

TRIBUNE

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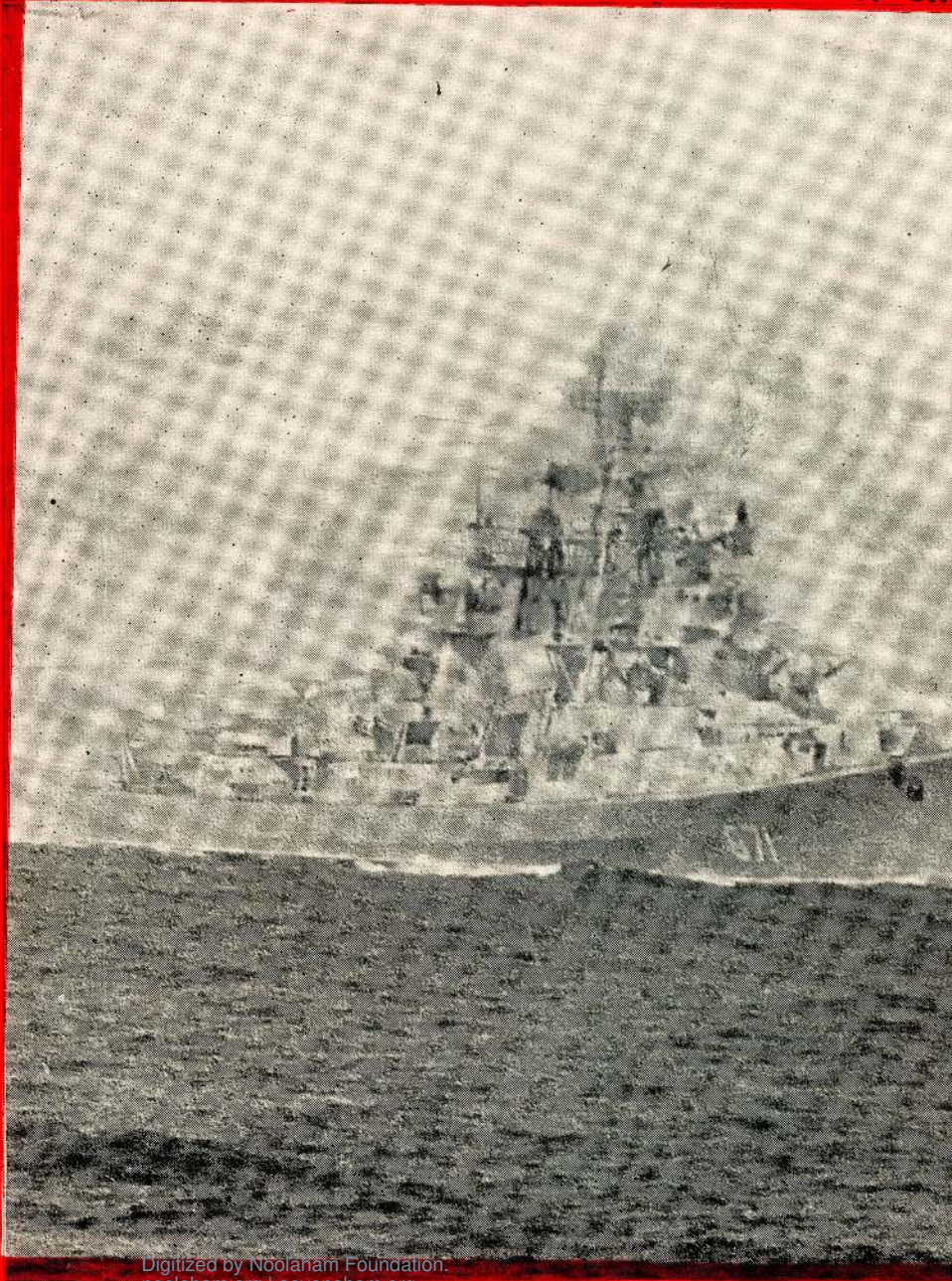
● POPULATION
ENGINEERING — 3

● ASTROLOGY IN
THE CYBERNETIC
AGE

● JAPAN — RISING
SUN IN PACIFIC

● MAY DAY: SLFP
AND LSSP — CP:
THE PRIVATE
SECTOR

● WORLD EVENTS
& CEYLON



Soviet Seapower—The Russian Navy Comes to Ceylon.

ON the cover we have a striking picture of a destroyer of the Russian Navy. This warship is similar to the two destroyers carrying missiles which were in Colombo last week. Admiral Smirnov, Commander-in-Chief of the Soviet Pacific Fleet, had also flown to Colombo to pay a goodwill visit. When Admiral John S. McCain, Commander-in-Chief of the US Pacific Fleet, paid a courtesy call in February and because he had a 25-minute private chat with the FM, Mrs. Sirimavo Bandaranaike, many eyebrows were raised. It was hinted in some quarters that after the Indo-Pak war and the Indo Soviet Agreement, Ceylon had no alternative but lean more towards the US, but the staunch supporters of the Government were emphatic that McCain, or no McCain Ceylon was non-aligned and neutralist.

Admiral Smirnov's visit, it is claimed, by the leftwing in the UF is a further demonstration that Ceylon was indeed non-aligned. This is what the *Forward* of April 29 said in *Chitra's* column, "The goodwill visit of Admiral Nikolai Ivanovitch Smirnov, Commander-in-Chief of the Soviet Pacific Fleet, and the units of this Fleet to Ceylon is not only a reassertion of Ceylon's non-aligned policy (which was questioned in cer-

tain circles after the goodwill visit of Admiral J. S. McCain, C-in-C of the US Pacific Area) but provides a further object lesson for those who try to frighten Asian countries with the bogey of a Soviet naval presence in the Indian Ocean. . . ."

There is no doubt that Russian Seapower has come to stay. And it naturally will want to make its presence felt in the Indian Ocean as everywhere else. The US *Time* magazine of January 31, 1972 had a cover story about *Soviet Seapower*. In the publisher's note it was said that "associate Editor David Tinnin, one of our World's section's Kremlinologists for the past five years pays special attention to Soviet military affairs. In 1968, his cover story 'Russia's Navy: A New Challenge At Sea' set out USSR's rapid progress in strengthening its global position. The article warned that the trend would continue. This week Tinnin returns to the subject with a second cover story examining the alarming extent to which the 1968 prediction had been confirmed. . . ."

The main point made in the story was that the Soviet Navy was now on a programme of building aircraft carriers. But the article generally told the story of how Russian warships were in the Mediterranean, in

the Atlantic, in the North Sea, in the Pacific, in fact everywhere. "In Washington's eyes, a recent ominous development in the Kremlin's naval strategy has been the increase in the number of its ships in the Persian Gulf and the Indian Ocean. . . ." The article also pointed out that the growth of Soviet Seapower was all-round. The merchant fleet of the USSR was now even with that of the USA in tonnage. Its fishing fleet was three times as large "as second - place Japan's. . . The Soviets have also built up an oceanic research fleet of 200 ships—larger than the combined research fleets of all other maritime powers. . . ." The article further stated: "... The Soviets are developing great momentum. At present they are outbuilding the US in naval vessels by the impressive ratio of 8 to 1. . . ." And shipyards in the GDR and Poland were also building ships for the Soviet Union —" which had also placed orders for ships in Japan. The Soviet fleet had many powerful submarines.

The *Time* magazine is certainly not sympathetic to the Soviet Union. One can sometimes get insight into a problem from what a rival says and there is no doubt that the US has developed the greatest respect for Soviet Seapower. Russian Admiral Smirnov had an hour's talk with Prime Minister, Mrs. Sirimavo Bandaranaike, on Saturday May 6, and the *Weekend* has hinted that a frigate and other naval equipment had been offered to Ceylon by the Soviet Union on long-term easy payment terms.

Tribunania


IN THIS ISSUE we endeavour to maintain a balance, within the limitations of our 24 pages, between international events and domestic developments. *Apollo 16* astronauts are back on earth but, as we go to print, we have not received interpretative articles appropriate for *Tribune*, nor a striking picture for our cover. It has been said that of all the moon missions so far, *Apollo 16* has secured the best results. With the US doing so well in space technology, it is unfortunate that the US is unable to order its affairs on earth better. In Vietnam, the US is caught up in a tragedy which has few parallels in history,

and in the RAMBLING NOTES FROM THE EDITOR'S DESK some of the more distressing aspects of the Vietnam war are examined. The military initiative continues to be with the DRV forces and though the bloodthirsty bombing by the US Air Force causes indiscriminate destruction it does not have any conclusive effect on the ground fighting. Secretary of State Rogers has invited Hanoi to submit fresh peace proposals, and this means that the US is willing to forget President Nixon's eight point proposals. At the same time Rogers has dropped a broad hint that the US cannot continue to underwrite the Saigon government for much longer.

With the death of Kwame Nkrumah, in Rumania where he was under treatment for cancer, Ghana has come into focus with the Acheampong military government wanting the return of Nkrumah's body from Conakry in Guinea for burial in his birthplace. Guinea's President Sekou Toure has however laid down certain conditions for the return of the body: that the former President should be rehabilitated; that all Nkrumah's companions now in detention should be liberated; that the ban on the return of Nkrumah's companions be lifted; and that Ghana should receive the body with the honours due to a Head of State. A five-man Government delegation from Accra is in Conakry to arrange for the "transfer of the body",

at the time of writing, and it is not known whether Ghana would agree to Sekou Toure's terms. We publish some background material about recent developments in Ghana.

Japan is also very much in the news and is likely to play a very significant role in the Asia of today and tomorrow, and we publish the first part of the article from the US monthly *Ramparts* of January entitled JAPAN; RISING SUN IN THE PACIFIC by Tom Engelhardt, editor of the *Pacific News Service*, and Jim Peck, a member of the Bay Area Institute working on Chinese foreign policy. The second part will appear in our next issue. From the *New Times* published in Moscow we reproduce the article ASTROLOGY IN THE CYBERNETIC AGE by Alexander Ignatov. It views astrology and the recent upsurge of astrological activity in Europe and the West from the angle of materialism infused with atheistic humanism. It is interesting to note that according to Ignatov "...it is said that under the Apollo programme NASA secretly employs astrologers to establish the suitability of candidates for space flight and the outlook for projected lunar missions." A correspondent from New York has sent the full clipping of the report in the *New York Times* of 10/4 (which was referred to in last week's issue of *Tribune* headed CEYLON WARMING TOWARD THE U. S.—THAW PART OF POWER IN INDIAN OCEAN AREA



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Disaster Unless Something is Done Soon . . .

By Prof. K. KULARATNAM

NATURAL resources are limited and finite and, therefore, to depend on development planning by concentrating merely on a growth rate of resource utilisation without reference to population deceleration would be like fighting with one hand tied behind one's back. It is hoped our planners will pay adequate attention to this in their imple-

Contd. from P. No. 1

by James P. Sterba. We also conclude Prof. K. Kularatnam's series in POPULATION ENGINEERING.

Serendib comments on current developments in his CEYLON: MARGINAL COMMENTS and examines in some detail the speeches and statements made on May Day which was "celebrated" on a low key this year. *Sherlock Holmes* chips in a with a few choice tidbits in his IS IT TRUE? There has been great interest in this column and many readers and correspondents have sent us tips and information about matters *Sherlock Holmes* can investigate. We have been able to finally persuade Agastya to make his reappearance this week with a scintillating contribution in his column entitled CONTEMPORARY NOTEBOOK.

mentation programme. While use of resources and production should be carefully and wisely planned, and for this the urgent needs is a comprehensive inventory of our resources (not yet done), planning of population growth will be a more effective means. Population regulation should therefore be an integral part of all development policies and activities.

RECENT ESTIMATES for meeting the Indicative (F.A.O. Perspective) world Plan for the second Development Decade for the developing countries of the ECAFE region are staggering, and where are they to come from?

US \$ 43,720m will be required for water resources development, confuising \$ 13,500 m. for power generation, transmission and distribution, \$3720 m. for community water supply and sanitation and \$ 7650 m. for industrial water supply. Investment will need to be \$3.5 per capita per annum. Operational and maintenance costs will be extra. Where is this to come from?

In this connection serious and instant heed should be paid to the cry of alarm that Commander Jaques Cousteau, the internationally famous French oceanographer has uttered. The impression shared by the public and the governments

that the sea is immense is misleading. Man has reached the point where the ocean can no longer be considered an inexhaustible provider or bottomless dump.

The growth of industry has reduced the relative size of the oceans and the sea is no longer able to purify itself. It may soon be dead. Over population is a considerable threat to the Oceans. All the pollutants of the atmosphere and of the land eventually reach the oceans. Oceanographic research has indicated that the abundance of the sea has already been depleted 30-50 percent through pollution.

There is rape of the soil and shifting cultivation or slash and burn methods of land use must be stopped. The oceans are fast dying through pollution and the atmosphere itself is suffering in places from asphyxiation, from Industrial effluents and non-degradable ch-

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enicals: methyl mercury, CO, etc Both pollution and population are making the earth uninhabitable.

Already in Asia, population has passed the 2000 million mark and is expected to reach 5500 m. by 2000 A. D. The abnormal growth of urban monstrosities should be arrested and the balance of nature should be restored. Not only the physical and biological or natural environment, but the totality of modern human environment, including the ethos, socio-economic and cultural environments need conservation and protection.

They are also breaking down through much misapplied technology and inappropriate transferred technical know-how. The Asian cultural value system must be blended with technology, if the goal of not merely the GNP, but the more important quality of life for the people is to be assured.

THE ENVIRONMENTAL CRISIS is already with us. The ecosphere is groaning under the strains and stresses of unprecedented population growth. Nature, no doubt, knows to release these in her own way, which is through human misery and destruction, pestilence and starvation but is *homo sapiens* wise enough to achieve the same end through humane and painless reduction.

Already most of the developing countries are plagued with worsening adverse trade balances. In Thailand alone it

is 10,000 million bahts (one US\$ = 20 bahts) and the population has increased during the past decade by 10 m. The prospects of continued foreign aid in increasing quantities are also diminishing.

Therefore resources, both local and foreign should be judiciously allocated between economic productivity and population deceleration, if the expected goals of quality of life are to be attained.

The resource endowment in relation to growth is limited and finite; wherefore to concentrate on a growth rate of resource utilisation without adequate attention to rapid population growth would be like "fighting with one hand tied behind one's back". The Ministry of Planning must make population regulation an integral part of all development policies and activities.

Environmental hazards of development are compounded by massive technological innovation. Environmental disruption is a concomitant of development, but in our developing countries, harmful effects can be anticipated and minimised if development is preceded by ecological studies and careful planning.

Long term solution to the problem of reconciling development planning with ecological factors lies in research and education. Science does change human behaviour, but to change it massively takes time, and time is rapidly running out. IBP (International Biological Programme) does signifi-

cant research to understand natural ecosystems,

THE INTER-RELATIONSHIP between rural and urban population growth on the one hand and environmental problems and resources on the other, in the context of the impact of modern science and rather poorly integrated technology in many of the developing countries is a study invoking global and long-term perspectives; it is both urgent and of unprecedented magnitude, what with an exploding and ex-

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BELIEVE IT OR NOT

Astrology in the Cybernetic Age

by ALEXANDER IGNATOV

THREE hundred and five years ago Louis XIV's favourite minister, Jean Baptiste Colbert, an adroit, brazen schemer but a man of sober mind for all that, ordered

from P. 3

plusive population situation and its concomitant twins: pollution and population.

The dire effects and associated ecological implication of unwanted and unplanned urbanisation through implosion, induced by rural deterioration, unemployment, misapplied technology, etc. are irreversible challenges to the survival of humanity, if timely action is not taken.

The disruption of social cohesiveness and sense of community in the villages, abuse and misuse of resources as well as of environment in many a developing country need correction.

Man is fast reaching the ceiling of the world's natural resources, notwithstanding developments in science and technology, biological, engineering and what not.

A Green Revolution can buy us only about two decades of time, at most. Beyond that only a systematic approach to the problem through Population Engineering can save mankind.

—Concluded—

astrology, the "science" of the influence of the stars on human affairs, expelled from the walls of the Paris Academy of Sciences for all time. Hard a blow as this was, it was not a death-blow. Astrology survived through all these 300 years and strangest of all, is now flowering again in our age of the conquest of the atom and of space.

'A respectable Parisian lawyer varies the character of the pleas he makes in court in accordance with the sign of the zodiac under which the presiding judge was born. One doctor employs an astrologer to cast the horoscope of each of his patients. It is far from rare for executives to consult special horoscopes in order to determine the best hour for signing a contract or founding a new firm. There exists an astrology of business, which studies cosmic influences on the world market. It is rumoured among occultists that some deputies and ministers seek the source of their power on earth in the map of the heavens. *More, it is said that under the Apollo programme NASA secretly employs astrologers to establish the suitability of candidates for space flight and the outlook for projected lunar missions*'

THIS RATHER LENGTHY PASSAGE does not come from a publicity release of any soci-

ety of astrologers or from one of those old almanacs once beloved of rural old wives. Not at all. It is taken from a serious French weekly, the *Nouvel Observateur*, which in one of its recent issues features an article on "The Return of the Astrologers"

The *Nouvel Observateur* article is but one of the numerous proofs of the growing popularity of fortune-telling by the aspect of the stars, among the most diverse section of capitalist society. In 1970 one of the biggest French radio stations, Europe 1, introduced a special programme conducted by the "eminent fortune-teller, Mme Soleil. She replied to telephone calls from listeners who applied to her for forecasts. The programme was such a success that the Paris telephone company could not cope with the influx of long-distance calls.

In the same year another gimmick, the so-called *Astroflash*, was introduced in Paris. Some ingenious astrologers got the bright idea of using computers for their prophecies. For a reasonable price (compared with that charged by others) the cybernetic astrologers instantaneously produced for each client an "individual astral profile" and a "calendar of events for the coming ten years." Many popular magazines in the West systematically publish horoscopes for the coming week, month, quarter-year, or year.

It is a curious fact that back in 1967, before the present

mass fad for astrology, French researchers found that 50 per cent of the adult men in the country and 70 per cent of the women, that is, nearly 20 million people, were interested in one way or another in the "science" of the influence of the stars.

THE HISTORY of astrology goes back several centuries before our era, to ancient Babylon. The Babylonians believed that the vault of the heavens (they called it the zodiacal belt) was inhabited by gods who carried out the Supreme Will. They divided this huge belt into twelve parts, in each of which the sun remained for thirty days. In these twelve parts, or signs, the gods had their homes where they resided permanently—with their servants of course. Each of the signs was given the name of the constellation surrounding the divinity. Those twelve names have survived to our day.

It was the belief of the Babylonians that through the mediums of light and shade the gods sent their commands or to the earth in the form of positive or negative fluxes. Their "signals" were explained by special "interpreters of the heavens." In those days the prophecies of the interpreters concerned only such events as affected the interests of the whole of society—wars, floods, droughts.

Only in ancient Greece did astrologers begin to tell the fortunes of individuals. In ancient Rome soothsayers were publicly ridiculed for the first time. The ridiculer was

the famous orator Cicero, who in one of his speeches caustically remarked that elemental disasters befell people regardless of what sign of the zodiac they were born under.

ASTROLOGY tends to blossom in times of crisis—crisis of culture, crisis of man's inner world. In bourgeois society the present level of scientific and technological progress has aggravated the crisis of society and the crisis of the individual as never before. The general decline of religion, the rapid advance of psychology and related sciences, and the resultant unrestrained abuse of a new form of power—the mass communications media—have all led to a revival of interest in all forms of occultism, among them astrology which in the West is now vigorously fitting itself for mass consumption.

Modern astrology has gone a long way from the Babylonian variety. It stays within the bounds of reality, with work, love and health as its credo. Today's horoscopes are as prosaic as a schoolchild's home work. The French journalist Roland Barthes, who made a study of the forecasts published in the popular women's magazine *Elle*, notes that they "scrupulously reproduce the total rhythm of the working life."

Women are advised to watch their figure (do exercises"), to look after their homes ("carry out your interior decorating projects" entertain friends ("they will be grateful"). As for husbands, or men in general, they of course hope for a

raise in salary ("Wednesday will be the day when you will have the biggest chances of being appreciated at your true value"); they are overloaded with work ("avoid overwork"), but should each bring flowers to the woman he loves ("a few small attentions to your wife will be welcomed").

As the reader can see, these are all very earthly things. Besides, advice of this sort is 100 per cent sure. Where then does the element of irreality come in? In the benevolent optimistic tenor of all these counsels and observations. In the astatic world of the stars neither failure nor death are known. Disease is passed off as a passing indisposition, old age as maturity. The horoscope becomes a comforter of people who feel uncertain of the morrow. It goes without saying that such consolation is particularly wanted in periods of crisis. No wonder one of the questions most commonly put to Mme Soleil is: "Should I sell my shares or not?"

Owing to astrology, the radio or the latest issue of a magazine now replaces the priest, the teacher and the doctor, all of whom were found unavailing. And the star-gazers, on taking the offensive, found themselves obliged to modify their profession. Will their present success be long-lived? Let the stars say.

—New Times.

Rising Sun in Pacific

by TOM ENGELHARDT
and JIM PECK

Here again we find the shape of the New Pacific Age, where a new order will be created by Japan and the United States...

Prime Minister Sato, 1969.


Japan limits its imports from the United States to a narrow range of items which consists only one-third of manufactured articles with the remaining two thirds in the form of raw materials and agricultural products. Quite naturally, Americans find that ratio almost insulting.

George Ball, former US Under Secretary of State, 1970.

We realize that the Japanese are getting through commerce what they failed to achieve through war."

José Diokno, Chairman of the Philippine Senate Economic Affairs Committee, 1970.

This contribution is reproduced from US monthly *Ranports* of January 1972. Tom Engelhardt is Editor of *Pacific News Service*. Jim Peck is a member of the Bay Area Institute, working on Chinese foreign policy,

 NE SOUTH-EAST ASIAN DIPLOMAT, bemoaning the troubles of his country late 1970, grumbled: "No one won the Vietnam war, except possibly Japan." In fact, it had

been a very good decade, all in all, for the Japanese. No other Asian country seemed so economically dynamic as the decade of the 1960s ended: no other so self-confident; no other so close to "equality" with the greatest of the global powers—the United States.

Yet for American officials it was a disastrous decade. Nowhere was the contrast more marked: as the Americans were invading Cambodia, the Japanese were in Osaka greeting visitors to expo.

Summer 1971 found another Japan: its leaders neglected, apprehensive, insulted; confronted with a challenge greater than any they had faced since August 1945. They had sought to play out their role within the context of America's global empire, only to find their part undercut by a rewriting of the traditional script. Somehow, the cost of the American effort in Vietnam, the collapse of the dollar as an international monetary standard, the emergence of a new American China policy, seemed to be eroding the very world in which the Japanese had taken a stand ever since the early 1950s. Now, instead of an appreciative American acceptance of their "economic miracle", they found an ugly America seeking to throw the full weight of its powerful economy against them.

If the Japanese leadership was angry at the United States, they certainly had a right to be; for no nation had been

more influential in shaping Japan for two decades than the United States.

WHEN MACARTHUR'S TROOPS FIRST LANDED on the Japanese home islands in August of 1945, they faced a society whose factories and cities had been levelled but whose social fabric was still intact. Many Americans, in those first years of occupation, pushed for major reforms and wanted to destroy Japan's war-making potential, democratize its politics, purge its leadership, and break the power of the *Zaibatsu* (interlocking Japanese super-corporation). Indeed, several American industries—notably textiles, ceramics, and rayon producers—pushed hard to weaken in advance their future Japanese competitors. And certainly, MacArthur's peace constitution, outlawing war as a means of foreign policy and prohibiting the maintenance of an army, was a major event in this process.

Even during this period through, strong currents were preparing Japan to move in another, quite different, direction. In the earliest days of the occupation, a Major General Charles Willoughby (called "my loveable fascist" by MacArthur) succeeded in protecting two important groups within the defeated Japanese military, from the purges then going on: an intelligence sector headed by Lt. General Arisue Seizo (in charge of intelligence operations concerning the Soviet Union), and another

group under Colonel Hattori Takushiro (Tojo's former secretary). Hattori and his group were put in charge of the "demobilization board", building up files on the entire Japanese army and navy. Often they found jobs for their old colleagues in the reorganized "police force". As a sideline, these officers are said to have served American intelligence by spying on Japan's blossoming labour movement and the growing left-wing force.

By late 1947 and early 1948, growing numbers of officials (both in Washington and Japan) were thinking about Japan's military/strategic importance in Asia. Fearing the Leftward turn of the Japanese workers ("subversion") and the rise of a Communist China aligned with Russia, they came to regret the "peace constitution." As George Kennan and his Policy Planning Staff wrote at that time: "Japan, as we saw it, was more important than China as a potential factor in world political developments. It was the sole great potential military-industrial arsenal of the Far East." Increasingly, these Americans thought of Japan as the "eastern anchor" of a world-wide American line of defense against the Soviet Union.

In March 1949 MacArthur himself announced: "Now the Pacific has become an Anglo-Saxon lake and our line of defense runs through the chain of islands fringing the coast of Asia. It starts from the Philip-

pinas and continues through the Ryukyu archipelago which includes its broad main bastion, Okinawa. Then it bends back through Japan and the Aleutian island chain to Alaska." The old idea of an unarmed, neutralized Japan was dropped like a burning coal. In only four years, "the Switzerland of the Far East", had become Japan, "the workshop of Asia".

Paralleling this change in American strategic thinking went the new notion of Japan as the "industrial lynch-pin" of America's economic policy in the Pacific. Japanese capitalism was to be rebuilt and coordinated with America's Pacific empire. Japan's economy was to be isolated from socialist Asia, particularly Mainland China, while being closely interwoven with the American dominated "Free World." Already, in the late 1940s, Japan was being tailored for its role of a decade later as purchaser of raw materials, supplier of capital and technology to the faltering, reactionary regimes of Southeast Asia.

At the same time, Japan was to become economically self-sufficient, taking the financial burden off the United States. In fact, during this period Japanese currency was not even internationally convertible; and during the entire period of the occupation (up through 1952), the US provided nearly two-thirds of Japan's imports, taking less than a quarter of her exports in return.

Zaibatsu dissolution was abandoned well short of initial goals. Few businessmen were purged; the trade unions were to be brought under control. Ceilings hitherto placed on production levels in certain strategic industries were entirely removed. As historian John Dower has written: "What had been officially identified as 'Japanese Industrial War Potential' in the early stages of the occupation... now passed through the rhetorician's steam room and emerged benignly as Japan's 'peaceful industries'."

EVEN BEFORE THE KOREAN WAR which erupted on June 25, 1950, Japan's alternatives were narrow indeed: an indefinite American occupation; a completely rearmed Japan in alliance with the West against China and Russia; or a partially rearmed Japan in which the US continued to maintain its military bases. The Korean War only sealed the bargain on the third of these alternatives. Japan became the major base for American operations, both against Korea and for intervention in the Taiwan Strait.

The War, and the rapid funneling of American occupation force into the Korean Peninsula, gave American and Japanese leaders their first opportunity to breach the anti-war clause of the peace constitution. To protect American bases and insure Japan's "internal stability", MacArthur authorised the creation of a 75,000-man National Police

Reserve (NPR). This clearly violated Article 9 of the Japanese constitution which stated that "land, sea and air forces, as well as other war potential will never be maintained." Nothing was called by its own name; but despite the busy wordsmiths of the occupation, training in "specialized vehicles" still meant learning such essential "police" instruments as carbines, M-1 rifles, machine guns, mortars, bazookas and tanks. Hundreds of former imperial officers were given jobs in this para military force. By 1954, the NPR had evolved into the Self-Defense Force. In 1952, a navy had been started and at about the same time a baby air force was born. The authorized 15,000 men of 1950 had risen to 152,000 by 1954, and 214,000 by 1956.

The Korean War was both the culmination of the American "reverse course" in Japan and a takeoff base of rapidly developing Japanese capitalism. Japan's economy was fed with between 4 to 6 billion dollars in "special procurements" for the Korean conflict. By early 1951, a "new" Japan had clearly emerged—as much as 70 per cent of its capacity directly engaged is meeting the needs of the American military.

Despite continuous American efforts in the 1950s the Japanese were hesitant to push ahead too quickly with their own defense expenditures. Instead, they used American spending as capital to restore a host of Japanese industries. And

already by the mid 1950s, this growing strength of the Japanese economy was worrying some American business men. It was not just the competitiveness but the potential independence of the Japanese economy which seemed so dangerous to them. For one of the most remarkable achievements of the Japanese during the entire occupation period was their ability to keep the doors shut on any large-scale American investment capital. General MacArthur himself had supported such a policy. He saw to it that Japan's economy was protected, unlike Europe's against the designs of large-scale foreign ownership with such major exceptions as oil and aluminium.

After formal sovereignty came in 1952, large amounts of Japanese resources were devoted to the purchase of American technology. The Japanese then took the technology built their own plants, and refused to let Americans bring in their own staffs to operate this technology to the advantage of the United States. The close coordination of government and business is evident here. The influx of foreign capital was clearly limited by MITI, the powerful Ministry of International Trade, and by the Ministry of Finance.

Yet throughout these years of Japanese economic growth, American officials remained unconcerned. Secretary of State Dulles was primarily preoccupied with expanding Japan's strategic and military role in

Asia. However, his efforts in early 1955 to enlarge Japan's sphere of interest from Japan proper to the "Western Pacific" was undermined by strong popular protests in Japan and opposition from key Japanese business leaders. Only in 1960, when Prime Minister Kishi supervised the US-Japanese Security Treaty through the Diet against massive popular opposition, did Japanese officials hesitantly begin to speak of Japanese military activities in reference to the "Far East".

The early 1960s—the Reischauer year—were a time of "dialogue" between an increasingly resurgent Japan and a US more and more preoccupied with Asia. In retrospect, it was an idyllic period for the leaders of both countries. Japan was slowly eased into an everincreasing economic role in Asia; its gradually growing military demands being met by its burgeoning industrial base. Its political life became more "mature" as the Japanese left suffered serious reverses in the early 1960s. These were the years in which US businessmen began to speak of a "Pacific Rim Strategy", and to seek greater economic coordination with the Japanese. Here was the senior-junior "partnership" which (they hoped) would guarantee the security of Asia.

THIS GRADUAL MATURATION OF THE Japanese American alliance was brutally shattered in 1965 by America's deteriorating position in Southeast Asia. With

America committing all available resources to the Vietnam war, Japan was pushed, and pushed hard, to take a more active role in the rest of Asia. President Johnson, agreeing to discuss the return of Okinawa, forced an ultra-rapid speed up in Japanese—South Korean “normalization” talks which had limped along for 13 years. When Sukarno lost power following a bloody coup in September 1965, Tokyo moved swiftly into action to co-ordinate the “rehabilitation” of the Indonesian economy. Events like these thrust imperial responsibilities on the Japanese ruling class far more quickly than had been anticipated.

In the years from 1965 to 1969, the Americans sought to push Japan in three areas: first, greater Japanese defense spending; second, closer economic (and later military) involvement in South east and North Asia; third, “liberalization” of the Japanese economic system.

Ever since the late 1940s, Western writers (even those who were urging it on) have consistently underestimated the speed of Japan’s military growth. They always point out that the Japanese defense expenditure remains under 1 per cent of the GNP compared to 7 per cent for the US. This is as misleading as the statement that Japan has only the world’s seventh strongest armed force; for Japan has concentrated not on men, but on machines. It has thrown much of its efforts

into two key services; The Navy and the Air Force, in which it possesses a vast technological superiority over all its neighbors (except the Soviet Union).

Like Germany between the two world wars, Japan has kept its “defense forces” small but heavily over-officered, so that on very short notice they could be expanded to three or four times their present size.

At a time when the US defense budget faces a severe crisis because so much of it goes to manpower costs (52 per cent of the present budget and an estimated 60 per cent of the 1974 budget), the Japanese have emphasized a potent, but highly rational, defense posture. Only 7.5 per cent of the 1971 Japanese defense budget goes to manpower.

Thus, despite the less than 1 per cent allocated to the services since 1965, defense expenditures have been sky-rocketing. The 1970 budget gave 1.6 billion dollars to defense, a 17.7 per cent rise over 1969. (Often, what in the United States would be considered defense expenditures for research and developments do not even show up in official charts. Instead they are channelled through “private” industry.) Some observers have concluded that the Japanese could not rationally spend even 2 per cent of their GNP on defense unless it were for an ambitious nuclear weapons system.

Japan has a greater self-sufficiency in munitions manufacture than any western power

other than the US. By late 1969, Japan produced 97 per cent of its own ammunition and 84 per cent of its aircraft guns, naval equipment, tanks and the military equipment. Its nuclear technology is easily capable of producing nuclear weapons. Its space technology and missile capabilities are already potent. (In 1969, Japan became the fourth nation in the world to lift a satellite into space)

American defense expenditures in Japan played a significant role both in fueling this development and in creating an increasingly influential industrial complex lobbying for higher defense expenditure. Between 1951 and 1960, the US spent an average 600 million dollars annually on military procurements in Japan. Even in 1957-58 long after the Korean War, these dollars were sufficient to pay for some 14 per cent of Japan’s imports.

During this period, the Mitsubishi group, and especially Mitsubishi Heavy Industries, came to play an increasingly dominant role in Defense Agency contracting. By 1968, Mitsubishi Heavy Industry and Mitsubishi Electric already had a total of 33 per cent of defence contract expenditures. By 1969, it was 45 per cent. Today, it gets over 50 per cent. By comparison the largest pentagon contractor, Lockheed, gets only about 4.5 per cent of the orders.

“We don’t make any money out of it,” explains Makita Yoichiro, President of Mitsubishi

Heavy Industries, "We would not dream of making money out of it." Only a small part of Mitsubishi's profits do come from defense contracts, but Mitsubishi, by its heavy investment in armaments and its contentment with minimal profits, has gained a wealth of technical experience, and a web of governmental contacts. It has cornered a field which has nowhere to go but sky-high.

From 1965 on, Mitsubishi and similar *Zaibatsu*, along with Government counterparts, have been more than happy to pursue their objectives under the aegis of American designs for Japan. However, they had their own ideas about where those designs would lead. As Fujino Chujiro, President of Mitsubishi Trading Company, laid it out early in this period:

"Europe has its EEC. America is sufficient within itself. We coloured peoples who have become the world's problem people must even now unite our strength. I believe the old East Asian Co-prosperity Sphere was essentially right. The only trouble is that Japan looked only to its own advantage and resentment to this persists still. From now on we must meet a new age by changing our thinking both about giving aid and about being aided."

Before 1965, Japan had begun to expand, with US help, into South-east Asia—but very slowly. One reason for the slowness of the pace was the deep anti-Japanese sentiment in the area. The Japanese knew that they

were treading on unsure ground.

In the 1950s, "reparations" payments provided an opening for Japanese business. In the 1960s, this was followed up by Japanese aid and loan programme, ("Although Japan furnishes loans," said Tunku Abdul Rahman, former Malaysian Prime Minister, "it takes back with its other hand, as if by magic, almost twice the amount it provides.")

After 1965, all this was speeded up. Yet, as late as 1968 Japan still only had just over half as much capital invested in the region as it did in Latin America—14 per cent and 26 per cent of its total over-seas investment, respectively. From 1968 to 1969 however, the South-east Asian share of Japanese investment dramatically increased from 14 per cent to 31.5 per cent.

Indonesia provides perhaps the best example of the complementary roles American planners hoped Japan and the United States would play in the area. Soon after President Sukarno lost his power in 1965 amidst bloody massacres (by a military officer corps predominantly trained by the Japanese), it was Japanese capital which moved in to shore up the reactionary Suharto regime. From 1967 on, both Japan and the US have become deeply involved in providing capital for the Suharto group. US capital has grabbed the most promising oil areas, rubber, copper and bauxite mines. Japan, for its part, has lumber,

fishing, nickel, and a few oil leases. Japan's role is clearly secondary. It dominates neither the key raw materials nor the arms supplies going to the Indonesian military. Japan's area of activity is in manufacturing, transportation, communications, electrical power and in funding the regime itself.

ALL ACROSS SOUTH EAST ASIA Japan has moved into prop up faltering pro-American regimes. It has even made its presence felt in Indochina (despite the overwhelming opposition to the war among the Japanese people). It participated in various groups seeking to underwrite the Laotian and the Cambodian currencies. In Vietnam itself, in the absence of over all figures, the number of Japanese commitments reflects the influx of Japanese capital along lines similar to those in Indonesia, the opening of yen credits for infrastructure items: a Saigon power plant (4.5 million dollars); the Gan Tho thermal power house (8 million dollars), the Phan Rang irrigation project (9 million dollars), the Saigon telephone and waterworks improvement scheme still under consideration (6 million dollars).

The US had used the Asian Development Bank partly to give Japanese capital a more sweeping role in the area. Its purpose was to systematize the US-Japanese investment partnership. But Japan has done increasingly well on its own.

Japan is now the number one investor in Thailand,

number two in Honkong, increasingly dominant in Malayasia, and moving into first place in South Korea and Taiwan. Japanese trading companies, writes "think-tanker" Herman Kahn, will probably "tie the entire area together into what would be basically one economic unit". And Pacific Asia, Kahn cheerfully continues, can provide more than just the raw materials and cheap skilled labour for the "labour intensive portion of the Japanese production cycle". It is just the spot "for those activities which result in excessive pollution or other undesirable byproducts for a highly advanced and concentrated nation". No wonder Kahn concludes that Japan's relationship "may turn out to be something like the position of the US in South America".

Since 1965, Japanese economic, military and political planning has been more and more involved with the regimes of North Asia. Both Korea and Taiwan (as they did from 1895 to 1945) have come to play a crucial part in Japanese strategic thinking at the highest levels.

IN 1965, a 150 million dollars "yen loan" signalled the entrance of large-scale Japanese capital into Taiwan. Between 1952 and 1970, total Japanese investment there amounted to around 90 million dollars, but fully 80 million dollars have come within the post-1965 period. A second "yen-loan" of 250 to 300 million dollars apparently agreed to by Sato in 1970, has been

May Day: SLFP and LSSP-CP: The Private Sector

by SERENDIB

MAY DAY was celebrated on a low key this year also because of the prevailing Emergency. The PM issued a May Day message to the working class on May 1 and also spoke

held in abeyance only due to the strong "pro-Peking" moderates in the Liberal Democratic Party. In addition, at least half of Taiwan's total foreign trade, amounting to 3 billion dollars, now passes through the hands of the big Japanese commercial interests—primarily Mitsui and Mitsubishi.

While an increase in loans signified Japan's post-1965 push into Taiwan, a "normalization" of relations signalled the beginning of the positive inroads of Japanese capital in South Korea. In 1965, Japan pumped into the South Korean economy 300 million dollars in goods and services ("gratis"), a 200 million dollars (yen-based) credit loan, and a further 300 million dollars which were set aside for "loans" to Korean enterprises. Though today the US still leads Japan in total Korean investment, Japan has just outstripped the US in investments in the first quarter of 1971; and in the Korean Third Five-Year Plan, Japan is expected to invest one billion dollars.

To be concluded

at a meeting held at the New Town Hall that afternoon. "Our country is going through a crucial period," she said in her message. "Quite apart from politics, it is very important that we, as Ceylonese, do our utmost at this juncture to put the country back on its feet." Then she went on to say that "a little more work from all of us, a little more disciplined effort from those who are fortunate to be employed would ensure much more development, and result in the less fortunate unemployed who are our kith and kin obtaining gainful employment and satisfaction, that much quicker."

Then she went on to say: "I would like to take this opportunity to express my personal thanks as well as those of the Government to the workers of this country for the splendid manner in which they rallied round the community at a time of crisis in April, 1971. I am also very appreciative of the continuing co-operation that we as a Government, have received from workers during our tenure of office so far. We are a Government very sympathetic to the cause of workers and their welfare. Although we are genuine about this, sometimes very difficult and complex economic problems compel us, as a Government, to take certain measures

in the general interests of the community, which might be interpreted as unnecessary burdens and hardships being placed on the working classes. We are far from being a rich country. We are dependent on the export of three basic primary commodities in greater volume, the amount of exchange we get for our exports is dropping year by year.

‘This is the difficult situation which not only we but most countries which depend on the export of primary commodities have to face. At the same time, due to inflation and other factors in the industrialised countries, the prices of our imports of manufactured goods, etc. are rising rapidly. Broadly speaking, a Government placed in this situation can act in two ways. *One way* is to cushion the impact of these tendencies by increasingly subsidising most items of daily consumption. The Government indeed can do so and in fact we are doing so to the utmost limits possible, but a blind continuation of this is the road to national bankruptcy and however politically difficult the situation and however unpopular the Government would become in the short-term, this is a solution which no responsible Government, responsible not only to the present generation but to the future generations of this country, can contemplate..

The Prime Minister thereafter went on to explain the measures the Government had taken to bring more balance into the economy. She said: “*The*

other way is the more politically unpopular, the harder, and the more difficult way, but it is at the same time the responsible way, the way of increasing economic activity in the country by growing our own food for instance or by endeavouring as far as possible, to use our own raw materials for our industries. It is the way of allowing a certain rise in prices so that the Government, instead of being weighed down with more and more subsidies, could divert that money to production and the creation of employment. These are the reasons which have prompted Government to ban the import of chillies and onions, for instance.

“You would recall what happened when the import of potatoes was banned a few years ago. At that time the price of potatoes shot up from about 28 cents a pound to about Rs. 1.25 a pound, or even more sometimes. But within a year or two when our farmers stepped up production because of the attractive price they were getting, the price came down to 40 or 50 cents a pound. This is so even now during the potato season.

“That step of banning the import of potatoes was the correct one and it ensured that about 30 million rupees which went to the farmers of other countries went in to the pockets of farmers of our country. I am quite certain that in a year or two we would be self-sufficient in the production of chillies as well as onions and the

millions of rupees which went out to the pockets of farmers in other countries for these items would once again flow into the pockets of our own farmers.

“I cited these two examples to indicate that there is no short cut to national progress, national self-respect and national prosperity. We have all to forego some of the things we have been used to and sometimes at some of the prices we have been used to in order to develop this country and to create employment opportunities for our children. Members of Trade Unions are mostly persons of education and experience and I have no doubt about their patriotism. Our country is going through a crucial period. Quite apart from politics, it is very important that we, as Ceylonese do our utmost at this juncture to put the country back on its feet. A little more work from all of us, a little more disciplined effort from those who are fortunate to be employed would ensure much more development and result in the less fortunate unemployed who are our own kith and kin obtaining gainful employment and satisfaction that much quicker.

“Responsible Trade Unions can play a most vital part in this process of national regeneration and I am certain that the response will certainly not be lacking. Nobody, least of all a Government elected by the popular vote of the people, enjoys placing burdens on the

very people who elected them. But if this is the only responsible way to ultimate national self-sufficiency and prosperity, it is the duty of a responsible leadership to act in accordance with the national interest and not play politics with the future of our country."

It will be noted that the Prime Minister had wanted the workers to place the nation before politics. The Minister of Labour, Mr. Michael Siriwardene, in his May day message had appealed to the trade unions and workers not to press for wage demands as it would lead to an inflationary spiral. Trade Union leaders however whilst wanting increased production, indicated that workers were badly hit by increased costs of living and other expenses. All of them also criticised bureaucrats for making things difficult.

THE FINANCE MINISTER, Dr N. M. Perera, also issued a May Day message. To understand the undercurrents of inner party politics it is essential to quote *in extenso* the message of the Finance Minister. This is what he said "For the second year in succession, there would be no celebrations of May Day. There will be no demonstrations to enthuse the militants in expressing their solidarity with the international working class. For Ceylon this is a tragedy. Ever since 1932, May Day has been celebrated in a fitting manner by the working class in Ceylon except during the war period when working class activity

was reduced to a minimum. During a long period of 40 years, May Day has come to be associated with lively demonstrations and militant pledges of devotion and loyalty to the cause of international socialism. What has happened to bring about this change one is entitled to ask. The happenings of April 1971 are still fresh in the minds of people to understand the reasons for this change.

"Political adventurers and mercenary opportunists thought it fit to embark upon a 24 hour revolution with disastrous consequences for them and for the country. When one reads the I.T.T. documents recently published by the Chilean Government of Allende, one begins to understand the ramifications and machinations of the C.I.A. It is difficult to believe that the American Imperialists who have been so closely connected with the attempt to overthrow the progressive Government of Chile would not have tried their hand at defeating the victory of the masses in Ceylon. It is an unfortunate tragedy that the April insurgency has led to sacrifice of so many genuine militant revolutionary elements. Can anybody in his senses seriously believe that the capitalist system can be overthrown and smashed in this simple way by so easily capturing a few Police outposts and killing a few 100 Police and Armed Personnel? With the modern weapons available to any capitalist Government, such an insurrection would be

inconceivable except in terms of a complete subversion of the armed personnel. It has become customary to refer to Cuba as an outstanding example of the revolutionary overthrow of a capitalist regime and the establishment of a workers government. Nothing so unbecomes a Marxist than superficiality. To understand Cuba and the victory of Cuban peasants under the leadership of Fidel Castro, one must delve into the history of the Batista regime and the diabolical dictatorship that prevailed. *If anybody believes that the present regime under the United Front Government is similar to the Batista regime, he lives in a world of fantasy and suffers from hallucinations that would qualify him to be a permanent inhabitant of Angoda.* One is indeed amused at the stupidity of slogans on walls and rocks reminiscent of the Cuban revolutionary struggle. Without any hesitation one can and must concede that the present Government has been slow and lethargic and casual.

"The UF government has many defects that could easily have been remedied. It still lacks purpose and direction but it is still a great improvement on what we have had in the past. It has achieved some useful things. The Senate has been abolished and a new Constitution ensuring the sovereignty of people is almost ready. Some industries have been nationalised. Others are being controlled. The estates are being supervised in order to ensure efficient production. Substantial inroads have been

made into the power of the capitalist class. Taxation has taken a heavy toll of their wealth. A major act of land reform will see the light of day within a matter of weeks. Legislation to take over the Associated Newspapers of Ceylon* will be before the House of Representatives ere long.

"Advisory Councils and People's Committees are functioning. Some of them well. Some of them inadequately. In these and various ways, changes are being effected and the power of the reactionary capitalist class is being undermined. One can be forgiven for being impatient at the slowness of the pace. But this is a pace which the people of this country determined when they gave power in May 1970 to be exercised through the democratic process. The pace at which this Government can travel will be determined by the strength of the mass consciousness of the working class in particular and the masses in general. At all times, the workers must be in the vanguard of the march towards socialism. The struggle continues, the class enemy is still there. Since the people did not give a mandate to the Government to smash capitalism by one fell blow, the workers must ensure that the Government carries on the process of weakening and finally eliminating the class enemy. This is a task to which all workers must address themselves on this May Day of 1972.

"We must be conscious of

our obligations to the socialist movement throughout the world. We can express our solidarity with the international working class both in word and in deed. In word, by open expression of fraternal greetings to the workers throughout the world, more especially to those who are still struggling to be free. Indeed, we can best serve the cause of socialism by reaching our socialist goal as rapidly as possible.

"This is no easy task in a country such as ours because of the disparities that exist and because of the contradictions that surface during the period of transition. Our organised workers in particular are likely to forget that it is by their sheer sacrifice that socialism can be built. It will be a tragic misunderstanding if our workers were to assume that we have already reached the goal of socialism. We are still a long way off. There are many hard struggles ahead before we vanquish the class enemy and build the new order of society. On this May Day of 1972, let us dedicate ourselves to this difficult task of creating a new order of society."

What is significant in Dr. N. M. Perera's message is that he harks back to the insurgency and apart from criticising the immaturity and stupidity of the insurgents as half-baked pseudo Marxists, he suggests by an indirect, oblique and insinuating reference that the CIA had something to do with the insurgency in Ceylon—because the ITT and the CIA were said to be involved

in a plot against the Allende regime in Chile. The Finance Minister also stressed that legislation to take over Lake House was in the making and that it would be law soon. He bemoaned the fact that the Government was moving at a slow pace and that socialism was still a long way off. Nevertheless, it was the "class enemy" that had to be liquidated.

AT THE MAY DAY meeting at the New Town Hall on May 1 afternoon, the Prime Minister called upon the working class to make a May Day resolution to co-operate with the Government despite its shortcomings and help her to lead the country to its cherished goal—a socially developed state. She went on to state: "I sacrificed a lot when I took to politics. I am prepared for further sacrifices in the future if that could lead to the country's development. Similarly you must be prepared for sacrifices, too. What is required is dedication, effort and a sense of patriotism. And if everyone does his little bit in the name of the nation, then we could make this land a better place to live in." She said as politicians they were ready to receive both bouquets and brickbats. "Criticise us and blame us—but all the same co-operate with us." Expressing her regret that the first May Day rally of the United Front had to be held under Emergency conditions, the Premier said newspapers, including civil right movements, were crying themselves hoarse calling for

an end to the Emergency, but the same quarters held their tongues when the UNP regime continued a state of emergency continuously for three and half years.'

"She added: 'The situation in the country has still not returned to the conditions that existed before April 5, 1971. When it does, we will lift the Emergency. We do not like to continue with the Emergency because it is not an easy thing to do so. I have a personal dislike of it. But as a government it is our responsibility—particularly my personal responsibility to protect the people. Let nobody think that the Emergency is being continued because we revel in it or because we are moving towards totalitarianism.'

"The Government, she said, had just about begun to do some meaningful work when the April insurrection took place. The civil war waged by certain misguided elements was put down so fast because the Government had the unstinted co-operation of the masses.

"The insurgency, the Prime Minister pointed out put the country back by ten years. The loss caused by it ran into millions. We are still in the midst of recovery from that assault. We accept that there is a certain restlessness in the country. That is inevitable. Over fifty per cent of the foreign exchange now we earn goes for the repayment of debts incurred by the previous regime. So we have had to place restrictions on the import of food

and other items. The Emergency costs money. The Government spends Rs. 2.50 to maintain a single suspected insurgent. Its commitment for a day runs to several lakhs of rupees. All this money could have been used on development which would have brought more employment to the jobless..."

The Finance Minister, Dr. N. M. Perera, once again at the May day Meeting referred to the futile actions of the insurgents. The CP leader, Mr. Pieter Keureman, repeated the CP line that what the Government and the people had to be careful about, were plots hatched by reactionaries, domestic as well as foreign.

In the meantime, at the time of writing the dispute over the four CP MPs was still unresolved. Two of them who were in Ceylon had sent in their explanations and it was uncertain what the Government Whip and the PM will do. While this matter was still pending, the UNP sponsored resolution of no-confidence was debated on May 2 and 3 and it was defeated by an overwhelming majority. The FP were not present at voting time. So also, the two independents Mudiyanse Tennekoon and C.X. Martyn. Messrs. Prins Gunsekera and W. Dahanayake. The CP had voted solidly with the Government. The UNP stressed that the Government had broken its election pledges and that it was paving the way for dictatorship by continuing the Emergency. The Prime Minister

participating in the debate stated that the Government would not continue the Emergency even one day longer than it was necessary for reasons of internal security.

During the course of the debate, UNP speakers had pounced on the statement made by Dr. N. M. Perera that the ITT and CIA had conspired to overthrow the Allende government in Chile. This reference had come immediately after some of Dr. Perera's remarks about the insurgency in Ceylon in 1971. UNP spokesmen wanted to know whether the Government had any proof that some foreign agencies like the CIA were involved in the insurgency in the island. The Prime Minister in her speech had stated that there was no evidence that any foreign agencies or persons had been involved in the insurrection of April 1971. This had been the position of Ceylon all along. She also said that what Dr. Perera had said were his personal views but not that of the government.

The question why Dr. Perera had attempted to involve, albeit indirectly, the CIA in the insurgency has intrigued many political and diplomatic observers in the island. Whilst the SLFP has dropped all its anti-American slogans, the CP and LSSP continue to attack US imperialism and the CIA in general without making any direct allegations about the CIA and the Ceylon insurgency of 1971.

THIS DIFFERENCE in approach between the SLFP on the one hand and the LSSP-CP on the other, is seen in several matters of policy. At the annual general meeting of the Ceylon Chamber of Commerce, Minister Maithripala Senanayake had assured private enterprise a special role in the economy. He had wanted the private sector to pay special attention to the export of non-traditional goods. Mr. Senanayake had pointed out that Ceylon's export performance was very poor since Independence. While the developing countries as a whole had achieved a compound rate of export growth of 5 percent per annum—Ceylon managed a scant 0.5 percent. In any international comparison Ceylon was one of the poorest export performers. So far as the export sector was concerned it was entirely private enterprise. Urging dynamism within the private sector Mr. Senanayake told the exporters present to move away from the traditional grooves and to create a new export sector with imagination and adaptation. If Ceylon could achieve a 10 percent per annum export growth for the next seven years, the foreign exchange problem would be eased.

Mr. Senanayake had further stated that the Government welcomes foreign investment in industry which were export oriented. He said that foreign private capital would be given the necessary guarantees. The Government was already a party to the Convention on the Settlement of Investment Dis-

putes and to an Investment Guarantees Agreement with the USA. Referring to some of the recent fiscal measures of the Government, Mr. Senanayake said that in Social Democracy huge unearned incomes could not be tolerated. He called for a wider share ownership in private companies in a manner that will make the private sector acceptable and realistic in our social context.

The Prime Minister in some of her recent speeches had also given similar assurances to the private sector, but LSSP leaders were constantly reminding the private sector and all capitalists that their days were numbered. Dr. Colvin R. de Silva, Minister of Plantation Industries and Constitutional Affairs, in a recent speech had stated that very soon people would own no more than their tooth brushes privately. Dr. N.M. Perera, in his May Day speech, went out of his way to stress that what the UF government was doing was to eliminate and destroy the "class enemy" *stage by stage*. This had become necessary he said because (a) the UF government had not received a mandate to eliminate capitalism overnight with one fell blow; and (b) this government had many remediable shortcomings which had not been remedied—meaning that there were elements in the SLFP which were unwilling for such drastic action as contemplated by the LSSP.

It was clear that Dr. Perera and the LSSP were more con-

cerned with eliminating the class enemy" rather than implementing measures to ensure a better life at the present moment and to increase production as a whole. Dr. Perera called for "sacrifices" for the present because the process of destroying the class enemy was the primary task (whatever the hardships) in order to achieve the ultimate objective of socialism.

THE SLFP HOWEVER does not seem to be clear about what was happening. It talked vaguely about socialism and believed that the present hardships were due to the "mess" which the UNP had created in the past without realising that some of the present hardships were caused by measures to destroy the "class enemy" and not because of the mistakes committed by the UNP in the past. *It does not seem to have dawned on the SLFP that many of the measures of the UF government were intended solely to destroy the "class enemy" and that they ran counter to efforts to increase production in a mixed economy such as the one to which the UF was committed.*

At the Chamber of Commerce general meeting which Minister Maithripala Senanayake attended, the President of the Chamber, Mr. Eardley de Silva, drew attention to this glaring contradiction within the UF in a pointed manner but without naming parties and personages. He brought this out rather cunningly by

bemoaning the inability of the private sector (the "class enemy" referred to by Dr. Perera) to do anything to increase production. He had said: "Today I am sorry to say that we of the private sector are under a number of clouds viz. the cloud of the Basic Resolutions as they stand which will be the basis of the new Constitution of the socialist democracy of our Sri Lanka, the recent legislation which hangs a sword of Damocles over our heads, the fiscal and monetary policies of the last two budgets, public sector encroachments and some statements of policy.

"Our greatest hope is in the Five Year Plan which has received the imprimatur of the Prime Minister. With reference to the private sector it has embodied the following from the Budget Speech of 1970 viz.

'The heavy and capital goods industries and other suitable basic industries will be state-owned. Other industries will be assigned to the co-operatives and to private enterprise'; and under *Implementation* it says while the Plan provides a framework of national policies and targets its implementation requires more specific and detailed short term programming. For this purpose detailed annual plans will be prepared.'

"What the detailed plans will be could be gathered from the task allotted under the heading 'Private Sector' which are increasing the efficiency of the estate sector, manufacturing not only to meet the domestic

sector requirements but also to create an export sector and a heavy expansion of the tourist and housing programmes.

'The Prime Minister in her foreword to the Plan has said 'The private sector will be given every encouragement to contribute to national development subject to social controls necessary to prevent profiteering, foreign exchange abuses and the concentration of economic power' and the building of a socialist democracy requires the unremitting effort of the entire nation.'

"I want to assure the Prime Minister that the members of this Chamber would be ever willing to play their part effectively in the context of her requests and the onus placed on the private sector in the Plan for extricating the country from the economic morass it is in.

'That we have all the capabilities which could be harnessed for effective economic development has been undeniably proven because we have risked our own money and, may I say delivered the goods. We have developed sophistications in both mental and mechanical processes of management which provide adequate evidence of our capacity to change for greater efficiency. But for our adaptability to change and our accent on efficiency, we could never have survived in this world of severe competition.'

Mr. Eardley de Silva then went on to point out that whilst the new Five Year Plan

envisaged a mixed economy, the actions of the UF government went contrary to the basic tenets of such an economy where the private and public sector were to co-exist in the national interest. Mr. Silva also drew attention to the fact that the Prime Minister had in the Five Year Plan assured the private sector certain guarantees, and his complaint was that these promises were not being fulfilled.

Mr. Silva undoubtedly voiced the sentiments of the "class enemy" referred to by Dr. N. M. Perera and what he said has great relevance at the moment. He said "Our contribution to economic development must of necessity be made within the ambit of the new socialist democracy, therefore it is essential that we should attempt to understand what this socialist democracy is. I personally feel that the quickest means of growth will be in the context of a mixed economy as enunciated in the Five Year Plan. So far the building of our socialist democracy has created doubts about the future of the private sector and placed impediments in the way of its contributing towards the economic development envisaged in the Five Year Plan.

"Democratic socialism—certainly as envisaged by the late Mr. S. W. R. D. Bandaranaike, whose policies the present Prime Minister is pledged to follow—entailed a partnership between the public sector and the private sector. *The late Mr. Bandaranaike did not*

envisage the elimination of the private sector. It is the balance between the public sector which now requires serious re-examination.

"I will now enumerate some of the doubts, difficulties and anomalies so that you may be able to review them in the light of what the Minister will have to say to you on his behalf of convey to you on behalf of the Prime Minister. In doing so I will not refer to the negation of democratic and fundamental rights which have received adequate publicity and is therefore well known to the government and to you but will spot light some matters which will be thought provoking.

"The Basic Resolutions do not categorically provide for private property or private employment whether it be self-employment or employment in private enterprise. These are ominous omissions which inhibit expansion.

"There are many new statutes which either directly or indirectly have a crippling effect even on the normal development oriented thinking of the private sector. In the present context no amount of assurances given that for example the provisions in the Business Undertakings Acquisition Act will not be used vindictively will have any effect because the permanence of the authority of the very person giving the assurance cannot be assured. The removal of the right of a person to obtain redress

from a Judicial authority for injustices against him which has become a fashion of our own recent legislation is bound to have serious repercussions on the vitally needed economic development.

"Tax and fiscal measures in the main are not geared to development. Capital Levies, Compulsory Savings Schemes and Ceilings I dare say are alternatives in desperate situations but if all of them are applied simultaneously, the very purposes for which they are enforced will be defeated.

"Any capital levy erodes the capital of the private sector. If the erosion is too severe it will certainly be a deterrent to capital formation which is essential for expansion and development. Capital formation in the private sector has to be out of savings, therefore siphoning off savings simultaneously with capital levies is like burning the candle at both ends. Savings can be made only out of incomes therefore ceilings on incomes and the means of generating incomes like land and houses is like burning the candle at the middle also.

"The ceiling on incomes per family unit say at Rs. 2,000, the ceiling on land holdings say at 50 acres per family unit and the ceiling on house ownership say at two per head of the family plus one for each child do not appear to have any correlation money-wise, thereby creating discriminatory ceilings.

"A developing country like ours should have a large amount

of development work but ironically it has also a large amount of unemployment. That this is so can easily be understood because it is in developing countries that development capital is most scarce. In such a situation the logical thing to do would be to invite not only foreign private investment but also the foreign expertise needed to use such capital gainfully. Therefore it seems senseless to introduce fiscal measures which will scare away both capital and experts.

"If foreign private investment is scared away the other source has to be foreign aid but it should be remembered that aid funds are provided from the capital of others and that such capital like all capital, has to be serviced. Inability to do so could lead to humiliations of the national sovereignty of a developing country like ours which could ultimately lead to aid being labelled a new kind of imperialism. Since the blame for such a situation arising cannot be one sided the recipient must not contribute to its happening. From the point of view of development I feel that private foreign capital is better than foreign aid. The main reasons for this are that private foreign investments have two advantages viz. firstly that such investments must of necessity make them yield surpluses and secondly that those who invest are better equipped to find foreign markets which will ensure foreign exchange earnings. I will now spot light a few matters at least in the hope

that we would have some assurances that they will be remedied and also not repeated. Irrational reduction of risk-reward ratios in the private sector will inevitably lead to a slowing down of the normal tempo. A case in point is price control in industries without quick changes both upwards and downwards when there are vital changes in the cost components. This situation savours of discrimination when compared with the public sectors ability to increase prices. *As stated earlier the Prime Minister has offered to give encouragement to the private sector subject to certain limitations, therefore encroachments which cannot be brought within the limitations appear to be deliberate deviations particularly when monopolies are given to the public sector, which is admittedly inefficient, or to the co-operatives, which are full of malpractices, prior to those shortcomings being remedied.* "The Plan envisages the investment of 50 per cent of the projected development capital during five years to be made by the private sector. I have no doubt about what could be generated if as stated by the Prime Minister the necessary encouragement is given. If on the other hand there is going to be encroachment and not encouragement I just cannot see how the contributions for development could be generated by the private sector. Rapid economic growth through the private sector could be stimulated only if the

Government ensures secure property rights, provides the infrastructure of roads and adequate power supply, establishes favourable and integrated fiscal and monetary policies and formulates the educational system on a job-oriented basis.

"On evaluation of what could happen under the recent legislation, under a new constitution on the basis of the Basic Resolutions as they are in the light of the statements of policy made so far by some responsible persons and the encroachments on both the import and retail trades, it appears to me that the private sector referred to under the five Year Plan may be a new one. Developments plan have generally resulted in an escalation of prices. This I believe is the price which has to be paid for development. Economic restraints in such a context have also not arrested but added to this tendency, therefore the policies of promising lower living costs while embarking on programmes of development can only lead to disillusionment and despondency. On the other hand if the facts of life of development are properly explained it would create a better climate for the making of sacrifices needed for development.

"I am not and do not want to be a prophet of gloom therefore I must say that, in the interest not only of ourselves but also of the country as a whole. I sincerely hope that clouds which hang over us now will be blown away sooner

rather than later to enable us to play our part in this new Sri Lanka of ours. Therefore. I will conclude by leaving you with the thought of considering what you and I individually and collectively could do to generate the development which has been spelled out in the Five Year Plan."

MR. EARDLEY DE SILVA'S speech was undoubtedly a challenge to the LSSP and the Left in the SLFP. It was also an offer of co-operation to the Centre and the Right within the SLFP. The "class enemy" cannot be expected to lie down and die peacefully under the hammer blows of the Left. The "class enemy" always fight back—and this is only natural, And, it must be remembered, that the capitalist class has the flexibility and cunning to adopt tactics and strategy to suit the occasion.

No sooner this speech was made (it was made on 25/4 and reported in the daily papers on 26/4,) the LSSP and the CP reacted very strongly. The LSSP-oriented *Nation* of 28/4 spread a banner headline across its front page BUSINESSMEN DECLARE WAR—CHAMBER OF COMMERCE GENERAL MEETING. The full text of the article is quoted because it reveals that the LSSP has accepted the challenge of the "class enemy". The class struggle is now on in a big way. Said the *Nation*: "Government circles are wondering whether the speech of the Chairman of the Ceylon

Chamber of Commerce at its annual general meeting on 25th April should be regarded as a declaration of policy on behalf of private sector business interests. By convention in the British colonies, the annual general meeting of the local Chamber of Commerce had been an important occasion at which the British Government big-wig delivered himself of some weighty pronouncement setting out the colonial Government's wishes or intentions. To this the Chamber replied pledging its loyalty to the Government and setting out its own expectations of what the Government should do to maximise profits, and therefore commercial well-being. This convention has been sought to be continued in the former Colonies after independence, and even in Ceylon. On this particular occasion, the Leader of the House and Minister of Irrigation, Power and Highways, Mr. Maithripala Senanayake, was the Chief Guest of the Chamber of Commerce. Whether in view of the imminence of May Day or not, the Chairman of the Chamber, who is also the Managing Director of Richard Pieris & Co. Ltd., has delivered himself of a Manifesto which proclaims its distrust of the Government and total rejection of its policies. Curiously, it proclaims the person of the Prime Minister as its only hope and pays lip-service to the Five Year Plan—in the same breath!

"The Chairman of the Chamber of Commerce said that

the private sectors was 'under a number of clouds,' viz. the Basic Resolutions of the Constituent Assembly, 'recent legislation which hangs a sword of Damocles over our heads', the last two Budgets, 'public sector encroachments, and *some statements of policy.*' About the 'sword of Damocles' he said curtly: 'I will not refer to the negation of democratic and fundamental rights which have received adequate publicity and is, therefore well known to the Government.' Further: 'In the present context no amount of assurances given that, for example, the provisions in the Business Undertakings Acquisition Act will not be used vindictively, will have any effect . . . The removal of the right of a person to obtain redress from a judicial authority for injustices against him, which has become a fashion of our own recent legislation, is bound to have serious repercussions on the vitally needed economic development.'

"On the Basic Resolutions, he elaborated: "The Basic Resolutions do not categorically provide for private property or private employment . . . These are ominous omissions which inhibit expansion."

"His objections to both Budgets were: 'Any capital levy erodes the capital of the private sector. If the erosion is too severe, it will certainly be a deterrent to capital formation . . . Capital formation in the private sector has to be out of savings, therefore siphoning off savings simultaneously with

capital levies is like burning the candle at both ends. Savings can only be made out of incomes, therefore ceilings on incomes and the means of generating incomes, like land and houses, is like burning the candle at the middle also.' Further: 'the logical thing to do would be to invite not only foreign private investment but also the foreign expertise needed to use such capital gainfully. Therefore it seems senseless to introduce fiscal measures which will scare away both capital and experts.'

"By public sector encroachments," the Chairman of the Chamber means "encroachments on both the import and retail trades". These he finds, are "deliberate deviations" from the 'encouragement to the private sector' offered by the Prime Minister. Further, price control in private sector industries 'savours of discrimination when compared with the public sector's ability to increase prices.'

"*Some statements of policy* remains an oblique reference. Apparently, the Chairman of the Chamber of Commerce prefers not to be explicit. He is perhaps expressing his dissatisfaction with the statement of Industrial Policy put out by the Minister of Industries and Scientific Affairs? Or perhaps he is referring to the first Throne Speech of the United Front Government? Whatever be his reference, his theme is the same bitter complaint: 'it appears to me that the private sector referred to under the Five

Year Plan may be a new one which will have to emerge after the present one is completely destroyed.' He follows this with 'dark forebodings—or is it a threat?' 'That this will lead not to Socialism but to chaos within the Plan period, is a certainty.'

THIS DECLARATION in the *Nation* of 28/4 was undoubtedly the fore-runner of Dr. N. M. Perera's May Day Message and his speech at the May Day meeting. The *Nation* also carried a cartoon on its front-page depicting Uncle Sam as an octopus holding the world in its clutches and sitting pretty heavily, with US dollars and a huge bomb entitled *Neocolonialism*, on the underdeveloped countries of Asia, Africa and Latin America. The cartoon was entitled "Third" World Octopus. This cartoon was consistent with the current anti-US imperialist line of the LSSP and the charge against the CIA made by Dr. N. M. Perera in his May Day message was not something unexpected from the LSSP leader.

The CP-based *Forward* of 29/4 made an agitational plea ON MAY DAY 1972 LET US REFUSE REACTION, STRENGTHEN UNITY, START RADICAL ADVANCE. This was also a reply to the "class enemy" but the *Forward* referred to the whole range of attack from the Right and did not pin-point the offensive launched by the businessmen at the Chamber of Commerce.

The *Forward* also referred briefly to the "minor differences" within the UF and stated that the capitalists were seeking to capitalise on this. The *Forward* also launched a direct attack on the *Sun-Davasa* group of newspapers as being the spear-head of the class enemy. This is what the *Forward* said: "With the past few weeks, the reactionary forces have intensified their efforts to break up the United Front. They know that May is likely to be a decisive month for them and the country. The new Republican constitution is expected to be adopted by the Constituent Assembly and enacted in the month of May. The Land Reform Bill and other socio-economic measures which restrict the political and economic power of the vested interests are due to be presented in Parliament. The new efforts to improve relations with the socialist countries (see Chitra) have also disturbed the reactionary forces.

"This is the reason for their hurry. This is why they are working overtime to precipitate a crisis so that all the measures can be stopped. The differences that have arisen between the CP and its partners in the United Front over some of the provisions of the Criminal Justice Commissions Act have been blown up by the right-wing and the Lake House and Gunasena newspapers into the proportions of a major political and governmental crisis. The character-assassination campaign against

Trade Minister T. B. Hlangaratne especially by the Gunasena, Press, is in full swing.

"The UNP's attempt to expel Mr J. R. Jayewardene and his followers has become the occasion for the renewed campaign for the expulsion of the progressive forces from the United Front and its government and for a new "National" government based on the admission of the J. R. Group into the Cabinet. Internationally, too the imperialists have begun to put on the screw. The meeting of the so-called "Aid Ceylon Club" was postponed, but later reconvened for the end of May, for about the same time as the new Republican constitution is expected to be inaugurated. And the economic 'pressures' for new flows against the masses in the name of 'putting Ceylon's house in order' have started. The Yankees in the World Bank continue to press for devaluation of the rupee. The West Germans insist that "aid" will be available only if Ceylon shows less friendship towards the GDR. The British state that they will watch and see what the government decides to do.

"It is against the background of this economic blackmail from the imperialist of the Western world that the development of economic relations with India following Minister Hlangaratne's visit and the new attempts to expand economic co-operation with the Soviet Union and other socialist countries is most useful.

"The reactionary forces have already begun to campaign for a Cabinet re-shuffle in their favour after the new constitution is inaugurated. Long demanded by the mud'alis behind the *Davasa-Sun* newspapers, the *Daily News* which is steadily reverting to its old form, also speculated (22/4) on 'Cabinet reshuffle after mid-May' with the CP out and JR in. The right-wing are also demanding the blood of the 'two T. B. s'. They want light industry (where there is the greatest possibility for quick pickings) taken away from the Minister of Industries and entrusted to one of their nominees. They want the vital Ministry of Trade in the hands of someone who "understands the problems" of the big importers and wholesalers. They want the CTB removed from the Ministry of Communications.

"And they want other changes too—but all in the direction of strengthening the positions of capitalism and the vested interests. On May day, the progressive forces and, in the first place, the working class, should redouble their efforts to give these reactionary forces a united rebuff. They should not allow sectarian considerations, inherited prejudices or infantile ultra-Left notions to help the reactionaries to realise their aims. They should insist on the quickest and most determined pushing through of a programme of radical socio-economic measures. They should further consolidate the relations with

from THE EDITOR'S DESK

World Event's and Ceylon

EVENTS have begun to move with some rapidity throughout the world.

In Vietnam, in spite of the massive bombing by the US Air Force, the troops of the DRV have captured Quang

the socialist countries and intensify their solidarity actions with all fighters against imperialism, and in the first place with the heroic Vietnamese people.

"IN THIS WAY, MAY DAY 1972 CAN BE THE FIRST MOVE IN A SERIES OF ACTIONS WHICH WILL ENSURE THAT THE PEOPLE ARE NOT ROBBED OF THE FRUITS OF THEIR VICTORY IN 1970 AND CAN GO FORWARD CONFIDENTLY TO A BRIGHT FUTURE."

This was a powerful exhortation by the CP. It made it clear that without certain radical 'socio-economic measures' it would be impossible to expect a major productive effort from the working class or the masses.

In the meanwhile, the Constituent Assembly will sit continuously from May 8 until the Constitution is finalised. The date of promulgation, Dr Colvin R. de Silva said had been fixed, and that the PM would announce it at the appropriate time.

Tri and now threaten Hue besides attacking An Loc which is within a forty mile perimeter of Saigon. Pakistan and India have taken the first faltering steps to meet round a table at a summit level. Emisaries from New Delhi went to Islamabad and after a series of meetings during which President Bhutto himself had met the Indian envoy Dhar, it was agreed that there should be a summit meeting in New Delhi sometime within the next four to six weeks.

In the meantime, Bhutto seems to have stabilised his own position in Pakistan. He convened the National Assembly, adopted a new Constitution, got himself elected President with fairly sweeping powers, lifted Martial law and has succeeded in fixing a meeting with India on a summit level—and in this process successfully outwitted his political rivals and enemies. Bhutto has also persuaded bankers in the West that Pakistan, as it stands, could be made viable within a short time and that it could be made a profitable concern given peace and financial assistance. Bhutto has proved himself a more capable political operator than many had given him credit for and unless some other unforeseen disaster overtakes him he seems to have got firmly into the saddle. If he can come to some arrangements with India regarding the 93,000 odd POWs he will be

well set in power for some years. After the blood and thunder speeches he had made against India (about carrying on a war for a thousand years), he now seems to have calmed down and seems anxious to normalise relations with India. Mrs. Gandhi too seems anxious to have peace with Pakistan. Having achieved a position of strength and prestige, Mrs. Gandhi rightly wants to consolidate her position as well as endeavour to effect a break through on the economic front.

Whilst Brandt, Pompidou and even Heath have difficulties at home with razor thin majorities to push through their schemes for a united Europe on the one hand and *Ostpolitik* on the other, Mintoff in little Malta seems to have added more strength to his elbow. He had cajoled and blackmailed Britain and NATO to give him very nearly £ 18 million a year as rent for the use of harbour and air force facilities in the island. Then he shot off to Peking and obtained an interest-free loan of £ 17 million sterling to be spread over six years. On his return from China the USA seems to have offered him "unlimited aid" if he made the Maltese bases open to the US Sixth Fleet—something apart from what the US would get as a part of NATO. With a flourish verging on arrogant bravado, Mintoff has rejected the US offer and has refused to admit the US Sixth Fleet to Malta. It is difficult to understand why Mintoff should object to the Sixth Fleet when he

has virtually sold the bases (temporarily no doubt) to Britain and NATO. He had earlier agreed to keep the Warsaw powers out, but his refusal to accommodate the Sixth Fleet has come as a surprise.

Sadat has returned from Russia, but apart from some stirring speeches in which he has attacked the USA in intemperate language (for a head of a government), he has threatened to recover all lands conquered by Israel by war. What additional military hardware he had got from Moscow is not known. In the meantime Mrs. Golda Meir has gone to Rumania where all communist leaders had held a summit recently. Whether this visit by the Israeli Premier will open new perspectives for peace in the Middle East is not known. In Africa, tensions have begun to mount. The Pearce Commission has submitted its report on the situation in Rhodesia to the British Government, but there is precious little London can do about bringing the Whites in Rhodesia even to "toe the UN line."

There are reports that several African countries will soon raise the whole problem about Rhodesia in the Security Council. Apart from the question of the immorality and injustice of denying rights to the black majority, these countries have declared their intention of raising the question of the non-fulfilment by the USA and certain other countries of the decisions of the Security

Council regarding the trade boycott of Rhodesia. Surprise has been expressed in certain African capitals that the Chinese delegation in the UN has not shown much enthusiasm for this move, and some have even hinted that the Chinese may welcome a postponement of the question. Why China wants this question frozen has intrigued many, and it has been hinted that part of the Rhodesian chrome which the USA imports have found its way to China through indirect American trade channels. Whether this story about Sino-US collusion over Rhodesia is correct or a canard spread by interested parties can be confirmed or disproved only when events occur. If it is shown that China has been party to any collusion with the US on this matter, China is bound to lose face with African and Third World countries. But, there is no doubt that China is likely to be very careful about this matter. China is today making every effort to see that the *détente* with the US does not denigrate her position in "third world" countries. Will her anxiety to get chrome make her act in a way which will bring her into disrepute?

In the meantime, the US has its hands full with the problems which have arisen in Vietnam. Though the Nixon administration is trying to put up a brave face, there is not the slightest doubt that there is distress and dependency in Washington. At the time of

writing, the US is pinning all its hopes on the South Vietnamese being able to hold Hue, the old imperial capital about 35 miles south of Quang Tri which fell a few days ago. The US also hope that the ARVN will hold Kontum and An Loc, the two other provincial capitals that are under threat or have been encircled by the DRV forces.

There are fears in Washington however that if Hanoi's forces capture Hue, Kontum and An Loc they would be able to fulfil their objective of setting up a parallel government within South Vietnam—and this would break the morale of the ARVN as well as the Saigon government. The capture of Quang Tri only 24 hours after President Nixon had cited encouraging reports from his Vietnam Commander Creighton Abrams, to the effect that the South Vietnamese forces were holding their own in the fighting in Vietnam, has cast serious doubts on the accuracy of the "battle-field" reports the White House has been receiving. Even the great Kissinger had only a few days previously told newsmen that the inability of the North Vietnamese to seize any of the key cities demonstrated that Hanoi's forces were unable to attain any major objective.

As a result of present development there seems to be serious doubts in White House whether the ARVN can hold out much longer. A little over a year ago, on April 7, Nixon had stated "Vietnamisation

has succeeded. The American involvement in Vietnam is coming to an end. The day when the South Vietnamese can take over their defence is in sight." But now this hope has not been fulfilled. Now the optimism about the ARVN has given way to despondency. Strategists in the US can now only wishfully hope that the North Vietnamese find it impossible to maintain the tempo. But others think that it is wrong to under-estimate the resilient strength of Hanoi's armed forces. The 64 million dollar question in the US capital seems to be what Nixon will do next. Will he intensify bombing?—but this will lead to the total destruction of both Vietnams. Will he send US ground troops into the fray?—but this will cause a virtual "revolution" inside the USA. And finally, "will Mr. Nixon be forced to use tactical nuclear weapons in Vietnam, as some of his more hawkish supporters have been urging, but which people like his Secretary of State have ruled out?"

These questions cannot be easily answered. As we go to press, the Paris peace talks in Vietnam have been indefinitely postponed. And, the day for President Nixon to make his trip to Moscow draws nearer every day. Moscow is certainly in a position of great strength where Vietnam is concerned. But if the report made by the International Institute of Strategic Studies is correct, the major part of USSR's troops are tied down on the

China border and the Eastern Zone. And here President Nixon is in a position of strength if the USA can make China feel stronger by reducing the confrontation elsewhere, eg. Taiwan, Indochina. China would be able to apply the screw harder on the Soviet Union's eastern zone.

Whilst this game of big power politics goes on in the world, in little Ceylon too power (party) politics goes on apace. In the UNP, the Dudley-JR feud has erupted into the courts of law. There was shadow boxing inside the UF when four CP MPs were taken to task for not voting with the Government on the Criminal Justice Commissions Bill. The shadow boxing is not yet over. The explanations of three of the four MPs have been received, but Dr. Wickremasinghe will send in his explanation on his return from Rumania. In the meantime, the CP is calling for more unity within the UF and also wants a summit of the three parties constituting the UF.

UNP's no-confidence motion ended very tamely. Altogether the debate was a tame show. The UNP is in no position to launch a massive or effective attack. It has so many skeletons in its own cupboards that it cannot hurl brickbats at anyone else. When UNP's Premadasa's cited the *Aththa* to support his indictment, the PM was able to retort that it was the UNP which had hounded the *Aththa* when the UNP

was in power and put the gag on it and other papers. The UNP has certainly been guilty of suppressing papers it did not like and it is today in no position to talk about the virtues of a free press.

But the most significant aspect of the debate was the declaration by the Prime Minister that the statement of Dr N.M. Perera in his May Day message that the CIA might have been involved in the 1971 insurgency were not the views of the Government, even if they were the personal views of Dr. N.M. Perera. One wonders whether the principle of collective responsibility of a Cabinet holds good in Ceylon. What the new Constitution will bring for him is not yet clear. The PM's statement in the House was most revealing. In her speech, the PM after stressing that there was no evidence that any foreign agency or government were involved in the insurgency, stated many countries had extended assistance to fight the insurgents and to build up Ceylon's armed forces. The USA had given equipment worth Rs. 18 million while the Soviet Union had supplied helicopters at a cut rate price—25 percent of the normal rate. Among other countries which had helped Ceylon in this respect were India, Pakistan, Czechoslovakia, the UK and Australia. But she had a special word of thanks for the People's Republic of China. In addition to the five gunboats China has given free, she has now donated a large quantity of arms and ammunition.

The *Sun*, 5/5, reported in this connection "... it is reliably learnt that the Chinese consignments were airlifted in special flights from Peking to Colombo. A part of it is to be allocated for use by the Navy, Air Force and the Police. The People's Republic of China has also given a fleet of personnel carrier trucks. They have also arrived in Colombo port. The Prime Minister, Mrs. Sirimavo Bandaranaike, has thanked the Chinese Prime Minister, Mr. Chou En'ai, for this generous gesture..."

Answering the charges made by the UNP, the Prime Minister said that the UF had done much more in the 23 months it had been in power than the UNP in its five years. The UF would have been able to achieve more if not for the insurrection of April 1971. She also spotlighted some of the misdeeds and malpractices of the UNP era and made it clear that the UNP was in no position to throw stones.

The Prime Minister is expected to make an announcement as to the date when the new Constitution would be promulgated, but in the midst of the austerity there does not seem to be much enthusiasm for it. The Government too seems to have decided that the new Constitution should be ushered in without tamashas.



AGASTYA'S COLUMN "CONTEMPORARY NOTE BOOK" HAS BEEN HELD OVER FOR THE NEXT ISSUE OWING TO THE EXIGENCIES OF SPACE. IN NEXT WEEK'S ISSUE *PERTINAX* WILL EXAMINE THE-AGONISING RE-APPRAISAL OUR GOVERNMENT IS MAKING ABOUT ITS FOREIGN POLICY AND THE QUESTION OF ALIGNMENT AND NEUTRALISM IN THE WORLD THAT HAS EMERGED IN 1972.

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