era and much admired by collectors today. Yet, surprising to learn, such was the competition in the photographic trade that the talented Seowen was forced out of business after nearly 20 years of creative work.

European domination of the trade was eroded towards the end of the century with the introduction of more practical equipment and cheaper and more efficient processes. Photography went to the bazaar, where indigenous practitioners could now offer a portrait for just a few shillings. Foremost among this new breed was the gifted A.W. Andree, who helped to foster photography among the urban elite. Indeed, it was from Andree that Lionel Wendt, the country's greatest 20th century photographer, received his very first lessons in the art.

The main photographs are presented in a section called Views, and are grouped under headings. 'Middle Class Mansions' covers the gamut, from the palatial Alfred House, symbol of Ceylonese capitalism, to the more simplistic planter's bungalow, outpost of British colonialism. 'The Fort of Colombo' is remarkable because it presents little-seen views of the city (c.1864), a few years before the old Dutch Fort was demolished. 'The Harbour and its Environs' features a noteworthy photograph of Colombo with sailing ships at anchor (1866), and a panoramic view of the city with the port in the distance (1902). And 'Streets and Urban Landscape' has, in particular, some fascinating photographs of Chatham Street and Queen Street (both 1868-70).

Despite the middle-class emphasis of *Images of British Ceylon*, 'The Working Class Situation in Colombo' explores the theme through street pictures as 'Rickshawman' by A.W. Plate (dated 1926, this is surely beyond the purview of the book), as well as 'Goldsmiths at Work, Jaffna' and 'Cinnamon Peelers,' both by W.L. Skeen (1880). Similarly, although it is Colombo-centric, the sections titled 'Communications in British Ceylon' and 'Urban Outposts' give a welcome wider visual perspective. The former is characterized by bridges, canals, coaches, carts and railways, while the latter consists of views of Kandy, Nuwara Eliya, Galle and Trincomalee.

Detailed sociological interpretation of the photographs is provided in a section titled 'Notes on the Views.' This is different in tone to much of the rest of the text, revealing the influence on the publication of Michael Roberts, who, together with Raheem and Colin Thorne, authored the first volume, *People In-between*. So it is that the reader is introduced, for instance, to the concept of Galle Face and its environs as symbolic space – an arena for the late 19th century middle class to display status and power. It has to be said, however, that this concept is better illustrated in the painting and verse of Hamilton and Passon. Nevertheless, this section is crammed with fascinating information on diverse socio-economic aspects of the period.

Images of British Ceylon is marred by the indifferent reproduction of some of the photographs (compared to "Regeneration") and an inexcusable number of typographical errors – especially where the names of places and people are concerned. That this extends to an elementary error in a major heading is lamentable in such a prestigious publication. However, lapses of this nature cannot obscure the significance or detract from the ultimate readability of *Images of British Ceylon*. It represents a long overdue addition to the bibliographies of social studies and the visual arts of the island. A companion volume covering the period 1900-1948 is now required. ■

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COMRADE MALIYAGODA – AN APPRECIATION

Birty Gajameragedera

Jayaratne Maliyagoda of Kanda Udarata who was popularly known as “Comrade Maliyagoda” was one of my long-standing close friends. The demise of Jayaratne Maliyagoda has deprived me of a very valuable political, intellectual and a social companion.

In this appreciation, I do not want to deal with the vast and varied aspects of Comrade Maliyagoda’s public career. I merely want to refer to some essential aspects of his life which I consider to be relevant to the understanding of the role he played in Left politics in the country. The origin of his Left politics and trade union activities can be traced back to the late fifties and early sixties. He gradually emerged as a central leader of Left politics and the trade union movement in the Kandy district and in the Central Province. He became an institution in Kandy and his departure has created a major void in the city. It is not easy to fill this vacuum. His office at Kotugodella Veediye, Kandy was the hub of the Left political and trade union activities for well over four decades. Comrade Maliyagoda presided over all these activities in a statesmanlike manner, giving it the necessary ideological orientation. He organized plantation workers and from 1972 onwards and was from 1972 onwards the president of Lanka General Services Union and was one of the founding members of the WPI, the Workers and Peasants Institute.

He was the foremost leader of the Left and the trade union movement in Kandy district. He together with Newton Gunasinghe, Kumari Jayawardena, Birty Gajameragedera, Dayan Jayatilake, Pulsara Liyanage, George Seneviratne and Jayadeva Uyangoda formed the WPI, and gave it dynamic leadership.

With his strong base in the Central Province, he also played a noteworthy role in the national trade union movement. He did not miss a single important meeting in Colombo. He had his own point of view on all national issues and he regularly published his ideas in the national press. But he was never dogmatic. He was alive to the changing national and global issues, and was an alert and keen observer of Sri Lanka’s highly volatile and difficult realities. The last major article he wrote, “The Current Political Situation: What is to be done?” was an excellent piece of political writing. His ill health did not debar him from trying to

comprehend and analyze development in the country until the very end.

The most remarkable characteristic of his long political career was the way in which he confronted manifold crises that faced the Left movement such as the break up of the Left alliance in 1963, the open eruption of the Sino-Soviet dispute in 1963, Sri Lanka’s coalition politics which began to unfold in the mid-sixties and the JVP insurrections of 1971 and 1988. When confronted with these crises, Comrade Maliyagoda demonstrated a great deal of resilience with the necessary clear ideological perspective. This determination he derived from his Marxist ideological orientation and the working-class foundation of his political career. These qualities manifested themselves in the indomitable courage that he showed in facing up to the many confrontations that arose during the July 1980 strike.

At the bottom of his heart, this remarkable leader was a great socialist revolutionary but he never acted in disregard of the concrete conditions in Sri Lanka and the world. Through protracted interaction with the people, Maliyagoda emerged as a great democrat. He intentionally interacted with the people of all walks of life and carefully listened to their points of view without showing any antagonism. There wasn’t even a trace of vindictiveness in his social relationships – friendship to all, enmity to none was his underlying philosophy of life.

Jayaratne Maliyagoda was disinterested in enriching himself and never sought economic gain or positions of power and influence in spite of his obvious multiple abilities and close friendship at times with those holding the reins of power. He was a director of the Sri Lanka Foundation Institute and was on the Council of Management of the Social Scientists’ Association. He was a highly disciplined, very methodical and systematic person and sacrificed his entire life to the common good of the masses of this country.

People in the Kandy district and in the country at large who knew Comrade Maliyagoda will forever remember him and his contributions to Left politics and the trade union movement of Sri Lanka. ■

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HONOURING C.R. HENSMAN

PIONEERING RADICAL THINKER AND ACTIVIST, INSPIRING MENTOR, WARM FRIEND,
LOVING FAMILY MAN

Thiru Kandiah

The news of Mr. C.R. Hensman's death in London in July left my wife Indraneel and me feeling a deep sense of personal loss. Intense though that was, it was not all. The sense of loss was given a certain largeness of scale that carried it well beyond ourselves by our awareness that with his going, our country had lost one of the most exceptional of a dwindling group of persons who have had so much of immeasurable value to give and teach it, even more so in its present state of intellectual and moral confusion.

Let me make my way to the larger matters from the personal angle. I first met Mr. Hensman when he taught me English literature in the university entrance classes at St. Thomas' College, Mt. Lavinia, in 1954. That 'Mr.' in the preceding sentence requires explanation before I go on. I respected and revered him too much to ever accept his invitation, as our friendship grew, to address him by his first name. When he was not around, his students would call him "Henny," but otherwise he was always 'sir' and so he always remained to me, not in any formal, distancing sense, but in humble acknowledgement of how much he had given me, and with great admiration and love. No doubt all of us, as we move into life from the uncertainties of our beginnings, are fortunate to encounter people who, by the positive influence they exert on our lives, set us on the way to being the person we might eventually become at our best. But, in the case of those of us who are the most fortunate, among the people we meet thus is someone who is so special that as he or she grows into our lives, the encounter takes on deeper and more fulfilling layers of meaning, adding further dimensions of value and substance to the difference that person makes to us.

To me, Mr. Hensman was one such person. Our respective circumstances never permitted me, after those early enriching years of contact and interaction, to remain too much in touch with him. But to meet and get to know him was to take him lustily into the depths of one's being. That was the kind of person he was: utterly inspirational, and able to touch and change lives immeasurably for the better. For myself, I can

say with no exaggeration that he was one of the greatest influences in my life, putting me on the road that I was to go along so satisfyingly for the rest of it, and profoundly shaping the entire way in which I was to see and understand things until today.

Many students in my class had little of the street-wisdom, assuredness and scepticism of students at that level today; but I was even more ignorant, naive and unsure about what anything was about or what I wanted to do with myself than anybody else in the class, tending to take things as they came by chance upon me, and, generally, responding in simple gut-reactive ways to them. My parents had told me that according to my horoscope I was going to be a lawyer; and, as far as I was concerned, that was all there was to it — a lawyer I was going to be, for were not parents there to send us along our way, and teachers to tell us what we needed to know as we went on that way?

I am now 70, and law is yet as remote from me as it was when my horoscope was cast around the time of my birth. And that is because Mr. Hensman changed all that, irrevocably. For some reason, he felt that I had potential to be more than the nondescript and unpromising person I appeared destined to be, and took me in hand, encouraging me with my English studies. Perhaps as a sensitive and concerned teacher he recognized something which might have led him to see stuff in me that I didn't know I had. He never tried to dissuade me from doing law; he had too much respect for the individual and his/her mind and commitments ever to interfere gratuitously in such matters. But when one day he found out what I had been planning to study in university, he asked me, in a kindly, completely non-coercive way, to consider whether, given that I was not doing too badly in his classes, it might not be useful to think of doing something more general in the way of studies *before*, having broadened my outlook in that way, I went into a narrower specialty. So much did I respect and admire him that all he had to do was to ask the question, and my mind was

immediately made up – I was going to do English. During the rest of the period he taught me in school, he greatly encouraged my interest in this subject. In fact, after he had resigned his position at St. Thomas', he even offered, when I was later selected for entrance to the university, to give me free tuition if I got a chance to sit for the English scholarship exam the university conducted for new entrants. Given his own material circumstances at the time, this was quite a sacrifice. And so, English studies became what the rest of my studies and my professional work have been all about. My entire academic and professional career has been something that I owe to him.

That was not all. My naïveté persisted, even after I had been thus put on my way by him. I was acquiring information in university satisfactorily enough, but I still did not have a larger framework of understanding that would help me bring things coherently and meaningfully together. Again, it was Mr. Hensman who changed all of that. The annual Student Christian Movement Conference in April 1958 (I had just finished my second year at university) took place in Vaddukkodai that year. The conference was memorable for me for two different reasons, both of which were to change me profoundly, and forever.

One, I met Indranee, who, like me, had come all the way from Kandy for the event, and was a few years later to become my wife – and what a great and blessed difference that has made to my life! The other, Mr. Hensman participated, along with several other distinguished scholars and theologians, in a discussion of the ethnic tensions that were being assiduously drummed up at the time by persona and institutions of the state, before they were unleashed as terrorist racial riots a few weeks later. In the course of some very perceptive and reasoned analytical remarks, against a background of Christian theological considerations and fundamental ethical and human values, he explained, clearly and quietly and with that courteous dignity that was a hallmark of all his exchanges, the radical politico-ideological thinking that had led him to support the LSSP in its language policy. (The party had not then joined the rest of our tribe of politicians in their opportunistic slide into the cynical populism that has stripped them of all moral authority.) No histrionics, no clever point scoring, no aggressive polemics, no sophistry or disingenuous rationalization, but wholesome, enlightened and enlightening reason; and that, too, not cold and impassive, but given life and body and meaning by strong ethical commitment and profound human conviction – after all, had not the great Samuel Johnson observed long ago, and with such insight, that he who thinks reasonably must think morally? I had only

to hear that entirely reasonable and deeply concerned human voice, and I knew straightaway how and where I was going to seek out the integrating framework of thought I was looking for. All the thinking and teaching and writing I have done since then took off from that moment, and whatever meaning and satisfaction I have personally found in my work in later years, whatever little recognition that thinking and teaching and writing might perchance have earned, derive from those remarks that he made.

Some of the things which have most made me what I am are, then, things that I owe hugely to Mr. Hensman – which is why for me to have known him must surely be one of the very great blessings of my life.

People talk of purity of heart and the blessedness of those who are endowed with it. But Mr. Hensman was doubly blessed, for in his case we *must* talk, too, of his purity of mind, which went integrally with that purity of heart. His was one of the cleanest and purest of minds I have ever encountered, honourable to the core, and entirely uncontaminated by the faintest trace of the meanness, pettiness, suspicion, unworthy self-promotionalism, competitive malevolence and duplicity that we see around us today. That heart/mind was filled instead with concern and compassion for the humanity around him, particularly for the disinherited among them, which flowed into all his life and work, issuing in various pioneering practical initiatives that had the potential to give the world just that little more of a chance to turn into a better place. They were his response to what was nothing less than a driving utopian imperative within him, which, as all great leaders over the ages have recognized, is so critically necessary if human beings are to be truly human and truly free. Indeed, notwithstanding the *avant gardiste* anti-humanism of a lot of the more dominant epistemological discussions of our times, its necessity is acknowledged even in the purportedly impersonal 'objective' scholarly realms which are home ground to such discussions – Frederik Jameson, for instance, learning from Herbert Marcuse, absolutely insists on it.

I remember how intrigued several of us students at St. Thomas' were when Mr. Hensman, with the dedicated help of Mrs. Hensman, and the goodwill of some of the country's best minds, started the Community Institute and the journal *Community*. We guessed that something very special and important was going on, and could not help admiring the courage and commitment that made him give up the material security of a steady job so that he could devote his time and energies fully to the project, and in a manner that procured

him the independence of thought and action that would allow him to protect his personal integrity as he did so. Mrs. Hensman's active participation in much of this, and the unwavering encouragement and backing she gave him through the sometimes wearing demands of the journey on which they had set off together, were not something on which it would be easy to put a value.

It was only gradually, as we saw more of what Mr. Hensman was doing, that we moved to a fuller realization of the vital meaning of what was going on and glimpsed something of its scale, causing our initial curiosity to change over the years into wondering admiration, and from there in turn into gratitude. We could perhaps be forgiven our tardiness in arriving at understanding. For what Mr. Hensman was doing was taking the pioneering initiatives, in terms of the specificities of his own context, for the founding and consolidation of a far reaching project that was assuming immense human significance within the global socio-political-economic order: the project that as time went on, and self-conscious work began to be found for it, came to be called the project of post-colonial liberation, renewal and reconstruction. The world was only just emerging from the long night of the imperialist-colonialist imposition and dispossession, and resurgent nations and their peoples were everywhere struggling to find themselves again, and move on to their lives and destinies on the basis of their own resources of sensibility, imagination and intellect.

The challenges of such liberation were hugely forbidding, for it could not be carried out except within the inextricably interconnected "contradictory unity" (I borrow the term from Aijaz Ahmad) into which empire/capitalism had, through their hierarchizing structuring operations, reconstituted the world during the preceding few centuries. The wide and disparate range of issues that the challenges cast up were impossibly complex, demanding a deep and perceptive effort of understanding if responses which could contribute viably and responsibly to the post-colonial task were to be found. There wasn't, in the epistemological realm of the context at that time, our present taken-for-granted consciousness of the necessity in the public sphere to concertedly and consistently ask serious questions in ways that transcended the merely reactive, and cut across diverse sectional or partial interests. Moreover, those who were inclined to do so (and there were indeed several, particularly in progressive political quarters), tended to work in relative isolation from each other, or on matters that were immediately at hand in the comparatively restricted circles or constituencies in which they operated. There was also a further major consideration. The imperial

dispensation was only just on its way out, and the most comfortably available models and parameters of thought, certainly the more dominant of them, could hardly enable the kind of understanding of the issues that the task absolutely demanded. The great South African martyr, Steve Biko, was, years later, to make explicit the potent danger of subversion the situation posed for the post-colonial task, in his telling observation that the most powerful weapon in the armoury of the oppressor was the mind of the oppressed.

It was out of his far-sighted and acutely perceptive sense of such matters that Mr. Hensman launched his ground-breaking initiatives. The title of his Institute and its journal points to the vision that inspired them, that of an ever-widening *community* of concerned, progressive thinking minds who would recognize each other and come together in non-homogeneous solidarity to work towards what was a dramatically exciting goal: to seek out, through raising in the public sphere a Freireian critical consciousness of the most important issues of the time (including literary issues), fresh and truly independent forms of awareness and thought for our people. These would derive their vitality and authenticity from the specific historically-constituted realities of the Lankan context in which the task of liberation was most immediately being pursued, and from the distinct concerns and perspectives of the people who gave life to that context, though with a firm eye fixed also on the larger global context. Consequently, they would help bring the highly complex and disparate challenges the task involved insightfully and coherently together under the radical understanding that would truly advance its pursuit.

In scope and significance, the vision carried well beyond the boundaries of the immediate context in which the initiatives were initially pursued. It gave expression to an encompassing epistemological framework of radical, ethically invested politico-ideological thought that, with its sharp awareness of the systemic sources of some of the most challenging problems of the prevailing global order, had relevance and value for a non-ad hoc understanding of them. This was, over the years, to receive increasingly complete, explicit and powerful formulation and articulation through a series of publications, including several well-recognized books, that Mr. Hensman produced, and his many contributions to seminars and discussions in Sri Lanka and abroad.

His thinking on these matters was not restricted to a rarefied world of abstract ideas: there was always implicated in the emerging theorization of his position a praxis of active socio-political change directed, particularly, towards transforming

the conditions of life of the very large numbers of dispossessed people in the world. The second part of the title of his edited book of Third World readings was in fact "the polemics of revolt." The first part of the title, "from Gandhi to Guevara," functioning as a lead to that second part, extends an interesting invitation to the readers of the book to raise searching questions about the demonizing stereotyping of all resistance to hegemony and repression, through which those who benefit from such hegemony and repression secure acquiescence in the situation. By bringing these two famous figures together at different ends of a shared revolutionary journey, it invites the readers of the book to recognize both the varieties of possible modes of resistance or challenge, and the need for nuanced distinctions in comprehending their nature.

Among the many useful effects that his books on China and Sun Yat Sen had was exactly this kind of necessary educational effect. Sun Yat Sen had, after all, played a major role in the awakening of China in the early twentieth century to a sense of its modern destiny, through his promotion of anti-dynastic and anti-imperialist awareness. Widespread racially-based anti-Chinese hysteria was at its height at the time of Mr. Hensman's book on China, fuelling the efforts of the controllers of the dominant imperialist/capitalist world order to divert attention from its nature and dynamics, the human cost of its unacceptable consequences, and their own central role in it all. No doubt China might now have set itself the goal of integrating itself into that same order. But, at the time of the book there was an urgent need for the record to be set straight – not that the need has even now entirely subsided.

It is this same steadfast determination not to allow the forbidding complexities and contradictions of the challenges of the post-colonial liberatory effort to cause him to lose sight of the key issues at hand that shows in his readiness to invoke the notion of the 'Third World' in his writings. As is well known, the notion is a very fraught one. It is not only that it is difficult to identify a fixed, homogeneous entity situated in a firmly demarcated geographical location to which the label might straightforwardly be applied. In addition, the notion itself has, from very early in its history, been pressed into less-than-worthy service in all kinds of internal and geopolitical maneuverings, by various nations, forces and

figures, not least the national(ist) bourgeois leadership of many post-colonial states. At the same time, its value in discussion, like that of the allied term "post-coloniality," which has equally been subjected to such sceptical erasure (particularly in the field of a literary post-coloniality influenced by an *avant gardiste* post-modernism), has been inestimable. For, it has made impossible a comfortable evasion of an encounter with those degrading features of unfreedom, inequality, injustice, oppression, poverty, violence and so on which define existence for very many individuals and communities across the world, alienating them from their self-hood, their nature and their humanity.

Mr. Hensman's own innate sense of humanity made the notion a very useful one for him to draw on, but not in a way that left the reservations about it intact. Instead, consistent with the epistemological framework he had worked out for himself, he effectively read it as an extensive, unequal structured position or space within the current world order, constructed through the very same process by which capitalism, riding on empire, restructured the world into the contradictory, hierarchized unity that it is. (We might note, before going on, that that position or space could, therefore, potentially manifest itself in any geographical location, even, as the experience of the recent hurricanes in the USA was to reveal in our own times, in parts of its southern cities.) His book *Rich against Poor: The Reality of Aid*, confirms that this is how he conceived of the 'Third World,' revealing again how valuably the notion served him in addressing the human issues that mattered.

In applying the notion, he consistently did so with the Freireian kind of critical consciousness already remarked on above. It is this critical consciousness, supported by his ethical commitments and reinforced by his own experience of race riots, that he displayed in examining the phenomenon of nationalism. This phenomenon, specifically in its cultural form, has often had a very significant positive contribution to make to liberatory post-colonial struggles, certainly in the literary realm; so significant, in fact, that Jameson, for instance, would make it a necessary feature of such struggles. In spite of his strong commitment to the post-colonial cause, however, Mr. Hensman's critical awareness led him to ask challenging questions of nationalism. An issue of *Community* in the early 1960s acknowledged something of the positive

strand, as expressed in the resurgent literature and drama that was produced as Sri Lanka moved into her own on emerging from colonialism. But the other strand did not include recognition: the univalent, repressive strand that expressed itself in the kind of exclusionary, fascist, genocidal behaviour that our country has for too long been made to suffer. His book, *Sri Lanka: The Unfinished Quest for Peace*, expresses something of his thinking on the matter, thinking that again expressed itself in deeds through active involvement in human rights work.

My account would be seriously incomplete if it didn't explicitly look at Mr. Hensman's deep religious belief. Just as his thought was always inextricably tied to action and the possibilities of action, so this thought/action would not separate itself from his faith — he was too integrated a person for such compartmentalization. In fact, much of what has been looked at above seems to represent a kind of secular intellectual corollary of his unwavering practice, in his own personal life, of the second great commandment of his Christian religion, relating to 'loving one's neighbour as oneself'. This eloquently manifested itself in all his dealings with his fellow beings, whatever their rank, ethnicity, religious conviction, gender and so on. In a sense, this is the more difficult of the two great commandments to follow tangibly open as its practice is to strategy; it does not allow the kind of self-delusory claims and pretences to which the other one (about loving God) so commonly lends itself. (If, incidentally, the requisite doctrinal adjustments are made, this would seem to be an occupational hazard of all faiths, including secular-sounding ones.) But in Mr. Hensman's case, there was no such separation; the two commandments plainly met in all he did and thought, lending further conviction even while dispensing with a certain texture of wise understanding. His later books, *Agenda for the Poor*, *New Beginnings* and *The Rescuing of Humanity*, worked purposively to show how in the epistemological realm the theological and the secular, as well as thought and action, came integrally together for him.

Through all of these large and public dimensions of Mr. Hensman's life and work there came strongly through as a

personal level a sense of a unique man, one of the most human of human beings we could ever hope to know. His friends will never forget the sincerity and warmth and the sheer satisfaction of the friendship he offered them. My wife, Indraneel, met and got to know Mr. Hensman and his family through me, and if she remains grateful to me for that, it is because she came to know and experience for herself some of the many things I had told her about them. Such things always touch, andaringfully, and leave one so much the richer for them. As a family man he was again exceptional, a caring and loving husband and father. We have already seen something of the solid support Mrs. Hensman had given him in his various courageous ventures. That kind of giving was mutual, and, indeed, their togetherness and commitment to each other were legendary. I remember a conversation I had with him just a few years ago, shortly before he and Mrs. Hensman last left Sri Lanka for England. Mrs. Hensman had fallen ill and was very frail, and it was obvious to everybody what a lot of demanding looking after he was doing. When I once inquired after Mrs. Hensman's health, he explained some of her ailments and the treatment they needed and then added, quite as a matter of course, what a great joy it was for him to do these things for her. How much it moved Indraneel when I recounted this to her!

The going of such a man is loss indeed. Certainly, our country desperately needs people like him, given the self-mutilating course on which it has set itself; it is only through retrieving his kind of vision that it can cease to be the sad, lost place it seems to have become. His friends will know a great emptiness, much more so his family who were so joyfully near to him when he was alive. As always, it will be the memories that will carry us through — the memories of a most extraordinary human being. Just to remember him would be to share again in his ideas, to learn again from his thinking and actions, and to know and experience what is good and true and gracious and kind. ■

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REMEMBERING BISHOP LAKSHMAN WICKREMASINGHE

October 23 marks the 25th anniversary of his passing away

Silan Kadirgamar

Rt. Rev. C. Lakshman Wickremasinghe, Bishop of Kurunegala, Sri Lanka, was born on 28 March 1927. After a brilliant student career at Royal College, Colombo, and the University of Ceylon, obtaining a first class in political science, he proceeded to Keeble College, Oxford, and then Ely Theological College. After his ordination in 1952 he was on the staff of All Saints church, Poplar, in the UK. He was university chaplain in Sri Lanka from 1958 to 1962, Bishop of Kurunegala from 1962 to 1963. He was elected bishop at the young age of 35, the youngest in the Anglican Communion.

It was with shock and deep grief that we received the news of the passing away of Bishop Lakshman Wickremasinghe, here in Tokyo. There are Christian leaders here in Japan who had been involved with him in work in the Asian field. His death is not only a loss to us in Lanka but also to the larger concerns he was involved with in Asia, in bringing together people of all faiths and ideologies in a greater commitment to the human rights movement, commanding widespread respect and a founder leader of the newly formed Christians in the Struggle for Justice. We commemorate the memory of one who was a "leading Asian Theologian, an important influence in the Christian Conference of Asia and in the Inter-Anglican Theological and Doctrinal Commission." (*London Times*)

The spontaneous reaction of many to his untimely death has born the question "Why, Why at this time? Why should he have been removed at this time?" Lanka is facing the greatest crisis in its modern history. Crises of civilization as some have put it. During those Peradeniya days he would often say that we are in the midst of an ongoing drama. Some are active participants. Others part of the audience. But all of us are involved as in any good drama. There is no escape; we are caught up in it. There are scenes of tension, pain, joy, fear and horror, but none of us quite know what is coming next. We are not able to explain the way of it. But we do have insights as to the final end. This analogy is particularly appealing to those familiar with Hindu mythology.

When in 1980 he organized the largest ever consultation among Christians both Catholic and non-Roman Catholic at Irawade to arrive at a consensus on the problem of Sinhalese-Tamil relations, he saw to it that the first day of the two-day consultation was spent on Bible study, reflection and discussion. He was attempting to work out a Biblical basis on which to reconcile the Sinhalese and Tamil positions. His Biblical reflections are available in outline in the CCA-URM publication "Christian Response to Race and Minority Issues in Asia" (1980).

He did not indulge in simplistic, escapist, peace and harmony talk, and pietistic condemnation of violent forms of struggle. He had a distinctive and honoured place in Tamil society. He has been referred to as "Jaffna's dearest and most beloved Sinhalese friend." He identified himself with the pain, the anguish and sufferings of the Tamil people. After every major outbreak of violence, he was among the first to arrive in Jaffna. It has rightly been acknowledged that the healing presence of Bishop Lakshman in Jaffna during times of tension was more eloquent than words. Not that he agreed with everything that the Tamils wanted. He condemned violence and very much wanted us in Jaffna to condemn violence. He was totally opposed to the division of the country. But precisely because he stood by us at times of crisis, because he identified himself with the sufferings of Tamils who had been victims of attack, and because he relentlessly worked for a solution based on justice to both Sinhalese and Tamils - hence he was always welcome in Jaffna. He was respected and his sincerity was not questioned. He was listened to. He tried hard to influence the Buddhist clergy. He was a great force for reconciliation based on justice. If ever Lanka were to become a truly integrated and united state it could be only under leaders like Bishop Lakshman, who have the capacity to win the confidence and allegiance of minorities.

His passion for liberation was grounded in and controlled by a distinctly Christian worldview. He gave precedence to all things to God's free and sovereign grace. He combined in a unique way the pastoral, the teaching and the prophetic

ministry. We were fortunate to have a bishop who with all the authority and respect he commanded threw himself on the side of the marginalized, the discriminated, the oppressed, and the poor. Bishop Lakshman's ministry – both as university chaplain and bishop – came at a momentous period in the history of the country, when the tensions and contradictions that lay dormant in a typically newly-independent colony from Western rule, were beginning to surface. The mid-1950s was a period of social upheaval. The search for national selfhood was on. The common man, as he was called was beginning to assert his place in the socio-economic set-up. The working class was in a militant mood. The line was beginning to be clearly drawn between oppressors and the oppressed, the privileged and less privileged. Liberation Theology was yet to be born. The conditions for change were the dynamic forces at work. The founding of the Christian Workers' Fellowship and the re-energization of the Student Christian Movement took place. But the response was not clearly articulated in theological terms. That was to come later: action and involvement preceded theology.

In his commitment to both thought and action, Bishop Lakshman was in the forefront, responding to the challenges of his times, taking his stand firmly on the side of the oppressed. That was later vividly demonstrated by an act of his that will be remembered in history, when he presided over the workers' mass for justice to the July 1983 strikers, which the CWF has recorded as a "decisive, prophetic act ... that rallied the forces for justice and democracy." *As Satyananda Bellur* has appropriately summed up, Bishop Lakshman together with the late Bishop Leo Nanayakkara of the Ceylon Church "had a powerful insight into social reality and talked about it with prophetic force and fearlessness."

In September 1982 he identified himself fully with the campaign launched by the All Lanka Peasants' Congress. On that occasion he said, "If the demands of those who suffer are to be won, all sections of the oppressed must join hands – forgetting all divisions they must come forward to win their demands."

And with reference to the plantation workers he has said, "My deepest sympathy is for these Tamils ..." In this same pastoral letter, his last, which the CWA has poignantly titled "A Cry from the Heart," he said with reference to the July 1983 violence, "It's massive retaliation mainly by Sinhalese against defenceless Tamils in July 1983 cannot be justified on moral grounds. We must admit this and acknowledge our shame. We are ashamed as Sinhalese for the moral crime other Sinhalese committed."

These words came from a man who acknowledged and drew inspiration from his Sinhalese Buddhist heritage. He sought to channel the forces of Sinhalese Nationalism in a positive and constructive direction, to revive, restore and develop that which was true, good and beautiful in an ancient culture.

As president of the Civil Rights Movement he led the protest against the gradual erosion of democratic rights in Lanka culminating with the infamous referendum of 22 December 1982 by which the people of Lanka were persuaded, pressurized and manipulated to divest themselves of their sovereign right to elect their own representatives to parliament. For his role in the Civil Rights Movement he was named and attacked publicly. Nevertheless this was the 'power of the powerless.' Those who have known him know what role he has played in that great drama, and in that dream, he put himself on the side of the people. Even as we grieve that he has gone, we raise our hearts in thanksgiving and honour a life so nobly lived, a life so freely given for just causes, a life lived for others.

Whatever the heightened degree of awareness there may be, there is a point beyond which we as individuals and even as small groups are helpless. But we shared something in common – a hope, a longing for justice, reconciliation and peace. It was a meeting I will personally cherish much like my first meeting with him 25 years ago. Once in a lifetime, a figure emerges who sums up the hopes, aspirations, and longings of a people who share the same faith and concerns. It was a joy and privilege to have lived in the times of Bishop Lakshman Wimalasinghe.

A persisting memory that lingers is that of the then Father Lakshman, young, handsome, humane and intellectually challenging in that homely and beautiful church in a picturesque setting in Peradeniya, leading us in worship. Facing the altar he would invite us with the familiar invocation that he was so fond of, "Come, let us worship God in the beauty of holiness." People like Bishop Lakshman do not die. They live in the hearts and minds of people – ever inspiring us to continue in that for which he dedicated his life: "In the Beauty of Holiness."

This is a tribute delivered at a memorial meeting on 7 March 1984 at the National Christian Council of Japan, Tokyo.

Courtesy: *Daily Mirror*, 21 October 2008.

"Identity card"

Write down!

I am an Arab

And my identity card number is fifty
thousand

I have eight children

And the ninth will come after a summer

Will you be angry?

Write down!

I am an Arab

Employed with fellow workers at a quarry

I have eight children

I get them bread

Garments and books

from the rocks ...

I do not supplicate charity at your doors

Nor do I belittle myself at the footsteps of
your chamber

So will you be angry?

Write down!

I am an Arab

I have a name without a title

Patient in a country

Where people are enraged

My roots

Were entrenched before the birth of time

And before the opening of the eras

Before the pines, and the olive trees

And before the grass grew

My father ... descends from the family of
the plow

Not from a privileged class

And my grandfather ... was a farmer

Neither well-bred, nor well-born!

Teaches me the pride of the sun

Before teaching me how to read

And my house is like a watchman's hut

Made of branches and cane

Are you satisfied with my status?

I have a name without a title!

Write down!

I am an Arab

You have stolen the orchards of my
ancestors

And the land which I cultivated

Along with my children

And you left nothing for us

Except for these rocks ...

So will the State take them

As it has been said?!

Therefore!

Write down on the top of the first page:

I do not hate people

Nor do I encroach

But if I become hungry

The usurper's flesh will be my food

Beware ...

Beware ...

Of my hunger

And my anger!

*(By Palestinian poet Mahmoud Darwish, who
passed away on 9 August 2008)*