

# TRIBUNE

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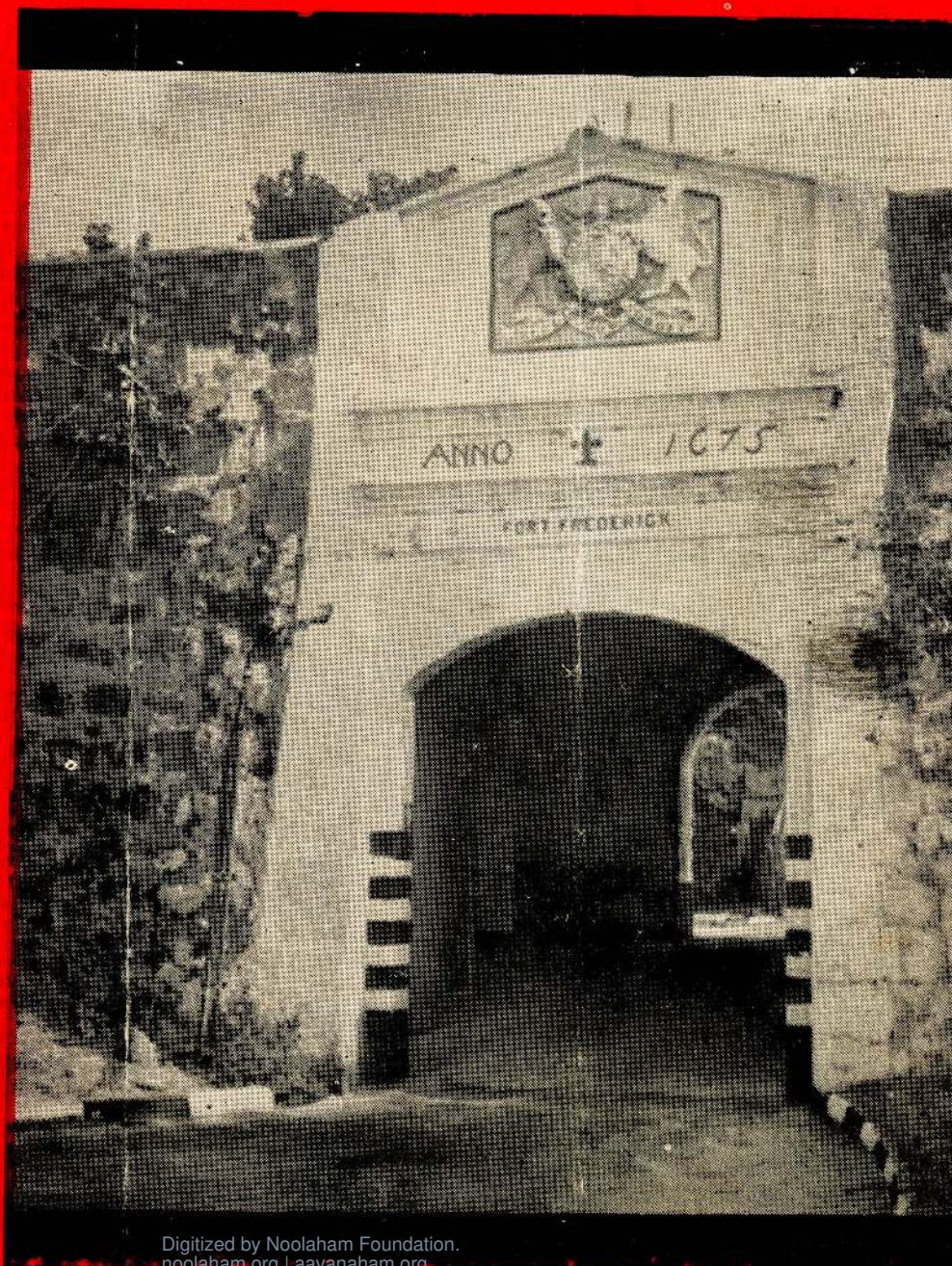
FREE RICE,  
CHOU & IMF

EGYPT — SADAT

INDIA—  
NAXALITES

BANGLADESH,  
PAKISTAN, CHILE

SRI LANKA  
CHINESE AID





# Trincomalee

**O**N the cover we have a photograph of the gateway to Fort Frederick which is the main bastion built by the Portuguese and Dutch rulers. The British also used this fort. Many of the old buildings inside are still used as government offices. On this gateway, on one side in the inner wall, the Portuguese and then the Dutch embedded the remains of an old inscription in Tamil on rock which set out an age-old prophecy about the number of invaders who will hold away in Trincomalee. There is a great deal of controversy about what the prophecy meant, but the Portuguese, Dutch and the British have been identified, and if one particular interpretation is correct, it is likely that there should be one more invader, before Trincomalee, or *Tiru-Kona-Malai*, gets emancipated finally in this Yuga. It is not necessary to enter into the mystic meanings of the old prophecy attributed by some to the Chola King Raja Rajan who rebuilt Koneswaram Temple — which was later destroyed by the Portuguese also as envisaged in his writings about the future of Trincomalee. It would suffice to draw attention to the fact that in recent years Trincomalee has attracted a great deal of publicity. The British used Trinco as that main naval base in South and Southeast Asia until the late Prime Minister Bandaranaike persuaded the British to quit the base without making a fuss. Ever since that time there have been stories that various big and super powers were interested to ac-

quiring bases in Trincomalee. But the Government of Ceylon, and now the government of Sri Lanka, has consistently and quite correctly refused to permit any outside power to acquire any vested interests in the port.

After Sri Lanka Prime Minister's recent visit to China there was once again a spate of kite-flying speculation whether China had wanted some special rights and privileges in Trincomalee as a *quid pro quo* for the massive economic aid she has extended to Ceylon during recent times. The speculations were mainly reflected in newspapers in India and the Sri Lanka High Commission in New Delhi issued a communique indignantly refuting the suggestion that Ceylon was "selling out" to China. The communique stressed that Sri Lanka was "not interested in counterbalancing forces in the Indian Ocean" and also that the Government of Sri Lanka remained strongly committed to the principle of non-alignment and to keeping the Indian Ocean as a Peace Zone. The communique further pointed out that certain "incorrect and tendentious" statements had appeared in the Indian press on the subject of Sri Lanka's relations with the People's Republic of China and "therefore felt it appropriate to place the facts before the Indian public." The statement stated that "the government of the People's Republic of China has made no request whatsoever to the Government of Sri Lanka in regard to the port of Trincomalee. Sri Lanka allows transit facilities in its ports to commercial vessels on the basis of reciprocity. Vessels from any country with which Sri Lanka has relations may avail themselves of these facilities. The Government of China has also

not made any request for facilities in Sri Lanka for its international airline. In respect of such facilities too, Sri Lanka follows the normal practice of granting facilities to commercial airlines on a reciprocal basis." *So much for that.*

But there is another immediate "future" for Trincomalee. There is a very serious proposal to make the Trincomalee area a Free Trade Zone and offer the port and its hinterland (or a small part of it) for foreign investors and manufacturers to establish a centre for export and re-export of goods manufactured by them or handled by them on a commercial basis. No final decisions have yet been made as there is strong volume of opinion in Sri Lanka which is not enamoured with the idea of turning Trincomalee into a Free Trade Zone. In the meantime, it is reported that financiers and industrialists in several advanced countries have shown great interest in the project. *Will Trincomalee become the Hongkong of South Asia and the Indian Ocean? Are the fears of those think that a Free Trade Zone will impinge on Sri Lanka's sovereignty well-founded?*

## NEXT WEEK

- MORE ON CEYLON'S ECONOMY
- PRO'S & CON'S OF CHINESE AID
- UNESCO & THE BRITISH LION
- MARGINAL NOTES ON CEYLON AFFAIRS



- ✦ Free Rice and the IMF
- ★ Treasury Bills
- ★ Floating Currencies

by PERTINAX

**W**E NOW have the high authority of Prime Minister Chou En-lai that *free rice* and *free Education* did not mean socialism. This *dictum* has been cited with great acceptance by Prime Minister Sirima Bandaranaike. Certain trade unions have registered a protest that it would be wrong to cut the subsidies on rice and other food items. Quite cor-

rectly these unions have inferred that if Premier Chou's advice were followed, free rice and free education must go.


Even before Premier Chou had tendered this advice in the idiom and jargon of Marxism (or is it Maoism?) bourgeois economists from the IMF and elsewhere had pointed out that free rice and free education was bad economics especially for a developing country like Sri Lanka which could not afford these welfare luxuries. Furthermore a large number of economists and others in Ceylon itself had pointed out that free rice, free education and free health services were handouts which this country could not afford and that such free gifts denigrated the soul of the nation.

These free handouts were undoubtedly the basic cause of the suicidal psychology which pervaded the thinking of the common man: that this country could be built with free gifts from richer and advanced countries in the same way in which the ordinary parliamentary voters of this country were able to enjoy a relatively high standard of living (compared to other developing co-

untries) on "free" subsidised food education and other welfare amenities. Our Prime Minister, on her return from China, has stated that the greatest lesson one could learn from China was that self-reliance alone could help to build a country as an independent and sovereign unit.

IN THE EUPHORIA of the emotional and intellectual upheaval precipitated by Premier Chou's dictum on free rice and free education, it would be wrong to forget what others have said about these subsidised handouts, even if they be bourgeois economists. What they had to say was couched in bourgeois idiom, but it is not difficult to express the same thoughts in marxist jargon in the way Premier Chou has done.

We shall therefore quote *in extenso* extracts from the latest report of the World Bank on this question of subsidies and other allied matters. This is what the Report stated. Under the heading *Excessive Consumption and Real Wages*: "Successive governments failed to react adequately to these trends. They have tried to maintain general consumption and real wage levels which Ceylon was in fact unable to support in the face of growing population, declining export earnings, and production growing all the more slowly, as, by so maintaining consumption, the Government could never raise enough investment resources to allow the growth of production to accelerate



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"The most striking and widely noted aspect of that standard of consumption is a network of subsidies for mass consumed commodities and services: rice (of which one measure of 2 pounds per week is given free), flour, rationed sugar, rationed cloth etc., as well as free education, free health services (a charge of Rs. 0.25 per outpatient prescription has now been imposed), subsidized transportation, etc. Some of these subsidies, particularly on imported goods, are in part or totally disguised by the peculiarities of Ceylon's foreign exchange system. Accounting procedures also disguise the cost of certain other subsidies, notably those involved in the operations of several Government enterprises and corporations.

"A less striking but equally serious aspect of this excessive consumption is the level of real incomes paid to wage earners, and therefore also expected by the unemployed. Given the decrease of the overall per capita cake, the excessive shares of income earners were maintained in part by giving no cake at all, apart from the free goods, to many new entrants to the labour force. In 1969/70, unemployment amounted to 12 per cent of the labor force outside the estates, but over 40 per cent of those aged between 15 and 24 were seeking work. Wage rates are also internally distorted. The rewards of clerical work, particularly of Government employment, are still very high,

for those who can get it, in relation to agricultural labor. Hence, a large number of those who have finished their high-school education wait around for clerical jobs, instead of giving up their chance of later getting one by immediately engaging in productive work: over 70 percent of the "O" level high-school graduates below age 25 were unemployed in 1969/70..."

THE MAIN POINT stressed in the Report is that all Governments (since Independence) in Sri Lanka had ignored the basic questions of consumption levels and real wages in relation to the total production and income. The result was that labour wages became distorted in terms of the economy as well as world market potential. Furthermore, high wages also acted as a restrictive factor in many productive activities and this is what the Report pointed out in a significant paragraph which stated: "As the expectations and demands of labor go beyond the possibilities of the economy, many productive tasks are left alone. Rice is often sown directly rather than being replanted; water is used to drown weeds, in substitution for labour; and 'in the large scale coconut sector . . . improvement and intensive cultivation with subsidiary crops. . . have been handicapped by a shortage of labour'. Or, to quote a January 1972 newspaper headline, '2000 toddy tappers to be recruited from India' because

'local tappers . . . have not shown any willingness to make toddy tapping their profession' . . ."

The IMF team, however, was conscious that it would be wrong to characterise wages as "high"—if the yardstick were wage levels in the advanced and affluent countries. But it must be remembered that it was wrong to compare wages in a country like Ceylon with wages in a country like the USA, or even the UK. What is important is the ratio between wages and the total GNP. For Ceylon goods to be competitive in the world market this factor of wages was important. The Report went on to state: "It may seem harsh to characterize Ceylonese wages as 'high' and indeed the members of the economic mission were very reluctant to do so. Wages are low in relation to human needs, even if these needs are much less unsatisfied in Ceylon than in the neighboring countries. They are, however, excessive in relation to the country's means. They are so high that they lead to the under-utilization of labour, at the cost of much human misery and economic waste. They are so high that they lead to the over-concentrated use of scarcer resources: land, water, capital; while at the same time, channeling too much of income into consumption, they do not leave enough for the augmentation of these resources. Subsequent references to 'excessive' consumption or wages are made only in this sense."



IT IS no doubt difficult to reduce wages particularly at a time when inflation was gathering momentum. An inelastic tax system combined with high consumption levels based on wages and salaries far in excess of what the economy could sustain—whether in a capitalist or a socialist economy—makes everything go round in a vicious circle. This is what the IMF has been at pains to point out. It also drew attention to certain noteworthy features in the economy of Ceylon.

‘Reducing real wages is always a distasteful task, particularly in a democracy. It was always tempting to wait for an improvement in the terms of trade. Yet it would be wrong to say that no action was ever taken. From the early 1960’s import controls were increasingly tightened; most sophisticated consumer goods were banned: passenger cars, scooters, electrical appliances, etc. In 1967, the rice ration was halved, from 2 to 1 measure of 2 pounds per week though the previous charges of Rs. 0.25 per measure was eliminated. Each Government can point to new taxes on income or consumption introduced each year though these were in fact responsible to needs of an inelastic tax system based largely on shrinking foreign trade.’

Without tackling the basic question of high consumption levels based on high artificial wage levels, all attempts to “control” the economy in order to promote economic de-

velopment led to disastrous consequences. There were certain factors outside the control of the Government of Sri Lanka like world market prices etc and the Government had not paid due heed to the permanent impact of these developments.

And to make matters worse, the tax base according to the IMF continued to be “inelastic”. And the IMF deplored the fact that there had been no comprehensive tax reform had been initiated. Piecemeal attempts to reform the tax structure did not take the country very far. And the IMF Report, on this aspect of the problem, especially on savings concluded on the following note: “For lack of a comprehensive tax reform creating an elastic tax base, both the public and successive Governments may have thought that they were imposing a special effort every year, whereas in fact they were not even fully offsetting the decline in tax receipts due to dwindling foreign trade and the rise in current expenditures brought about by growing population. One must admit, though, that creating an elastic tax base in a stagnating economy is an operation akin to squaring a circle. The share of tax revenue in national income has steadily, albeit, slowly, declined.

“Information on private savings is quite unsatisfactory. There may well have been some increase in private savings during the 1965-1970 period, during which the private sector

was given an important role. There is not enough information either to confirm or refute this; but this very uncertainty shows that no very major change can have occurred beyond what was absorbed by the evident step-up in medium and high income house building—largely a reaction to the restrictions on foreign travel and on durable consumer goods imports.

THE PRIME MINISTER,  
Mrs. Srimavo Bandaranaike

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has been stressing in many of her recent speeches for the need to generate the capital necessary for development through savings. She wanted the nation to be self-reliant. In her speech at a meeting of the Sri Lanka Association for the Advancement of Science last month she had called upon the people of the country to practise "simple living, hard work and self-reliance." She had stressed that the only way in which we could develop was by saving and investing a substantial proportion of our own resources for national development. Indigenous technology which suited the requirements of the society must be developed. Scientists should not always hope to do research work in well-equipped streamlined laboratories but in improvised equipment. She had said: "We are bound to encounter problems all the way. There will be scarcities of machinery and materials and of skilled personnel. We should bring our ingenuity to bear on these problems..... Foreign expertise like foreign capital assistance can only supplement our own effort. Here again self-reliance should be the keynote of our thinking....."

AT A MEETING in the Dambadeniya on July 28, (vide *CDN 29/7*), the Prime Minister had stated: "I am not promising to bring down the cost of living. If I say? it will be an untruth..." and she went on to say that Sri Lanka imported most of the essential food items from abroad while they could be grown locally.

She also stressed that self-help and dedication was the only way towards progress, and appealed to the youth to change their values and attitudes. She said that part of the problem among youth was the fact that they were bogged down in values that were essentially false. As such it stood in the way of progress. Mrs. Bandaranaike gave the example of a youth from her electorate who was picked to undergo a course in mechanical engineering earning while in training a salary of Rs. 100. She said that the youth objected to the entire scheme drawn up by the Government—mainly to train youth in a trade—saying that he did not want to be covered in grease and oil.

Referring to the insurrection she said that a band of impatient young men who were misguided wanted instant socialism. All they did was to put the clock back and wreck what was already achieved.

Mrs. Bandaranaike said that to achieve socialism the assistance of every citizen was essential. The need for progress should be instilled in the mind of every citizen. "Any obstacle in this path is something placed by ourselves", she declared. She said that the new constitution would be useless if an effort towards progress was not made by the people themselves. Nearly 120,000 persons had been given employment since the U.F. Government was formed. "While this was not a boast the Government was making. Mrs. Bandaranaike po-

inted out that the unemployment problem was something that could not be solved easily and overnight. The same principle applied to the cost of living. "To bring the C.O.L. down I need the support of the people", she said. Mrs. Bandaranaike pointed out that in regard to the import of rice it was only Sri Lanka—once the granary of the East—which imported rice. India, Burma and China were rice-eating countries but there were no imports involved. Ironically it was only Sri Lanka which imported the commodity. It was the same with chillies. Mrs. Bandaranaike said that China started growing chillies to export it to Sri Lanka. "We were actually subsidising the farmers of China" said Mrs. Bandaranaike. Referring to the chief export earning items—tea, rubber and coconut—she said that prices fluctuated resulting in our being at the mercy of the buyers. Exports were fetching less while imports cost more. That in itself resulted in a cut down on imports. Hence a resultant increase in prices." Mrs. Bandaranaike's plea was that Sri Lanka was blessed with all natural resources and that there should be nothing to prevent the basic needs of the country being grown locally. "Don't keep blaming the present Government and attempt revolution. The late Mr. S. W. R. D. Bandaranaike showed the way towards peaceful revolution. Follow that example", she said. Mr. Bandaranaike also



said that Sri Lanka could not always depend on aid. Even developed countries had their own problems. She also referred to her recent trip to China and what the Prime Minister of China, Mr. Chou-En-lai had to say about the free services offered by our Government. "You were prepared to make sacrifices during the War and starve for someone else's battle. Today it is an economic battle we the people of this country are waging. So give us your support instead of raising a howl at every turn", appealed Mrs. Bandaranaike. Mrs. Bandaranaike said that though the Government was losing revenue by placing a ban on betting and book-making it was prepared to do so largely because it realised that youth were being caught up in a vicious net. "It is our future generations that matter", she said. She also said that the Kassipu menace was something that the Sangha could tackle. It was true that liquor shops were being opened but that in a way halted the kassipu menace. To those who wanted to drink there was nothing to prevent them. "If we have to change the ways of men it could only be done by the Sangha", she said. She also referred to the insurrection and said that it was unfortunate that 95 per cent of youth caught up in the movement were Sinhala Buddhists. Those caught up from Catholic areas were far fewer largely because of a more organised religious system in those areas. "We admit our failing but we expect

you to point out to us through your MP's she said.

WHILE THE PRIME MINISTER continued to make such appeals to nation, the situation on the economic front was daily getting worse. When the National Assembly met on July 20, the Minister of Finance sought the approval of the Assembly to raise Rs. 500 million by the issue of Treasury Bills. The Government motion was easily adopted by the steam-roller majority it had, but the Opposition directed some very hard blows against this attempt at deficit financing. The Opposition pointed out that when the Minister of Finance was in the Opposition he had always raised very strong objections to any attempt to increase the ceiling on Treasury Bills. Mr. Felix R. Dias Bandaranaike, who spoke in defence of the resolution, stated that in 1960 he too had raised Rs. 100 million on Treasury Bills.

The main UNP criticism was that the Finance Minister without announcing his proposals to bridge the last Budget deficit was raising the ceiling on Treasury Bills. What would be the effect of all this on the economy of the country? What would its impact be on the cost of living? Why did the Finance Minister not give an explanation about these matters when he moved the resolution. After a number of speakers had criticised the resolution, Mr. Felix R. Dias Bandaranaike entered the fray and put forward his own monetary theory which he felt

would not find favour with the Minister of Finance. Mr. Bandaranaike felt that there was nothing wrong in increasing the money in circulation if it led to the development of the country and if it led to greater employment opportunities for the people. Employment was crucial so far Mr. Bandaranaike was concerned. The inflation did not matter as long as acute unemployment problem was reduced.

Mr. J. R. Jayawardene, leader of the Opposition, pointed out most forcefully that the "Bandaranaike theory" on Treasury Bills would lead to a collapse of the economy, and wanted to know whether FRDB knew what he was talking about. Such uncontrolled circulation of money would lead to a galloping inflation or hyper-inflation—as happened in Germany in the 1920s. It was significant that with the current unity in the UNP, JR fully endorsed all criticisms levelled against the Government by Mr. Dudley Senanayake and other UNP speakers.

Dr. N. M. Perera in his reply made a laboured attempt to explain why he adopted this measure. He not only gave a bookish explanation about this matter but he also charged the previous UNP government with mismanagement—and that his headaches were entirely due to profligate spending indulged in by the last Government. There was nothing wrong said Dr. Perera if one incurred a debt for development. It would be



wrong if it was for consumption. This Rs. 500 million was just in case there was a temporary shortage of money. He said that it was not likely that he would raise more than Rs. 100 million. He further pointed out that the nett public debt in Ceylon was less than its annual income while even in Britain the public debt was nearly ten times its annual income.

In July the Treasury, on the strength of this approval by Government, raised Rs. 50 million. It is not known for what this money was utilised. Was it for some specific development project? Or did it go into the kitty to pay salaries? It is undoubtedly necessary to pay salaries on development projects, but many entertain fears that the Rs. 50 million last month was for the purpose of meeting a "temporary shortage of money" to pay last month's government salaries.

CEYLON'S MONETARY problems are many, but one could derive some consolation from the fact that monetary system of the capitalist world was in disarray. The dollar had "floated" last year and had come back to a makeshift parity without gold convertibility. The pound has been "floating" for over a month now. Ceylon had linked to the dollar when the last shock waves struck the Bretton Woods currency system. That indirectly brought in partial (and minimal) devaluation. When

the pound was set afloat six weeks ago Ceylon took the opportunity to re-link the rupee with the pound. This, again indirectly, brought a further devaluation of the rupee in terms of international currencies—and in way went towards the devaluation suggested by the IMF.

Dr. N. M. Perera in answer to a question in the National Assembly, denied that this switching from sterling to dollar and then from dollar to sterling was an indirect method of devaluing the rupee. He said that small countries like Ceylon could not remain indifferent to world financial trends. Sri Lanka's first link with the dollar and its subsequent linkage with the sterling were steps taken in response to the changes that occurred in the world financial structure. What in fact had taken place, said Dr. Perera, was *not* the devaluation of the rupee but a *reevaluation* of some of the world's more stable currencies such as the yen and deutsche mark.

A "FLOATING" pound after the floating US dollar and other by no means weaker floating currencies six months ago, is not an uncommon phenomenon but that last time it was witnessed was in 1931 when the city of London, like other international money centres, had suffered a financial collapse, makes it ominously significant for Britain. Notwithstanding the claim of the Chancellor of the Exchequer, Anthony Barber, that it was not

occasioned by any fundamental disequilibrium in the British economy, but it reflected a state of affairs that neither in its domestic nor external aspects can be described as healthy or balanced. In fact, the Chancellor's own statement that the "floating" may have to be continued till the end of the current year indicates that the crisis is deeper than he is willing to admit. It is a crisis of Britain's economic and political policies which have continued to be influenced by considerations that have long since lost their relevance.

The immediate reason for "floating" the pound, according to the Chancellor, was the flight of shortterm capital or 'hot' money from Britain—a factor that had also impelled him to raise the bank rate by one per cent, a day before the floatation. And this flight, if he is to be believed, was touched off by nothing more substantial than the rather loudly proclaimed apprehension of the Labour Party's "shadow" Chancellor of the Exchequer Denis Healey that the Conservative Government would devalue the pound in the next two months rather than take drastic steps to contain domestic inflation. But then why should there be this flight and speculation about the pound's parity if the economic situation was as sound as Barber claimed? As the noted British economist, Nicholas Kaldor, has said, the very fact that the speculators piked on the pound



and not the Deutsche Mark or other currencies showed that it represented a weaker economy. All available indicators also point to the same conclusion.

For instance, the industrial production in Britain last year rose by barely one per cent as against an increase of 2.6 per cent in the European Economic Community and 7.8 per cent in the socialist countries of Eastern Europe. This performance was, no doubt, better than that of the US where production actually declined but then the dollar is in no way more solvent than the pound. Having suffered a devaluation of about 12 per cent last December, it has further fallen in unofficial exchanges in the wake of the pound's release from a fixed parity. With a poor performance in industry, Britain has also been saddled with increasing unemployment which has, for the first time since the great depression in 1929, crossed the one million mark and is unofficially estimated to have reached 1.25 millions.

*The pound's difficulties, however, have another important dimension. They are as much a reflection of the instability of the present international monetary system as of the uncertainty making the British economy itself.*

THE ARRANGEMENT worked out by the finance ministers of the leading advanced countries at the Smithsonian Institution in Washington last

December to stave off the crisis threatening the existing pattern of world monetary settlements was at best tentative and it was necessary to move speedily towards replacing it with a new system. The signatories to the Smithsonian agreement have, however, done nothing of the kind. While the US and, to some extent also Britain, have not been too keen to change the status quo because it preserves the dollar's position of a key currency in international payments. Other advanced capitalist countries have not been able to evolve a scheme that would both deprive the dollar of its undeserved position as well as keep the world monetary system a preserve of the rich capitalist nations.

Unwilling to make the system truly "international" by giving the developing and socialist countries their legitimate place in its counsels, they have placed themselves in a situation where none of them, not even West Germany or Japan, is assured of stable exchange parities. While some of them are constantly haunted by the spectre of revaluation, the nerves of others are constantly on edge because of the fear of devaluation. When the crisis erupts in one country, all of them are enveloped by it in one form or another. It has been the same with the present crisis which, starting with the pound, has already affected the dollar and compelled the Common Market countries to think of steps to strengthen the lira. But none of them, the US,

Britain or the EEC countries, is prepared to work out an alternative in which a shaky pound or dollar would not shake the world monetary system.

But while these more basic aspects of the pound's release from a fixed parity are important, equally important are its implications for countries that for historical reasons or by sheer inertia have continued to regard the pound as their master or "intervention" currency. Even when the sun has set on Britain's empire across the seas, and London has ceased to be counted in the same line as New York, Tokyo or even Zurich as a world monetary centre, these countries have not found it possible to delink their currencies from the pound and snap their ties with the sterling bloc. The Commonwealth myth has taken the place of the old imperial hegemony with the countries continuing to be as much subject to uncertainties of the British economy as in the colonial era.

Unfortunately, little Sri Lanka, which is still a weak link in the British Commonwealth of Nations is caught up in this crisis of the pound sterling. And now that the Ceylon rupee is re-linked with the pound, it is also "floating" even if within the 2.25 percent limit on either side sanctioned by the IMF. This can well lead to another major devaluation of the Ceylon rupee if the pound is devalued in the next few months.



The question is whether Sri Lanka must be tied irrevocably to the pound sterling. The sterling is no longer what it was—compared to much more stable and stronger currencies like the yen and the mark. In international trade Britain has begun to slip backwards and it will be sometime before it can gather any additional strength as a new member of the ECM. So far as Ceylon is concerned, Britain is still its major trading partner, but this may not continue for a long time more. *What is Sri Lanka to do? De-linking from the sterling and relinking to the dollar again will not do much good to this country. What next?*

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IT  
PAYS  
TO  
ADVERTISE  
IN

TRIBUNE



IT  
REACHES  
THE  
PEOPLE  
WHO  
MATTER

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EGYPT

Behind  
Sadat's Move

by V. D. CHOPRA

**P**OLITICAL developments in Egypt after the death of Gamal Abdel Nasser have become an enigma for middle East-watchers. Till recently it was felt even in Cairo that President Anwar Sadat's pro-West leanings had come full circle and through experience he had reached the conclusion that only firm friendship with the Soviet Union and other socialist and democratic countries at the international level and unity of the democratic forces within the country would help Egypt accumulate the moral and material resources necessary to defeat the game of American imperialism in the Middle East.

This belief was strengthened when on 14 May, President Sadat, in his speech before the People's Assembly, not only acknowledged warmly the friendly help which the Soviet Union had given to Egypt in strengthening its economy and military strength but went out of his way to remind the Egyptian people that "America and Israel are disseminating a campaign of doubt in the region" to isolate Egypt "from its

only friend", the Soviet Union, That within less than nine weeks of that speech, President Sadat should ask all Soviet technicians and advisers to leave Egypt suggests that reasons closely interwoven with the domestic situation in Egypt, underlie the decision.

It is a well-known fact in Cairo—a fact which important persons in the ruling hierarchy admit in private conversation—that of all the countries in the Arab world Egypt has received the largest amount of Soviet aid for reconstruction of its economy and military strength. According to one estimate, Soviet assistance to Egypt, by the end of 1968, had reached the figure of 1,000 million dollars and out of this amount 650 million dollars had been drawn. The same estimate put the quantum of military aid by the Soviet Union to Egypt at about five billion dollars in the current year alone.

**SIGNIFICANTLY** the main direction of non-military aid by the Soviet Union has been to give a new boost to industrialisation of the country and to agricultural production. The Aswan High Dam built at the cost of 1,100 million dollars, including Soviet aid amounting to 320 million dollars, would virtually eliminate the annual flooding of the Nile below the cataract and thus increase the cultivable area of land by 20 percent. Power generation from the Dam would be used for development of certain basic industries such



as aluminium and iron and steel. On the whole, construction of the Dam alone would lead to increase in Egypt's national income by 50 per cent.

The iron and steel complex at Helwan, fifteen miles south of Cairo, being built with Soviet aid, would not only meet Egypt's internal requirement of steel but also leave about a million tons of steel for export.

Only last year, Egypt and the Soviet Union signed an economic and technical co-operation agreement valued at 175 million pounds a year for various projects such as rural electrification, reclamation of one million hectares of desert land in Egypt, setting up of live cotton mills and a cement factory and development of the aquatic wealth of lake Nasser.

Most of these loans are long-term with a nominal interest of 2.5 per cent. As a part of its re-payment scheme, Egypt exports rice, citrus fruit, onions, furniture, leather goods, carpets and textiles to USSR. In a nutshell, Soviet aid to Egypt is directed towards making the country economically independent and thus enable it to defend its independence.

NATURALLY, the question arises why President Sadat has chosen the present moment to induct strain into Egypt's relationship with USSR. To answer this question one has to recapitulate recent developments in Egypt and some of the other Arab countries.

The people in the Arab countries and in Egypt particularly are becoming restive over the aggressive acts of Israel. On the other hand, America is arming Israel in a massive way. Israel had at the end of last year, 74 Phantom jets, 110 Skyhawks and 50 Mirages in addition to older types of planes. But by the beginning of January this year, 120 new planes—40 new Phantoms and 80 new Skyhawks—were added to the Israeli air force. It is clear that the aggressive acts of Israel and the rapid increase in its armed strength through American aid are calculated to force the Arab countries to come to a settlement with Israel on its terms. As a senior political leader in Cairo put it, this is a conspiracy to force the Arab countries virtually to surrender before Israel.

But this has another aspect too. Israel's military strength and its aggressive acts are being used by the reactionary regimes in the Arab world to drive a wedge between Egypt and the Soviet Union on one side and the progressive Arab countries and Egypt on the other. And it appears that the rich oil-producing Arab countries which are being ruled either by reactionary regimes or obscurantist leaders have of late mounted pressure on Egypt's rulers.

After the recent nationalisation of oil by Iraq, Western oil monopolists through the reactionary Arab regimes have mounted their offensive against the Soviet Union and other

socialist and democratic countries. Their pet argument is that the USA has offered Israel huge quantities of arms and equipment, but what has the Soviet Union given to Egypt? While this argument is being put across openly, a whisper campaign is being conducted in high Government levels especially, to make out that the Soviet Union wants the present tension between the Arab world and Israel to continue because it wants to entrench itself in the Arab world.

THESE PRESSURES on Egypt's ruling circles are clearly discernible. Countries which are directly ruled by reactionaries linked with Western oil monopolists command greater pull in Cairo than those which have proclaimed socialism as their objective. The pattern of the emerging new relationship between the various countries of the Arab world is meaningful in this sense.

Internally, the pre-West lobby is very active in Egypt and one gets the impression that these lobbyists are deliberately been encouraged. The fact that in a completely controlled press and mass media, a systematic campaign is allowed to be conducted against the Soviet Union and other socialist countries in Egypt does not appear to be an accident or due to an individual lapse. A few weeks before President Sadat's decision asking the Soviet Union to withdraw its military advisers and technicians, a seminar was held in



Cairo in which responsible persons bitterly attacked Moscow for its "failure to give sophisticated arms" to Egypt. Reports of this seminar were widely publicised.

This happened only a few weeks after President Sadat had warned the people of Egypt that though sometimes Egypt and the Soviet union "differ in opinions", these differences should not put any strain on the relations between the two countries. He in fact, went a step further and said that any attempt in that direction would amount to playing into the hands of the enemies of Egypt, who want to isolate Egyptians from its friend and consequently place them at their mercy.

Has President Sadat repudiated the policy enunciated by him, within a few weeks of this public declaration? It will be for the people of Egypt and other countries to judge, President Sadat's decision about withdrawal of Soviet experts will, in any case, shock the democratic and progressive forces in Egypt because it might turn out to be the beginning of reversal of the policies of Nasser, who continues to be the symbol of the revolutionary and democratic aspirations of the Arabs.

In Egyptian politics, there are a large number of elements who are optimistic about the future of their country. Their self-confidence arises from the fact that the basic economic structure built by Nasser cannot be demolished and thus

INDIA

## End of Naxalite Group

by A SPECIAL CORRESPONDENT

Calcutta,

**T**HE UNDRAMATIC arrest of Mr. Chacu Majumdar from a Central Calcutta flat in the early hours of a Sunday last month is symbolic of the inglorious dissolution of the major Naxalite party—the communist Party of India (Marxist-Leninist)—which Mr. Majumdar had built up. Ironically, it is Mr. Majumdar himself, who helped the slow liquidation of his party, by his intolerance, authoritarianism and above all, by his wrong politics and "action" programme.

the wheels of history cannot be reversed. Apart from this, the anti-imperialist sentiment among the people has become part of their being and cannot be erased. Through their own bitter struggle they have learnt what havoc imperialism has played with their lives when it dominated their country directly and, in the recent past, through Israel. To them, defence of their independence and sovereignty is irrevocably linked with their fight against imperialism and with friendship with the socialist and democratic countries.

The CPML was born of a contradiction reflecting the contradictions and inconsistencies from which its founder has consistently suffered. The extremists in the CPM broke away from the party when it joined the first UF Government in West Bengal in 1967. These extremists, who "honestly" believed in the CPM's programme of People's Democracy and agrarian revolution and had a fanatic hatred for the CPI and the Bangla Congress, could not reconcile themselves to the overnight volte-face of the party joining hands with the very same "agents of the bourgeoisie" (CPI and BC) to form a coalition Government instead of destroying the bourgeois State.

They broke away, set up their own organisation with a party centre, worked for all practical purposes like a parallel party, but stopped short of formally styling themselves as such.

After a conference at the University Institute in Calcutta they formed a Co-ordination Committee of Communist Revolutionaries (CCCR) but as it was not a party, it did not spell out its ideological stand or programme. When



I met Mr. Majumdar at his Silliguri residence in 1968 after the devastating Jalpaiguri floods, I asked him why he was not forming a party.

His answer brought out his understanding of the principles of Communist organisation. "What is the use of forming a party in a formal, ritualistic manner?" he countered. "Twice we had this experience once when the CPI was formed and again recently when we came out of the CPI and formed the CPM. Each time the party withered into reformism and revisionism. It shows that a genuine Communist Party should come into being through an actual revolutionary struggle".

"But who will organise and lead the movement, if the party is not formed first?" I asked.

He replied: "In the initial stages it is not necessary to have a party. Individual communists will start actions in different areas. The party will be formed in the course of the development of the struggle. Only then will it be a party of tried and tested "Communist Revolutionaries". He dwelt at length on his thesis of struggles preceding the party and not vice versa. This anti-Marxist organisational concept persisted throughout and ultimately destroyed the party which he later founded.

BY THIS TIME, "Naxalism" had come to be recognised as a new 'ism' in India and abroad. The movement of the

peasants of Naxalbari, started in the middle of 1967, was fundamentally a struggle against eviction from vested land and for its redistribution among the landless. But Naxalite propaganda made it look like the beginning of the "guerilla war" of the armed peasantry which would develop into a full-fledged agrarian revolution and overthrow bourgeois-landlords rule. "Spread the red fire of Naxalbari to all corners", was the slogan of the Naxalites at the time.

But the Naxalbari struggle had already been suppressed by the police acting under the direction of Mr. Jyoti Basu, the Marxist Home Minister of the UF Government. The backlash of Naxalite adventurism was so severe that in the mid-term elections, in 1969 Naxalbari returned a Congress candidate.

On May Day 1969, the Naxalites led by Mr. Majumdar announced the formation of the CPML at a rally in Calcutta Maidan. For quite some time, the young cadres of the CPML went to the villages to organise guerilla war. But soon the migration from the village to the city started. The young revolutionaries could not stand the severe police repression. More often than not they fled, leaving the innocent villagers to face the police and the CRP. Their alienation from the peasantry was complete and they could not hope to go back to these rural "bases" again.

NATURALLY, they had to turn to the cities. Their revolutionary activity took the form of beheading statues of national leaders, raiding schools, smashing up furniture, disturbing examinations, hoisting the red flag atop school and college buildings and above all, individual killing of "class enemies"—businessmen, Government officials, policemen, teachers (Jadavpur University Vice-Chancellor Prof. Gopal Sen was one such victim). Individual terrorism started in September, 1969, which means that within months of its formation the party had to abandon whatever mass work it had been doing.

"The festival of smashed statues", Mr. Mazumdar said at the time, "represents the beginning of a cultural revolution without which a new revolutionary system of education and culture cannot be created... It is part of the 'armed agrarian revolution'."

But the situation in the towns also became unfavourable very soon. Work in trade unions had earlier been rejected as "economism" and therefore the CPML had no roots among the working class. Similarly, work among the students had been condemned as "fight for capturing the student unions and agitating for cheap canteens". This, too, was "economism",

Already isolated from the peasantry, the working class and the students, the CPML soon lost whatever public sympathy



it had earlier aroused by the courage and self-sacrifice of its workers, because the people abhorred the murders and their glorification in such terms as: ".....the oppressed have experienced the terrible joy of killing the class enemy, stamping on his severed head, writing slogans in his blood." (*Deshabradi*, 15.1.70). The "Red Terror" had terrorized the people more than the real "class enemy."

The police started a vigorous drive against the Naxalites, in which they got the willing co-operation of the CPM. Stories of Naxalites being killed in "armed encounters with the police" started appearing almost daily. The people looked on passively. They did not seem to care much for the Naxal youths who were often being shot openly, in broad daylight.

The isolation of the CPML was complete. Doubts and questions arose among its workers. The correctness of Mr. Majumdar's policy began to be questioned. In order to boost the sagging morale of the cadre, *Deshabradi* explained: "Raids in which the masses do not take part, applaud or come forward with help and co-operation, but silently, with sealed lips, and absorbed in their own affairs, they help tremendously, participate splendidly and give their best in activity and co-operation behind a mask of inaction and non co-operation." (11-18 June 1970)

Mr. Majumdar warned: "Lack of faith in the authority of the party leaders breaks the backbone of the struggle." (*Liberation* Dec., 1959, p. 88) And *Liberation* exhorted: "Our task is to establish firmly the authority of the leadership of Comrade Charu Majumdar at all levels of the party and revolution." (Feb., 1970, p. 48) Fire was concentrated on the "neo-revisionists" undermining the authority of the leader with "arbitrary quotations" from Chairman Mao on the need for independent thinking. The rank-and-file were asked "To train yourselves in learning by heart and in propagating in toto and in identical language whatever the central leadership of the party says." (*Liberation*, February 1970, p. 13).

But the disintegration of the party had already started. Senior leaders like Mr. Sushital Roy Choudhury, Editor of *Deshabradi*, disagreed with Mr. Majumdar and left the party. Mr. Ashim Chatterjee, one of the principal lieutenants of Mr. Majumdar, broke away on the issue of khatam or individual killing. A large number of workers went out with him and the CPML was split into two. Mr. Majumdar's arrogant refusal to call a Central Committee meeting in spite of repeated demands further reduced the number of his following.

What was more disconcerting was that all those who quarrelled with Mr. Majumdar and parted company were soon arrested by the police. Many among Mr. Majumdar's stau-

non followers reportedly could not take this as a mere coincidence. Their faith was being shaken. On the other hand, all groups and factions opposed to Mr. Majumdar have lately been trying to regroup themselves into an all-India party. The initiative has come from the Bihar Naxalite leader Mr. Satya Narayan Sinha, an erstwhile comrade of Mr. Majumdar. They are currently busy preparing a political document as the basis of the new party. Naxalism has remained after Naxalbari had gone, like the disembodied grin of the Cheshire cat. Whether it will continue to exist without its chief theoretician and oracle remains to be seen.

(This article was written before Mr. Majumdar's)

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## BANGLADESH

## ★ Making Friends

## ★ Split in Student Movement

From A SPECIAL CORRESPONDENT

Dacca,

**T**HE BANGLADESH diplomatic campaign in Southeast Asia has generated mixed feelings here. Foreign Minister Abdus Samad is currently on a four-day visit to Indonesia. And in this context, the question asked is whether Dacca's quest for friends will be misconstrued as an encouragement to the formation of a bloc or an alliance of nations in this region. At the same time, it is recognised that as Bangladesh is committed to a policy of non-alignment, its effort to establish bilateral relations with the neighbouring countries may contribute to durable peace, specially in the Indian Ocean region.

Fears of foreign-inspired mischief are raised by a recent American move. After the recent visit of Mr. Nixon's envoy, Mr. Connally, it was revealed that the US was fostering a proposal for an alternative arrangement to SEATO which could be acceptable to the countries of this area, non-aligned or otherwise. Bangladesh may not agree to any such proposal since it is committed to non-alignment.

It is stated in diplomatic circles here that recently a proposal had reportedly been made by Indonesia and Malaysia for a kind of an alliance between countries not aligned with any power block in Southeast Asia, ostensibly to keep this region free of the rivalry between the super powers. It is also said that when Foreign Minister Samad visited Malaysia last month such a suggestion was also made by Malaysian Premier Tun Abdul Razak. It is not clear whether the proposal by Indonesia and Malaysia has any connection with the American move. Whether there is such a link or not, the aims of the two apparently converge around the desire to check the influence of the Soviet Union and to check the possibility of India emerging as a power.

A LOBBY in the Bangladesh Government is believed to be favourably inclined to the proposal of Indonesia and Malaysia, though on the eve of his departure for Jakarta, Foreign Minister Samad left no one in doubt that his visit was part of Bangladesh's initiative to establish bilateral accords with countries in the region.

One question posed is whether Pakistan will have a role to play in this proposed alliance. (Islamabad has ostensibly left the SEATO.) Both Indonesia and Malaysia are trying to arrange a meeting between President Bhutto and Prime Minister Sheikh Mujib though without any success so far. In view of these developments, Mr. Bhutto's letter to Indonesia's Adam Malik, when Mr. Samad is on a visit there, gains significance. But Mr. Malik's efforts are unlikely to lead to a meeting between Mr. Bhutto and the Sheikh before Pakistan recognises Bangladesh. They may try however, to arrange a meeting between Mr. Samad and the Pakistani envoy in Jakarta.

The most important bilateral issue between Dacca and Islamabad is the trial of the guilty POWs and the repatriation of Bengalees from Pakistan. Sheikh Mujib's recent open support to the right of self-determination of the Sindhis, Baluchis and Pathans may act as some kind of pressure on Bhutto.

The fact that Bangladesh has deferred the trial of the war criminals till September shows, at the same time, that the Sheikh is allowing time to Mr. Bhutto to come to a settlement on all the issues between the two countries. Dacca is committed to try the guilty POWs and it is not likely that it will change its stand, but there is scope for negotiations, according to diplomatic circles, in



regard to the procedure to be adopted for the trial and number of those to be tried.

AN EMBARRASSING SITUATION had been created by the two rival factions of the ruling Awami League's student's League, one led by A. S. M. Rab and Sahajan Siraj and the other by Nurealam Siddique and Abdul Quddus Makhan holding their respective annual conferences in Dacca simultaneously on 21 to 23 July.

Both factions owe allegiance to Sheikh Mujibur Rahman and therefore both have invited their leader to address them. The Sheikh has so far shown no preference for either of the two groups and has been accepting garlands from both. But this policy of satisfying both factions could not continue for long.

What has been expected has happened. Prime Minister Sheikh Mujibur Rahman has had to take a stand on the feuding factions of the Student's League, the ruling Awami League's most important and vital wing.

One faction is led by Nure Alam Siddiqui and Abdul Quddus Makhan and the other by A. S. M. Rab and Shajahan Siraj. While the former has been preaching Mujib Vad the latter has been advocating scientific socialism through a class struggle. A section of the dominant official leadership of the Awami League had been pressing the Sheikh to take a clear-cut line on the issue,

which had clear ideological overtones.

The Sheikh has formalised the split, and has supported the Siddiqui-Makhan group by addressing the conference. Moreover, the presence of all Ministers and top Awami League leaders with him on the rostrum indicates that he is now determined to fight the Rab-Siraj group which has of late been attacking the policies of the Government. The Sheikh thus has lent his support to the platform of four principles—nationalism, socialism, democracy and secularism.

ACCORDING to the Rab-Siraj faction, the Sheikh has now become a "partisan." They had invited him to address them either as Prime Minister or as the Father of the Nation but he refused. The Sheikh has shown that this group's challenge does not affect his national standing. Tracing the history of his party, he suggested that those who opposed his policies were always defeated. The Rab-Siraj challenge could have of course some impact on the Awami League's trade union wing, the Jasiya Shramik League.

Student movements have played a decisive role in changing the course of politics in Bangladesh. Although between the two rival factions, the popularity of the Rab-Siraj group was reflected in recent elections to the different universities and the central student unions, the three-day conventions of the two factions held in Dacca simultaneously, concluding on

23 July proved equally colourful. Both put up a grand show.

It is charged that the Siddiqui-Makhan group was able to organise the show in a big way because of official patronage. It is also alleged that they received help from some foreign relief agencies like CARE etc. On the other hand the Siddiqui-Makhan group has said that the Rab-Siraj group has received massive external financial help.

SOME SAY that the two conferences have shown that the Siddiqui-Makhan group has been pushed further to the right and the Rab-Siraj group more towards ultra leftism.

While speaking on socialism and democracy, Nure Alam Siddiqui said that there was no place for internationalism in Bangladesh. "We are Bengalis first and Bengalis last." He also said there was no freedom in socialist countries, and Bangladesh was, therefore, trying to evolve its own "brand of socialism," which could co-exist with nationalism and democracy.

The Sheikh himself, while addressing their meeting, said: "I believe in national and by blending it with revolution (meaning armed revolution) I have been able to achieve independence."

His political adviser and a former student leader, Tofail Ahmad, declared: "There is no place for Marxism and Maoism in Bangladesh."



On the other hand, Rab and Siraj ridiculed secularism and all the rest and said there was only one scientific method of socialism, that of Karl Marx. The group has come out with the extremist slogan that the time has now come for an armed socialist revolution and a relentless struggle for the establishment of "kisan-sramik raj". They assert that this cannot be achieved through parliamentary means. They have criticised the manner in which nationalisation measures are being implemented.

Significantly, leaders of some of the Maoist student organisations were seen at the Rab-Siraj group's convention.

On the other hand, it is equally significant that National Awami Party leader Prof. Muzaffar Ahmed, Communist Party general secretary Abdus Salam and students union president Mujahidul Islam Selim attended the inaugural session of the Siddiqui-Makhan convention.

In their speeches, they stressed the co-operation between Awami League, the National Awami Party and Communist Party for implementing the socialist pledges of the Government.

## China: It's the Latest American Thing

by FRANK CHING

**A**MERICAN interest in China, held back for more than 20 years by mutual isolation, suspicion and animosity, has suddenly surged with the dramatic shift in United States-Chinese relations. The interest in China extends to all things Chinese and involves a whole spectrum of activities, from fashions to food, from travel to trade, and from science to education.

The Chinese authorities, both at the embassy in Ottawa and in the delegation to the United Nations here, have been flooded with visa applications. Inquiries have been pouring into travel agencies that have prepared plans for trips to China. Enrolment in China courses has risen dramatically on many campuses, in many cases doubling. Many universities and colleges have arranged seminars and symposiums about China.

The large number of symposiums and conferences has created an unusual demand for films about China. National film distributors, such as McGraw-Hill and Time-Life,

report their most popular China films have been booked many weeks in advance. The desire for cultural and educational exchanges with China is high. One survey of 165 universities disclosed that a vast majority favored exchange programs with the Chinese.

Returning visitors' reports on Chinese methods of treatment and health service have stirred many doctors. Medical journals are filled with articles on Chinese medicine. New marketing services to provide American businessmen with information on the Chinese economy have been started. An outdoor fair of Chinese goods will be held in Boston in May.

Book publishers have rushed to fill the new demand, and articles about China have proliferated in the magazines. In fashions, American designers and buyers have been busy trying to acquire clothes from China or with an oriental flair.

Prof. Alexander Eckstein of the University of Michigan, a specialist on the Chinese economy, commented: "There's a fantastic mystique. I have been amazed. Personally I felt for a



long time — at least five years — that the Government had greatly overestimated public resistance to the renewal of relations with China. But I never expected Ping - Pong would evoke the kind of reaction that it did. There's an incredible amount of curiosity, goodwill and sympathy."

DESPITE the clamor for trade and visas, the Chinese have been slow to respond. Exports to China have been negligible, while American imports of Chinese goods since June, 1971 amount to only \$5-million. Only 200 to 300 people — none of them tourists — have been granted visas to China since last spring.

Within weeks of China's invitation to an American table tennis delegation, the tourist industry began to explore the possibilities of expansion into a totally new area. American Express developed a 22-day tour for \$1,850, with 12 scheduled for 1972. Besides American Express, dozens of American travel agencies are also trying to move into the China field. The Intraco Travel Agency of New York has developed a China program that includes a number of special tours, with the first tentatively scheduled next month.

Carl - Eric Runsteen, president of Intraco, said that because the Chinese had made it clear that they were not interested in tourists as such, the tours he has planned are all for special-interest groups, such as organizations of doctors,

teachers, businessmen and "cultural type" people. According to Mr. Runsteen, the Chinese have requested a personal letter from each visa applicant providing specific information, including why he wishes to go to China. Each letter, Mr. Runsteen said, must be translated into Chinese and forwarded to the Chinese Embassy in Ottawa, which in turn sends it to Peking for consideration. Intraco has sent to Ottawa applications from 32 persons who are to take part in an "agri-business" tour, originally scheduled for last Oct. 7 but since postponed. Mr. Runsteen said the 24-day trip, now planned for this year would cost \$2,300 for economy class, from Atlanta to Atlanta, with 10 days inside China.

Because the Chinese refuse to deal directly with American travel agencies, many of them are using a Canadian intermediary, the Skyline Travel Agency in Vancouver. Jack McLaren, head of Skyline, reported in a telephone interview that approximately two dozen American agencies were working through him to reach the Chinese. He said he had on hand 4,000 applications from Americans.

MANY ORGANIZATIONS are planning trips to China either directly or through a travel agency. These include the League of Women Voters, the Asian Art Commission of San Francisco, the Harvard Club of Chicago, the World Council of Churches in Boston, the Kansas Museum, Local 771 of

the American Federation of Teachers, with the support of the California Federation of Teachers State Council in Oakland, Berkeley and San Francisco, and Women for International Understanding, a San Francisco based group. So far as is known none have received Chinese approval. One group that has received permission to go to China is the Committee of Concerned Asian Scholars, an organization that has spoken out against American policies in Vietnam. The Committee, will send a 15-member delegation to China.

The heightened interest in China has, predictably, had its effect on the campuses. Arue J. de Keijzer, a staff member of the National Committee on United States-China Relations, an educational organization, reported that on a tour of 12 campuses across the country last fall he discovered that enrolment in China courses had increased dramatically, in many cases doubling. The ranks of students of the Chinese language have also been swollen. Columbia University reported a dramatic increase in its Chinese language courses, with enrollment in one intensive course in elementary Chinese rising from 5 to 19.

DONNA SWAIN who is in charge of the foreign languages department at the New School for Social Research, reported similar changes. "Until now we've had so few people in Chinese we usually cancelled the course," she said.



"Now we have so many people registering we don't know what to do with them. We're training new instructors. It seems that half our staff wants to learn Chinese." Miss Swain said the newer students were "different from the pre-Ping - Pong population—they are not interested in reading ancient documents; they're interested in China."

A great many universities, in addition to China symposiums and conferences, have held functions known as China Night, or China Week, often sponsored by Chinese student associations. California State College, in Long Beach, for example, recently held a China Week, which included demonstrations of traditional Chinese music and dancing, a lecture by a recent visitor to China, a discussion on China in the United Nations and talks on the problems of San Francisco's Chinatown.

Attempts to institute exchanges with mainland China have so far not met with much success, with the exception of the Chinese table tennis delegation. Morris Chalfen, producer of "Holiday on Ice," last summer approached the Chinese about taking one of his ice shows to China. So far, he has not received approval. And Norman Singer, executive director of the New York City Center of Music and Drama, was rebuffed in June 1971 after he extended an invitation to the Chinese to bring a Peking Opera Troupe to the United States. The reply from a Chi-

nese official said in part: "Our model dramas are specially prepared for the appreciation of our working people, not for our enemy and money-scented capitalists like you."

The National Committee on U. S.-China Relations reports a rise in requests from teachers for information on how to start Chi a programs. Committee officials say most of the requests are not from major cities but from small towns. "Everything has gone through a 300 per cent jump," said B. Preston Schoyer, executive director of the national committee. "Requests for literature are probably higher."

THE COMMITTEE formed in 1966, is an independent non-partisan educational organization. It sponsors conferences and provides speakers. Two of its staff members, Mr. de Keijzer and Arlene Posner, have just completed a book, "China; a Resource and Curriculum Guide," to assist schools that wish to develop China programs.

One group that has been deeply affected by the new accessibility of China is the medical community. Dr. Victor W. Sidel, chief of social medicine at Montefiore Hospital in the Bronx, for instance, asserts that there must be a significant reform in the American medical system. A recent visitor to China, Dr. Sidel suggests, as do other returned American physicians and scientists, that there may be much that the United States can learn from China.

As a result of the generally glowing accounts brought back by American visitors, a bandwagon effect has been created and, according to one observer, "scientists are falling all over themselves wanting to go to China—even those who know nothing about China."

Dr. John R. Hogness, president of the Institute of Medicine in the National Academy of Sciences in Washington, is attempting to develop a program for American doctors to study not only traditional Chinese medical techniques, such as acupuncture and herb therapy, but also developments in modern Chinese public health programs.

In trade, the euphoria of spring 1971 has been replaced by a more realistic attitude. There is greater realization that the Chinese are at present unwilling to trade directly with the United States and that, even if direct trade begins, its volume will probably be limited, with the Chinese more likely to be interested in selling than in buying.

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## Chile Ending Land Expropriation with Shortage

by ROBERT A. ERLANDSON

*Santiago, Chile.*

**B**Y the end of June, the Chilean government expects to have virtually completed the expropriation phase of its accelerated agrarian reform program, which has moved faster in that aspect than any comparable one in the world, agricultural experts estimate.

However, they said, it faces serious difficulties in the follow-up program and there is the additional problem that even if the land redistribution were to go completely according to schedule, "there are at least three times more people who want land than there is land to give." Having taken all the land, they said, the government can use only 15 per cent of the oversupplied rural labour force, 25 per cent if it intensifies Chile's agriculture.

"But after reform is complete," the experts asserted, "at least 40 per cent of the rural workers will still be landless laborers or have barely enough land for subsistence."

It will then be up to the government to create new rural industries and improve agricultural methods to absorb as

much of this labor as possible. In addition, the sources said, because of the political disruptions from last year's rush of illegal land seizures, a crop deficiency is expected this year which will require increased food imports, with the attendant strain on the entire economy.

**OTHER AGRICULTURE** sources said the government's policy of communal operation of expropriated estates—using the profits from some to make up deficits of others—is causing labor difficulties because it has eliminated private initiative and discipline. Elimination of the large private farms was a basic objective of Salvador Allende's Marxist-leftist popular unity government when it took office in November, 1970. It has succeeded in this objective, but the accelerated pace of land reform may yet backfire because the next phase requires vast amounts of money which Chile does not have now.

In his state-of-the-nation address before congress last Sunday, President Allende said that the government has expropriated more than 3,000 large farms, totalling nearly 10 mil-

lion acres, in its first 18 months in office. President Allende said that between 1966 and 1970, farm production rose an average of 2.5 per cent annually, while in 1971 it rose 5.8 per cent and "thousands of land titles" were distributed to small farmers and farm workers.

The government report to congress said that, in addition to farms already taken, the regime is working on expropriating abandoned or poorly managed farms. It is planning to import 10,000 tractors to cultivate an additional 750,000 acres, the report said.

**UNDER THE LAW**, the government holds the land from three to five years, during which it is supposed to organize the peasants into co-operatives, plan land redistribution, educate them in agriculture and provide machinery and farming materials.

The first land expropriated by the Allende government will probably not be redistributed before early 1974. Some large farms still remain untouched, said a source close to the agriculture Minister, Jacques Chonchol, because of legal entanglements over actual ownership resulting from past transactions.

The farms expropriated are kept as economic units, operated by the former employees and landless peasants who are invited to participate, generally as paid workers.



## PAKISTAN

Behind the Language  
Clash in Sind

A source close to the administration said, "that by June at least 50 per cent of all productive land in the country will have passed into the agrarian reform sector. The previous administration expropriated 15 per cent and the Allende government the remaining 35 per cent", he said. The other 50 per cent remains exempt under the present law.

Unemployment and under-employment in agriculture have long been a serious problem in Chile.

The government estimates the potential agricultural labor force at 750,000 people. Of that number, about 450,000 heads of families are landless workers, and with their families make up about 15 per cent of the nation's population.

"Since the land reform program was accelerated by the Allende government, minimum wages have increased 150 per cent for rural workers, while producer prices have risen 71 per cent", the sources said.

"The government's plan to level everybody in a socialist state is creating new and serious problems for the administration," the agricultural sources said, "and it will have to make some very hard decisions in the near future about where the program will go, now that the land is all expropriated."

Karachi.

**M**UCH more lies behind the language riots in Karachi and other cities of Sind than what meets the eye. The riots were triggered by the passage of the Language Bill in the Sind Assembly which has a People's Party majority. The bill has made Sindi the official language of the province. It has also been announced that Sindi would become the medium of instruction in schools and colleges throughout Sind in the course of the next three years.

The ruling People's Party is known to have not much of love for the Sindi language. But it was forced to take this step because of the rising tide of the Sindi nationalism in the entire province. So strong has been the Sindi Nationalists' Movement that Mr. Mumtaz Ali Bhutto, the energetic Chief Minister and a cousin of President Bhutto, was constrained to admit on the floor of the house that "adoption of the Sindi language as the official language of the province was the minimum step necessary to prevent the emergence of a Bangladesh in Sind". Only a month

back even President Bhutto had to admit that "anti-Islamic forces under the garb of linguistic nationalism were trying to threaten the very unity of Pakistan in various provinces, especially Sind".

BEHIND the Sindi Movement lies strong fervour for the Sindi language and culture which the Sind Nationalists feel is being threatened by the Urdu-speaking people who came from the Muslim minority provinces of India, during and after partition. Sind has the largest concentration of Urdu-speaking people who constitute about 40 per cent of the entire Sindi population. The Urdu-speaking people usually called the "Muhajars" (immigrants) constitute a 70 per cent majority in the metropolitan city of Karachi and are about half the population of the second biggest city Hyderabad. It was perhaps because of the preponderance of Urdu-speaking people that bloody riots took place in February this year between them and the local population over the question of repatriation of Biharis from Bangladesh. The Sindis led by Mr. G. M. Syed's United Front had threatened to sink any ship or burn



any aeroplane which brought Bangladesh "Biharis" to Sindi soil. The Urdu-speaking people on the other hand, were demanding that the Government should take effective steps for the repatriation of the "Biharis" from Bangladesh who were supposed to be undergoing atrocities at the hands of the Mujib regime in Dacca.

Clashes developed between these in favour of repatriation of "Biharis" and their opponents not merely because Sindi Nationalists are known to be in favour of Bangladesh. A deeper consideration which weighed with both sides was that even if a million "Biharis" came to Sind, the population ratio would have tilted more in favour of the Urdu-speaking people. The "old Sindis" as the local population is generally called refused to allow any non-Sindi to be brought to Karachi or any other Sind town on the plea that this would not only upset the precarious balance of various linguistic and ethnic groups but would also adversely affect the economy of the province. The trouble which ensued on that occasion claimed over a dozen lives and resulted in large-scale loot and arson in other cities.

THE PRESENT linguistic trouble can also be traced to strong antipathy which has been existing between the so-called "old Sindis". According to an eye-witness report which has escaped the strong censorship of news about the rioting in Karachi, "at-least 300 people

are estimated to have lost their lives in Karachi and other cities of Sind during the riots. The police and other members of the Administration have been fighting on opposite sides, depending upon the linguistic group to which they belong. While hundreds of Sindi houses and shops have been looted and set on fire in Karachi, the Sindis have retaliated in the same manner in other areas where the Urdu-speaking refugees are in a minority".

The complicating factor in the situation is that while the People's Party has a strong base in the rural Sindi-speaking areas, the urban centres are mainly divided between the Jamaat-e-Islami which is backed by the Urdu-speaking people and the Sind United Front headed by Mr. G. M. Syed spearheading the movement against the "Muhajars." Although President Bhutto had earlier rejected the demand for the adoption of Sindi as the official language of the province, he appears to have been compelled to accede to it because there appears to be no other way to control the emotions of the Sindis.

The Urdu-speaking settlers, on the other hand, complain that a very raw deal has been meted out to them. Out of a total population of about 60 million in Pakistan today, there are about 15 million people who claim Urdu to be their mother-tongue. This makes them the second largest linguistic group after the Punjabis, in West Pakistan. Yet no one appears to take note of their

numerical strength and the belief is growing that Pakistan is the home of four nationalities — the Punjabis, the Sindis, the Baluchis and the Pathans— Urdu-speaking settlers object to this formulation on the ground that it amounts to an attempt to obliterate the very trace of a linguistic group which was mainly responsible for the creation of Pakistan.

THE SINDIS, on the other hand, retorted—in the words of Mr. G. M. Syed—"In the past Sind has seen very bad invasions from the West beginning with Mohammed Bin Qasim and ending with British imperialism. But from the last two and a half decades, there has been a continuous invasion of Sind from the Eastern side. Some people who have abrogated to themselves the right to be called the founding fathers of Pakistan have been swarming the land of Sind like locusts from across the land of Ganga. We had welcomed them initially since we thought that they were the victims of religious bigotry. But soon it became apparent that they were the standard-bearers of the worst type of imperialism, linguistic snobbery and economic exploitation".

Another Sindi leader and a famous poet, Malik Ayaz, has said, "The only way the neo-colonialists branding themselves the votaries of Urdu can avert the fate of Biharis in Bangladesh, would be for them to amalgamate themselves fully into the national and cultural fabric of Sind".



## THAILAND

## The Problem of Insurgency

Bangkok,

**T**HAILAND'S insurgency which has been smoldering for 8 years has burst into open flame and is spreading despite concerted efforts by the government to contain it. For the first time Thai officials say they see a serious prospect that

Pakistan

The fact that the language riots have come at a time when Mr. Bhutto is eager for the ratification of the Simla agreement adds an ominous significance to the whole affair. Since the ultra-rightist Jamaat-e-Islami is taking a leading part in the campaign for adoption of Urdu as a second official language in Sind and is also opposed to the Simla accord, many leading lights of the People's Party suspect a foreign hand in the trouble. *Musawat*, the official organ of People's Party has editorially commented that in various parts of the country the language riots, which aim at cutting at the very root of the Pakistan ideology have been inspired by those who want that the Simla accord should be relegated to the background so that Pakistan cannot get its territories back and remains weak both politically and militarily".

the insurgency, still small in national terms but no longer regarded merely as a nuisance, will become a full-fledged revolutionary war. Clashes between small government and Communist units now occur daily in the far North and Northeast of Thailand. Communist insurgents also are increasingly active in the mid-South and along the Burmese border.

Terrorist incidents—ambushes, assassinations, attacks on police posts—have increased 25 per cent nationally. In some local areas, they have tripled, and government patrols have suffered 80 per cent casualties in daring but frequent ambushes, such as the attack that killed 14 members of an 18-man advance bodyguard of Field Marshal Thanom Kittikachorn, chairman of the National Executive Council.

GOVERNMENT losses reportedly are running more than 100 men killed a month and more than 600 injured, including a growing number wounded by land mines. The government claimed last week to have killed 25 Communists and captured another 126, the highest announced claims.

The Communists appear to have enlarged several "liberated areas" or enclaves in Thailand's northern and northeast-

ern mountains. They reportedly are near securing two or three others close to the country's populous central plain. Government forces do not enter dozens of other areas, including large portions of the northern provinces, except in force with air support.

Thai complacency about the insurgent threat, cited only to justify a large Army budget and military rule, undoubtedly is partially responsible for the insurgency's growth. Thais would never join a Communist movement, government officials said for a decade, because they were devout Buddhists, loyal to their King and had no serious complaints. The insurgency, it was said, was confined to rebellious, Meo tribesmen in the north, North Vietnamese refugees and Laotians in the Northeast and some Chinese from Malaysia in the South.

The insurgency was described as inspired, financed and directed by mainland China and unlikely to evolve into the coordinated movement it has become. The Communists' strategy is essentially based on Mao Tse-tung's formula for a revolutionary guerrilla war:

FIRST secure base areas deep in the rural hinterlands. Then, recruit and organize villagers from the surrounding area establishing liberated enclaves free of government presence. Eventually, turn to guerrilla warfare with widespread participation, leading in time to defeat of the government's regular armed forces.



So closely are the Thai guerrillas following Chairman Mao's strategy of first winning the countryside that they have by-passed opportunities to exploit political and social unrest in Bangkok and other cities. The guerrillas and members of the village organizations are given extensive lessons in Maoist political theory and often wear Mao badges on Chinese-style uniforms. While the Communist's clandestine radio, the Voice of the People of Thailand, accuses the government of corruption and subservience to the United States, appeals on an individual basis stressing poverty, lack of opportunity, neglect by the central government and misdeeds by local officials appear to be more successful.

Furthermore, the Government of Thailand is worried about the Burmese Government decision to open the border with China, and not without reason. The Thai border guards report that in the brief period that followed the opening of the border on December 8, 1971, China has sent many civil and military advisers and experts as well as large shipments of materials to Burma. In addition, the Chinese have shown a growing interest in a Burmese area bordering on Thailand. Thailand has a 1,000 mile-long border with Burma. Over its extensive sectors on the Burmese side there live two belligerent tribes of Shans and Karens who are hostile to the central Government of Burma. Besides, the 93rd Kuomintang

army is stationed in the upper northern part of Thailand near the border with Burma. Many Kuomintang soldiers are living in the Province of Chiangmai. Their chief source of livelihood is growing of opium poppy. The number of Kuomintang soldiers has sharply increased in the area in recent months. Thus, about 500 of them crossed into the Province of Chiangmai from the Burmese principality of Shan. The Kuomintang itself has become increasingly active. Peking's emissaries are persuading Kuomintang soldiers to settle down and take root in Northern Thailand. The Kuomintang troops are now strongly inclined to recognise Peking's authority and establish contacts with their relatives living in Communist China. So, Peking's emissaries are said to have found fertile ground to cultivate the Kuomintang troops. Moreover, Thais fear that they will use their enclaves as transit stations as well as to legalize the Chinese coming from mainland China so that they could move to the central parts of Thailand. Already now there has been a sharp increase in the number of the Chinese infiltrating into the Province of Mae Hong Son across the Burmese border.

A MAO TRAIL has been practically blazed running from the Chinese Province of Yunnan across the Burmese border into Thailand. It is now used to transport not only people but weapons and Maoist literature. Thus, little red books of

quotations from Mao Tse-tung have recently appeared in Thailand. So far, the trail is not as busy as the Ho Chi Minh trail. Although the trail is kept a secret, it has transpired that one of its integral parts is the Salween river which the Chinese are using to ship people and arms to Thailand with the help of Karen and Shan armed bands. It is believed in Bangkok that the Mao trail is the lifeline of the rebel movement operating in northern Thailand. It is also a matter of concern that a 60,000-strong Chinese army group is stationed in the Province of Yunnan in the immediate proximity to the Burmese border, whose moves are difficult to predict.

Besides, Bangkok is worried over the fact that soon after Peking emerged on the world scene no signs have been noticed of the rebel activities being scaled down in the last eighteen months. The rebels are operating in the neighbouring countries with the help of Chinese aid. Practically nothing has changed since Communist China joined the United Nations last fall.

Obviously the Mao-Chou Government regards Asian rebels as a natural ally who is to be secretly encouraged and supplied with arms in an open attempt to fan out the rivalry and riots in the neighbouring countries. In this context the Mao trail is to play a major role indeed.

Notwithstanding the frequently made declarations of the Chinese leaders that they seek



FROM THE  
EDITOR'S DESK

## PM's China Visit

ONE of the questions which is being constantly asked in political circles every day—and for which no factual reply has been forthcoming—is what Ceylon has really got out of the China visit of the P.M. Admittedly, there was publicity of a kind that has staggered the world. The welcome accorded to Mrs. Bandaranaike, in many ways, far surpassed the one extended to President Nixon. This demonstration of friendship was said to be a reflection of the deep esteem in which Sri Lanka was held by China. There is not the slightest

### TAILAND

to build relations with other countries on the basis of peaceful coexistence, it is an open secret that what they say is often contrary to what happens. It is known, that well-trained units of Chinese Kachins and Shans armed with modern automatic weapons constantly cross into Burma to join the rebels there. Thai army sources assert that the Chinese keep a 65,000-strong army group in the Province of Yunnan in the immediate proximity to the Burmese border. Why is so large a contingent of troops stationed in the area?

greatest doubt that Ceylon has maintained very friendly relations with China since the Rice and Rubber Agreement of 1953. But after the defeat of Sir John Kotelawela and the UNP in 1956, and the ushering in of the Bandaranaike era, Ceylon's ties with China became more intimate and comprehensive. This was especially so after Mrs. Bandaranaike became Prime Minister in July 1960. The UNP government of 1965-70 did its best to contain and downgrade Ceylon's ties with China, but there was no way for the UNP to restore the *status quo ante* 1956. And with the coming of the UF government in 1970, Ceylon—China relations were once again restored to the highest level. And China has done everything to assist Ceylon in a variety of ways. Apart from aid and grants of various kinds, the most noteworthy was the free of interest Rs. 150 million in convertible hard currency in May 1971 and the supplying of gunboats and arms equipment free of charge.

When the PM's visit to China in June this year was announced, there was general expectation that more than anything else Ceylon would get another massive convertible hard currency loan. Top government and political sources had confidently whispered that China would give a hard currency loan around Rs. 225 million. There was undoubtedly an element of wishful thinking in this. Ceylon was desperately in need of at least Rs. 250

million in foreign exchange to sustain its imports at a minimum level for the rest of the year. The discussions with the IMF in May were not very fruitful or successful, but it was clear that Ceylon had also taken high ground that it would not devalue the rupee or adopt the more drastic and stringent measures recommended by the IMF—partly because they had expectations that China would come to Sri Lanka's rescue. It is not known what China had indicated before Mrs. Bandaranaike left for China on June 24 but there was universal confidence that the major part of Ceylon's foreign exchange problem for 1972 would be solved after the PM's visit. In fact, the daily press in Colombo had headlines and reports that major decisions by the Cabinet on economic matters had been put off until after the PM's return from China. And it is a fact that many such decisions were postponed until after the PM's visit.

IT WAS, therefore, in this general atmosphere of expectancy (that China would come to Sri Lanka's rescue in the matter of foreign exchange) that the ordinary person in the island had viewed all news which had emanated from China during the PM's visit to that country. And one of the first items of news which had come at the conclusion of the PM's stay in Peking was that an agreement about economic assistance had been signed and that China had given Sri Lanka



assistance to over Rs. 300 million. When such details as were made public became available, it appeared that there was tied project aid for Rs. 260 million and that another Rs. 47 million, held over from previous agreements, had been reactivated. There was nothing about a cash loan in convertible currency in the agreement signed in Peking. There were suggestions however in press reports that such assistance would be forthcoming at the end of the visit. When the PM left China on July 6 at the conclusion of the visit, a communique was signed in Shanghai, but there was no specific mention of a hard currency loan in the document which was mainly a political statement on the visit and the policies of the two governments. But, the *Sun-Dawasa* group of papers also flashed the "news"—that a hard currency loan of about US \$ 10 million would be made available to Ceylon immediately, that is about Rs. 60 million. Other newspapers repeated this story, and put the figure down to US \$ 5 million. But there was no confirmation about this assistance officially. There was no report about this hard currency cash loan in the *Hsinhua* bulletins published in Colombo.

When Sri Lanka governmental circles were asked about this, there were vague replies that a convertible currency cash loan would be forthcoming from China as and when it was needed. But when it was pointed out that Ceylon was desperately in need of this loan at

th moment, the replies were even more evasive. It could therefore be inferred that for the moment—least China's loan assistance to Sri Lanka for the ensuing period would be only project aid totalling over Rs. 307 million. The only way that this assistance was different from loans from other countries was that this was interest-free. This was indeed a landmark in foreign assistance.

SLOWLY certain governmental circles began to admit that Sri Lanka was not definite about getting a hard currency convertible cash loan from China this year, and that other measures had to be adopted to meet the foreign exchange problem. And such measures have already been adopted. Foreign exchange allocations even for raw materials have been drastically cut—even at the risks of many of these industries being shut down. To stretch employment furthest, before retrenchment and lay-off became inevitable, the Government relaxed the price controls which had been imposed so that manufacturers could charge more and keep the workers employed. The total stoppage of a large number of other "essential" imports have also been announced or suggested.

If the Government and the leading circles in the UF had expected a massive hard currency cash loan to stave off the foreign exchange crisis to emerge from the PM's China visit, then the visit was a major disappointment.

But the project aid was so massive and interest free and the publicity about the kind of welcome the PM received was so impressive that many people have not yet realised that the China visit did not produce the results Sri Lanka had wanted most from the visit, namely a massive foreign exchange loan in convertible currency.

This apart, the China visit of the PM had major political significance not only so far as Ceylon was concerned internally but also on a regional and Asia basis. Sri Lanka has stressed over and over again that she was non-aligned: that the close ties with China did not mean that Sri Lanka was becoming "aligned" with China as against India (and the Soviet Union): that the arms assistance Sri Lanka got from China was no different from the assistance she had got from all other countries—except that China gave all these things free; that the fact that a large military delegation from China had spent over a fortnight in Ceylon was not because of any alignment with China—but that it was only routine visit to train local army experts in the use of the weapons supplied; that China had not asked for any base facilities at Trincomalee; and that all that China did for Ceylon stemmed from friendship and the admiration China had for Sri Lanka in her struggle to sustain political sovereignty and also the independent policies followed by Sri Lanka.



But whatever is said by Sri Lanka's newspapers about its ties with China, it is interesting to read what others have to say about this matter. The *Far Eastern Economic Review* of July 15 concluded its piece on Ceylon thus (after pointing out "even as Prime Minister Sirimavo Bandaranaike was being given the full red carpet treatment by her Chinese hosts in Peking, the boss of the pro-Moscow Communist party here was given the boot by the ruling United Front Government's parliamentary group... To what extent all this is linked with Mrs. Bandaranaike's visit to China is not known. To be sure, Peking must be happy at the new discomfiture of pro-Moscow communists in Sri Lanka"): "Already China is Sri Lanka's second largest trading partner (after Britain). Perhaps it will not be long before Ceylon becomes a significant presence here and, as a result, in the Indian Ocean region."

IN THIS connection, it is necessary to advert to the debate in the National Assembly on the PM's policy statement—when Mr. J. R. Jayawardena had wanted Ceylon not to "take sides" against India even by implication because India was Sri Lanka's biggest and closest neighbour. However, J. R. had also stated that Ceylon would more happily develop friendly relations with India if India abrogated her Treaty of Friendship with the USSR. He had later expanded on this in an interview in the *Daily News*. The Indian daily *Patriot*

published in New Delhi, in an editorial comment entitled *Sri Lanka*, on July 24, and stated: "Between Mrs. Bandaranaike's silent suspiciousness about Indian intentions and Opposition leader Jayawardene's friendship propositions there does not appear to be much difference. The former has indicated she would prefer to deal with far away Peking and even farther away Washington than with New Delhi, Mr. Jayawardene on the other hand would like Sri Lanka to be friendly with this country; but on very peculiar conditions. New Delhi should remove suspicions in the minds of the rulers of Sri Lanka and if possible denounce the India-Soviet friendship treaty. These will indeed look as strange as the Sri Lanka Prime Minister's rush to Peking and her rather secret deals with Washington. Neither the Indian Government nor people have any intention of territorially or economically doing any harm to Sri Lanka. To the extent it can, India has helped Sri Lanka. If more has not been done it is as much due to ingrained Sinhalese suspicions of this country as to crude Indian diplomacy. It is not India's fault that Sri Lanka is a small country. It is not due to anything India has done that a proportion of the people of Sri Lanka talk one of the Indian languages. India has not thrust either its culture or religions on Sri Lanka. If in spite of this there is considerable cultural and religious similarities it is due to history which

after all cannot be escaped. What has happened to and is happening in Bangladesh should convince the Government and people of Sri Lanka that India will not consciously injure the interests of any of its neighbours. On the basis of such an assurance, a new relationship of closer and warmer friendship can easily be established."

Earlier in an editorial comment on July 17 entitled *Chou's Advice*, the *Patriot*, which has a distinctly pro-left flavour, had commented on the advice Prime Minister Chou En-lai had given to Mrs. Bandaranaike that free rice and free education did not amount to socialism. Many cynics had quipped that China had not given Sri Lanka any convertible hard currency this year, but had given the same advice as the IMF on how Sri Lanka could make foreign exchange available to itself.

Ceylon certainly has no need to worry about what Indian newspapers say, but as Mr. J. R. Jayawardena had emphasised it would be unwise for Ceylon to ignore developing trends of opinion in Sri Lanka's biggest and closest neighbour. At a time of crisis, it will be India which will matter most—because she is big and powerful and also because only a narrow strip of water, 26 miles at the widest, separates the two countries. This does not mean that Sri Lanka should pay constant *pooja* to India, but it would be foolish to offend India and raise unnecessary suspicions about Sri Lanka's geopolitical intentions.

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