

LANKA

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AFTER THE BY-ELECTIONS

Which way for

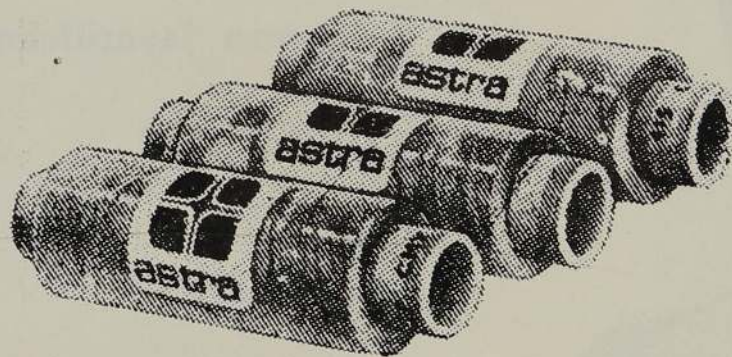
VIJAYA?

— Dayan Jayatilleka



- The Hopper Report
- Gail Omvedt on U. S. Feminism
- N. Shanmugaratnam on the plantations today
- Bill Hayden on the importance of India
- Jan Pieterse on Israel as imperialism's Fifth Column

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FISHING IN TROUBLED WATERS ?

HISTORY books are so crammed with 'incident's at sea that they are generally regarded as a classic act of provocation or **casus belli**. No wonder Sri Lanka's answer to the 17 boats found poaching in her territorial waters was a measured response. 74 of the crew members who were taken into custody by the Sri Lanka navy were released and repatriated within a very short time. 17 skippers have been charged for violation of Sri Lankan laws.

The sequel to this decision which had some worrying aspects. According to a frontpage lead in the SUN, several hundred Indian fishing craft and several thousands of protesters on the beach at Rameswaram refused to let any passengers board the 'Ramanujan' ferry. As a result the Indo-Sri Lanka ferry service was disrupted for the second time in a week.

Mr. Lalith Athulathmudali, the National Security minister, has pointed out that the suspension of the ferry service was most of all an inconvenience to repatriates, not to Sri Lankan citizens. In any case, the service may have had to be stopped on account of choppy seas.

The SUN report noted however that the demonstrators were not only Indian fishermen taking up the cause of their fellows, which is perhaps understandable, but groups of Sri Lankan expatriates identified with the "Eelamist" cause. And both groups had threatened to "land" on Kachchativu and plant the Indian flag! Provocation for a confrontation at sea?

DOCTORS VS POLICE

THE GMOA's formula to settle its dispute with the police has been rejected. Meanwhile the Kandy doctor who was assaulted has filed action against his assailant, and the policeman has responded in kind. Pressure on the GMOA leadership is mounting as provincial branches

insist that doctors working in distant hospitals should have firm guarantees of personal security and freedom from all forms of harassment.

Besides asking for an apology from his alleged assailant and compensation from the government, the GMOA is demanding that an 'assault on "any public officer be made a nonbailable offence". Right now, such limitations are chiefly imposed under the PTA, the Emergency laws and the new laws on Narcotics.

POLICE VS FIREMEN

WHILE the GMOA vs. the Police may be heading for a goalless draw, the Police collected the loot and the trophy in their match against the Firemen after the Duty Free Complex incident.

A Firebrigade Officer and a fireman were produced before the Colombo magistrate, two days after the mysterious fire that broke out at the ill-fated Duty Free Complex. (The Complex was closed for several weeks in August when acid was thrown at a senior customs officer.)

The fire brigade is not generally counted among 'the services' although its duties are important to the protection of life and property as say the police.

Surely the steady deterioration in the standards of discipline and professional efficiency cannot be unrelated to the more serious problem facing Sri Lankan society. Authority, institutional and professional discipline and probity are crucially important to law, order and social peace, and disruptive processes in such sensitive areas must be seen as symptoms of graver ills than those that appear to the casual eye.

Buddhism and Marx

Ven. Dr. Kamburupitiya Ariyasingha Thero has made an attempt so show that Mark and Engels had an opportunity to gain some knowledge of Buddhism. But his letter published in the Lanka Guardian of 15th September 1984, has failed to prove it so. His opinion and arguments only show that Marx and Koppen were life long friends. In the introduction to Marx's book "Contribution to the Critique of Hegels Philosophy of Law" it is stated as follows "— and criticism of religion is the premise of all criticisms."

Marx and Koppen were young Hegelians, and during this time there was a wide enthusiasm on Buddhism throughout Europe. Therefore it is obvious that a distinguished philosopher like Marx had some knowledge of Buddhism. Further he may have read Koppen's book written on Buddhism. But Marx had not set aside Buddhism in his criticism of religions.

Engels says ancient Greeks and Buddhists are dialectical in thought.

....."Dialectical thought precisely because it presuppose investigations of the nature of concept themselves is only possible for man and for him only a comparatively high stage of development (Buddhists and Greeks) and it

(Continued on page 12)

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The by-election results and Opposition options

Dayan Jayatileka

NEWS
BACKGROUND

It was left to National Security Minister Athulathmudali, to make the most perspicacious post-election comment: "The results suggest that there is no real alternative to the UNP. There was no agreement on who should finish second." (CDN Oct. 27th.)

Indeed the by-election results left more questions unanswered than those it did answer. It exposed the crisis of the opposition, by leaving open the issue of 'which is the Second Force?' It would be tempting to see the SLMP's Minneriya vote as a personal achievement and its Kundasale debacle as a political indictment, but that is too facile an interpretation. How is one to prove for instance, that the converse is not true?

In fact, 'the personal is the political' in national-level politics as well, and this is something the opposition should take to heart. The choice of Mahinda Senanayaka for Kundasale (or any place else) was an execrable one, and also inexplicable for any party that called itself 'leftist'. (It also made the NSSP's new characterization of the SLMP as a 'working class party', a bad joke.) At the infamous Referendum, which drew as clear a line of demarcation as any in this island's politics, Mr. Senanayaka supported the UNP, while his social affiliations are with the decadent aristocracy. So we witnessed the ridiculous spectacle of a SLMP candidate who was socially more conservative than the UNP and SLFP candidates! Then of course there were the superb politicking skills of R. P. Wijesiri, an aggressive parliamentarian who knew the area like the back of his hand. It was the slaughter of the innocents and Mr. Senanayaka got fewer votes than those polled by Mr. Wijeweera at the 82 Presidential elections. One would have reasonably expected the SLMP candidate to net the combined left votes (Rohana, Colvin, Vasu) polled on that occasion.

The SLMP's choice of Mr. Senanayaka indicates something about that party. It assumed that the voters in the area were so backward that his social connections would prove to be an asset. It also assumed that between them the UNP and SLFP candidates would split the so-called caste vote, and permit them to sneak through to victory or at least second place. Dr. Premadasa Udagama, any day a better candidate, who could have been supported by the Left without too many qualms, was cold-shouldered because of his incapacity to bankroll his own campaign. All of this reveals that the factors that go into the SLMP's decision-making process (at least in electoral politics) are not so different from the considerations that determine the SLFP's decisions in such matters.

If one examines the social background of the candidates fielded by Mr. Bandaranaike's MEP in 1956, one could conclude that he had put more distance between himself and the UNP from whence he emanated, than the Mahajana Party has, from its parent the SLFP. If the contrast is not so great, and the line of demarcation is insufficiently clear, then a sizeable chunk of the anti UNP voter decides to vote with the SLFP, thus tripping up the new party.

SLFP inconsistency

In Minneriya however, the SLMP candidate's political profile was much clearer, and this, rather than the presence of a large number of film fans, is probably the reason for the party's respectable performance. One might even go so far as to agree with Minister Athulathmudali that while the by-election results created the dilemma as to what the authentic, nation-wide alternative to the UNP was, "what had been demonstrated was that the SLMP was more accepted today than the SLFP." (*The Island* Oct. 27th. p. 2.)

The Minneriya result contains another important lesson. The SLFP candidate struck a raucous racist note and maintained it throughout, but he was rejected by the Sinhala peasant voter, proving that there is hardly any space to the right of the incumbent regime as far as the ethnic issue goes. If one is beating the anti-terrorist tom-toms then the UNP can do so louder, specially since the SLFP has to muffle any anti-Indira-ism. Anti-'terrorist' rhetoric today, if it is to be effective, has to be taken to its logical conclusion i. e. anti-Indianism. Mrs. Bandaranaike, with her occasional murmurings of assent (subsequently denied) to Provincial Councils, and her special relationship with Indira, cannot do this any longer. Either she has to dump the latter and take to unbridled Sinhala-Buddhist chauvinism (a la Jan. '66) or adopt a consistent line in favour of a negotiated political solution through substantial devolution, and "bringing the boys back home."

The same goes, in a somewhat different fashion, for the SLFP. Mr. Athulathmudali correctly remarked in Parliament that "the SLFP had failed to express its opinion in regard to the National question". The Mahajana Party will have to realize that it is ludicrous to try to sweep the issue under the rug of socio-economic grievances at a time when it has become the dominant factor in our political life. Of course it is heartening that the SLMP, at least in its public meetings at Minneriya, did not rouse communal passions and the NSSP's Vasudeva Nanayakkara is said to have made some fine anti-racist speeches.

The by-election victories were personal triumphs for President Jayewardene and Prime Minister Premadasa. President Jayewardene, whose hegemony seemed to have acquired quasi-monarchical proportions from 1978 upto the immediate post Pre-

sidential Election/post Referendum period, found that hegemony gravely eroded and in deep crisis in July '83 (and onwards). The by-election results seem to have reversed this situation partially. The real test of this however, will be his ability to push a political solution along lines of Provincial Councils, through the various decision making bodies of his party and Government, and then the country as a whole.

Prime Minister Premadasa was not only closely identified with the Wijesiri campaign, where the UNP victory was most shattering (71% of the total poll) but he also made Mrs. Bandaranaike and Anura a special target of vituperation in recent times, ridiculing their archaic style of political leadership while cruelly and unremittingly driving home the logical inconsistencies of their position on the "terrorist" issue. He pointed out in Parliament that at Minneriya the SLFP "had suffered a resounding defeat at the hands of a newcomer to the electorate" (The Island Oct. 27th.) He went on to mock the leader of the Opposition for absenting himself from the House, an absence which he said displayed the latter's inability to face defeat.

Indeed Mr. Anura Bandaranaike was the biggest loser of all, since he had explicitly stated that his sole aim was to defeat the actor, a statement that was accorded maximum pre-election publicity by the pro-Government print media. (Prime Minister Premadasa made it a point to rub this in, in his Parliamentary speech.)

While the UNP's victory derives in part from the tendency of the electorate to vote for the incumbent regime at by-elections unless a General Election is close at hand, this is not the whole picture. Tracing the contours of the political map that emerged from the Presidential election and Referendum results, this journal commented that it is the UNP that is "encircling the cities from the countryside." We also commented that the Vijaya phenomenon is quintessentially, though not exclusively, one of urban dissent. Minneriya shows that Vijaya has made a **limited** break-through to the countryside, and does not negate our observations.

What then are the implications for Opposition strategy in terms of the political options available to it?

Movement perspective

Conventional political wisdom and a degree of grass-roots pressure dictates a reunification of the SLFP and SLMP, but in politics, seemingly commonsensical approaches aren't necessarily the best choices, the shortest distance between two points isn't always a straight line, and arithmetical considerations need to be superseded by the calculations of higher algebra. A reunification would frustrate the hopes of a large number of radical minded SLMPers, and be a setback to the progressive movement as a whole. In any case it is doubtful whether the SLMP "toothpaste" can be reinserted into the SLFP "tube". (What, after all is to be done about Mr. Anura Bandaranaike's presence and the socio-economic interests and ideology that he represents?)

A more realistic and politically healthier solution would be for the SLFP to concede co-equal status to the SLMP and for the Opposition to think in terms of **united actions** and joint campaigns on single issues (eg. Monaragala peasantry) or a cluster of grievances. The L. G. has repeatedly focussed on this "Movement phenomenon" in other parts of the Third World (Pakistan, Bangladesh, Philippines). Will the Sri Lankan opposition continue to stick to a narrow party based approach and a traditional united front perspective, or shift to a united 'popular movement' perspective? It must be noted that during the students agitation the four party bloc quite deliberately evaded and then stifled precisely such a possibility for fear of jeopardizing its electoral option. Will the by-election results make it reconsider?

Recent Third World experience demonstrates that authoritarian regimes tend to reopen democratic and electoral space only when subject to the ceaseless pressure of the popular movement(s). In the absence of such countervailing force, such a 'democratic aperture' is highly unlikely. The real crisis of the Sri Lankan opposition is that it lacks such a countervailing force which will re-introduce a

'balance' into the political equation and is the only guarantee that elections, even if they are held, will be genuinely free.

The next issue concerns the 'zoning' so to speak, of oppositional activity. Should the SLMP continue exclusively along the electoral path, which in this country is routed through the countryside, or should it maximize its 'comparative advantage' (to borrow a term from) by building up organizational strength in the towns, via a post Budget protest movement of workers, the youth and the urban poor? Will the opposition break-away from its traditional mind-set and discern that the towns are in fact the system's 'weakest link' and contain the potential 'storm centres' of protest?

Which ideology ?

The last problem-area is that of ideology and consciousness. Will the SLMP go right-ward or left-ward? The further left it goes the more clearly distinguishable it is from the SLFP in the eyes of the anti-Government voter and the less concerned he/she is about the prospect of a family reunion which would leave him/her out in the cold. Thus a clear cut commitment to the SLMP would become an easier decision for the dissatisfied SLFPer. There are those however (such as the journalistic purveyors of the new populism) who would urge that the SLMP ditch its urban based and "extremist" left partners and fully reclaim the pristine heritage of 'Bandaranaike thought'. The SLMP leadership's solicitude over the sensitivities of its mudalali supporters (who are mainly dissident UNPers) could tempt it in this direction.

As the bomb explosions in Colombo signal that the war has come South and as President Jayewardene seems to be tip-toeing (but not too far) in the direction of some sort of devolution, the Opposition (SLFP and SLMP) could be sorely tempted to opt for full-blooded ethno-religious chauvinism, anti-Indian xenophobia and even putschist solutions. Powerful sectors within the Government have embarked once again on propaganda and organizing drives. New chauvinist pressure groups have made their appearance

and their critique of even the RTC's milk-and-water proposals are given wide play in the Sinhala language massmedia. Free-lance ideologues and demented academics are hawking their theories of a return to the glorious past of Anuradahapura and Polonnaruwa, and the rejection of western concepts (including Marxism). Anti-modern anti-urban, anti-industrial, anti-workingclass, anti-women, and anti-secular concepts, opposed to processes of social and cultural internationalisation, are gaining currency, and populism, which in the current context of chauvinist mass consciousness, will heighten ethnic tension, is being urged upon political parties. Public opinion is being moulded and an intellectual climate is rapidly coming into being which is conducive to some especially grotesque variant or the other of

that wholly hideous phenomenon 'National Socialism'. Will the SLMP take what might seem to be a short-cut and become a vehicle for this ideology and its slogan of 'the broadest possible National united front' (actually a **pan-Sinhala** united front of all classes)? Or will it move forward to pose a secular, modern, democratic and popular (as distinct from populist) option which is socially and historically **more advanced** than the UNP's dependent capitalist model? Most vitally, and as an essential of the above mentioned perspective, will it be willing to popularize the idea of a peaceful negotiated and just political settlement to the Tamil National Question which will involve negotiations with the youth militants but holds out the only real possibility of bringing the Sinhala soldier boys back home to their families?

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(for H. A. I. G.)

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The lies have killed.

And yesterday's children,

Today's poets,

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To fight murder.

We will not listen, not leave.

Are never going to talk.

But rock them, rip headlines apart

To stop the lies.

Can't win without weapons.

Today we will have

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— Qadri Ismail



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THE MATHEW PHENOMENON

Both supporters and critics of Mr. Cyril Mathew focus on his personality as the uncompromising champion of Sinhala-Buddhist interests. In politics where consistency is a rare virtue, he has held his ground firmly. But this high profile as Sinhala-Buddhist spokesman leads observers, pro, con or non-partisan to ignore his other "ego", his position as Minister of Industries

Recently Mr. Mathew spoke to the *Daily News* which had re-published lengthy excerpts from an interview given by president JR to the *Financial Times* in which Mr. Jayewardene took up the question of some foreign firms who were now faced with cut-backs in production — notably, UNION CARBIDE, and it is said BATA. Was Mr. Mathew against foreign investment? If so, was he opposed to the government's "open economy"? Mr. Mathew decided it was time to state his position clearly.

Especially in its second phase, import liberalisation policies, a principal pillar of the "open economy"

strategy, begins to hurt fairly well-established indigenous industries and provoke the anger and resistance of domestic entrepreneurial groups. This has happened even in major Third World industrialised nations with large local markets like Brazil and Argentina. Even leading figures in ruling (civilian military or straight military) juntas start to protest.

Under the SLFP's state supervised economy, import and exchange controls, quotas and licences, (the latter often granted under a party patronage system) not only "protected" burgeoning national industries but nurtured an emerging entrepreneurial group which was predominantly (and in the case of the SLFP, quite logically) Sinhala-Buddhist. But how can these stand up to competition from the imported manufactures of countries like Japan, West Germany or the US?

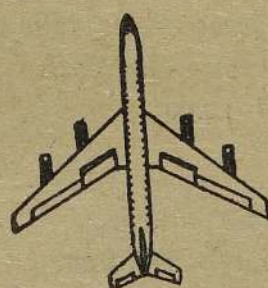
The Mathew phenomenon should be seen in this perspective, and against the background also of the evident success of Tamil (Indian)

business groups and their high-visibility in the post-1977 "first phase". The offensively ostentatious life-style of those associated with these groups fuelled Sinhala upper-class resentment, another significant factor in the ethnic conflict.

Mr. Mathew takes an in-between position that looks suspiciously similar to SLFP "middle-pathism" but apparently has nothing to do with SLFP "protectionism" to go by Mr. Mathew's remarks "I support the open economy system as much as any developed country supports the open economy system whilst protecting its own industries"

So, Mathew supports the "open economy" and "foreign investment". However he is selective in his attitude to overseas investors. They must bring in capital that "cannot be easily raised locally"; they must introduce technologies not available here; and they must offer access to "foreign markets hitherto unavailable to Sri Lanka industries."

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Lankan economy : Crumbling infrastructure

David Hopper (*Vice President, World Bank*)

Many of our donors and the Bank's own report touched on the need to improve Sri Lanka's economic physical infrastructure. As the comments of Minister de Mel made clear and as supplemented by your remarks this afternoon, there is obviously a most serious depletion in the road and rail systems to the nation. Your minister further indicated that the electrical transmission system was in difficulty. This is a most disquieting piece of news just as several new power projects are about to come on line with donor assistance. Also, I know that telecommunications are in difficulty. It is encouraging then to have heard the concerns of both the Government and donor that the operations and maintenance expenditures for the infrastructure have not been sufficient. We all know why. The heavy drain on public investment made by the accelerated Mahaweli development program forced the neglect of many needed national investments, and especially those involving the proper maintenance of the economy's physical base. But we are now through the bulge in the Mahaweli expenditures. I would hope that, along with the completion of the Mahaweli works and associated downstream settlement development, the investments necessary for the efficient operation and maintenance rehabilitation of the economic physical infrastructure will be given a firm and clear priority over the launching of new projects.

There was relatively little discussion, Mr. Secretary, of the administrative infrastructure, but again I think the Government need to examine closely the organization, structure and functioning of the national administration. This

is especially, but not exclusively, important to the efficiency of public sector undertakings whether under direct Ministerial control or in parastatal status. Specifically, there is mention in the Bank report of the importance of re-examining the responsibilities, jurisdictions, and powers of the various Ministries of the Government. I am not suggesting the elimination of Ministries: that is always very difficult in a democratic Government; but I think there is much scope for an administrative rationalization of the present structure of Ministerial portfolios that offers the Government significant opportunities for enhanced efficiencies and greater cost effectiveness in dealing with the nation's needs.

Mr. Secretary, this brings me to what I regard as an overall need for extending the planning activity undertaken in your Ministry. I was pleased with the document on the Public Investment Program for 1984-88, and with the associated documents that were distributed today. I know there is an energy strategy being prepared and will look forward to reviewing it when it is released. All of this is a welcome beginning but I think, Sir, that you need to re-examine many of the projects contained in the Public Investment Program document. What is needed is the addition of substantially more guidance to both donors and Government Ministries on how the planned investment are going to be phased, how they are going to interact with each other, and how the competing demands for resources for these investments, both domestic and foreign, are going to be reconciled. You are aware of the extensive discussions that your Ministry and the World Bank have

had on the importance of user fees, water charges, tariff reforms and so on. In essence, these discussions have been about the mobilization of domestic resources, a mobilization that we hope will aid the closure of the savings-investment gap discussed here this morning. But I find little in the present planning exercise that focuses on the issues of what must be done if domestic resources are to be garnered for the national investment program. From whence will come the resources? All the donors at this table have a deep interest in the answer to this question. It can hold the assurance that the projects each is assisting will be adequately funded from a known pool of resources. It would also be useful for the plan to indicate how the proposed projects interact both with each other and with the needs of the sector as a whole. This will enable the implementing agencies of Government and the development partners to see clearly how each will relate to the specified projects in both time and space.

The program document distributed to us was excellent as far as it went. The project outlines, the principles of project assessment, and the priorities of project selection were most welcome. But a resource-oriented framework is a necessary addition if the medium-term plan is to be taken seriously by the nation's development partners. This is emphatically not to ask for another South Asian-type plan that locks the country into an inflexible frame for five years. Indeed, I welcome the suggestion that Sri Lanka use a rolling plan. But, that said, I think that both the Government and this Aid Group need a better

understanding of how the development projects embraced in the plan are to be carried through to completion, in what order, with what resources, and, perhaps most important of all, with what effectiveness and efficiency external resources and assistance will be used. I would hope also that the full Cabinet would be involved in the development of such a plan. One of the major gaps in managing Sri Lankan development as we have observed it over the past several years has been a lack of Ministerial consensus, even discipline, on the budget and on the macro-economic policies underlying it. An early Cabinet involvement with the planning process could do much to unify and broaden political support for the product of the planning exercise.

Mr. Secretary, when some of us collectively supported the accelerated Mahaweli development program, there was an active coordination among the donors involved. The frequent meetings with the Government in Colombo insured themesh and balance that successfully brought this complex program to a conclusion. Now that the country is entering a new phase of its development activities, I would like to suggest, Sir, that we reactivate the local Colombo aid coordination group. The Bank is prepared to act as secretariat to the group under the overall guidance of your office. I would suggest that you or senior colleagues in your Ministry be closely involved in setting the agendas for the group's meetings and in preparing the discussion materials that you wish to bring to the attention of the group. If this suggestion meets with your approval of your Minister, I will discuss with Mr. Hawkins, and through him with other donor members, how best to establish the mechanisms for insuring the smooth operation of a local consultative process. The purpose of an LCG in Colombo is to give all of Sri Lanka's donors an improved and more comprehensive understanding of the development concerns that are uppermost in the minds of Sri Lanka's authorities and to enable each of us to ensure that the funds that we are channeling to the economic betterment of Sri Lanka's

peoples will, in fact, be used in accordance with Government's wishes in attaining that purpose most satisfactorily. Should a local consultative group be reactivated, it could usefully work with you and your associates to insure a feedback to our meetings here. With your concurrence, Sir, I would like to explore this suggestion further, and I ask Mr. Hawkins to give it his early attention when he gets to Colombo.

There was one comment made at the table that I would like to stress in these already too lengthy remarks. It has to do with project size and the time to completion. The Mahaweli Ganga project was embarked upon as a fairly high risk venture. At the beginning, I don't think any of us knew what the risks would be, or had we known, would have argued against the venture. It was too exciting to ignore. Time had made us all experts of hindsight, but had I sat here in 1978 or even 1979 and said that the Mahaweli Ganga project would be beset by terms of trade that would move against Sri Lanka by over 30 percent; a world inflation that would mock our best cost projections; a trade depression that would sap Sri Lanka's prospects for selling non-traditional export goods; and a widespread budgetary crisis in the industrial nations that would threaten aid availabilities, I would have been, correctly, accused of painting a most pessimistic and most unlikely scenario. In no one's mind was the accelerated program that risky! In fact, this is the scenario that unfolded. It is to the credit of the Government and many donors that the program is coming in on time, if not on budget. I think it is likely that if an inflation accounting were done, the program would meet the budget criterion as well. There is no question that we cannot be but impressed with Sri Lanka's capacity to implement large aided projects. But there was a suggestion made by one of the delegations that, in moving to future large projects, the nation plan very carefully, especially with projects that have long gestation periods. I could not agree more. There is still much to be learned from the Mahaweli experience. While

the accelerated program has meant a major structural shift in the opportunities for economic advance in Sri Lanka, the costs in foregone short-term economic opportunity and income have been large. It is my view that for time being, further mortgaging of the short-term needs of the economy and of its crumbling infrastructure for long-term must be set aside.

Mr. Secretary, the projects your delegation placed before us for future consideration were in many cases large, longer-term gestation construction activities primarily in the power sector. I realize the concern of the Government to protect the nation from the power shortage that is projected to occur in the next five to ten years — the period needed for the construction of new generating capacity. But I commend to the Government means that might curb the swelling demand for power through an adjustment of tariffs and appropriate incentives for those undertaking conservation measures. A review of the experience of countries that have priced power at its proper energy cost reveals how surprisingly elastic the demand for electrical energy is. As I sense the feeling around this table, and certainly it is a feeling I get in Sri Lanka from many inside and outside of Government, the time has come for a pause in the megavision. What is due and proper for the next few years is a focus on the rehabilitation needs of the island's economy, the rebuilding and expansion of its micro-physical and social infrastructure, a focus on the quick return from a relatively small investment and especially an investment that involve the local participation of those who will benefit from its implementation.

Let me close on a note struck by several delegations. The size of the public investment budget relative to national savings rates has left little room in Sri Lanka's real economy to accommodate demands for investment funds by the private sector. If the Government sets the pattern of incentives correctly, there should be a strong up-swing in private activity and

(Continued on page 12)

The Plantation system in crisis

N. Shanmugaratnam

The achievements of intensification of paddy production so far have been accompanied by a highly discriminatory agricultural credit policy which has eliminated the defaulters who constitute a majority of the cultivators. As shown in Table VII the total quantum of institutional credit for crop and animal production was cut down by 70 per cent from Rs 261.7 million in 1978 to Rs 78.7 million in 1982 and in 1980 it fell to a very low Rs 53.3 million. During this period fertilizer prices shot up steeply (see Table VIII) as the government decided to contain the total fertilizer subsidy within Rs 1000 million. This amounted to a partial withdrawal of the subsidy. Between 1978 and

1981 fertilizer prices increased by 70 to 262 per cent depending on the chemical. Against these, farm gate prices increased rather modestly. For instance, open market price for paddy varied between Rs 64 and Rs 75 per bushel over the year. The guaranteed price is Rs 55 per bushel. Under the highly variable conditions of production imposed by physical as well as economic factors, cost of production varies widely. Obviously the farmers having access to institutional credit and assured irrigation are assured of the bet ‘profit’ margins. This applies to crops other than paddy too.

The area under minor food crops (about 18 in all) has shown ‘significant increases’ according to

official reports although the exact rates of increase are difficult to ascertain due to data problems. The total area is around 200,000 hectares, the main crops being manioc, maize, onions and pulses including soya bean. In terms of area and output no agro-industrial crops have emerged with any impressive progress between 1978 and 1983. This indeed is not a happy situation for the government which has done its best to attract agribusiness TNC’s into the dry zone. Even a crop like sugarcane has not made any headway in a country which imports more than 90 per cent of its sugar. As a matter of fact sugarcane yield has dropped in recent years, in 1982 alone by 14 per cent.

The only steady contract farming sector in Sri Lanka is tobacco. This has been so for many years. The Ceylon Tobacco Company has been co-opted by the government for the management of Mahaweli settlements. The company is likely to develop contract farming projects for other crops in the future, depending on the prospects. But the much talked of agribusiness ventures are yet to come and make their presence felt in terms of growth.

Contradictions

The “revolutionary” changes introduced in and after 1977 were confined to areas like monetary policy, external trade, fiscal operations, price mechanism and investment programmes. The new strategy, however, did not accompany any express reforms in the agrarian structure. It was conceived within the existing framework with certain shifts in policy as shown already. But the operation of the strategy has affected the agrarian structure exposing some of its inner contradictions more acutely and raising certain basic issues of the problematic of agrarian transition and the development of capitalism.

TABLE VII
Institutional Credit for Agricultural Production 1978-1982
Rs Million

	1978	1979	1980	1981	1982
Paddy	183.1	39.2	35.3	64.6	62.8
Subsidiary food crops	60.9	16.4	14.2	14.8	11.1
Sugarcane, cotton and others	15.5	0.3	0.2	5.8	1.3
Animal husbandry	2.2	2.3	3.6	2.9	3.5
Total	261.7	58.2	53.3	88.1	78.7

Source: Central Bank of Ceylon, *Review of the Economy 1979; 1981*

TABLE VIII
Fertilizer Prices (Rs per tonne)

Variety	Price		Change (%)
	1978 (Sept.)	1981 (Sept.)	
Sulphate of Ammonia	1179 (100)	4270 (362)	262
Muriate of Potash	1132 (100)	2900 (256)	156
Urea	1638 (100)	2785 (170)	70
Triple Superphosphate	1556 (100)	2685 (173)	73
N. P. K. (5:15:15)	1548 (100)	2785 (180)	80

Source: Central Bank of Ceylon, *Review of the Economy 1979; 19 81.*

The consistently dismal performance of the plantation sector under a strategy which brands itself "export led" calls into question the very relevance of the liberalization package to an export sector which has long become a structural anachronism. The past few years have seen the most telling exposure of the obsolescence of the plantation system. In contrast to the performance of the plantation sector the peasant sector has displayed a certain degree of dynamism which is visible to the naked eye. But this dynamism while showing the potential of family farming for certain important crops, has also brought into sharper relief the phenomenon of pauperization. Although this pauperization is manifested and reproduced within the agrarian structure and felt in the countryside it is not entirely a problem of the agrarian structure in the final analysis. We shall discuss the problems of the plantation and peasant sectors in turn.

The plantation system of Sri Lanka displays the characteristics and consequences of underdevelopment in their most classic form. The nationalization of estates owned by companies in 1975 and the measures associated with the Land Reform of 1972, under the previous regime, did not touch the social and the economic structure of the basic production unit, i.e., the estate. Since 1975 so much has been carried out in the name of "institutional change" and "reorganization", but all outside and above the production unit. These administrative changes have led to a proliferation of corporations and ministries adding to the burdens and diseconomies of a production system which stands as a monument of pre-industrial labour control suffering from a technological lag of several decades.

Historically the production activity of the plantations was subordinated to the oppressive hegemony of merchant capital which prevented any radical changes in the techniques of production and hence the labour process. This reinforced and perpetuated the peculiar labour control methods which used extra-economic means to maximize

absolute surplus by keeping wages down and extending unpaid labour time by various means. In the heyday of the tea boom the planters responded to the growing demand by expanding their output through the extension of cultivated area and augmentation of yield by agronomic improvements up to a point. The labour process remained unaltered. The nonmarket means of securing labour and the authoritarian management that characterized the plantation system precluded any possibilities of growth in labour productivity by the deepening of capital, i.e., by labour saving innovations leading to higher capital-labour ratios. This was a classic situation of the disjuncture between productivity and profitability that characterizes the dynamic of underdevelopment on the economic level. Such oppressive means of labour control cannot go on for ever. It has become more and more difficult to suppress wages artificially in the estate sector. On the one hand construction and related activities have activated the labour market in some regions, including parts of the upcountry. On the other hand prices of wage-goods have risen sharply. The inflation is due to both internal and external factors. While the repatriation of Tamil workers has created labour shortages in several estates the re-enfranchisement of a section of the "stateless" Tamil workers has given them some political clout because of their electoral significance and enhanced the bargaining position of their trade unions. All these factors have a bearing on wage fixation in the plantations. Nevertheless, the estate labour market remains basically unfair as far as the resident labour force is concerned and wages are still lower in the estate sector than in the unorganized sectors in the rural areas. The old technical conditions and the profitability criteria that necessitated a suppression of wages still remain but the socio-political context of the estate sector and the general dynamic of the larger labour market have made it more difficult to prevent wage increases.

Two political factors have contributed to drastic labour shortages in certain estates. One is the

ongoing repatriation of Tamil workers to India under the Sirimavo-Shastri Pact. The other is the migration of Tamil workers from plantations in the Mid and Low country toward the Northern and Eastern provinces in search of personal safety from Sinhala communalist violence. Both these are a result of the ideological hegemony of Sinhala Buddhism. But their consequences have contributed directly to a more blatant exposure of the socio-economic obsolescence of the estate system. The labour shortages created this way cannot be satisfactorily met within the existing estate system. The non-market mechanisms of labour force mobilization used by the colonial planters cannot be applied today: Even transferring Tamil workers from labour surplus estates to labour shortage estates has not been possible. Labour immobility and the self-contained nature of the old estate system were so complete that the workers themselves are reluctant to move. Secondly, the Tamil workers are afraid to move to estates surrounded by Sinhala villages due to the prevailing ethnic tensions. As already mentioned, the tendency is for the Tamil workers to move away from these estates.

The only way open to the estate sector to meet its labour shortage is through the market mechanism. This imposes certain preconditions. First of all wages have to be sensitive to the labour market conditions and where labour is difficult to find they have to be high enough to induce mobility of labour. Even this cannot ensure a regular supply given the peculiarities of the village economy. If rural labour were to be absorbed into the resident labour force the living conditions offered must change completely. And finally, all these will have to be generalized for the whole sector as the resident workers will not accept discriminatory procedures in labour relations which are not favourable to them. The Sinhala villagers, who are the only source of replenishment, have not shown any willingness to accept the prevailing living conditions of the estates to become resident workers. At best they will continue to look

at the plantations as a source of seasonal or casual employment. But the plantations require an assured supply of labour. The Central Bank has been reporting high levels of absenteeism among the Sinhala casual workers in the plantation sector. The reason for the absenteeism is obvious. The Sinhala villagers have their own farming and other activities outside the plantations. Further, since wages are higher in the unorganized sectors in the countryside than in the estate the latter would be the choice of only those who have no access to employment in these sectors during the times they seek wage employment. No wonder the government has delayed repatriation and even offered "temporary citizenship" to the would-be repatriates while assuring the Sinhala electorate that the "stateless" Tamils will definitely be sent off soon. Caught between the politics of Sinhala chauvinism and the dire economics of the country's export mainstay the government's behaviour is a dramatic manifestation of its own inner contradictions and confusion.

The government has attempted to offer better living and working conditions as inducements to attract Sinhala workers into the plantation labour force. Such a solution to the labour problem at the present general level of economic efficiency of the plantation sector will be unbearably costly. The policy makers are struggling to find a solution within the existing estate structure. This would mean the maintenance of a resident labour force in each estate. At the normalized level of wages and the maintenance costs that will be required under improved living conditions for all resident workers it is not possible to find an economic rationale for such an approach. There is very limited space within the plantation system for piecemeal solutions. Without the repressive means of labour control the system cannot survive; its economic viability has rested on this. The cracking of the classical labour control system has left the plantation sector sliding deeper into crisis.

The government has been periodically increasing the subsidies to the export crops to accelerate agronomic

improvements. However the major agronomic improvements (replanting and/or infilling) will take years to show results while cost escalation cannot be easily contained. Cost of production in the plantation sector is likely to rise continuously due to the increases in the prices of imported inputs and wages, not to mention the ever worsening managerial deficiencies in the state-owned plantations. The agronomic improvements are aimed at increasing the productivity of land and these by themselves cannot introduce any economies of scale. At the present level of technology they will only reinforce the "labour problem".

The government has also used the state plantations as a source of employment to its political supporters. It has created certain new categories of supervisors and low level managers purely to satisfy its political needs at the cost of the economic performance of the plantations. As already mentioned, the proliferation of boards, etc, has only added to the costs without any compensating effect on production. The state sector in Sri Lanka has always been used by the ruling parties for such political purposes. Even an already weakened and problematic plantation sector has not been spared. This is indeed a contradiction when viewed purely in the light of the economic policy of the government. But it is explained by the balance of class forces within the government and the needs of parliamentarist politics.

The newly appointed supervisors in the estates — the new Kanganis — do not have any new role to play since the labour process and the estate structure remain unaltered. They can at the most add to the intensity of labour control but not necessarily with increasing returns. There is a physical limit to the output of manual labour.

Since the mid 1960s Sri Lanka's share of tea in the world market has been declining in absolute and relative terms. In 1967 35 per cent of the world tea exports was from Sri Lanka. This share dropped to 23 per cent in 1980. In absolute terms the quantity exported dropped by about 15 per cent between these two points of time. This decline has taken place while the total

volume of world tea exports increased by over 33 per cent between 1967 and 1980. The causes for the decline of Sri Lanka's position are internal and rooted in the very structure of the plantation economy and aggravated by the politics of the dominant petty bourgeois ideology which pervades the policy-making institutions of Sri Lanka.

Even after nationalisation no government has posed the question of alternative forms of production to the estate form in a systematic manner. Nevertheless, given the theoretical premises of the economic strategy of the present government, this question raises itself in a serious way as an aspect of agrarian transition under capitalism.

The question of transitional forms of production crops up at a practical level before the policy makers because of the prolonged technological lag in the plantation sector. Mechanical technology that can render large scale tea production more economical is not easy to find in the short run. It will remain a labour intensive crop until operations like plucking can be mechanized without sacrificing the quality of the product. The alternative forms of production in such a situation will have to be labour intensive but without the coercive system of labour management. This narrows down the options to certain forms of petty commodity production based on individual family enterprises integrated with the factory. There may be cooperative arrangements within this or contract farming as in Kenya which is promoting the latter system as an alternative to the estate form for tea. It would seem that Kenya's competitive position in the world tea market and its ascent to the position of the third biggest tea exporter in the world have been significantly facilitated by these internal organizational changes.

Although agribusiness tops contract farming is most acceptable to the present government in the peasant sector it has not considered this alternative for tea and rubber. Such a turn of policy will necessitate certain major decisions, including changes in land tenure and the dismantling of the present state corporations dealing with these crops. The position of the plantation work-

ers will become a serious issue due to ethnic reasons. A conversion of plantations into petty commodity production units should also mean the conversion of the plantation workers into a class of landowning producers under normal circumstances. One is not certain whether this will be the case here as the plantation workers are the so-called Indian Tamils who are viewed as 'aliens' in the territory of the Kandyan Sinhalese by the officially encouraged and popular ideology of Sinhala chauvinism.

As regards the split-up of plantations into small holdings it may be pointed out that the government has converted state owned large holdings of sugarcane cultivated with wage labour (not regimented and managed in the fashions of plantation labour) into family farmed allotments in Hingurana. It should be possible to carry out large scale sugarcane cultivation with hired labour as the field technology is available abroad. Capital intensive mechanization was not fully adopted in Sri Lanka. Certain operations remained labour intensive. The Sri Lanka Sugar Corporation has had a poor record of field managerial efficiency. The blame has often been put on the labour. Between continuation of the large holdings with capital intensive technology and their break-up into small family farmed allotments with labour intensive methods the corporation has opted for the latter. The third option, theoretically, was to introduce the typical plantation management system. This would have been the worst of the three alternatives in economic terms and its practical feasibility is almost nil as the nineteenth century non-market mechanisms of labour force mobilization are unthinkable today. The break-up of the sugar holdings also has its political cause.

It would seem that several political factors will not allow the government to embark on a fuller transformation of the plantation system even according to the logical needs of the growth strategy of the self-same government. The present chaotic situation will continue with ad hoc changes and "adjustments" with foreign aid channelled into the plantation sector as subsidies. Output may begin to increase gradually

someday due to agronomic improvement but the inefficiencies will also increase with serious consequences to the already weakened international competitiveness. However, the possibility of developing a sizable small holdings sector for tea without totally dismantling the plantations still exists. The land alienation programmes in the upcountry for export crops and the role of the Tea Small Holdings Authority (TSHA) of Sri Lanka may contribute towards this. But the results have yet to be seen.

(To be continued)

Letters . . .

(Continued from page 1)

attains full development."

(Engels Dialectics of Nature — 1976—page 223)

Engels merely saying so would not save Buddhism from his criticism. Today's intelligentsia should open a discussion on this fact.

E. M. Tissa Kumara
Kandy

Sound analysis

From the very inception of the series, attractively titled 'A Century of Communal Conflict', I have been reading carefully the articles by Dr. Kumari Jayewardena. In my view, they help us understand the root causes of the communal problem from a historical standpoint. The author has courageously exposed the motivations of both reactionary chauvinists as well as the opportunistic Left parties desperately by seeking the greener pastures of bourgeois parliamentary politics. The writer has been no less critical of the flagrant communalistic stand of the new Left JVP and its (counter) revolutionary camouflage. This must have left all advocates of these parties, rightwing or old Left or so-called new Left, dumb founded.

Astigmatic people suffering from Marxist-phobia will of course denounce any Marxist analysis of any problem as a monotonous or irrelevant lecture out of touch with reality, and seemingly a Niagara of words. Whether it is a "Marxist Niagara" or chauvinist drip of ink, we must

try to judge a contribution, long or brief, by the information it has gathered through diligent academic research, and by the arguments based on that material. Kumari Jayewardena deserves much praise from your readers.

V. Thanabalasingham

Colombo 13.

Aid Group Meeting . . .

(Continued from page 8)

there will be a need to assure private entrepreneurs of the availability of resources, both domestic and foreign, to finance their enterprises. This fact too must be reflected in the Government's future budgets. The time is ripe to launch a program for the full involvement of the nation's private talent and drive. Many of us at this table hope that by our next meeting we will see convincing evidence of the Government's intention to insure a full range of opportunity in support of a vigorous and growing private sector economy.

Mr. Secretary, this closes my summary of our deliberations. The good-will expressed for your country at this meeting continues unabated the felicitous expressions of previous gatherings. All of us remain fully committed to the development partnership we have forged with your nation. We have given you the best of our thinking; we have expressed to you, with the frankness and honesty due a close and respected friend, our concerns and our disquiets; and we have shared with you our suggestions on how our partnership can best be strengthened. We ask from you a continued commitment to sound economic management and a careful matching of the declared intent of Government with its actions as these are made manifest in the nation's economic administration and in the discipline of its economic policies. Today's aid indications are based on the belief that Sri Lanka will continue its present economic direction while striving to improve the efficiency with which it negotiates the course of that direction. If this is accomplished, I have no doubt that your Government and your people can be assured of our continued support.

PHILIPPINES: "Implosive collapse"

2 - 3 years away ?

Ross H. Munro

Ross H. Munro covers intelligence and national security issues for *TIME* magazine. He was based in Asia for several years and has visited the Philippines frequently. This article is taken from *FOREIGN POLICY* magazine.

Before he was shot to death on the tarmac of Manila International Airport in August 1983, Filipino opposition leader Benigno Aquino, Jr., occasionally observed that the primary failing of President Ferdinand Marcos was not that he was an authoritarian leader but that he was an ineffective authoritarian leader. Aquino's assertion rings ever truer these days as the president grows physically and politically weaker and the Marcos era draws to a close. **Few outsiders realize how precarious the overall political situation in the Philippines has become, with the government in disarray, the economy shrinking, and a bold communist guerrilla offensive under way.**

Never before has Marcos seemed less able to preside effectively over the government. His legitimacy was permanently undermined by the Aquino assassination, as millions of Filipinos concluded that Aquino had been killed by Marcos lieutenants. Then, in the May 1984 elections, the president's widely perceived invincibility was equally damaged when, despite widespread irregularities in vote counting, some 60 genuine oppositionists were elected to the 183 contested seats in the national legislature, the *Batasang Pambansa*.

Marcos nonetheless will probably retain the presidency until at least 1987 unless he succumbs to his ailments. One rarely hears the comment so common a few years ago that Marcos is a leader with a keen sense of history who can be persuaded to depart the presidency with some honor.

That Marcos could end up posing a grave threat to the vital U.S. national interest in a stable Philippines was evidently not on the minds of Reagan administration

officials in early 1981. Intent on demonstrating that they had rejected a generally perceived double standard of the Carter administration in dealing with pro-American dictatorships, then Secretary of State Alexander Haig, Jr., and Vice President George Bush journeyed separately to Manila to symbolize the new administration's support for Marcos. Both praised Marcos for holding a presidential election even though the election was rigged so thoroughly that no serious opposition candidate had run against him. Bush's public praise of Marcos, "We love your adherence to democratic principles," is still quoted, frequently and sarcastically, by Filipinos.

The Reagan administration slowly came to realize that its newly benign stance only encouraged Marcos's worst instincts. A few weeks after Bush's statement, an emboldened Marcos began reconsolidating his power and preparing, it seemed, for a dynastic succession. He appointed his one-time bodyguard and lifelong loyalist, General Fabian Ver, as chief of staff of the armed forces. It soon became clear that Ver's task was to insure that the military's primary loyalty was to the first family. Later Marcos appointed his wife, Imelda, to the Executive Committee, which would rule the Philippines in the event of his death. In summer 1982 Marcos heralded his long-coveted state visit to Washington with a crackdown on political opponents that suggested his lifting of martial law in January 1981 had been mere theatre.

Then U.S. Ambassador Michael Armacost was described as "practically living at Malacanang," the presidential palace. His first priority, achieved in spring 1983 well ahead of schedule, was to negotiate a renewal of the agreement allo-

wing Washington to maintain critical U.S. military facilities — Subic Bay Naval Base and Clark Air Base.

But even before that agreement was reached, the embassy and the administration were becoming apprehensive about Marcos's failing health, his evident dynastic ambitions, and his growing public contempt for what remained of the democratic opposition. In late June 1983 the U.S. media quoted unnamed senior Department officials criticizing Marcos and declaring his regime to be in its "twilight." In July illness temporarily incapacitated Marcos. It was at this point that Aquino, after temporizing for months, made his fateful decision to end his exile in the United States and return home. Apparently the coalescence of all these events led a panicky ruling circle to mistakenly conclude that Washington had blessed an attempt by Aquino to succeed Marcos. Because Aquino had such powerful sponsors, his enemies apparently decided he could be stopped only by a bullet.

In the weeks following the assassination, many believed that Marcos would not recover from his serious illness. Thus his efforts over the preceding 2 years to position his wife and Ver to succeed him suddenly took on new, and alarming, significance. Since the two remain the object of unproved but widespread suspicion concerning the Aquino assassination, the prospect of their taking power still seems to guarantee political upheaval.

Within hours of the assassination, however, the State Department urged a swift, thorough, and impartial investigation, which Marcos ultimately agreed to. State continued to pressure Marcos in the weeks that followed. In a deft diplomatic pirouette, Armacost quickly distan-

ced himself and the Reagan administration from the Marcos regime. He was a prominent mourner at the Aquino funeral and, in subsequent months, lobbied publicly and privately for several important reforms aimed at increasing political stability in the Philippines. He also joined with Filipino business leaders and the international banking community in pushing for a newly codified presidential succession mechanism.

Marcos agreed to appoint a new and more independent commission of inquiry into the Aquino assassination. By November the president had caved in on succession and agreed to constitutional changes that made it more difficult for his wife or anyone in the military to succeed him. Meanwhile, Washington cancelled President Ronald Reagan's scheduled November 1983 visit to Manila, putting some needed symbolic distance between the White House and Malacanang. The decision touched off what might have been the first large, pro-Reagan demonstration held in a Third World country.

Meaningful elections

U. S. diplomats quickly realized that American policy toward the Philippines should focus on the May 1984 elections for the Batasang Pambansa. The U. S. national interest was obvious. If pro-American moderates were to prevail after Marcos's departure from the scene, it was necessary to re-legitimize the democratic process. And that could occur only with an election clean enough to give the opposition candidates a fighting chance.

The U. S. pressure on Marcos to hold "free and fair" elections was unrelenting. Public statements were reiterated even more bluntly in private. And in a letter dated March 29, 1984, Reagan warned Marcos that "continued movement toward fully functioning democratic institutions appropriate to the Philippines is the key to the rebuilding of both economic and political confidence after the difficulties of the last months." Representative Stephen Solarz (D.-New York), chairman of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs, put Marcos on notice by pushing through an amendment that would

reduce U. S. military aid promised to the Philippines by \$60 million while increasing economic aid by the same amount.

Marcos bowed to U. S. pressure and agreed to modest electoral reforms that enticed some moderate opposition leaders, with U. S. encouragement, to participate in the campaign. These concessions did not assure many leftists and nationalist leaders, who joined with the communists in boycotting the election. But throughout the Philippines, serious candidates surfaced to oppose representatives of Marcos's New Society Movement. The opposition candidates had help from the newly formed National Citizens Movement for Free Elections, an organization that recruited tens of thousands of Filipinos to watch the casting and counting of ballots. The citizens movement may also have been part of the wideranging U. S. effort to force Marcos to hold a meaningful election; it received moral support from the U. S. embassy and reportedly a modest amount of secret financial support as well.

Watched closely by the United States, and perhaps believing that the boycott would keep anti-Marcos voters at home, the government machine refrained from some of its usually blatant vote rigging. Despite subsequent attempts to fix official counts, genuine opposition candidates increased their number of legislative seats from a handful to approximately 60. Significantly, this successful U. S. interference in Philippine politics was welcomed by a broad spectrum of official and unofficial Filipino leaders.

But the opposition's electoral gains were not the only signs of political transformation. The upsurge of anger over the Aquino assassination had created a greater demand for political freedom than a compromised Marcos regime was able to withstand. **By early 1984 and continuing past the elections, the Philippines could boast the liveliest and freest press in Southeast Asia. Opposition newspapers excoriated the Marcos government and ran front-page interviews with underground communist guerrilla leaders. On the streets, opposition and dissident groups flowered while labor union members, led by**

communist sympathizers, marched with red flags — sights unique in noncommunist Southeast Asia.

The further strengthening of democracy and human rights in the Philippines is largely a test for the reinvigorated opposition. For now, it is enough that the United States warn Marcos against any attempts at rolling back the considerable gains already made since Aquino's death. Instead, the main challenge the United States confronts in the Philippines today is the utter inability of its exhausted, dispirited, and discredited ally to cope with the collapsing economy and the burgeoning insurgency.

The Philippine economy has been sliding steadily downward since 1979. But even before then, the Marcos regime's failure to promote sustained economic growth was becoming evident. Despite massive borrowing and the commodity price boom of the 1970s, for example, export growth lagged further and further behind the rest of East Asia. In 1965, the year Marcos was elected president, the value of Philippine exports was four times that of South Korea. By 1982 the situation was reversed: South Korea's exports were four times those of the Philippines. **And what economic growth was achieved failed to benefit enough people. By the late 1970s, surveys by the regime's own technocrats demonstrated that the gap between rich and poor had been widening under Marcos and that most pre-school children suffered from malnutrition.**

The advent of the second oil shock in 1979, this time without an accompanying boom in the price of Philippine export commodities, laid bare the weakness and mismanagement of the Philippine economy. Under Marcos the corruption long endemic in the Philippines has been transformed into something akin to looting. To all the usual varieties of corruption — government regulations tailored for politically supportive business people, kickbacks on government contracts — Marcos added billions of dollars in loans, granted or guaranteed by government banks, to those in the

the business community who are known in Manila as the "Marcos cronies."

According to Filipino economist Bernardo Villagés, Marcos naively believed that, with unlimited credit his business allies could establish Japanese-like zaibatsu — huge corporate groups that would rationalize and dominate the economy and give him economic support that would make his regime unchallengeable. Instead, Marcos's would-be economic samurai squandered their billions in waste, payoffs, and mismanagement.

The price of crony capitalism was revealed in a confidential 1979 World Bank report contending that economic growth in the Philippines lagged far behind the rate suggested by the investment level. Other statistics suggest that a dollar sunk into the Indonesian or Thai economy during the 1970's generated almost twice as much growth as one invested in the Philippines

By summer 1983 a growing financial crisis, exacerbated by high international interest rates, was plaguing the economy. Some optimists believed the bottom had been reached. A chastened Marcos seemed to be pulling back from his cronies, a financial restructuring package was being discussed with the World Bank and the International Monetary Fund (IMF), and the American-led economic recovery promised to buoy exports and attract foreign investment

It was then, on August 21, 1983, that Aquino returned home to Manila. **In the ensuing political crisis, the economy rapidly deteriorated. As political turmoil increased, so did capital flight.** Marcos was forced to devalue the peso on October 5 in the first of a series of post assassination devaluations. On October 14 a moratorium was placed on payments of the Philippine foreign debt, which now exceeds \$25 billion. Even more troubling to international bankers was the Central Bank of the Philippines's subsequent confession that it had "overestimated" its reserves by \$600 million. Manila had committed a sin that the bankers considered much worse than

reaching the verge of bankruptcy: It had apparently cooked the books.

By mid-1984 inflation had topped 50 per cent on an annual basis with little relief in sight, and the money supply was more than 40 per cent higher than that of the previous year. And an independent conservative think tank in Manila, the Center for Research and Communication, is predicting 300,000 layoffs during the second half of 1984. Independent estimates of the 1984 contraction range up to 6 per cent; the government itself is predicting negative growth of about 2 per cent. With population growth still exceeding 2 per cent, the drop in per capita income will be even greater.

Although since 1979 the Philippine economy has failed to generate significant numbers of new wage-sector jobs, two safety valves seem to have prevented unemployment from becoming a politically explosive problem. One is overseas employment. The last several years have seen hundreds of thousands of Filipinos leave home to jobs abroad, primarily in the Middle East. But the growth in overseas jobs is slowing down dramatically as the oil-exporting countries encounter their own financial limits.

The other safety valve also seems to be narrowing. Filipinos, including economists and politicians, have long believed that when times are hard in Manila the poor could always count on their extended families in the country. The rural family was always close enough to the food supply to feed one more. But lately limits to the countryside's absorptive capacity have appeared. After remaining static in numbers for several years, the agricultural work force has increased by 34 per cent, or 3 million people, since 1979, according to the best available statistics. Because farm output has not kept pace, rural underemployment has jumped. And into that breach since 1979 has come an employer that has lured many young men with promises of jobs that offer travel, adventure, and a vision of the future: the communist New People's Army.

(To be continued)

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INDIA AND INDIAN OCEAN

Bill Hayden

I've often been struck by the wide existence of the notion — demonstrated over time in various official pronouncements and in public discourse — that Indian Ocean issues are a set of constants defined and limited by global needs and developments. In reality, nothing stands still in Indian Ocean affairs. The region is a long way yet from shaking down into the roles that the partisans have been trying to impose on it. Mozambique and South Africa for years have been opposed so fundamentally that they have virtually been at war. Mozambique provided logistic support for one Great power in the Indian Ocean; South Africa gave it to the other. Despite these factors, the two countries have agreed to the Nkomati Accords. The reasons for this quite radical change may not be comforting ones to many people. My point in raising it is not to argue about it but to suggest that there is no knowing at the moment where it will lead. I have another point about it: the Accords were forced, not so much by global, as domestic needs and a reprehensible application of force by the stronger of the two countries. One of the reasons why many outsiders were so concerned about the emergence of Zimbabwe was the opening Marxist programmes drawn up by its leaders. To its eternal credit, the previous Government refused to be sidetracked by this. There were more urgent issues at stake than the nature of the dogmas to guide Zimbabwe's domestic social programmes. The fact that the Marxist Government of Zimbabwe is not promoting the mixed economy is more than just a quirk of fortune. It underlines the point that it is far too early for anybody to predict the patterns of social and economic development among the nations getting out from under colonialist regimes.

From the speech delivered by the Minister for Foreign Affairs, Mr. Bill Hayden, M.P., to the Australian Institute of International Affairs, Perth.

It is also far too simple to fit these patterns into neat and tidy strategic political compartments.

In 1977 (to give another example) Somalia abruptly retired from the team of the Soviet Union to join that of the United States. The changeover occurred not so much because Somalia had second thoughts about the **great cosmic argument** between the great powers as factors associated with its deteriorating relations with Ethiopia and Kenya. At the same time that Somalia was declared the creature of the Kremlin, Iran was thought to be equally at one with Washington. The change in Iran when it came was **galvanic** and complete. It not only brought down the Shah of Iran; it also played a large part in the downfall of the president of the United States. It's hard to think of change more drastic than that. Change in the area, moreover, has since become touched by another significant agent of change: sectarian and dynastic differences within Islam.

Important points

I raise these issues to make some general but important points. One is that there is no one Indian Ocean issue or problem. There are any number of them — almost as many as there are states in the region. And all of them are the cause and/or the effect of others. Another point is that the region has been undergoing a process of organic change just about since World War II ended. One could almost describe it as a kind of subcontinental drift. Nothing about the region is constant. A third point is that very little of this change has been the direct result of global imperatives but rather by more **domestic** ones. The lessons for us out of all this can be emphasised in the last example I offer of the drift that has been allowed to affect our Indian Ocean policies over the last few years. The example I have in mind is India.

The drift is especially difficult to understand in terms of India

because India is such an obviously special case, for various significant reasons. I shall go through some of the major ones. In the first place, it is fairly obvious that India has set out (and succeeded) in developing into an impressive military power. When India won independence nearly 40 years ago, there were not many more than 300,000 or so Indians in uniform. Most of them were in the army and very few of them held senior rank. By the end of the 1970s, India had the **third** largest standing army in the world and the **fifth** largest airforce. Its navy is now the eighth largest in the world, and the evidence is that it is soon to become a lot larger. India has an advanced nuclear capability; five operating power reactors and five more being built; a fuel fabricating plant; two reprocessing plants; and an active nuclear research establishment. It is well known that India exploded a nuclear device in 1974 and it has to be said that, since then, it has not been very helpful to the cause of arms control and disarmament. It will not accept the Nuclear Non — Proliferation Treaty. It opposes attempts to prohibit so-called "peaceful nuclear explosions". In this context some recent remarks by one of India's leading academic strategists will have caused a great deal of interest around the region. I'm referring to K. Subrahmanyam who is reported to have told a conference earlier this year at the ANU in Canberra that "there is no reason why symmetric nuclear capability should not stabilise the situation in the subcontinent, as has happened in the industrialised world and along the Sino — Soviet border".

India's assertiveness may not be any comfort to its neighbours but it has been predictable, certainly since the early 1970s. This was when the Nixon — Kissinger doctrine was unveiled, defining India as an object of power rather than as a power in its own right. For Indians, this must have seemed the

inevitable outcome of the long tradition of prejudice by foreigners. "Don't you believe that the native is a fool", said the English colliery manager in India to Rudyard Kipling. "You can train him to everything but responsibility." The stereotype has survived. There is little doubt that it is responsible for the mistaken view that India is a stricken country filled to overflowing with desperately sick and desperately quarrel-some people. It's true that India has had but limited success in improving the lot of the lowest 40 percent of its income distribution. Its economic performance in almost all other respects, however, has been remarkable.

India is a successful producer of oil, iron ore and thorium. Measured by Gross National Product it is in the top 10 of the world's economies. Its steel and machinery producing industries are among the top dozen in the world. Its exports total many billions of dollars a year. Its scientific sector is now one of the world's most advanced. Its university population has grown from no more than 300,000 in 1950 to more than four million today, creating a vast pool of trained professional, scientific, technological and executive talent.

The failure to recognise the scale of this performance is common. It has led to a serious misunderstanding of India's anxieties and its objectives. It has resulted in a serious under-estimation of its potential. It has caused a failure to appreciate India's staggering performance as the world's largest democracy — every failure and every blemish out in the open for all the world to judge. It has obscured India's role as a leader of the Non-Aligned Movement. It has neglected the salient fact that India is the biggest power among the littoral states of the Indian Ocean — with a legitimate interest in developments there and the potential to become a significant global power eventually.

There are various reasons why India has tried to build up its military strength, though security is clearly of major importance. But it should not be forgotten that prime-

minister Pandit Nehru said more than 30 years ago that India was "potentially a great nation and a big power". Its frustration at its lack of acceptance is compounded by its security concerns, especially since the Soviet invasion of Afghanistan and the placement of orders for sophisticated weapons by Pakistan and China.

Pakistan's fears

It would be wrong to ignore the equally legitimate concerns of Pakistan in a complex and dynamic state of affairs.

Pakistan (in turn) feels threatened by a more powerful India and the presence of Soviet troops on its western border. Pakistan has a real fear that (by one means or another) the Soviet Union might try to forge a path through Pakistan to the Indian Ocean. On top of this, Pakistan faces heavy domestic pressure from the fact that it is host to refugees from Afghanistan equal to at least twice the population of Western Australia. This is not merely a security problem: it is also a grave economic burden.

I have mentioned India in some detail, however, because the relatively low level of priority we have given our relationship with India has not been to our advantage. It has not helped us exert any greater degree of influence over India's policy on nuclear weapons or nuclear proliferation. It cannot be argued that we have done ourselves or anybody else any good by it.

The examples I have given of the kind of relationship we have with the Indian Ocean region explain the context in which the Government began reappraising our Indian Ocean policies last year. This re-focussing of policy was completed and endorsed by the Government early this year. It is an objective view of the ways by which the Government's priorities for the region might be realised. These priorities are: a more realistic basis of allocating official aid; a higher Australian profile around the Indian Ocean; establishment of a Zone of Peace in the Indian Ocean; and continuation in the meantime of appropriate support to western interests in the region.

I've had the view for some time now that the Australian aid programme needed to be reviewed: to make sure, for instance, that it matched policy priorities; and certainly to make sure that Australian taxpayers as well as aid recipients were getting the best possible benefit from a programme which will cost about one billion dollars a year within a couple of years. The last major, comprehensive review of the programme was in 1976. The various other inquiries since then were confined to particular aspects of the programme. In April last year, I set up the Jackson Committee because I thought it was time we conducted a broad-ranging analysis of the programme and developed some propositions about future directions of our spending on aid. Its report, which was tabled in Parliament earlier this month, will be familiar to all here. It proposes generally a more refined and more structured programme which gives greater focus on geographic and economic priorities. It also found a need for more emphasis in the programme on the Indian Ocean region. It suggested — and I agree — that the region, holding special strategic importance for us and sharing special economic problems, should have a higher profile in our aid programme. It reported that India in particular should rank more highly as an aid recipient than hitherto. It proposed that the Indian Ocean island states should be placed in the first — the highest — of its suggested four geographic categories of aid as places of special importance to us, given their place in the region.

There are other reasons why the island states should be paid special attention. They face the same kind of development constraints that inhibit progress in the islands of the South Pacific. These include, for example, smallness of population; limited land area and resources; the often huge distances between them and from markets; and negligible industrial bases. Where the Indian Ocean islands differ from their counterparts in the Pacific is in their lack of the "subsistence affluence" and cultural resilience that help ameliorate development problems in the Pacific.

Another problem for the Indian Ocean island states, in my view, is they do not have the kind of regional organisation that is beginning to draw states in the South Pacific together. Mauritius, Seychelles and Madagascar made a modest start to attacking this difficulty late in 1982 when they set up the Indian Ocean Commission. This initiative grew out of the growing perception among the islands of the need for a common interest and purpose and a greater resolve to create and maintain an Indian Ocean identity. The bias of the IOC is towards economic and social, rather than security, considerations. Discussion so far has been concentrated on projects of regional interest such as telecommunications, scientific research, fishing, the development of regional shipping services and the promotion of trade and tourism. The Government has been keen to encourage and support the IOC. Among ways in which it can help is through the enlistment of the expertise in regional organisation that exists in the South Pacific. One example could be the use of appropriate administration experts helping the IOC in its setting-up phase. These experts could come perhaps from the South Pacific Forum and the South Pacific Bureau for Economic Co-operation. Other activities for which we could provide assistance and which would be realistic in Indian Ocean terms are in such fields as training in search and rescue operations, fishing, shipping and foreign service procedures. We could perhaps help by providing advisory services or assist in setting them up in such matters as trade marketing and tourism. I am interested in the implication in the Jackson Report that — in the Indian Ocean — we should pay due attention to regional issues associated with economic development. My department will be organising seminars and public discussion about these and other aspects of the Jackson Report. The point of this is to involve all concerned in injecting greater certainty about relevance into our aid policies, greater discipline and stricter effectiveness.

The second phase of our more energetic Indian Ocean policy concerns the need for us to adopt a **higher and busier** profile in the

region. This connected to the aid issue in the sense that the Government wants to enhance our visibility in the Indian Ocean by concentrating more of our African aid towards the East African littoral nations. But what I mean basically is that we become busier diplomatically and culturally in the region. We have established permanent diplomatic representation in Mauritius, with regular oversight responsibilities in the other island states. We have decided to institute a regular programme of naval visits through the region. In fact HMAS BRISBANE is now on a two-month visit to Sri Lanka, Maldives, Seychelles and Kenya. We are examining the possibilities of a modest application of the Australian Defence Co-operation Programme in the region, including perhaps the use of training in Australia. We are also considering the idea of cultural exchanges with Indian Ocean states and regular exchanges between Ministers and Parliamentarians.

Imperatives

Finally, I come to the proposal for a Zone of Peace and its relationship to what the Government judges to be the imperatives operating in the Indian Ocean. An Indian Ocean Zone of Peace has been an ambition of the states of the region for the past 13 years. The Australian Government is a committed supporter of the concept. Indeed, the platform of our Party expressly demands that the Government (and I quote) "engage in effective collective action" to establish such a zone. Australia was a foundation member of the Ad Hoc Committee on the Indian Ocean — the United Nations body responsible for putting the concept into practice. Australia is chairman of Western Group of nations involved in the Ad Hoc Committee. The UN has decided that a conference should be held in 1985 of all the nations involved which should work out ways and means to establish the Zone of Peace. But (for all kinds of reasons that have more to do with Great Power tensions than the merits and demerits of the proposal) it is not at all certain that the conference will now take place. In other words, there is a large hole in the security net agreed to by the Indian Ocean states, Australia

Included.

We are pursuing all the rescue possibilities in the United Nations, in the Ad Hoc Committee, in the Western Group and in bilateral contacts. I raised the matter myself with Mr Gromyko, the Soviet Foreign Minister, when I was in Moscow recently just as we have been in frequent dialogue with our American allies on this matter. In the meantime, we have a problem. We must look to alternative ways to keep the peace and maintain the stability of the region. We can't opt out of the security business altogether. We can't do it all ourselves. We don't have the capability. In any case, he who defends everything defends nothing. And the only other course contains elements that are part of the reason why the Zone of Peace proposal was put forward in the first place.

The fact is that there are a **set of "givens"** in the region that must be watched, and weighed, whether we have a Zone of Peace or not: the military intrusion of the Great Powers; the asymmetry between their military capabilities which is intrinsically destabilising; the military buildup of India and its consequences for the subcontinent and the region as a whole; the Iraq-Iran war and the threat that it poses to the world economy. To be realistic, we will not have a Zone of Peace in the foreseeable future — a mechanism, in other words, that would be able to head off or neutralise the consequences of these developments. Should we then refuse an alternative which may be viable but which contains flaws? To ask the question is to answer it. The Government sees its responsibility as having to take the alternative and make it work the way we want it to. There is no denying the fact that this alternative — the balance of force that obtains in the region — is a second choice. Australia would prefer a Zone of Peace. But external circumstances beyond our control are impeding the establishment of a Zone of Peace. Until the impediments can be cleared, the Government will follow the alternative, using its influence and whatever other pressure it can employ to ensure that the alternative is an honorable as well as a viable one.

ISRAEL, SOUTH AFRICA, TAIWAN

Jan Nederveen Pieterse

US acquiescence in the implementation of a 'Greater Israel' strategy brings the US into a diplomatic minefield because it undermines the 'strategic consensus' that US foreign policy tries to construct in the Middle East, which requires that Tel Aviv, Riyadh, Cairo define the Soviet Union rather than each other as the main problem in the region.

Current military planning talks between the US and Israel confirm the shift in orientation in that they 'have been focusing increasingly on how to counter the Soviet Union in the Middle East rather than on "radical" Arab governments ...US officials said the Israelis have agreed to the administration's wish that they concentrate on anti-Soviet military contingencies, particularly in the eastern Mediterranean,' according to a *New York Times Service* report.⁵⁸ This may imply that Israel will assist the US in compensating for any breach in the eastern NATO flank opening up on the part of Greece. The report makes no mention of Middle East questions.

The official reasons given for Israel's role in third world countries are just that — official explanations. Economic reasons do not explain Israel's activities — counter-insurgency advice and training, such an important dimension of Israel's role in many countries, falls outside of the scope of 'arms business.' It is political in nature. Political reasons, breaking through the isolation imposed by Arab countries, fall short in that the pattern of Israel's relations confirm rather than break through this isolation, since the governments that receive Israeli security assistance are almost invariably of the rightwing western

bloc variety (with Ethiopia, the People's Republic of China and Iran as exceptions). Clearly, the most pertinent explanation of Israel's role in the third world is that of Israel as a client serving US imperial interests; yet this too simplistic if the complexities of the relationship between Israel and the US are not taken into account. Israel's strategy in relation to third world countries must be considered, then, both in the light of the relationship between Israel and the United States and the regional dynamics of the Middle East.

Israel's strategy

Israel's strategy appears to be to maximize its regional gains, in exchange for participation in the US collective security system. On the part of the US this requires recognition of Israel's legitimate security interests. However, what Israel's legitimate security interests consist of is ambiguous and subject to continual renegotiation amidst shifting constellations of forces. It may include part of the West Bank. It might refer to 'Eretz Israel' including the West Bank and Golan Heights. It might include south Lebanon, or it might range 'from the Euphrates to the Nile.' On the other hand, Eretz Israel may be a concept for domestic consumption, a platform for a regional 'strategy of tension.' A 'Greater Israel' need not necessarily carry a strictly territorial meaning, especially in view of the implications of bringing 1.3 million Palestinians into a Jewish State, a dilemma that Labour politicians are well aware of. Presently Likud is more identified with a territorial definition of Israeli objectives and Labour more with a political definition. A 'Greater Israel' may also mean Israel as a 'great power,' on the basis of regional strength.

The mainsay of Israel's aspirations to power is its military industry. According to Professor Aharon Kleitman of the Tel Aviv University Centre for Strategic Studies, 'The arms industry of Israel is based on the interests of a powerful lobby of the heads of the defence and industrial establishment, including the Histadrut (trade union) industry.....They identify their specific interests with that of the state. A common military history strengthens their tendency to judge policy according to immediate results; they are pragmatic and tend to be cynical at what seem to them to be false moral norms.' Amongst them is Shimon Peres, leader of Labour, a driving force in building Israel's arms industry, founder of Israel Aircraft Industry and Tadiran, and an architect of Israel's nuclear capability.

Israel's arms exports represent 40 percent of export revenues (in 1980), and the military industry occupies 14 percent, and according to a more recent estimate, 20 percent of Israel's labour force, i e. one out of every five workers. Thus formidable economic stakes are also tied up with the military business. For the country with by far the world's highest per capita foreign debt, 4 million people owing \$25 billion abroad, a 400 percent inflation rate and a stagnant GNP, the economic dimension is by no means unimportant.

Israel's military-industrial complex is linked on the one hand to the US military-industrial complex, and on the other to South Africa and Taiwan. Decades of dependence on the US has put Israel now in a position where it has a limited degree of autonomy. Israel has also developed a global network

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of rightwing connections that might give Israel if not some autonomy then leverage in case of a shift in US foreign policy. Here the alliance with South Africa and Taiwan comes in — both countries with considerable industrial capacity whose elites are covering themselves against the same contingency for reasons of their own. Israel as part of a league of 'pariah nations,' vanguard of a transnational ultra-rightwing pressure group — with a grip on strategically sensitive areas and with nuclear capabilities — is thus one possible scenario. A related scenario is that of Israel as a 'wild card' (as in Sharon's idea that Israel should behave as an unpredictable, 'crazy country'). Such a 'pariah league' would be vulnerable notably in terms of oil supplies, foreign trade, technology and finance, although on the other hand South Africa has been known to get by.

With the theme of the 'Soviet threat' coming to the foreground and the 'Arab threat' fading into the background, Israel's strategic planning loses its 'pragmatic' character and even its character of 'national defense,' and becomes strongly ideologized instead. This ideological commitment comes out for instance in the offer of captured PLO weapons to Central American armies free of charge, a gesture that falls outside the purview of military business as well as national defense. It comes out when Sharon talks about Israel as a middle military power that must play a role in the global conflict between the free capitalist West and the communist world.⁴⁶ Israeli military planning has thus entered the twilight zone of superpower ideology. Given the overwhelming and increasing importance of the military in government and industry in Israel and the United States, leading circles in the US and Israel have begun to live off the 'Soviet threat'. In the United States because it is the royal road towards reestablishing US hegemony through leadership of the collective security system. In Israel because only this can justify the sustained militarization of the society in the absence of a military threat coming from the PLO or Arab nations. It is a reorientation of strategy

that is the logical sequel to Lebanon, the only way out of a 'Lebanon syndrome'. As in the case of the US, it serves as a justification for activities in third world countries that are repugnant from any other point of view. If the outcomes of all conflicts throughout the world, domestic and regional, are translated into 'loss' or 'gain' from a superpower point of view, then dirty work may pass for noble calling. In such an ideologized comic book version of global relations, simple concerns such as social justice dwindle to insignificance because reality itself is no longer an issue in a perspective that is concerned only with power. Israeli interest in serving as an offshore affiliate of the American New Right is that it diverts attention from the Palestinian question and because under the umbrella of 'collective security' Israel can elaborate its own aspirations to power.

Imperial pool

Strategies followed in Central America, the Middle East and southern Africa are so many carbon copies of one another that it is difficult to identify the original. US, Israeli and South African strategies resemble each other so closely in objectives, tactics, and materiel, that they may be considered as constituting one pool of imperialist and counterinsurgency expertise and technology. With Israelis active in southern Africa, Guatemala, El Salvador, Honduras and the borders of Nicaragua, South Africans in Israel, Taiwanese in Guatemala, and so forth, it's a small world. Part of this **imperial pool** one might call the 'portable West Bank'. If British strategies in Northern Ireland are taken into account, one may include Britain in this pool, as part of the expertise that is percolating within the system. This imperial pool is a dimension of the collective security system led by the United States. Hence it includes Western Europe through NATO, Japan and allied Southeast Asian countries, ANZUS, and the OAS. In other words, Israel's activities in third world countries, on the fringes of the US collective security system, are in fact being undertaken as an intermediary on behalf of the 'Western world'.

Questions

After all this we wonder, 'Why are we not loved?' and blame 'anti-semitism' or 'Arab money,' instead of asking ourselves what we are doing to the world.
— Israel Shahak

You shall not oppress a stranger, you know the heart of a stranger, for you were strangers in Egypt
— Exodus 23:9

Up to the fifteenth century Jews, in Spain and Portugal, formed a bridge between Islam and Christianity in a creative confluence of cultures. After all Judaism is at the root of both. At the end of the nineteenth century however Theodor Herzl described the 'Jewish state' to be as 'a portion of the rampart of Europe against Asia, an outpost of civilization as opposed to barbarism.'⁵⁹ During the *galut* or exile Jews, an Oriental people by origin, had become a European people, by acculturation. While in the eleventh century nearly 96 percent of world Jewry was Sephardic, by 1930 the trend had completely reversed and 92 percent of world Jewry was Ashkenazic.⁶⁰ Thus they returned from the diaspora a different people than when they had left. They returned to the Orient with European ignorance and contempt, with a Crusader outlook, with European traumas.

Zionism was the reaction of Jewish communities to the oppression perpetrated against Jews throughout the centuries of European history, particularly in contemporary Eastern and Central Europe. In this sense, the movement belongs to the somber chapters of European history and in no way to the East.⁶¹

Third world peoples who had no history or knowledge of a 'Jewish problem', observed how Israel stood with Europe and the US in the widening North-South rift. An instance of European colonization in the era of decolonization, Israel is in the third world but not of the third world. Located on the fault line between western imperialism and third world nationalism, Israel behaves as a fifth column of empire.

(Continued on page 24)

THE WOMEN'S MOVEMENT

Gail Omvedt and Bharat Patanker

It began to seem, as if only someone from far outside could pretend to capture the state of the great social movements in U.S. Society, movements with great grassroots vitality but complex and diverse and with no easy identifiable mobilizing hierarchy. This contradictory and complex picture was above all true of the women's movement. On the other hand, there is a seeming stagnation, even coopting of the movement, a dilemma-ridden situation that has led many of the original generation of socialist-feminist activists to ask "what now?" Important gains have been made for some, with higher middle class women going in to many new professions, finding a new place for themselves, winning wage gains — University of Minnesota librarians, for example, had won hundreds of thousands in back pay over a long-fought court case on the issue of sexual discrimination. Women's studies centers and programs appear everywhere, from large universities to small community colleges, and women connected with them seem to be vitally involved with a number of issues from creating new literature to homes for battered women, protest against rape and campaigns against pornography.

Yet much of this seems to be simply ending in creating enclaves of feminist lifestyle within the alien society; there seemed to be a broad failure to convert the movement into one aiming practically at over all change or capable of pulling in the masses of women. We arrived at time when the Equal Rights Amendment to the Constitution (ERA) has decisively failed after year of struggle, when Reagan and the Right were proclaiming the sanctity of the family and even once-prominent feminists like Betty Friedan were backtracking to proclaim the necessity of the family as a "haven in

a heartless world" in the words of one new-right theorist. Of course for a long time we had heard the women's movement criticized (from within the U.S. itself) for failing to go to working class women, for being a "white women's movement" insensitive to its racism — but now it seems as if it were failing even in terms of militant feminist goals, let alone broad economic change, that it had done very little after all to dent the nuclear family and masses of original activists were being caught again in the same old cycles of employment and children....

It was a puzzling picture, but as we kept going on around the country, the extent of grass roots activity and the error of generalizing from any overall organization or issue became evident.

What after all is a "women's movement"? When 7 bank clerks in a small Minnesota town, led by middle-aged women, went on strike for a year and a half against sexual discrimination, almost entirely on their own except for external union support — when the growing anti-nuclear movement features as one of its main forms "women's peace camp" which are militantly feminist as well as pacifist in ideology, springing up everywhere from Greenham to Minneapolis (where women camped through the cold winter on the property of an arms-manufacturing company, thrown out or arrested by police again and again, coming back again and again) — when women in unions everywhere were forming caucuses to voice their needs, working with in the unions as an organized group and increasingly coming into leadership positions, sometimes coming together on a city-wide basis like the Women United for Better Chicago — how could this multifaceted activity be weighed against the seeming ineffectiveness of "national" organi-

zations like now (the liberal National Organization of women) or CLUW (Coalition of Labour Union Women)?

Working class efforts did have contact with the various women's studies centers though this contact was usually minimal and more often with those in community colleges and junior colleges than in the elite universities — for in the last few years declining funds for educational programs and scholarships have made the bigger universities less and less working class in composition. They also occasionally had conscious marxist feminists working in them refugees in a sense from the radical student generation of the late 1960's (in many cases these were women who took up working class jobs in steel construction, auto etc. not out of any ideological directive to "proletarianize" themselves but because such jobs were better paid than the lower-level service and office jobs they might otherwise have gotten). In many cases also there were women who went through some of the marxist-leninist or other "revolutionary" organizations of the 1960's or the old CP only to become more and more feminist. Most of the energy and leadership of these new, often localized movements, however, seemed to be coming from "new women" (young or old) provoked by locally felt repression or social atrocities and motivated by the general atmosphere of saying "enough is enough".....

The dialectics of race/colour could be seen within the women's movement too. Everywhere networks of third world women could be found, though they normally didn't want to be found by white women. The old critique from the minorities that the movement was only in the interest of "white, middle class" women was taking a new direction: it was producing a

new women's movement, voicing a new kind of feminism, that of "women of colour". Black women who had stayed silent for so long while black male leaders proclaimed the ideals of an "African family" or the need to restore black masculinity were now speaking up both against the racism of the white women's movement and the patriarchy of their own black men as well as white men. With Chicana and Asian women, Native Americans they were called for as all around revolt, against patriarchy, racism, class exploitation, even the entire degradation of machine-based culture. But such women were not so easily to be found in the theoretical journals and conference of academic feminism: They were appearing much more as organizers, poets, and writers. They called a new press organized by some of them the "Kitchen Table Press" on the grounds that "white women have libraries and desks to write on — we don't" but they are producing a vital new literature.

Health, Science, Peace, Ecology

If the women's movement and black movements, which at least have a definite social base, appear organizationally scattered, with diverse political trends, dozens of "national" networks and thousands of local organizations but no single coordinating centers, this is even more true of what are described as the "new social movements" on science, health, ecology and anti-war issues. These have an all-pervasive aspect, partly because they confront the all-pervasive destruction of modern capitalism but they often seem deliberately decentralized in reaction to the growing centralization of the system.

In health, for example, the growing sheer commercialization of the system — hospitals run for profit and "medical plans" which simply allow doctors to charge skyrocketing costs which puts decent health care beyond the reach of many of the poor — has been met by a growing health movement. Some of this is linked with the concerns of other movements, e.g.,

women's health issues and groups. Some of its is community-based, for instance food cooperative which buy "organic" food (naturally grown, without use of pesticides, can without chemical preservatives) directly from the farmers and sell cheaply to avoid the costs of the corporate middle men. Some of it seems to have an all pervasive impact — the decline of smoking in the last several years is noteworthy and even restaurants are pushed to promote "salad bars" (noncooked vegetarian food) to draw customers.

A big area, linked with science movements generally, is that of industrial health. Long campaigns on issues like "black lung" disease (among miners and "Brown lung" among textile workers and general pressure from workers who feel high pay is no compensation for a shorter life have resulted in a very comprehensive law, the Occupational Health and Safety Act (OSHA). Enforcement is a major issue, and now nearly every union has a safety and health department and many are linked with radical university-based science and health professional. The current economic crisis is heightening struggle, with many corporations putting pressure on workers by threats of shut-downs.

A famous case symbolizing some of those issues was that of Karen Silkwood, an originally nonpolitical young woman from an Oklahoma small town who organized a union against the Kerr McGee Plutonium manufacturing company on the issue of worker's safety. She herself was contaminated with plutonium radiation and mysteriously found dead in a car crash with evidence she was reportedly carrying against the company never found. She died — but not only did many anti nuclear and women's groups organize over her case, a popular progressive Hollywood film was made and her family recently won a million-dollar court case against Kerr-McGee for criminal negligence.

Industrial and nuclear devastation of the environment is related issue. Here as in health, there are practically no national organizations but many local initiatives

(recently, for example, five diverse ecology groups in the single city of Minneapolis came together to form a "North star alliance").

Struggles include these of farmers in Minnesota who fought the destructive effects of a huge power line on their livestock by simply smashing power poles with their tractors, as well as many communities, including those of Indian tribes, have prevented the building of nuclear power plants on their land. Whole regions have been up in arms to protest proposals to use their land as a dumping ground for nuclear waste; the issue of "acid rain" has been a major source of tension between the Canadian and U.S. governments, and a wide variety of court cases are going on against the government by the victims of its criminal destructions — ranging from those whose health has been destroyed by 1950's nuclear testing in western deserts to the U.S. Vietnam veterans affected by "Agent orange".

In terms of anti-war activity, nation-wide committees now exist to focus struggle against aggression in Nicaragua, El Salvador and Guatemala, and nearly all "political" organizations work within these committees. Otherwise there is no single agreed-on strategy or focus. Huge marches are organized by coalitions within which constant fighting goes on; local groups carrying on more direct action training women's peace camps to blocking trains carrying nuclear weapons — train carrying nuclear warheads, for example, was halted by demonstrators for three hours last February, local action but one made possible by a widespread "warning system network" for the government tries to hide the movements of these trains.

These movements are not yet as big or politically advanced as these in Europe, yet they are not only objectively against the system but their leading care is usually quite consciously anti-capitalist. What prevent the formation of single coordinating organization is partly disagreement about strategy and focus, and partly a weariness of leftist hierarchy that is sometimes as strong

as their hatred of capitalist bureaucracy. They pose issues the "traditional" parties have ignored, and project revolution that means deep changes in the "productive forces" as well as the "productive relations" — calling into questions the whole nation of "developing" productive forces as compared to restructuring them completely to provide a healthy relations between humans and nature, and rejecting a limited notion of "socialism" only in terms of the collective central of the means of production. They call for the integrations of their liberationist-socialist practices in the structures emerging within capitalism to fight capitalism. All these aspirations are so deeply a part of the new moments that only organizations embody and realize them can really emerge to coordinated and lead their anti-capitalist struggle. The Green Party in Germany is capturing the imagination of many as one attempt to this, but a green movement in the U.S. would have to deal much more consciously with the dialectics of race and colour. And it is in this form that some kind of new political thrust is emerging — and even becoming visible in the 1984 presidential campaign.

The campaign of 1984

Already from the beginning of the year the presidential campaign was dominating the media and popular concern. The assumptions made not only by much of the left in India but even intellectuals writing in *Illustrated Weekly* that the nature of the U. S. two-party form of bourgeois democracy makes voting "almost meaningless" is a long way from the reality of what is going on today. The fact that the most progressive of the Democratic party candidates has put a voter registration campaign at the center of his movement, and the fact that this is supported by almost all the left (including those of us who ten years ago would have criticized such an effort for foolishly trying to incorporate realistically disillusioned people into a bourgeois system) should at least raise questions about this mechanical way of thinking. Actually, there are aspects of the 1984 campaign that makes it among the most exciting in recent years.

Mondale, the likely Democratic candidate, may be as much a man of the bourgeoisie as Reagan, but there is clearly a difference between the two, a difference that has been driven home to the U. S. left in the last four years of welfare budget cuts, nuclear spending and intensified foreign aggression. For central Americans at any rate the difference is likely to be one of life and death for large sections of their populations, for it is widely predicted that Reagan, who is now under some political pressure to hold down his terrorist activities, will openly send in U. S. troops if re-elected.

Within the Democratic Party itself there are important divergence Gary Hart and Mondale represent two major and differing forms of bourgeois response to "deindustrialization". Mondale, with his traditional Democratic backing from the Labour bureaucracy and appeal to the poor emphasizes saving industrial jobs by engineering compromises and worker pay-cuts, and providing government aid to help industries stay afloat. Hart, said to be the candidate of the "YUMP's (Young Upwardly Mobile Professionals)" looks to the "Sunbelt" and "Hightech" industries for his backing and projects an economic policy of giving up outmoded industries and shifting to the new ones.

But it is Jesses Jackson who represents something really new. It is not simply that he is a black and a man from the movement (though he has been rather on the centrist-right side of the movement) and not the established black democratic politician class. It is the politics he proclaims that are important, though the media is trying its best to focus on personalities and keep these politics out of sight of the people.

On the international level it is clearly a peace policy: Jackson is the only one of the major candidates to declare unequivocally that he supports a Palestinian homeland and that he would make a nuclear "no first strike" commitment.

(To be continued)

Israel's role . . .

(Continued from page 21)

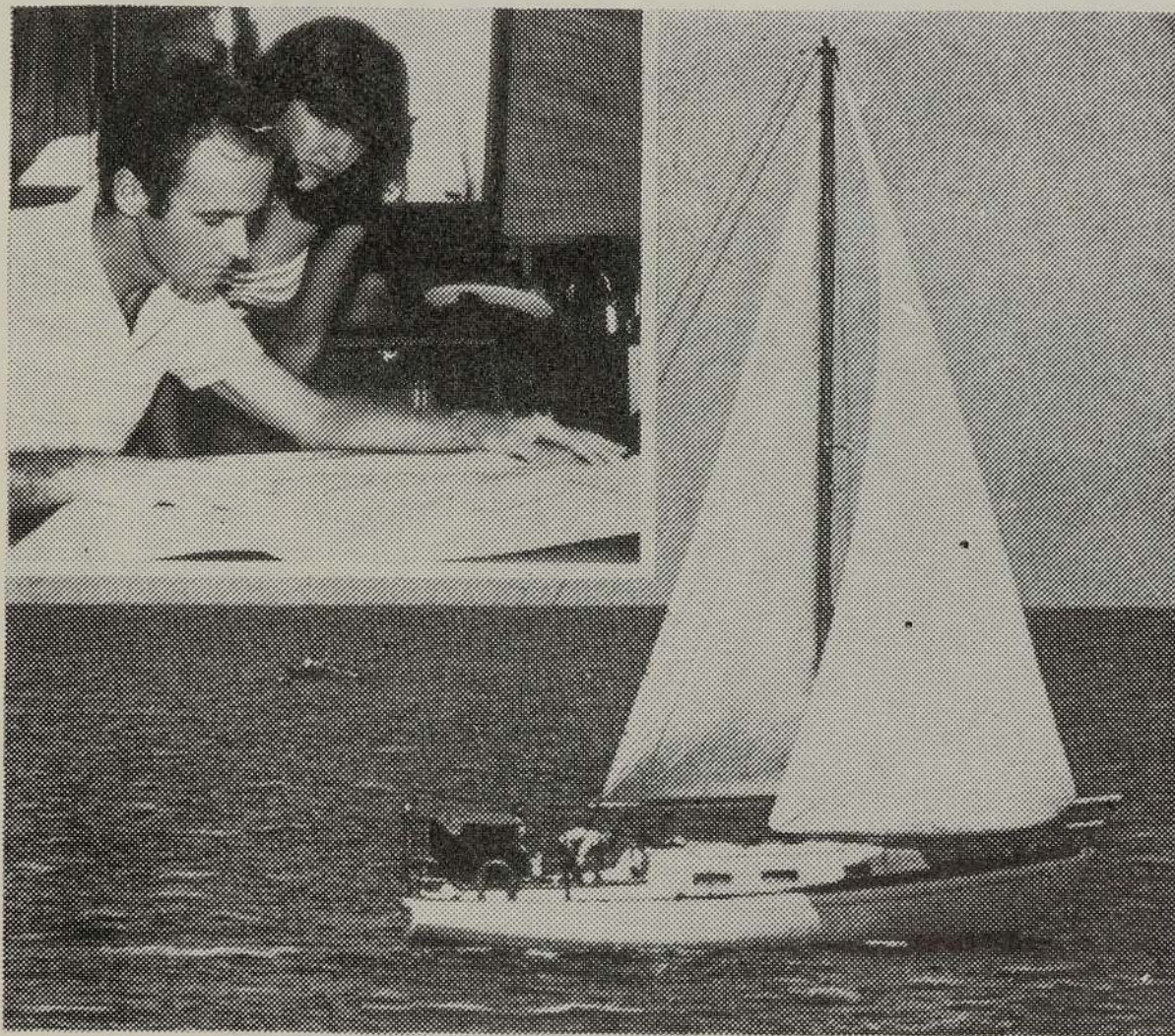
Erik Hooglund asked 'Why is it wrong for the United States to provide military assistance to countries which violate human rights, but not so for Israel?'⁶² It is wrong for Israel also, but in the US and Europe Israel continued and still continues to evoke sympathy and support, a support based not least on cultural affinities and affinity with Zionism as the historical counterpart of antisemitism, as the 'solution' to the Jewish problem. While the Holocaust ranks high in European-American historical consciousness, a central part of their own historical drama, the historical traumas of peoples 'on the other side of the river' are not as near.

No longer a bridge between Christianity and Islam, Israelis have become the allies of Christianity. In Africa Israel finds political niches on the side of Christian groups resisting Islamic inroads, and certain Asian countries call on Israel as a counterweight against Islamic influence. Zionism also finds itself in league with fundamentalist Christianity — Christian Zionists who share Zionist fundamentalism in terms of their claims to Eretz Israel, and who likewise take the word after the letter and not after the spirit. Under the Likud governments these ties became closer — Rev. Jerry Falwell, founder of the 'Moral Majority' was presented Israel's Jabotinsky award by Begin. Ties have become closer at a time when fundamentalist Christianity was also being mobilized, in Latin America, Africa and parts of Europe, in the battle for hearts and minds against communism, but in effect as antidote against the spread of liberation and the people's church.

(To be continued)

58. *International Herald Tribune* 21/2.7.84
59. Theodor Herzl, *A Jewish State*, London, 1898
60. Deniel J. Elazar, *Today's Sephardim in Perspective*, Jerusalem, Jerusalem Center for public Affairs, 1982
61. Samir Amin, 'The Middle East Conflict in a world context', *Contemporary Marxism*, Nr 7, Fall 1983
62. Erik Hooglund, 19

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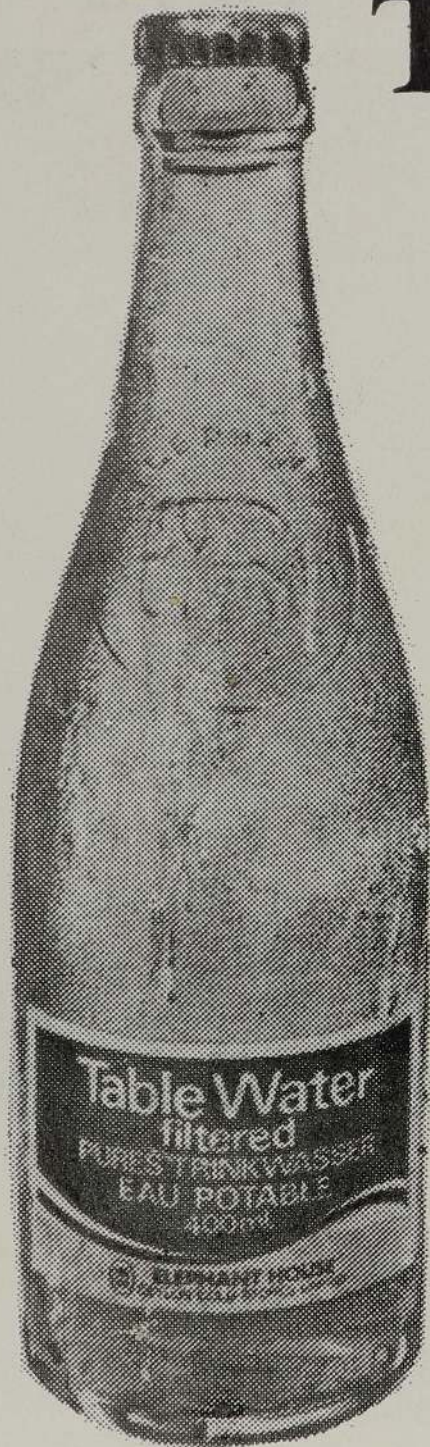
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