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SHOULD SIR JOHN QUIT NOW?

Sir John Kotelawela's latest pronouncements on his attitude to SEATO and his approach to international problems creates a most alarming situation.

A Premier with the views of Sir John Kotelawela is a menace to the safety and the welfare of the country. By wanting to align himself with international Yankee puppets like Mohamed Ali of Pakistan in order to drag Ceylon into the Anglo-American war bloc, Sir John forfeits every right to be Premier of this island.

When Sir John became Premier he outlined his foreign policy at a meeting celebrating United Nations Day on October 21, 1953. He declared that Ceylon "will pursue the path of peace" and that she would establish the "closest possible alliance with our immediate neighbours with whom we have historical, cultural, geographical, religious and linguistic ties." He went on to say that Ceylon will adhere to a policy of strict neutrality and "will not get involved in the cold war of the East and West or in any other power blocs."

Camouflage

There is no doubt that Sir John began his regime with intentions of following the policy of neutrality laid down by Mr. D. S. Senanayake and adhered to by Mr. Dudley Senanayake. But, his recent declarations leave no room for any doubt that he has abandoned this policy of neutrality. His occasional protestations

in favour of a policy of neutrality and non-involvement, in the context of his actions, assume the sinister form of a deceptive camouflage to mask an attempt to drag Ceylon into the mire of American power politics.

This desire for another Conference of Colombo Powers seems to be only to bring pressure on others



...wants the Devil (Dulles) for friend...

to join SEATO, and not to consider a Nehru Plan with China as a signatory of an Asian Security Pact. Sir John has said that he would have nothing to do with China or Russia.

Mr. Dudley Senanayake has come out strongly against this policy of being dragged into the American bloc. He is equally decided that Ceylon should not fall into any other power bloc. Mr. Dudley Senanayake is very strongly in favour of the policy similar to that of Pandit Nehru.

Unanimity

This is one matter on which the vast majority of the Members of the Government Parliamentary Party and the entirety of the Opposition seem to agree: that Ceylon should follow a policy of neutrality similar to that of Nehru and India. The whole country, except for a few Washington patriots in our midst, are solidly behind such a policy.

There is no doubt that Sir John Kotelawela is not in sympathy with such a policy. It is known that he makes no secret of his contempt for

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DIE-HARD PORTUGAL

It is quite an exciting week in New Delhi. This morning the Indo-China meeting has opened here to settle procedural details of the Supervisory Commission. The good omen, the significance of which is not missed here, is the Conference is not, what is rather harshly put by some, attended by ubiquitous pesters from Washington.

Premier Nehru back from Ajmer is seen in high glee and so is Krishna Menon. This will be India's first official contact with four of the seven nations participating in the Indo-China Armistice Supervisory Commission. The seven year old war in the Indo-China peninsula prevented India's coming closer to Ho Chi Minh, Rao Dai and two other Kingdoms. While Ho Chi Minh's stock has been undoubtedly high in the sub-continent, Prince Bao Dai's activities have been evaluated here to be that of a Western partisan.

Relief

Mendes-France's sudden appearance in Tunis and his dramatic offer to the Bey of "Internal Autonomy" significantly comes close to the heel of Sir Winston Churchill's agreeing to "liquidate" a part of his nostalgic Empire in the Suez.

The Anglo-Egyptian settlement over Suez is hailed in New Delhi with substantial relief but the subsequent attempts at the US Embassies at Cairo and London to push down the throat of Egypt a "substantial aid" programme in order to drag her into the orbit of Turco-Pakistan alliance with USA is viewed with unhidden concern because this may ultimately mean the loss of Egypt to Afrasian zone of neutrality.

Danger

Egypt has been the spearhead of freedom's fight in Middle East countries. If she is dragged into the US net, others in this zone are most likely to get somewhat rudderless. And that is exactly the situation Washington would most assuredly welcome knowing well the dollar is all powerful in most cases, if not all.

While colonialism is on the run all over, Lisbon sleeps supremely unaware that India is not in a mood to oblige her silently watching what she does with her enclaves in the sub-continent. Goans delivered their first blow to Lisbon rule by capturing Dadra. The next onslaught was the diplomatic snags with India. The third step awaits them on India's Independence Day, August 15 when bands of Goans living in Bombay State will march into Goa. In the meanwhile Portuguese authorities have stopped supplying food to their Indian prisoners. Dr. Salazar reminds me of Bernard Shaw's famous dig, "The only thing man learns from history is that man does not learn from history."

Deshmukh

Holidaying Finance Minister C. D. Deshmukh's platitudes at Colombo regarding Ceylon Indians repatriation is considered by many in New Delhi to be neither discreet nor reasonable. For an important Minister of the Union Cabinet to have gone to Colombo on a 4-day holiday and give his opinion on matters that are vastly controversial and on which Indo-Ceylon governments have definite opinion is most irritating and certainly uncalled for.

All the world knows this Minister's recent differences with Premier Nehru resulting in the former's

offer of resignation. Deshmukh's opinion of Nehru's powerblood neutrality is also not unhidden to any in New Delhi. His homilies in Ceylon have, consequently, received carping criticism in all quarters including "Big Business". For instance in the *Hindustan Times* of August 1, its well informed weekly columnist writes under WEEK IN THE CAPITAL:

"Mr Deshmukh is reported to have declared that with the fund of experience gained in the past by the influx of millions of refugees from Pakistan, India could certainly manage the problem that would be created by the repatriation of Indian nationals from Ceylon. He has also said that the numbers who would be returning to India *would not cause* any serious set-back to Indian economy. That, however, is not the point. India may be able to deal with the situation, as she did in the case of Pakistan but that experience should itself be a terrible warning against any attempt to uproot thousands of families and send them elsewhere to start life afresh..... In many cases, it is a misnomer to call them 'Indian Nationals'. They may be having Indian passports or temporary residence permits—largely because of the way registration of citizenship is going on..... Merely because they happen to be persons of Indian origin, are they to be abruptly deprived of their employment and bundled out of Ceylon? And there is certainly not any justice or humanity in the Ceylon Government's proposal for sending them out of the country. As a sovereign Government, they may have the legal right but it has no moral basis *and it is certainly not the* way to build up friendly relations with the Indian people."

August 1, 1954 Shibdas Banerji

CHINA PACT & CO-OPS

(Extracts from the Speech of Mr. Dudley Senanayake in the House of Representatives on July 27th, 1954.)

Let us look at the situation existing at the time we concluded that Pact. The price of rice was tremendously high. If I remember aright, the price of a ton of rice in the international market at that time was as much as £70. With the conclusion of this agreement we were able to get rice for, I believe, £58; but that was not the great gain made by this country. The great gain made by this country was that we were able to sell our rubber at Re. 1.75 when the international price was something in the neighbourhood of Re. 1.30

THE HON MR. S. C. SHIRLEY COREA, (Minister of Commerce, Trade and Fisheries): Re. 1.05

Prices Topple

MR. DUDLEY SENANAYAKE: I am sorry, it was in the neighbourhood of Re. 1.05. Hon. Members will realize the undeniable advantage we gained from the agreement as regards rice, because when rice was £70 we concluded an agreement at £58. I go further. I say that, that agreement was conducive towards reducing the rice prices as well. You would have noticed how world prices started toppling down after the conclusion of that agreement.

MR. KEUNEMAN: Perfectly right.

MR. DUDLEY SENANAYAKE: I am taking into consideration the gain on the rice side; but look at the gain on the rubber side. During the course of 1953, just taking the difference between the world price and the Chinese price offered to us, we gained on rubber alone Rs. 91,653,590. That was last year alone. Already, on that difference, up to the end of June this year we had gained Rs. 35,892,560. It may be contended that the world price of rice is now in the neighbourhood of £40 as stated by the Hon. Minister of Food.

Ratio

Well, take it at that; say the world price of rice is £40. I want

Hon. Members of this House to remember that the great advantage of this agreement is that although it is a five-year agreement, prices are revised every year. Further than that, we have the right of asking for a revision even during the course of a year. Say the price of rice in the world market is £40. Of course, rice from China is £48 but the crux of that agreement is the ratio between rubber and rice: one pound of rubber to fetch five pounds of rice.

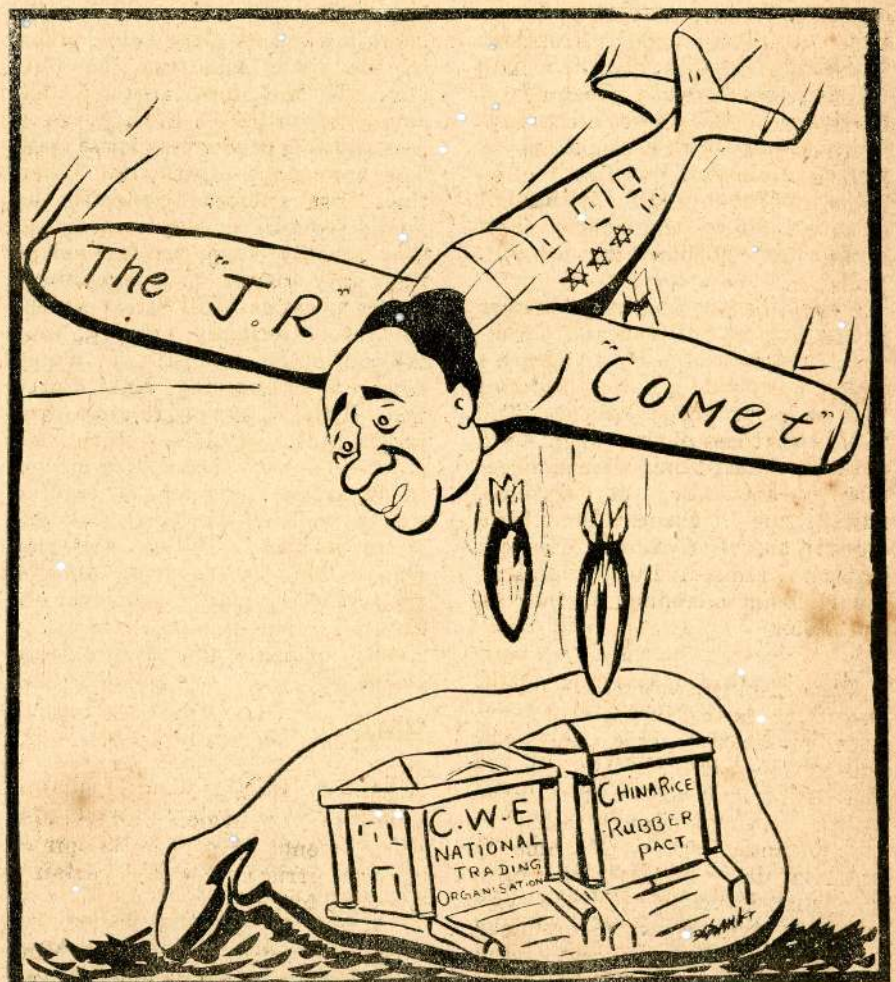
Remember it is that ratio that the Chinese agreement is working to. Fix the price of rice at £40 a ton and, working out that ratio, you will realize that you can still sell rubber to China at a price above the world price of rubber. So you will not lose on rice when

you revise the agreement for next year, and you will still continue to gain on rubber.

Replanting

You should also remember this. We definitely announced to the people of Ceylon that we were going to subsidize the replanting of rubber. In referring to the rubber industry in his speech in the Budget a few days ago, the Hon. Minister of Food and Agriculture said that it is going to be subsidized as regards replanting. How do you propose to do this without the advantage gained by higher prices for rubber? Are we going to start a subsidization scheme and then just cast away

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J. R. wants end to China Pact and Co-operatives

JOHN FOSTER DULLES

"Imperialism and cartels are the only economic theories Dulles knows".

Senator Claude Pepper.

Born in a wealthy and influential family, entering business as a corporation lawyer in the Wall Street firm of Sullivan and Cromwell, soon rising steadily to the position of senior partner and head of that firm, amassing a personal fortune of several millions and eventually ending up as a politician, John Foster Dulles, U. S. Secretary of State, is a typical representative of the American ruling class and one of the chief architects of the cold war.

Millions

Dulles was born in 1888. A few years earlier, his grandfather John W. Foster, served as Secretary of State under President Benjamin Harrison. To the young Dulles, therefore, to become a Secretary of State like his grandfather, must have appeared a worthy ambition. But first he had to acquaint himself with high finance and in the course of it make a few millions for himself.

Dulles began life as a lawyer in the firm of Sullivan and Cromwell, reputed to be America's most powerful and influential firm of corporation lawyers. The twenty partners of this firm hold more than forty important directorships in banks, corporations, and utilities in America and have close links with powerful business interests abroad. Dulles himself, besides being a leading partner in Sullivan and Cromwell, held directorships in the American Agricultural Chemical Corporation, Bank of New York, International Nickel Corporation and other business enterprises. An analysis of the activities of any one of these institutions will reveal the vast economic power wielded by Dulles. The International Nickel Corporation, for instance, produced five sixths of the capitalist world's nickel and the U. S. had the largest shares and the predominant interest in this firm.

By
A Special Correspondent

Spokesman

By the end of the first World War Dulles was not only an expert in international law and public finance but was also a leading spokesman and representative of U. S. capitalism. At this time, his uncle, Robert Lansing, served as Secretary of State under President Woodrow Wilson. All these combined to make Dulles the principal American spokesman in the Reparations Commission at the Versailles Peace Conference in 1919.

Dulles' entry into world politics coincided with the period when Britain's role as the leading imperialist power was rapidly declining and its place being taken by the rising American imperialism. To the imperialists, the emergence of the U. S. S. R. as a free and independent socialist state was a constant nightmare. When their first attempts to throttle the young republic ended in a fiasco they actively supported fascism as their only answer to communism. In the twenties Wall Street pumped into Germany nearly four million dollars most of which helped to finance the Nazi Party and Hitler's secret re-armament programme. Dulles, with his close links with the banking circles in Germany, played a leading role in securing American assistance to Germany. Dulles was also responsible for securing aid for the fascist regimes of Pilsudski in Poland, Horthy in Hungary, Franco in Spain and Mussolini in Italy.

Hitler

In the thirties Dulles distinguished himself as an active appeaser of Hitler and his accomplices. In May 1939, only a few months prior to Hitler's attack on Poland, in a speech delivered before the Economic Club, Dulles referred to Germans, Japanese and Italians as: "...dynamic peoples determin-

ed to take their destiny into their own hands", and he added:

"There is no reason to believe that any of the totalitarian states either collectively or separately would attempt to attack the U.S. only hysteria entertains the idea that Germany, Italy or Japan contemplates war against us." Little wonder that President Roosevelt, unlike Eisenhower, had no place in his Cabinet for a pro-fascist like Dulles.

During the second World War, while American soldiers sacrificed their lives in defence of freedom against fascist tyranny, Dulles and his associates,--the Wall Street financiers, continued to collaborate with their opposite numbers in Germany and Italy. In summing up their activities, Thurmond Arnold, the U. S. Assistant Attorney General, declared :

Continuity

"The small group of American businessmen who are parties to these international rings--still think of war as a temporary recess from business--as usual with a strong Germany. They expect to begin the game all over again after the war.

"It is significant that these cartel leaders still talk and think as if the war would end in a stalemate, and that, therefore, they must be in a strong position to continue their arrangement with a strong Germany after the war. This is not shown by their speeches, but by the actual documents and memoranda of business policy which we find in their files."

The war-time dealings between American and German businessmen were transacted at the headquarters of the Bank of International Settlements in Switzerland. Among the directors of the B.I.S. were three directors of the Bank of England, Presidents of I. G. Farben and the German Reichsbank and the Director of the

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IS CEYLON SOLVENT?

After the high falutin introduction to his speech, he came to the question of examining the current state of Government finance and he patted himself and the Government in the back and gave expression to this statement :

"During the first 8 months of the current financial year, from 1st October, 1953, to 31st May, 1954, the Government accumulated a net cash operating surplus of Rs. 69.3 million. This stands out in strong contrast to the comparable position during the corresponding period of the previous financial year when the Government incurred a cash operating deficit of Rs. 191.0 million.—[OFFICIAL REPORT, 8th July, 1954 : vol. 18, c. 8.]

That is a position which, if true, would deserve our encomiums, but it is an utter fraud. How is it a fraud?

The Hon. Mr. M. D. H. JAYAWARDANE (Minister of Finance): I would ask the hon. Member to read the subsequent lines :

"These figures, however, tend to overstate the actual improvement in the Government's finances."

Mr. SUNTHARALINGAM : I have read that and I am going to comment on that. I am going to show you that although you may be pulled by the nose I would not allow myself to be pulled by the nose.

The Rt. Hon. Sir J. KOTELAWALA : Address the Chair.

Mr. SUNTHARALINGAM : The relevant figures are found in Table 20 of the Central Bank Bulletin for June 1954. If I make any error in any statement of fact or figure let my good Friend interrupt me at once and I will give way.

Deficit

At the end of May, 1953, the date specified in my learned Friend's speech, the net cash operating deficit was Rs. 191 million. What were the constituent parts of that? Rs. 55.2 million

An extract from the Budget Speech of the Member for Vavuniya in which he asserts that the Government is playing ducks and drakes with the Finances of the Country.

cash ; i.o.u. chits being net receipts or payments from borrowing and or lending operations mainly within the country—they borrow and lend and when they take money from the till or put money into the till they put i.o.u. chits into the till to cover debts. Rs. 189.7 million consisted of i.o.u. chits : Rs. 189.7 million was made up of Treasury bills, Accumulations, since October, 1952, Rs. 85.4 million.

Mr. V. KUMARASWAMY (Parliamentary Secretary to the Minister of Justice) : From which bulletin is the hon Member quoting?

Mr. SPEAKER : If the hon. Parliamentary Secretary had listened he would have known.

Mr. SUNTHARALINGAM : Central Bank, Rs. 19 million ; semi-Government agencies, Rs. 88 million. Those were the figures of accumulation during the period 1st October, 1952, to the end of May, 1953, making a total of Rs. 192.4 million. I have taken those figures from Table 17—Public Debt. If my hon. Friend does not know whether those are the correct figures, he can check them up with the Central Bank officials. So you see, Mr. Speaker, there are I. O. U. chits for Rs. 192.4 million, making a net deficit of Rs. 189-odd million

Deferred

What was the position in May, 1954 ? Before May, 1953, would you believe it, our friends of the Treasury, under the guidance of their Minister, used to pay out whatever moneys were due to the Chinese under the Pact and the

Burmese for the purchases of rice. But during this period of seven months they have not paid continuously. They have deferred payments. Moneys that should have gone out from the till have not been sent. Instead of conforming to the previous practice and paying for the goods as they bought them, in a deliberate way they have started this game. They have themselves disclosed the figures. The Hon. Minister has anticipated that I was to ask a question and indicated the figures in the amendment made to the statement of external assets.

I give the figures. At the end of May, 1954, the actual cash balance was Rs. 44 million. The cash balance has now gone down by Rs. 15 million. So what have they done ? During this period they have met Treasury bills to the tune of Rs. 49 million ; they have paid back Central Bank advances totalling Rs. 70.5 million ; they have paid central Government agencies Rs. 1.6 million—a total of Rs. 121.1 million. This, in their jargon, is "the retirement of the domestic debt".

So they have sent back to the local people Rs. 121.1 million. How did they pay back that amount ? To pay back that amount they used Rs. 48.1 million from the United Kingdom loan funds. Therefore, Rs. 73 million is the net amount of the I. O. U. chits, taking into account the London loan, as compared with the sum of Rs. 73.9 million which they say they have paid off.

Debt

Now how did they pay back Rs. 73 million ? To China they have not paid Rs. 8.3 million ; to Burma the have not paid Rs. 45.8 million. Mr. Speaker, would you believe it ? They have not paid back Rs. 45.8 million to Burma. In all they have not paid back Rs. 54.1 million. What great falsification of accounts, fabrication of accounts ! My good Friend laughs.

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IS CEYLON SOLVENT?

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Let him go and question his friends in the Treasury. In a very innocent way he has referred to it —

“Another factor which contributed to the improved tax position was the running down of food stocks during the financial year.”

“Running down of food stock”! He does not tell us how much. He has, in fact, made use of the food stocks of this country to the extent of the selling of 52,000 tons. In other words, he has sold 52,000 tons of rice and used the proceeds amounting to Rs. 41 million. What he obtained by selling our rice stocks he put into the till. Does my good Friend challenge those figures?

The Hon. Mr. M. D. H. JAYAWARDANE: I have given them.

Mr. SUNTHARALINGAM: Why did you not give them truthfully?

The Hon. Mr. M. D. H. JAYAWARDANE: Read them again.

Mr. SUNTHARALINGAM: Anywhere in your Budget speech have you mentioned Rs. 41 million?

The Hon. Mr. M. D. H. JAYAWARDANE: If you read it carefully you will find it.

Mr. SUNTHARALINGAM: Tell me the page.

The Hon. Mr. M. D. H. JAYAWARDANE: I will mention it in my reply.

Fraud?

Mr. SUNTHARALINGAM: In your reply you will give the page. Do not persist in your fraud.

Mr. SPEAKER: I do not think the hon Member is correct in using that expression. The hon. Member has used that word very often. It is not correct to say that the accounts are a fraud. I cannot allow that.

Mr. SUNTHARALINGAM: It is a deliberate suppression of the fact.

Mr. KEERTHIRATNE: Withdraw it first.

Mr. SUNTHARALINGAM: The Hon. Minister of Finance has indicated here that he has got some money by selling rice stocks. He refers to the “running down of rice stocks” and the “retirement of the domestic debt.” That “running down” means nothing more and nothing less than that he has put into his till the Rs. 41,000,000 which he obtained from the sale of rice stocks. I now ask my Friend—

The Hon. Mr. M. D. H. JAYAWARDANE: Refer to column 38.

Mr. SUNTHARALINGAM: Column 38 does not give a single word about rice stocks. It gives figures about the China Pact, about the purchases of rice from Burma. It gives the foreign debt. It does not give Rs. 41,000,000.

The Hon. Mr. M. D. H. JAYAWARDANE: You must draw the inference.

None

Mr. SUNTHARALINGAM: You see, Mr. Speaker, when you make allowance for these, our net operating cash surplus of Rs. 96,000,000 of which he boasted ceases to exist. That is all.

The Hon. Mr. J. R. JAYEWARDANE: Not Rs. 96,000,000 but Rs. 69,000,000.

Mr. SUNTHARALINGAM: Thank you, yes. It is Rs. 69,000,000.

The Hon. Mr. J. R. JAYEWARDANE: Thank you.

Mr. SUNTHARALINGAM: Thank you. The Rs. 69,000,000 disappears completely. That, Sir, is the first *suppressio veri* in regard to the current state of Government finances.

My Friend has used the words:

“These funds too have been used to reduce temporarily the domestic debt.”— [OFFICIAL REPORT, 8th July, 1954; Vol. 18; c. S.]

When he prepares his speech he is very careful to say that the domestic debt has been retired and that the pawnbrokers of London have made advances. Having done that, within two

weeks of his preparing this speech, he floats a Rs. 70,000,000 loan in Ceylon; so that, are you having a cash operating surplus or a deficit? It is a cash operating deficit.

The Hon. Mr. J. R. JAYEWARDANE: How much?

Mr. SUNTHARALINGAM: Of, I estimate today, Rs. 60,000,000-odd.

The Hon. Mr. J. R. JAYEWARDANE: Then our external balances should go down.

Mr. SUNTHARALINGAM: I will come to them later.

This is how you people have been playing about with the finances of this country. Do not pretend to know about things which you know nothing of. You have brought this country to a parlous state because of your incapacity to interpret figures.

Central Bank

From there my Friend passes on to this “temporary retirement of the domestic debt.” May I ask him this: Last year large sums of money came to you as advances by the Central Bank, large sums of money came to you as Treasury Bills. You had as much as nearly Rs. 2,000,000 in that period from semi-Government agencies.

Altogether you had a Rs. 121.1 million domestic debt; not Rs. 119.5 million as you say. Now on what ground, for what reason, have you at the end of May for the first time in the history of the Central Bank stopped getting advances from the Central Bank?

The Hon. Mr. J. R. JAYEWARDANE: We do not need them.

Mr. WILMOT A. PERERA (Matugama) You took all the savings from the Post Office Savings Bank.

Mr. SUNTHARALINGAM: I will tell you how you need them. Mark you, Mr. Speaker, the ex-Minister of Finance says that, and the present Minister supports it. They are today justifying on the Floor of the House a justification about which the financiers the world over are laughing, namely, the stopping of the Central Bank advance—the law provides that we could get up to 10 per cent. of the estimated revenue of the year.

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“ after reducing the criticisms against the London Loan to an over-simplified

mess of naivete, the Minister of Finance

proceeded like Don Quixote to demolish

the windmills of his own creation”



MINISTERS' REPLY FEEBLE

The Hon. Mr. M. D. H. Jayawardene, Minister of Finance, made an attempt to meet the charges against the London Loan in his reply to the Budget Debate in the House of Representatives on July 27, 1954.

The reply was feeble and unconvincing. In the first place, the worthy Minister seems to have misunderstood or has chosen to misunderstand the criticisms.

According to this Ministerial marvel, the first charge was that “the rate of interest of the London Loan was too high and that we purposely put it up. The second charge was that the underwriters made Rs. 4 lakhs overnight. The third charge was that the list of original subscribers was not disclosed. In short, he (Member for Vavuniya) suggested that some big people in Ceylon were making secret profits. He asked why bearer scrips were given and insinuated that some persons had bought and sold them.”

Naive

After reducing that criticisms against the London Loan to this ridiculously over-simplified mess of naivete, Mr. M. D. H. Jayawardene proceeded like Don Quixote to demolish the windmills he had set up. At the end of his effort he probably felt he had conquered mighty demons little realising that he had evaded the crux of the problem.

By references to other loans floated in London about the time the Ceylon Loan was floated, Mr. Jayawardene attempted to persuade his audience that the interest paid was only the prevailing rate in London. Nobody has doubted that this was

the prevailing rate, but the question that has been raised is “what were the reasons why investors in London were offered such attractive terms as £4. 4s. per cent interest, tax free, and the like when Ceylon investors have been only given interest rates ranging from 2½% to 3¼%?”

Allied to this is the other question that has been asked over and over again: “What other charges and fees, besides the interest, the sinking fund and trustee charges and the stockbrokers' commissions, have been incurred in respect of the London Loan?”

This is really the crux of the criticism. Why was the Loan raised in London at such advantageous terms (for London investors)? Why was not an effort made to offer the same terms to local investors? What is the total charge inclusive of the interest that Ceylon will have to bear in regard to the Loan?

London

The Minister of Finance has chosen not to answer this question. On the other hand he laboured the point that 4% at 97 was about the prevailing rate in London. Mr. Jayawardene must not forget in relying on such an argument that London is the traditional money market for the colonial empire of Britain and that one method by which it has drawn profits from the dominions and colonies is by lending money in a manner that will be beneficial to big bankers of Threadneedle Street.

Ceylon floated a great many loans in the old days through the Crown Agents in London and if every

one of these loans were investigated they will tell a sordid tale of the undisguised exploitation of a colony. To submit this island, after it is said to be free, to the same type of invisible profit extraction by the imperial country is certainly not something any Government can be proud of. To state that we had no alternative but to submit to the prevailing rate on the London market is to admit that Ceylon is still tied firmly to the aprong strings of Britain.

Colonies and Dominions like East Africa, Aden, Rhodesia, New Zealand and Australia have reasons of their own to submit to London and the prevailing rates there. But Ceylon being independent should have first attempted to raise money locally; and if she had no alternative but to raise money in London made a better bargain of it than she has done now. The complaint against the London Loan is not merely against the rate of interest but against all the charges incurred.

So much for that.

Quick Money

The only other charge he attempted to meet was that no quick money was made out of the floating of the loan. The Minister stated that the Bank of England was still unwilling to disclose the names of the original subscribers, and went on to say “but there is no indication that any one man collared the loan” because reports stated that the loan was oversubscribed and applicants were given allotments on a ratio basis. “From this” he argues, “it is obvious that several people subscribed to this

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Comment

- IMPOUNDING PASSPORTS
- NYTHIANANTHAN
- MAYOR

WHITHER SIR JOHN ?

The impounding of the passport of a journalist associated with the weekly newspaper "Trine" is undoubtedly a high-handed act of bureaucratic despotism. If, as authorities seem to hint, this action was taken because certain legal proceedings may be filed against this journalist, the proper thing to have done was to have served a notice on the person requesting her not to leave the island without the permission of the Court where this action is to be filed.

But to impound a passport is an infringement of the liberty of the subject, particularly when no facts have been disclosed to warrant such action. We have had occasion in the recent past to criticise the Government of Sir John Kotelawala for imposing passport curbs on persons whose political views do not please the Premier. To victimise and penalise persons for political views is nothing short of fascism. To impound passports without sufficient cause is an expression of such fascist mentality.

It would appear that Sir John Kotelawala would want only persons who think and act exactly like himself to have passports and travel abroad. This no sane thinking person will want to tolerate.

Sir John Kotelawala should reverse his policy with regard to passports immediately. Otherwise, the public will have no alternative but to consider seriously whether, Sir John should continue as Premier. Ceylon is a democratic country and it has no room for fascist-minded Premiers.

Nythiananthan

There has been a great deal of speculation and comment about the trip of Mr. Nythiananthan to Swit-

zerland for a World Rally of the M.R.A. It is believed that his passport too will be impounded on his return because instructions to that effect will be or have been issued by high quarters. It is also known that some of those responsible for having sanctioned leave to Mr. Nythiananthan for travel have been unnecessarily questioned as to why such leave was granted, Mr. Nythiananthan was entitled to the leave.

We have no illusions about the M.R.A. and what it stands for. But we will not object to anyone going to Switzerland to find out for themselves just how much of a racket the M.R.A. really is. Last week we published a review of book debunking the M.R.A. by a person who went to Caux, the Buchmanite headquarters, on such an invitation as the one on which Mr. Nythiananthan has gone. We will await Mr. Nythiananthan's return to see whether he has swallowed the philosophy of Dr. Buchman or whether he has, like all right thinking individuals, seen through the hocus-pocus of M.R.A.

But whatever be the views with which he returns about the M.R.A., we must warn the Government that any attempt to impound his passport will be condemned by all except the few fascist-minded persons in this country.

Mayor

The utter hollowness of the so-called U.N.P. victory in the Municipal Elections is being exposed more and more as the days go by. Having polled under forty-three percent of the votes cast, the United National Party led by Sir John Kotelawala pretends it has won the support of the people of Colombo. This boast may have

some substance if Sir John Kotelawala had fought the Municipal Elections on the basis of a programme and won a majority of the elected members to such policies that may prove beneficial to the city.

Unfortunately, the United National Party of Sir John Kotelawala did not put forward a Municipal Programme. What passed for one during the election campaign was a patched-up banner of tattered fragments of many hues and different textures. No sooner was the election over, the banner fell to bits and pieces, and a whole host of persons elected on the U. N. P. ticket started a public scramble for the office of Mayor. Sir John thereupon summoned his Municipal cohorts to Temple Trees and impressed upon them that they should behave like good boys and leave the matter in his hands (or the hands of Sir Ukwatte?).

These U. N. P. Councillors-elect were quiet for a week after Sir John's homily. Thereafter, instead of making individual claims, these members are apparently setting up others to make the claims on their behalf. A public petition from a northern ward in the city is being prepared or has by now been prepared to be sent to the U. N. P. big wigs. The petitioners emphasise the Member for their ward is the fittest for the post of Mayor. The Muslim League wants a Muslim as Mayor. Practically every single person in the team backed by Sir John wants to be Mayor.

If this is the only kind of leadership he can provide, Sir John in the interests of the Party he belongs to should retire from politics. If the United National Party continues to be led as at present, disaster lies ahead.

HOUSING LOANS

A question that is being asked in top circles is about the loans issued by the Housing Loans Board. People want to know whether a particular firm of lawyers have been specially lucky in the matter of obtaining such loans. Is it correct to say that except for a meagre minority of two the rest of the legal staff of this firm (and they are quite a number) have been granted loans to build houses? Who passed the titles to the land? Did they do so, and if they did, was it proper?

Did a senior member of this firm get a loan to build an extra house for a brother or for himself in his brother's name?

These questions are being raised because a very large number of persons from among the general public were unable to obtain loans to build houses. Or, at least, they were kept waiting so long that they decided to give up all ideas of building houses. I must hasten to add that this was before the new Minister Sir Kanthiah (Castor) took charge. How matters stand now nobody yet knows.

What the public complain about is that certain firms and persons have had an unfair advantage in this matter of obtaining such loans!

Gold Cigarette Cases

One of the "49" charges against Mr. N. U. Jayawardene is about a gold cigarette case and other gold jewellery and articles. This is *sub-judice*.

But questions are being raised whether other persons in high places have not brought into the Island similar gold cases and other articles which may be passed off at the Customs as "personal effects." It is said that persons who frequent-

ly shuttle up and down between Ceylon and foreign countries often bring in one gold cigarette case or some such similar article every time they return to Ceylon. Is this smuggling or is it permissible circumventing of the customs regulations?

It will be interesting to know how many such gold cigarette cases have come into the island in recent years.

Muslims

Many Muslim friends of mine were hot and angry about certain comments in the *Tribune* last week concerning the role played by the Muslim Community in the recent Municipal Elections. They protested that the Muslims did not go on communal lines, but if they did in some cases it was because other candidates (certain Independents had raised the communal cry). They said the Muslims had supported the U. N. P. on political grounds, and pointed out that in Grandpass, a number of Muslims had supported a Tamil as against another Muslim who stood as an Independent.

It is true that a certain number of Muslims voted for left candidates and other Independents, and also for candidates who were not Muslims. But the argument was that the Community in the main and its leaders were motivated by communal considerations and not by political ones.

Support for this view is forthcoming from a resolution passed by the Muslim League (reported in the *Times of Ceylon* of August 2nd) calling upon the U.N.P. to nominate a Muslim for Mayor. One cannot have any complaint if the resolution named some person as the fittest candidate for the post,

or if the resolution had stipulated a principle on which these nominations should be based. On the other hand, the resolution was that a MUSLIM—it did not matter who he was—should be made the Mayor.

If this is not communal politics, I do not know what is! The United National Party will not do itself credit if it should succumb to communal politics.

Air Port Ball

My Sherlock Holmes tells me that certain officials connected with the recent airport ball were perturbed about the questions raised in this column a fortnight ago about certain items of expenditure. How did this matter leak out, they wondered?

But that is not the question these and other officials should ask themselves. Was this amount really spent? Did the contractors overcharge? Were tenders called for this job? Was it really necessary to spend all this money (around Rs. 45,00)?

These are the questions that should perturb them not how the matter leaked out! The last has not yet been heard about this matter.

Trial By Rumour

Jana the monthly Lake House version of the *American Time*, has devoted two columns in its latest issue to Ceylon. Under the title "Trial By Rumour" it bemoaned that:

"Rumour reduced Ceylon to the size of a small village during the past three or four weeks. Whispers originated by club gossips in Colombo hum-

Continued on page 10

HOUSING LOANS

Continued from page 9

med across the length and breadth of the island in a few minutes. Slandrous newsheets were having a wonderful time. The streets were plastered with posters advertising bigger and better scandals.

"As each edition sold out, they aimed mud at people at higher pedestals. Most of the shots went wild. Some of them were shrewdly directed. But all of it struck somewhere, giving the whole country an untidy look inside and an ugly reputation outside. The Government appeared, for the first time since Strong Man Kotelawela became Prime Minister, unsteady on its foundations."

The reports goes on to state the first sensation for the month was suspension of Mr. N. U. Jayawardena and the appointment of a Commission to inquire into his conduct, forgetting however that the first "rumour" was in relation to him. What *Jana* endeavours to depict as trial by rumour was the campaign to see that the affair of Mr. N. U. Jayawardena was not suppressed. The campaign succeeded in that he was suspended and a Commission appointed. Rumours have been in the air in what *Jana* chooses to describe as slan-

derous newsheets about only two or three other persons, and the N. U. inquiry might be fateful for them also. If *Jana* will only have a little patience, trial by rumour will ultimately turn out to be TRUTH which was suppressed by Lake House.

Bus Magnate

The sittings of the Bus Commission is bringing to light a great many matters. For instance, the accounts of the High Level Bus Co. showed that Rs. 18,000 odd was spent on the last General Elections. How was this spent? Has it been revealed in the election expenses of the candidates on whose behalf it was spent?

Although the High Level Bus Co. is short of buses and its existing buses are dilapidated, the big boss of the High Level has been buying a whole string of estates, Glencorse and Penrith in the Avisawella area and Tillyrie and Dunkeld in the Hatton district.

The public awaits the report of the Bus Commission most eagerly.

Oil to China

All trade with China is through the Rubber Commissioner and certain information furnished to me prompts me to ask the following question.

How many shipments of coconut oil have been sent to China? Who is the shipper or who are the shippers (if there has been more than one) who have been given the contract by the Commissioner? Has any particular firm been favoured in that it has been selected more often than others or is it the only one that has been so favoured? Has this particular firm ever shipped coconut oil in a big way before in its entire trading history?

I shall be most grateful for information on this matter. My Sherlock Holmes is also on the trail.

MINISTERS' REPLY FEEBLE

Continued from page 7

loan. Then what is this talk in Ceylon that a person whose name is bandied about and is supposed to be hard up could have subscribed Rs. 6 million in a loan in London?"

Now, this is all the Minister has to say about the criticism concerning horse trading apart from mentioning that bearer scrips were customarily issued in other loans of a similar nature! *The charge is not that one man made the money. If anyone did that, it would be a group who operated through a mass of nominees who would have been allotted the scrips on March 25.*

The criticisms that have been raised can be summed up in the following questions:

Unanswered

Who were persons who were allotted Share Scrips in the Ceylon 1973-75 loan on the evening of March 25, 1954? How many of them still retain the share scrips and how many have sold out? When did they sell and at what prices?

Who were stockbrokers through whom the applications of the successful allottees of March 25, 1954 submitted? Was it only one Stockbroker or several? What was the gross amount paid to the stockbroker or brokers in respect of 5s commission on every £100?

Why was the list closed in less than five minutes on March 25, 1954? Was it in order to shut out certain other investors? Could not the lists have been kept open for a few hours and a proportional allocation made on the basis of shares applied for?

Even if the names could not be disclosed at this stage—some day truth like murder will out—the Minister might have at least answered the other connected questions. These questions could have been answered without disclosing the names.

The Government cannot hope to evade these questions for a long time. If no proper and comprehensive answers are forthcoming public suspicion is bound to grow.

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INTELLECTUAL

Community Vol. I No. 2

Community is a magazine that is being talked about in literary circles. Its get-up is excellent. Its editor has gathered some interesting Asian attempts at originality. And its contributors have striven to prove creativeness. But it suffers from a serious defect. Let me quote from an article in *Labour Monthly* by Herbert Smith (a keen literary minded boiler cleaner) on "New Magazines and All That."

"A university education may open a young man's eyes and send him well equipped and eager into the world; or it may rob him of vital contact with life and give him the illusion of mental completion."

"Editors," continues Bert Smith, "are not drawn from the first of these two categories." I am provoked to wonder from which category the contributors and readers of *Community* will be drawn.

Pluckers

However, in the second (quarterly) issue of *Community* there is a short story by L. O. de Silva which shows the author's wide open eyes. He paints the life of pluckers of an up-country estate. The story implies his awareness of the reality existing in the lives of all tea pluckers. The reality is their battle to wrest material wealth from nature, which is primary occupation of mankind. It is a pity that L. O. de Silva's contact with life extends only to awareness. He writes from the peaks that overlook the tea bushes and pluckers. The pluckers were "one with the rain, the wet vegetation and the muddy earth," one with each other, but never one with the author, who interplays very ordinary Tamil words with great consciousness (he or the editor puts them in italics) that they are part of the language of the workers, but not of the readers. However, I hope *Community* will publish some more stories about the workers of this country.

Metaphor

In "A Language Without Metaphor," Godfrey Gunatilleka breaks new ground in the current Swabasha English controversy. He argues that the pandits who have kept English in Ceylon free from contamination with Swabasha, have at the same time left it (and the English educated group who use it) high and dry without contact with life. Metaphor in Ceylon English, he says, is dead because pure metaphor is drawn from English life which does not live in Ceylon.

That "the average (semi-urban or rural) S.S.C. student acquires a knowledge of English which may not equip him to educate himself efficiently through that language" is a rare admission from a member of the "elite" of the educated class in Ceylon.

This is an excellent, though erudite 15 page article and fully deserves a 15 page discussion. I hope *Community* will develop Mr. Gunatilleka's theme. I also wish that *Community* will obtain an article of similar scope on "written Swabasha" which is denied a living grammar by pundits who stick to an ancient system of systax and morphology.

Guy Amithanayagam's probe into the anguish of "Wuthering Heights" is very intellectual indeed. I believe I shall not enjoy my next reading of Emily Bronte's masterpiece as much as the last.

Tit-Bit

Other fare includes a useful straight forward description of the South Indian sculptural masterpiece "Nataraja" (which proves that the magazine is not exclusively intended to promote Asian reproductions of Anglo Saxon culture) and a tit bit by Mr. S. W. R. D. Bandaranaike which is supposed to be on "The Opposition in a Democracy" but which actually describes the imitations of British ('Mother of Parliaments') ceremony

We publish a review of the latest issue of *Community*. It is one of the very few magazines with thought-provoking contributions in this Island which has often been described as a cultural desert. We hope to publish soon a review by another contributor *Community* deserves the attention of all those for whom it is intended.

into the Ceylon Parliament (which like its mother, is based on another British peculiarity-geographical representation). Mr. Bandaranaike thinks that the party system of the democratic world emerged through an accident in the Court of George I.

An apologetic appraisal of 'Awakening America's' outlook on Asia is written by Priya Serasinghe who makes an amazing comparison between Asia and Mediaeval Europe. The culture of the latter, says he, is rooted in religion and "the elementary principles of Justice and liberty." Perhaps Mr. Serasinghe's history books discuss the parliamentary elections and independent judiciaries of Mediaeval Europe.—Mine didn't!

I liked the first of Patrick Fernando's poems, despite its illusions of mental completeness.

J. S.

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IS CEYLON SOLVENT ?

Continued from page 6

That means we could get to-day Rs. 100 million as an advance from the Central Bank. And there is a very interesting, exceedingly interesting paragraph in the Report of the Auditor-General for the financial year ended 30th September, 1953. Has my good Friend read that? Has my good Friend the ex-Minister read that? Paragraph 94, Parliamentary Series No. 14 refers to the figures and raises this question of interest. The Government had to pay within the year 1952-53, Rs. 1,142,717 as interest to the Central Bank.

Auditor-General

The Auditor-General quite rightly queried that. What right had the Finance Minister to pay this interest because this is not money that was earned by the Central Bank. The Bank does not earn

money. It merely creates money. It issues notes for many purposes for deficit financing or for anything it likes. When the Auditor-General raised this question and said it had no right to do that, it referred the matter to the Attorney-General. The Auditor-General states:

“As there is no law authorising payment of interest on these provisional advances, the sanction of the House of Representatives should have been sought. The Deputy Secretary to the Treasury has had correspondence with the Attorney-General on this subject and the latter has expressed the view that—

“... as there does not appear to be a provision of law charging provisional advances made under section 38 of the Act and the interest thereon on the Consolidated Fund, till express statutory provision is made in that behalf, the repayment of these advances

and the interest thereon should be authorised by a resolution of the House of Representatives under section 67 (2) of the Ceylon (Constitution) Order-in-Council, 1946.”

This is how they are bolstering it up: My good Friend the ex-Minister says: “Why should we not pay it back?” I will come to that in a minute. In fact, Mr. Speaker, this question of the advance is tacked on to our foreign debt and the villainy of villainies will be exposed when I give you the figures with regard to this for over thirty years, the money lenders of London, whatever they may or may not be, are in essence, gentlemen. They are very honourable in their loan dealings.

THE HON. MR. J. R. JAYAWARDENE: What about the borrowers?

MR. SUNTHARALINGAM: The borrowers? That depends. People like you are not gentlemanly. That is the difference. Canadians and New Zealanders—they are gentlemen. You bring in a sort of ‘thumbi’ mentality into these transactions.

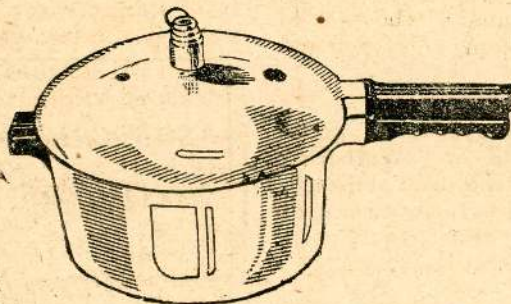
THE SPEAKER: The hon. Member must keep Order in this House. The hon. Member must withdraw that word.

MR. SUNTHARALINGAM: All right, Sir. I withdraw the word ‘thumbi’.

THE SPEAKER: The hon. Member must not go on like this because a great deal of time is wasted unnecessarily. I do not mind the hon. Member going into facts which are necessary but the hon. Member must not take up the time of the House and must not make any insulting remarks.

MR. SUNTHARALINGAM: You see, Sir, that we have now got Rs. 64 million approximately and that money is going to be devoted for irrigation and access facilities to 10,000 acres under the Huruluwewa Scheme, Gal Oya Development Scheme, and so on. I do not grudge a single one of these items. They are all useful items in so far as they promote food production. They have my greatest support but in regard to the other schemes I will have certain comments to make later on.

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MALNUTRITION

MR. SUNTHARALINGAM: Mr. Deputy-Speaker, now you might take that statement by itself as a bit of political exaggeration and therefore of no consequence. But I wonder whether you saw in the Press, about a week back, if not earlier, a statement that 35 per cent of the children of Ceylon today are born prematurely. Those are official figures—

MRS. DOREEN WICKREMASINGHE (Akuressa): Due to malnutrition—

MR. SUNTHARALINGAM: Yes, I am coming to that. I told the people at the meeting yesterday that 35 per cent. of children are born prematurely. What is the reason—the official reason, the medical reason—given by their own officers? It is malnutrition, Mr. Deputy-Speaker. You know what that means? Thirty-five out of every 100 of our children born are born as weaklings—

THE HON. M. D. H. JAYAWARDANE: Thirty-five out of every thousand—

MR. SUNTHARALINGAM: It is their figures. I quoted what appeared in the papers and that statement was not contradicted by any of your Departments. I am quoting from the official report in the Press. Do you—

MR. IVAN T. DASANAIKE (Parliamentary Secretary to the Minister of Commerce): If the Hon. Member gives way I shall explain.

MR. SUNTHARALINGAM: Certainly.

At this stage Mr. Dasanaike rose and started to leave the Chamber—

MR. SUNTHARALINGAM: Very clever. I cannot understand that big joke!

MR. DEPUTY-SPEAKER: The Sitting is suspended for 15 minutes.

Sitting accordingly suspended until 6.30 p.m., and then resumed.

MR. SUNTHARALINGAM: You will be pleased to remember, Mr. Deputy-Speaker, that before we adjourned for, shall I say short eats, I was referring to the report that 35 per cent. of the children that were born in Ceylon today were prematurely born. My good Friends on the other side challenged my figure. One of them went to the extent of saying that that it must be 35 out of 1,000. No, Mr. Deputy-Speaker. I am used to the art of marshalling my figures correctly and accurately. I had my intimation from the *Ceylon Daily News* of 16th July—quite recently, really four days back. Under big bannered headlines, "All-out efforts to be made to remedy malnutrition", the first paragraph reads:

"Health authorities have found that 35 per cent. of children born in Government hospitals are born prematurely. This compares with 5 per cent. in Western countries. The main reason is malnutrition of the mother."

—From Hansard

CHINA PACT AND CO-OPS

Continued from page 2

those who have undertaken that scheme? Our Friend talks here of subsidization. Surely, if the Government has embarked on a certain policy, it should carry out that policy to its conclusion. Those are the aspects of the Rubber-Rice Agreement with China that I want to place before Hon. Members of this House. Any refutation of any portion of that agreement which was so much to our advantage on the ground that it will be a hindrance or has been a hindrance as stated by the Hon. Member for Vavuniya is unjustifiable

Co-operatives

MR. DUDLEY SENANAYAKE: I heard the Hon. Minister of Agriculture and Food say that he is proposing to close down a good number of farms.

MR. S. W. R. D. BANDARANAIKE: And co-operative societies.

MR. DUDLEY SENANAYAKE: I realize the predicament he is placed in. I see that he also intends closing down some co-operative societies.

MR. S.W.R.D. BANDARANAIKE: A large number.

MR. DUDLEY SENANAYAKE: I would like to caution the Hon. Minister of Agriculture and Food. The record of Ministers who closed down things has not been a very happy one in the past.

MR. SUBASINGHE: They have also closed themselves down.

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JOHN FOSTER DULLES

Continued from page 4

First National Bank of New York. It is also reported that Allen Dulles, Foster Dulles' brother, took a prominent part in the activities of the Bank of International Settlements about which the *New York Times* of May 19th, 1943 had this to say:

"Allied preparations for an invasion of the European continent make the Bank of International Settlements at Basle, Switzerland, look more incongruous than it ever looked since the outbreak of the war in September 1939. In the seclusion of a Swiss city, American, German, French, and Italian bankers, not to mention Swedish, Swiss and Netherland representatives, are still at work side by side and attend to common business.....

"Does it mean that, in this world of to-day, so hopelessly torn asunder, all belligerents are

tacitly agreed to preserve a unique shelter for what was formerly called international finance—a shelter to be eventually used at will for the purpose of a policy of appeasement?"

Once Again

Events in post-war Europe confirmed the worst fears entertained by the author of the above statement. To-day almost all the survivors of the Nazi Party are back at the helm of affairs in Germany; German industrialists, thanks to their Wall Street associates, have once again re-formed their trusts and monopolies; and Western German politicians are loud in their clamour for re-armament "to regain the lost territories in the east". Dulles, who was chief foreign policy spokesman for the Republican Party since 1944, Bi-partisan foreign policy adviser to President Truman since 1950, and Foreign Secretary in the Eisenhower regime, was well aware, and indeed in a large measure responsi-

ble, for these developments in Europe.

The part played by Dulles in Far Eastern affairs is no less ignominious. The shameful role played by him in concluding the Japanese Peace Treaty favourable to U. S. was exposed by Mr. Herbert Morrison in the House of Commons. It is worth recalling this episode as an example of the "integrity" of American statesmen.

In June 1951, Mr. Dulles, as Ambassador-at-large for President Truman, discussed the draft Japanese Peace Treaty with Britain's Foreign Secretary Herbert Morrison and assured him that it would be entirely left to Japan to recognize either Chiang Kai Shek or Mao Tse Tung as the legitimate representative of China. Having secured Mr. Morrison's signature to the Treaty, Dulles obtained a written pledge from Premier Yoshida that "Japan when a sovereign state, would recognize Chiang Kai Shek only". Yoshida revealed later that unless he had given such an assurance, Dulles had warned him that the Peace Treaty may not have been ratified by Washington:

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GERMAN RE - ARMAMENT

Continued from page 16

the Communists were prepared to pay for western counter concessions in Europe. Be that as it may, Molotov's speedy move in proposing a European conference to settle outstanding problems may support that theory. But there are other factors that can explain the timing of the Soviet proposal, namely the controversy raging over the European Defence Community, not only in France, but in this country too.

Why the question of E. D. C. and German re-armament has become the most burning topic among the British people only recently and not three years ago when plans to re-arm Western Germany were first set in motion, it is difficult to tell. The fact remains that never before has so much been written and said on the subject, both by the supporters and the opponents of E. D. C. It is also obvious that far wider circles among the population than before are taking an interest in it and express strong feelings one way or the other.

Labour Party

This was brought out forcibly in the list of resolutions, published last week, for the Labour Party's annual conference in September. In former years, most of these resolutions submitted by the Party's branches in the constituencies and by the trade unions, dealt with bread and butter and other domestic subjects. This year, however, a record number of resolutions on foreign affairs has come in. And among these resolutions, the majority deal with German re-armament — all but one of them expressing opposition. When one remembers that each branch may only send in one resolution, one gets an idea of the importance attached to the problem by the rank and file in the labour movement. There is no doubt that the agenda is greatly worrying all those who want to re-arm the Germans—that is both the Conservatives and the official leadership of the Labour Party. The latter had already had some nasty shocks when German re-armament was voted on by the Party's Executive and by the Parliamentary Labour Party. One both these bodies the

leadership's policy supporting E. D. C. just scraped through by a tiny majority.

Germany

These near-defeats were probably the reason why the Rightwing leaders of the Party published their pamphlet "In Defence of Europe", setting out all the familiar and fallacious arguments for the need for a German contribution to a European Army. That these leaders should have considered it necessary to set out once more a defence of their policy at this time, is in itself an indication how apprehensive they feel about the support they will be able to muster.

But the Bevanites were quick to respond to the challenge. Last week they published a pamphlet replying to and refuting all the arguments put forward in "In Defence of Europe". This booklet, entitled "It Need not Happen", written by all the six Bevanite M. P. s on the Labour Party's Executive, caused even more anxiety than the resolutions mentioned before. The entire press found it necessary to explain to their readers why they shouldn't listen to what they described as the pamphlet's "Woolly" reasoning.

Russia

There is no room here even to summarise the contents of the booklet. Its main argument against proceeding with German re-armament is that no real attempt has yet been made to find out what price the Russians would be prepared to pay if the West would agree to a disarmed, neutralized Germany. They feel convinced that Russia, who rightly feels that the main threat to her security would come from a re-armed Western Germany, determined to regain the lost former German territories in the east, would be willing to pay a very high price. Firstly, they say, would they agree to the dissolution of the para-military People's police in the eastern zone; and secondly would they allow genuinely free elections in the whole of Germany, even though this would most likely lead to the defeat of the present Communist-led regime in the eastern zone.

That, incidentally, the Bevanites are not Communists, as so often alleged, must become clear to anyone studying the pamphlet. One of the main arguments they give for withholding arms from the Germans is that the latter might ally themselves with the Soviet Union in a pact directed against the West.

Alternative

The interesting thing about "It need not Happen" is that it puts forward a constructive alternative, which which will make it palatable to a lot of people, who perhaps up to now have felt uneasy about arming the Germans, but who have yet supported it because they could not think of any other way to keep such an industrialised and industrious nation busy.

So the Labour Party's annual conference in September is looked forward to with more than the usual expectation. With the controversy raging with its present intensity, no commentator dares predict how the vote will go. No one doubts that the Constituence Parties will solidly vote against German re-armament. But everything depends on the unions, which numerically are much stronger. And in many unions, decisions on this issue have yet to be taken. The chances are 50 - 50. Molotov's proposals may yet sway those who have not yet made up their minds. Therein lies the significance of his timing.

SHOULD SIR JOHN QUIT NOW ?

Continued from page 1

Nehru's policy of neutrality. In these circumstances, when it is abundantly clear that Sir John's views are contrary to those of the vast majority of the people of this country, both with the Government and the Opposition, the best thing he can do is to quit the office of Premier. Unless of course, he will immediately purge himself completely and unreservedly of his shortsighted and suicidal attitudes with regard to SEATO. Ceylon must refuse to have nothing to do with this attempt to make Asia an arena for war so that Dulles and Eisenhower can get Asians to fight Asians for the greater glory and profit of the munition-makers and multi-millionaires of the U. S. A.

WILL SIR OLIVER DRIVE IN STATE?

There is a great deal of speculation as to whether Sir Oliver Goonetilleke will drive in State to the Governor-General's Cup Race Meet to-day. It is being freely stated in responsible quarters that even if the weather keeps fine, Sir Oliver may not indulge in the pleasure of a state drive as Governor-Generals in the past have done.

Rumours emanating from an aristocratic club (which gave birth to the BIG FISH story) indicate that Sir Oliver has been advised that the planets are not propitious for such a State Drive to-day. It may be that the Prime Minister, a keen astrologer himself, is of the view that Governor-General Goonetilleke should enter the Grand Stand as quietly and discreetly as he entered Queens House on the day he assumed duties.

"Tribune", however, feels that Sir Oliver must ride in state to the Grand Stand. Astrology and planets may be all right for lesser men, but the Head of State is above stars and astrologers. No harm will befall Sir Oliver. He has a lucky star that has taken him into Queen House and that same star will take him happily through any State Drive.

What astrologers fear is that whilst Sir Oliver is on his triumphal State Drive some evil tongued habbler may shout "Beware of the Ides of March....." as a street loafer of Rome had shouted to Julius Caesar on the day he drove through capital of the Roman Empire in glory.

Nobody will want to tell Sir Oliver to beware of the Ides of March. Even if they did, March is still a long way off. But this may happen. Some public spirited citizen may with all respect and reverence due to the office of Governor General may call upon Sir Oliver to disclose his assets and the assets of his family as they stood in 1941 and as they stand today, both in Ceylon and abroad, so that all baseless rumours and allegations may be proved wrong.

"Tribune" has been humbly begging of Sir Oliver to make a public declaration about the assets of himself and his family for many weeks now. If he did this, he will become the darling of the Ceylon crowds. He will

become the most popular man in Ceylon.

Sir Oliver, as the first Ceylonese Governor-General, deserves all the popularity and affection that the people of this country can show. Only the question about his assets seems to stand in the way of such fulfilment.

It may be a fitting thing, with Sir Oliver's long and intimate

association with the Turf, that he should make a declaration about his assets on Governor General's Cup Day from the Grand Stand. There can be no better place for such a declaration. We look forward with eager anticipation to this happy event.



...when will he declare his assets?.....

London Letter

GERMAN RE-ARMAMENT

[From Our Special Correspondent]

Things are moving very fast these days. With the Geneva Conference successfully concluded and one of the main dangers to peace removed with the cease-fire in Indo-China, the centre of attention has, here in Britain at least, once more shifted to Europe. And the kernel of the problem of removing east-west tension in Europe is the question of Germany's future.

I could imagine that to Asians, European affairs might seem rather remote and, therefore, of secondary importance. But I am sure they will realize that a conflict in Europe would be the spark that would set the whole world ablaze. However we may rejoice at the Geneva settlement—and I think it

is true to say that relief and joy were genuine and universal in England—it must be admitted that the world's danger spot No. 1 still remains unsettled.

Concessions

It is generally admitted here that the Communist side at Geneva mane a number of concessions to make the Indo-China cease fire possible, and there has been much speculation in the press as to the Communists' motives for being so accomodating. Few writers are willing to ascribe them to great concern to stop the blood-shed but rather think the concessions were calculated to be the price

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