

TRIBUNE

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FINANCING &
IMPLEMENTING
THE FIVE
YEAR PLAN

STRIKES,
POLITICAL
PARTIES

SYED'S
MOVEMENT FOR
SINDUDES

THE GUYANA
HEARTBREAK

THE FLOATING
POUND



From Russia— With Love

THIS IS an unusual picture from Moscow the capital of the Soviet Union. All these years we had seen only austere pictures depicting the constructive effort of workers and peasants in terms of socialist reality. It was all work and no play. The human element was generally absent. Even sports pics were grim, and efforts to show nurseries, kindergartens and working class homes were stereotyped. Technically, the photographs were excellent, but they lacked the indefinable "it."

BUT NOW a new wind seems to be blowing across the Soviet Union. It was irrefragably noticeable in foreign relations. Moscow was able to overcome the cold war allergies and succeeded in establishing a *de ente with West Germany* which has changed the political climate in Western Europe. The Moscow Summit with Nixon was a climax of one aspect of this process of thaw. Important decisions were made at the Summit affecting the future of mankind. The USSR and the USA will in future cooperate in limiting strategic arms, in exploring outer space and in preventing pollution of the environment. Both countries will also do joint work in health and science

and a trade commission will be set up. President Nixon had wanted to replace confrontation with negotiation and cold war antipathies with cooperation in scientific, cultural and other fields. The Summit marks a beginning of a new era.

THE PICTURE on the cover is symbolic of the new impulses which have begun to stir in the Soviet Union. It shows a presentable model displaying a "black velvet frock with original silver jewellery for evening wear". Some years ago fashion displays and shows were unheard of in the USSR, but today they appear to have come to stay at least in the bigger cities. When President Nixon was in Moscow, one of the tourist sights to which he was taken was a fashion show. Fashion shows are only peripheral indications that the Soviet Union is intent on catching up with the West, and many new amenities are now being added to improve urban living, in the USSR.

ONE OF the most important aspects of urban living is housing. The *Economist*, August 12, 1972, has a piece on this and a few extracts make interesting and revealing reading: "If Russians were asked what they wanted most a decent flat of their own would come high on the list. The Government is doing something to satisfy this need; it is also trying to convince people that the something is stupendous. Stories in the popular

press reveal that with 2.3 million urban flats built every year Russia is absolute world champion; or another way of putting it, with more than nine flats per 1000 inhabitants built a year, Russia is close to the top of the world league, somewhere between Germany and France and above both Britain and America. Russian flats, which on an average contain about 50 square metres of floor space, are much smaller than their western counterparts. Second, Russia has to build more because its housing shortage is even greater than in the west... But putting up houses as fast as one can is not necessarily an efficient way of going about things. Mr. Bobrovnikov, the author of the article in *Voprosy Ekonomiki*, admits that during the major housing drive between 1958 and 1963 much of the building was shoddy, and neglected the true needs of the people who were going to live in it. Russian housing is not ruled by cost-accounting. Anybody, for instance who dared suggest a sudden switch to the payment of economic rents would start a revolution: Russian families are still spending only about 2.5 per cent of their income on rent. This pays no more than a fraction of the running costs of the building, let alone allowing for depreciation. Shops and offices, which now pay higher rents, account for roughly a third of the total upkeep and the rest is paid by the state...."

On Financing and Implementing The Five Year Plan

by PERTINAX

SPEAKING at the meeting of SLFP parliamentarians last week, 16/8, the Prime Minister, Mrs. Sirimavo Bandaranaike, told the MNSAs that many of the development plans for electorates were held up because of the lack of finance. But she said that in the next budget much of the development expenditure would be district-wise or electorate-wise. The projects allotted to the districts

would be development and employment oriented. In this connection, Mr. Ratne Deshpriya had suggested that 22 Deputy Ministers should be made responsible for the work in the 22 districts in the island. This suggestion seems to have been accepted by the SLFP group, and on each of these Deputy Ministers will devolve the job of giving the necessary leadership in his district to the development projects. It was said that Government will adopt this suggestion because of the realisation that political leadership had to be introduced district-wise to develop the island. Under the colonial set-up and the Soulbury Constitution, the Government Agents were primarily held responsible for the collection of revenue and the administration in the provinces. The elected representatives of the people had enjoyed no real power or authority to provide the leadership in the development of the country. The Government was now keen on providing such leadership under the Republican Constitution.

Whether this new political leadership for the administrative machine will ensure greater efficiency and promptitude

in development work is problematic, but more important than the appointment of 22 deputy ministers is the problem of finding money to implement the development projects. A visitor to the island from a country very friendly to Ceylon placed on record some hard facts on the economic situation and policies of Sri Lanka at a speech at the Rotary Club luncheon on August 17. The Speaker was Mr. Hakim A. Alavi, Director of the State Bank of Pakistan and his Subject was "A Bi-partisan Economic Policy for Sri Lanka." The *Daily Mirror* of August 18 reported the gist of the speech as follows: "I don't think that the Five-Year Economic development Plan for Sri Lanka will get off to a start. You see, you cannot have a Plan which is entirely dependent on loans. This may sound very unpleasant but as a good friend of your country, I must tell the truth."

He said that there were two major shortcomings in Sri Lanka's economic policy—a lack of adaptability to changing conditions in Ceylon and abroad and the existence of political rivalry. One of the main reasons for Sri Lanka's economic malaise, he stressed, was the high rate of wages for workers. Comparatively, it was the highest in the region including the wage rate in China, India, Pakistan, Indonesia Malaysia, etc. "Mr. Alavi said that in addition to this high rate of wages, Sri Lanka's workers received the benefit of

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subsidies on rationed rice, education, health service and transport. When these subsidies were added to wages, Sri Lanka's workers received a much higher wage than their counterparts in even a country like highly industrialised Japan. If Japan adopted Sri Lanka's real wage rate it would have perhaps never become an industrialised country. He declared that Sri Lanka could not simply afford the luxury of this wage rate. There was less productivity because of the high cost of production. The cost of production soared because of the high wage rate. Consequently there were less and less employment opportunities.

"The remedy was to adopt a bipartisan economic policy on the lines of a bipartisan foreign policy. The country, he said, should mind its own business economically. Sri Lanka should take a lesson from China which built up the country without external borrowings. In 1968, Sri Lanka's total indebtedness was 304 million dollars but it increased to exactly hundred per cent in 1970. It was a frightening figure unparalleled in the world. The country's external reserves were 14.6 million in 1968 but it tumbled to 2.2 million two years later.

"Mr. Alavi said that forty percent of the unemployed were between the ages of 14 and 24 and seventy per cent of the 'O' Level students were seeking employment. They could not get employment because those employed were get-

ting high wages and that contributed largely to the lack of opportunities for entrepreneurs to open up new enterprises.

"In his last Budget, the Finance Minister, Dr. N. M. Perera proposed an increase of 25 cents on the second measure of rice, 13 cents on a pound of flour and rationed sugar. But the Budget proposals were withdrawn overnight, actually within 24 hours. The effect of that action he said was a loss to the country of a quarter billion rupees, to be precise Rs. 243.9 million. The Finance Minister had budgeted for a surplus of Rs. 143 million and overnight it was transformed into a deficit of Rs. 173 million.

"The National Parliament had done a sort of rope-trick and Dr. N. M. Perera came to be known as 'No Money Perera'. Mr. Alavi said that Dr. Perera alone was not responsible for the Budgetary proposals. They must have been approved by the Government. It was his guess that on the night of Budget Day, fears might have been expressed that the Opposition would kick up a row.

"He said that the abolition of the rice subsidy alone would save Rs. 810 million and would go to make the country's finances more liquid. He suggested that since one Dudley—Professor Dudley Seers—had suggested the abolition of the rice subsidy, the other Dudley—Mr. Dudley Senanayake should be persuaded to accept the suggestion. But that might be a difficult problem.

"The alternative, Mr. Alavi said would be to soak the rich by raising income tax, introducing more capital levies, land reforms etc. He had made a special study of the alternatives and was convinced that even if such measures were taken the financial problems of the country would remain unsolved.

"He suggested that the Retarians should take the lead in putting across the proposal that subsidies should be abolished. They should address their minds to the question, who lies if Sri Lanka dies' . . ."

MR. ALAVI had only restated what has been stated so many times before. The Prime Minister herself at the meeting of the SLFP parliamentarians had stated quite categorically that the Government was hard put to find the money to finance the development projects under the Five Year Plan. Speakers at this meeting were full of what had to be done and how they should be done—but they did not come up with plans as to how the money was to be found.

Everybody however knew how a major part of the money could be found: in the first place the subsidy on rice had to go. The PM had stated that Chou En-lai had stated, that free rice was not socialism, and many other Ministers had subsequently stated that the rice subsidy would go. Those who were opposed did not make public statements but fought a successful rearguard action in the Parliamentary group and

the Cabinet. To meet their objections, suggestions were made that some soft-landing measures had to be devised to sell the rice subsidies to the voters. The *Times of Ceylon*, 2/8/72, under the heading MEASURES TO CUSHION RICE BLOW—IF THE SUBSIDY IS CUT stated: "In the event of the Government deciding to cut the rice subsidy, social welfare measures to cushion the effects of the increase in the price of rice are likely to be introduced.

"The ILO team led by Prof. Dudley Seers has recommended to the Government that a reduction in the rice subsidy is an immediate necessity owing to the country's chronic balance-of-payments difficulties. Among the other fiscal measures being considered by the Government in lieu of devaluation is a big increase in the FEECs rate—from 55 per cent at present to 100 per cent. The argument in favour of cutting the rice subsidy is that the foreign exchange saved could be used to provide more employment.

"A government official told *The Times of Ceylon*" that if a family spent Rs. 25 more a month on purchasing rice it would be more than compensated if an unemployed member of that family was found a job which would bring him at least Rs. 250, a month. According to the ILO mission the rice subsidy has indirectly led to people refusing employment even when it is available because rice is freely obtainable."

Evidently no satisfactory cushions could be found and the *Sun*, on 9/8/72, reported under the heading DECISION ON FREE RICE PUT OFF INDEFINITELY that the Government had postponed a decision *sine die*. How far this report is correct is yet to be known, but there are good reasons to think that the story reflected the trend of thinking in certain high government circles. The *Sun* report read as follows: "A Decision on the rice question—The proposal to impose a levy on the free measure of rice—Has been put off indefinitely, the *"Sun"* reliably understands. Authoritative sources said yesterday that the Ministers have not been able to reach a consensus on the rice proposal. While some sections had called for the cut, others it is learnt, strongly opposed this step which they claimed would put more burdens on the people. According to these sources, the Ministers have not been able to reach a compromise formula although several proposals in this regard were considered by them. One such suggestion was the halving of the free measure of rice and fixing a levy on the other half. Even a large section of the Government Parliamentary Group have come out strongly against the rice cut move. They have contended that it would be contrary to one of the election pledges held out by the United Front."

With the parliamentary party of the UF so strongly against the cut of the rice subsidy

it is difficult to see from where the money was going to come to finance projects under the Five Year Plan.

IN ADDITION to this strong opposition in UF parliamentary circles against a cut in the rice subsidy, there was no agreement among top government economists and planners what they should do to meet the difficulties confronting the Government. A frontpage report on August 7 in the *Times of Ceylon* under the heading

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BALANCE OF PAYMENTS PROBLEM—PUNDITS DIFFER gave an inkling of the dilemma in which the Government was placed. The report read that: "There is a division of opinion among government planners and economists on the wisdom of increasing the FEECs rate instead of devaluing the Ceylon rupee. The alternatives before the Government are devaluation of the rupee or increasing the rate of FEECs in order to check the deterioration in the balance-of-payments position.

"A section of government economists and planners is of the opinion that an increase in the FEECs rate to 100 per cent as suggested by the ILO team led by Prof. Dudley Seers will lead to a drop in consumption and increase of exports.

"The Minister of Finance Dr. N. M. Perera, has been steadfastly against the International Monetary Fund's recommendation that the rupee should be devalued. His contention is that Ceylon's main export, tea will not benefit by a devaluation because the main problem facing tea is low prices and not increased sales."

In the meantime, the *Times of Ceylon* on August 1 had reported that a memorandum from University undergraduates had pointed out that the **FIVE-YEAR PLAN (WAS) NOT WORKABLE (BECAUSE) OF POLICY SNAGS**; The report stated: "University students in a memorandum to be submitted to the Planning Ministry shortly, have pointed

out that the Five-Year Plan is unworkable because of the contradictory policies adopted by the Government. The memorandum states that for instance, when the Five-Year Plan is heavily dependant on the private sector, measures are being adopted which would cripple the private sector.

"The imposition of a ceiling on incomes means that the private sector would not invest as expected by the planners, it points out. According to these students the expectations that State Corporations which have been notoriously running at losses would generate revenue is childish. The students argue that the Government's plans for house building cannot materialise because of the conflicting policies adopted by the Government. As an example they cite the hopes of the planners to utilise over Rs. 500 million a year for house construction while at the same time introducing rent control which is a disincentive to house building"

There was nothing new in what the undergraduates had stated, but it was important because of the source from which the criticisms had come.

THE IMF TEAM had considered the dynamics of the Five Year Plan and without saying whether it was workable or not had set out the financial implications of the Plan. It would be appropriate and opportune to cite some of the relevant paragraphs from the

latest IMF report on this question:

Under the Chapter on the **RESOURCES FOR FUTURE INVESTMENTS AND THE FIVE-YEAR PLAN** and under the sub-section **RESOURCES AND GROWTH TARGET: THE LONG-TERM VIEW**, the IMF Report had this to say.

"The analysis of the past should be a guide to the future. Our view of the past is in a large part shared by the Government; this is reflected in the new Five-Year Plan, published in November 1971. The Plan correctly identifies the joint problems of resources, prices and standard of living as the main obstacles to be overcome—though one must remember that in the past, too, correct diagnoses have been made, but were not followed by sufficient concrete measures. In the words of the Prime Minister's foreword, 'in the first place there must be a greater emphasis in the pattern of national expenditure on investments... Secondly it is necessary to understand the role of prices in the economic system... if we want chillies to be grown the people must be prepared to pay a price which will bring a fair income to the grower of chillies... We cannot afford to consume today all that we produce without making provision for the future. That was the policy of the past and that policy has clearly failed'.

The Plan proceeds to define and qualify the main steps required to implement these resolutions. It stresses the need to raise public savings. This is all the more correct as the role attributed to the productive private sector is modest, and—given the restrictions and uncertainty surrounding it—the chances of its fulfilling even that role are low. For the public sector, the five-year investment target has been fixed at Rs. 7 billion—raising from Rs. 1.1 billion in 1972 to Rs. 1.79 billion in 1975. Strikingly comparable figures are not available for the recent past and not given by the Plan documents. However, it seems fairly well established that the total public sector investment was Rs. 757 million equivalent in the fiscal year 1970/71. Of this, Rs. 337 million were Government investment proper, Rs. 100 million the investment of departmental enterprises and the rest mainly the investment of public sector corporations.

According to the Plan document, that investment total and the growth it generates would suffice to absorb all new entrants into the labor force, about 550,000 during the period, and also to bite seriously into the unemployment backlog, also estimated at 550,000. In fact, that estimate was made at the end of 1969. By the time the Plan gets under way, the recession of the past eighteen months will have raised the unemployment level much higher.

Furthermore, the Plan is rather more optimistic about the employment implications of its investment and growth targets than the Seers Mission (indeed, more optimistic than its own working). The Plan is also more optimistic about the growth implications of its investments target than we can be: GDP at constant prices is to grow at about 6.1 percent annually, and commodity production at 6.3 percent. As the Plan seems to assume—as it prudently should—that price trends for the traditional exports will continue to be unfavorable, growth target at current prices is 5.6 percent for GDP. Nevertheless even if they did not quite fulfill the Government's aims and the country's expectations, the planned investment level would probably stabilize or even slightly reduce unemployment, and prepare for its future resorption. In terms of its impact on employment, the investment target is an acceptable minimum goal; but it is no more than the minimum acceptable goal.

To meet that investment target, the Plan proposes a current budget surplus of Rs. 112 million in 1972. Translated into the budget presentation we normally use in this report, i.e., the "economic" presentation by the Central Bank, this is about Rs. 185 million. Given the actual current deficit of Rs. 142 million, in 1970/71, the required swing in the current surplus is about Rs. 327 million. The additional current income required

would obviously be higher than this, in order to take care of growing current expenditures in subsequent years, if—as the Plan specifies—current expenditures are to rise at an annual average of 5.2 percent (well below past rates), current revenues would have to keep rising at an annual rate of almost 10 percent. The Plan aims for an annual average of 5.6 percent in real income growth. If that is realized total disposable personal incomes could grow at 4.3 percent, about 2.3 percent would be absorbed by new accretions to the labor force; the disposable incomes of the employed population could increase by 2 percent per annum if unemployment were kept constant at its 1971 rate. Any decrease in unemployment below the 1971 level would involve some reduction in the rate of growth of real incomes of the employed population.

All this, of course, depends on achieving the Plan's production targets. Compared with the past, a 5 percent growth rate in real income is quite ambitious. This is not to say that Ceylon should aim for less; merely that one must envisage the consequence of shortfall. Were export price trends to continue unchanged, the target would require overall commodity production (at constant 1959 prices) to grow at an annual rate of almost 6 percent, as against 3.4 percent over the previous decade. The volume of the three main commodity exports would have to grow at 3 percent, and

production for domestic use at almost 10 percent per annum as against 6 percent over the previous decade. To reach these averages over the five years, while the starting rates necessarily reflect the low investment volumes of past years, will be difficult indeed. A slight slippage cannot be excluded; it is indeed, all but unavoidable in the early years. This would mean that—unless the investment targets are to be sacrificed and the hopes to break the vicious circle given up—the disposable real incomes of the employed population would have to be further reduced in subsequent years.

“Such continued reduction of real wages would create political problems; it would require a great deal of ingenuity in purely technical, tax administration terms. However great the political difficulties of immediate cuts in consumption, followed by a slow rise, they are likely to be less than those of an only slightly smaller immediate reduction of consumption, followed by further reductions. The difficulties of the latter course would, in fact be so great to compromise the chances of enough resources being raised in future years. It would therefore be well to think in terms of raising rather more additional resources in the first year than had been planned, and less in subsequent years. Keeping to the plans overall investment and saving targets, their phasing should be such as to allow some recovery of real wages after their initial

reduction. If unemployment is reduced by half during the plan period the minimum 1972 public savings level which would permit real wage rates to rise marginally in subsequent years amounts to about Rs. 450 million. The desirable increase in public savings is therefore about Rs. 600 million.”

These are some of the basic pre-requisites for making the FIVE-YEAR PLAN work. Whether under capitalism or socialism, the basic data marshalled by the IMF would hold good. Under capitalism, the capital will be found in a “bourgeois way” and the plan implemented under a system of private enterprise. Under socialism, the capital and resources will be found by non-capitalists devices and the plan worked under a system of public ownership.

But Sri Lanka is a “mixed economy”, and with the private sector and the public sector interloping into each other’s territory, nobody seems to know just how they could proceed to get things done. India too was a “mixed economy”, but Indian planners and the Indian Government had defined the private and public sectors with a great degree of clarity and development had proceeded apace in each of the sectors.

But Sri Lanka is on the crossroads not knowing which way to turn. The undergraduates had hit the nail on the head when they had pointed out in their Memorandum that owing

to confusion over policy neither the private sector nor the public sector was able to operate on an efficient basis.

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CEYLON MARGINAL NOTES

- ★ Razor's Edge
- ★ Strikes
- ★ Political Parties

by SERENDIB

ALTHOUGH the month of July and August have appeared to be placid and calm on the domestic front, only the knowledgeable realise that this country has been balancing on the sharp end of a razor's edge. Somerset Maugham in his *Razor's Edge* has given fiction-wise a story on what it means to be between nowhere and somewhere, but it is a much thrilling experience to be living in Sri Lanka conscious of the significance and implications of the events taking place right under our noses. Unfortunately, most people do not seem to realise just how close to the edge we are as Sri Lanka trips along the edge of the razor hoping to reach the other side without either falling off the edge or getting sliced by the razor itself.

This is because many do not want to know how near the brink we have reached in our financial and economic affairs. It is true that no country ever goes "bankrupt" in the way an individual declares bankruptcy in an insolvency court, but a gall-

oping inflation usually mark the beginning of a period of near bankruptcy so far as a country is concerned. Germany in the early twenties, Kuomintang China in the last days of Chiang Kai-shek and Indonesia in more recent times (in the immediate post-Sukarno period) witnessed inflation of a kind which has staggered imagination. To pay for a dinner it was necessary to carry a sack load of currency notes in the three countries mentioned. A box of matches had cost five rupiahs in Indonesia. Ceylon has not yet come to that, but it will if the Government does not take drastic steps with courage and fortitude. The first step is to cut the rice subsidy and save over Rs. 800 million nearly the whole of which will be in foreign exchange. Such a step will no doubt have an impact on the voters which those who are presently members of the National State Assembly and the Government will not like. But it undoubtedly will save the country from the kind of inflation which is tantamount to bankruptcy. If free education, free health and

everything else which is free is also cut almost immediately, this country has a reasonable chance of seeing the economy to a stable position from which a take-off for economic regeneration could be possible. The Prime Minister of communist China, Chou En-lai, has given our Government the identical advice, when he made the under-statement that free rice and free education was not socialism. What the Government however, wishfully wants to do is to get to the other side of the razor's thin edge of sharpness without doing anything drastic.

THE FIRST INSURGENCY TRIAL before the Criminal Justice Commission has now got under way. Nine of the 41 charged are either absconding or dead, three pleaded guilty and made statements which support the Government case. The lawyers representing a number of suspects staged a walk out because they said that they were not heard at length on certain legal objections they had raised before the objections were over-ruled. The first oral witness from the State, a Buddhist Bhikku, has spoken in detail about the preparations for the insurrection of April 5, 1971. The trial continues and there is no doubt it will take a long time. *Tribune* (this columnist has suggested to the Editor) should undertake a the compilation of a readable and comprehensive summary of the significant matters which emerge in the trials before the CJC and publish the same at appropriate times when particular

matters or aspects of the insurrection have reached finality before the CJC.

From the beginning of August the technical officers of the new Territorial Engineering Organisations (covering irrigation and roads mainly) have been on strike. At the time of writing these notes (August 20), the Government has issued an ultimatum requesting all to report to work on August 21 failing which they will have been deemed to have vacated their posts. The indications are that the Union will defy the Government and its members will risk governmental fury. In the meantime other sectors of the working people, mainly from the white collar and professional groups, are threatening similar strike action. The Bank Clerks Union is also on the verge of launching a major strike demanding a twenty per cent wage increase. The doctors through the GMOA are also in the mood to resort to direct action.

Most of the blue-collar and other workers' unions are still solidly behind the UF government on a political basis, but disillusionments about the economic situation has begun to seep through their ranks. The Ceylon Workers Congress has decided to start a "start work at 9 a.m." campaign and this is likely to have serious repercussions particularly because other unions in the plantations (strongly in favour of the UF government) oppose this move. All this will lead to further dislocation in the plantation

industries. These strikes, the threats to take direct action and other forms of "trade union action", appear normal and commonplace in a democratic society. There is also complacency because many large trade union federations which are adjuncts of the three main political parties in the United Front proclaim they are solidly with the Government. What they do not seem to realise, or even sense is that there is deep discontent (amounting to indignant frustration) about the shortages, austerities, high prices and the total inability of the Government to "get going". The passing of legislation to usher in the Republican Constitution has so far left everybody cold and the Land Reform Act with ceilings mean very little to most people—unless people are ensured of food supplies at reasonable prices, houses, schools and what not. They will be willing to pay for all these amenities if they are provided with gainful employment.

The daily newspapers give no inkling of this smoldering sense of disgust and disappointment among the people which unless checked, will overflow and burst out like a volcano in violent upheaval. The insurrection of 1971 was only a preliminary danger signal—foolish, impetuous, amateurish and suicidal, doomed to failure from the very start. But such danger signals must be taken heed of with due appreciation of the socio-political, economic and historical impli-

cations thereof. Bringing a rebellion under control through military, police and security forces is the easiest part of this business. The more difficult part is to remove the causes and create stable conditions for all sections of the community to participate in a democratic way of life and to be actively involved in economic development.

IT IS A PITY that political parties which claim to represent the people do not seem to realise fully the dangerous situation which confronts this country. The United Front parties—SLFP, LSSP and CP—have the heaviest burden in regard to leading the nation through the morass of economic stagnation and political illusion to attain basic and primary objectives from which the country could "take off" to effect a major economic revolution. The UF has many advantages to enable it to achieve this objective. For one thing it is still united. The squabble with the UF because of the disagreement with certain sections of the CP have now been tidied over. The CP Congress lends powerful supports to the radical programme of the UF.

But there is no consensus in the UF as to what should be done to break the economic stagnation. They all seem to be agreed on doctrinaire panaceas like land ceilings, income ceilings and the like, but though they may usher in a socio-economic transformation on a long range basis, they cannot

and will not solve the immediate problems of financial liquidity, foreign exchange shortages and the like which have begun to undermine economic stability. Nor will these far-reaching reforms induce the necessary enthusiasm and manpower mobilisation to increase total production and secure higher productive levels. On the other hand, these reforms will, under the normal circumstances, impel restrictive impulses which will tend to reduce productive capacity and productive initiative.

And it is only the CP which seems to have realised that a solution of the problem of minorities was essential for economic regeneration. Without total and complete solution to the problem of the minorities—constituting a third of the resident population (and not merely going on a count of "citizens")—there cannot be adequate manpower mobilisation, for production, because among the minorities are some of the most hardworking and skilled sections of the community. The SLFP seems to think that administrative goodwill and largesse was enough to sugarcoat the discrimination stemming from racial, linguistic and religious chauvinism—which all three constituent members of the UF appear to accept as basic imperatives for vote-catching among the majority of the Sinhalese.

The LSSP wants the minorities to have confidence in the

LSSP because it is a "Left Party" and its leaders endeavour to place as many of its Tamil supporters in important positions in the administration to persuade the Tamils that they enjoy "equality". The LSSP also feels that the new Republican Constitution guarantees fundamental rights to the Tamils and thinks that the minority problem will be solved when the "reactionaries" among the Tamils are liquidated politically. The CP seems to think along similar lines but the political report of the CP senses the need to enable the Tamils to develop the areas which are their traditional homelands. The CP wants the UF to "woo" the Tamils and other minorities in a positive way not merely through negative administrative actions. Whilst the CP is afraid to proclaim its belief that the Tamils should be permitted to develop as cultural entities in their traditional areas, there is an aggressive section in the SLFP which thinks that the minority problem will be solved by the ultimate cultural and linguistic "assimilation" of the Tamils: only the interim period had to be sugar-coated to make it palatable.

HOWEVER, there seems to be a new awakening to realities among Tamil politicians who had warred among themselves for many years, the FP, the TC and other Tamil groups have now merged into the

Tamil United Front, an amorphous body without any organisational cohesiveness. But the UF reflected Tamil thinking. The six point demand of the TUF is a revealing document. The demands are as follows: "The Tamil language should be given the same status in the Constitution as Sinhala (2) There should be constitutional guarantees of full citizenship to all Tamil speaking persons who have made this country their home. There should not be any different categories of citizenship or discrimination between them. The State shall have no power to deprive a citizen of his citizenship; (3) The State shall be secular while equal protection is afforded to all religions; (4) The State should provide valid fundamental rights guaranteeing equality of persons and ethno-cultural groups; (5) There should be provision in the Constitution for the abolition of caste and untouchability (6) In a democratic and socialist society de-centralised structure of government alone will make it possible for a participatory democracy where power will be the people's power rather than State power."

The Tamil United Front has been blowing hot and cold as how it was going to win Tamil rights. At first it wanted to boycott the National State Assembly as a mark of protest against the new Constitution. Then it decided that Tamil parliamentarians should take their oaths and participate in the

Assembly and seek a democratic way of amending the Constitution. In the meantime, the TUF also threatened to fix a deadline after which it said it would resort to peaceful satyagraha.

Whilst the Tamil United Front continued its "respectable" politics, a militant group of extremists seemed to have emerged in the North. Its present form of direct action seems to consist of throwing hand-bombs, of setting fires to cadjan fences and the like. Leading political figures supporting the Government have been intimidated and threatened. The Government, as was to be expected, came down strongly by arresting and detaining nearly seventy young men suspected of such activities.

The Government is also seeking to expedite the introduction of Tamil into the Courts in the North and East. This is a symbolic gesture to demonstrate that the UF government has great solicitude for the Tamils and their language. Whether this will have the necessary impact to satisfy the Tamils is doubtful because they feel that these concessions based on administrative goodwill was of little significance without corresponding amendments in the Constitution guaranteeing these rights.

TAMIL POLITICS continue to zig zag in this parlous way, and the UNP, the leading party of the opposition, is in disarray. Even though Dudley and JR now present a united

front, the Party continues to be in shambles. Plans have announced that a new Constitution would be drawn up for the UNP with a new programme and a new image. Irrepressible Premadasa released a revealing letter to the press—a letter he had addressed to the President, Mr. Dudley Senanayake. It was an indictment of the Dudley Senanayake method and manner of politics. He wanted a change in the UNP also an opportunity for all members to express their views.

Whilst the UNP was going through this traumatic experience, it was confronted with the Land Reforms Bill and it opposed it only on the ground that public companies had been exempted from its provisions. It was a case of *out-heroding herod*. Even the Federal Party, which has customarily voted along conservative and "reactionary" lines, deserted the UNP and supported the Bill in the National Assembly.

In the midst of all this, the small but vociferous Peking CP made history. A section of the Central Committee "sacked" its founder and leader Shanmugathasan whilst he was on a sojourn abroad. Shan had been in detention until early this year and shortly after that that he had gone abroad, in the first instance to Albania and thereafter, as it now transpires, to China and certain European capitals. Shan continued his opposition to the UF with as much vigour as he opposed the JVP.

But his colleagues had changed their attitudes and they wanted to support the UF government as a "progressive coalition". Shortly, after the PM returned from China, one faction of the Peking-wing CP claimed that it had the majority of the CC and the Party and announced that Shan had been sacked from the Party as well as thrown out from the post of Gen. Sec. They said that Shan had made ideological mistakes in opposing the UF government and that he had acted on his own in going abroad without the sanction of the CC. Persons loyal to Shan issued statements that the Watson Fernando group were usurpers without any right to do what they did.

Shan returned hastily to the island and he too issued statements. Other statements followed, and the net result seems to be that the majority of the Pekingwing were against Shan including the groups in the plantation trade union front as well as in the North. The Watson Fernando section of the Peking wing CP are likely to ask for a formal partnership in the UF whilst Shan will continue to fire his broadsides against US imperialists, Russian revisionist social-imperialists, Indian expansionists, UF reactionaries and all anti-Maoists.

PAKISTAN

Syed's Movement for Sindudesh

Karachi,

VETERAN Sind leader G. M. Syed has said he was engaged in organising a Bangladesh-style movement which would either end exploitation of his people in Pakistan or lead to the emergence of a Sindudesh. Echoing the six-point programme of Sheikh Mujibur Rahman's Awami League, the 69-year-old leader of the Jiye Sind Front said in an interview with *UNI* here that the federal government should deal with only defence, foreign affairs and currency matters.

Mr. Syed's Sind United Front, knocked together on the eve of the 1970 elections, was routed by Mr. Zulfikar Ali Bhutto's Pakistan People's Party. His supporters claim that the PPP stole its Sindhi platform. While the Sindhi population plumped for PPP, the province's large Urdu-speaking refugee population threw its lot with the right-extremist-Jammat-ul-Islami. Mr. Syed himself was trounced.

SUBSEQUENTLY, Mr Syed organised the Jiye Sind Front to espouse the Sindhi cause in more militant terms. Mr. Syed deplored the refugees' domination over Sind, established over the years with the active encouragement and support of successive governments. He said the Jiye Sind Front wanted all refugees to quit the province. "Either they go back to where they came from or we will be forced to drive them out," he added.

Outside Mr. Syed's two-story house in the eastern part of the city stood an armed guard, engaged by him in the wake of the recent riots between supporters of Sindhi and Urdu. In Karachi, and Hyderabad, Urdu speaking refugees outnumber Sindhis, according to some authorities. Mr. Syed, however, disputes this. According to him, out of a population of 2.1 million in Karachi, as in 1961 (the census, due last year, is yet to take place), refugees numbered only 5 lakhs against the Sindhi strength of 6 lakhs.

While the interview was in progress, an aide brought word about the arrival of a group of students who were later joined by other youthful supporters of the Jiye Sind movement. Soon there were some 60 or 70 young men in the house, greeting each other with "Jiye Sind" and settling down for the daily round of discussions on organisational problems.

Mr. Syed reeled out facts and figures in support of his contention that the Sindhis had been reduced to a colonial status in their own land. He said that three-fourths of Pakistan's revenue of Rs. 400 crores came from Sind, thanks largely to the port of Karachi. But what was spent in the province amounted to hardly one per cent of it. Sind had an annual revenue surplus of Rs. 33 crores when its identity was destroyed with the creation of the "one unit" of West Pakistan. At that time Punjab had a deficit of Rs. 100 crores.

HE ALLEGED that Sind had been deprived of the much-needed water resources in total disregard of the 1945 Sind-Punjab agreement for sharing river waters. The artiremoney provided by India and a world consortium under the Indus Water Treaty had been spent in Punjab. Mr. Syed said that when large areas became available for cultivation in Sind, under two barrages built at a cost of Rs 200 crores, the land was given not to Sindhis, but to military and civil officials who brought in settlers from Punjab to colonise the area.

He estimated that 34 per cent of land holdings were in the hands of Hindus at the time of the partition. The land left behind by them was used not to settle the nomads, who accounted for about 30 per cent of the Sindhi population, but was allotted to refugees. As much as Rs. 2,000 crores had been spent on refugee

rehabilitation, while the Sindhi's needs were ignored.

He said the Pakistan administration had placed all banks under the refugees. The banks financed the activities of the refugees. The banks who soon came to have a dominant position in the country's economy. State-financed institutions neglected Sind. The province received only about Rs. 10 crores out of about Rs. 200 crores invested by the West Pakistan Industrial Development Corporation.

Mr. Syed dwelt at length on the scant employment opportunities available to the Sindhis—a crucial factor in the language controversy that exploded into violence a fortnight ago. He said that representation of the community in the Central Secretariat was so low that out of 5,000 employees only one was Sindhi. In the defence services, the ratio was one in 10,000. Of the 959 class one and class two officials of the State Bank, only three were Sindhis; of the 3,000 clerical and other staff, only 20 were Sindhis. In the railways, posts and telegraphs, customs, radio and television and other central departments Sindhis accounted for only 0.1 per cent.

Even in the Sind provincial Government, he said, the Sindhi staff numbered not more than 40 per cent. In some departments their percentage was as low as 20. The municipal services were almost entirely non-Sindhi.

Mr. Syed asserted that Sindhi was a far richer language than Urdu and the attempt to substitute Sindhi words with Urdu ones had created a ridiculous situation. He charged the PPP administration with surrendering to the Urdu-speaking people after bringing forward legislation to make Sindhi the provincial language. He referred to the demand voiced by some Urdu-speaking people that Karachi should be made a separate province, and said that such a step would be the last straw on the camel's back.

He feared the language trouble might flare up again. He said Urdu-speaking people had been coming into Karachi from other parts of the province with horror tales. He thought the refugees were preparing for a final showdown and "we may be on the brink of another civil war."

One of Mr. Syed's young followers, speaking for the group, said theirs was a struggle for justice, and they were prepared to make every sacrifice for the cause of protecting and preserving the language and culture of the Sindhis.

[Mr. G. M. Syed and many leaders in Sind are now under arrest] Ed.

FROM THE
EDITOR'S DESK

The Guyana Heartbreak

EVER SINCE the news came from Georgetown in Guyana that Ceylon, rather Sri Lanka, did not get sufficient backing from the non-aligned powers to make Colombo the venue of the next non-aligned summit, the daily papers have been bemoaning that Sri Lanka had been badly let down. From these reports, some which seem to be inspired leaks, it would appear that all Arab countries and many African countries had agreed to support Sri Lanka's case for being the host country for the next non-aligned summit.

Although it was not said in so many words, it was also implicit that Asian countries did not present a united and determined front to have the next non-aligned summit in Asia. In fact, three Asian countries had walked out of the meeting because the conference had decided by a majority vote to admit the South Vietnam Revolutionary Government and the Sihanouk Government as full members. The consensus rule had been broken in this case with the result three countries walked out—weakening Asia's strength as well as



impairing Asia's unity. Ceylon had been one of the strongest champions of Sihanouk and the South Vietnam's revolutionary government, and Malaysia, and Laos which had walked out could not have been expected to fight Sri Lanka's case. Reports indicated that only two small countries had spoken with any degree of enthusiasm for Sri Lanka, namely Singapore and Nepal. Indonesia, one of the biggest countries in Asia, was absent and silent, and India the biggest non-aligned power was not able or was not inclined to either to get Asian countries together or use its influence in the Afroasian world on behalf of Sri Lanka. The admission of Bangla Desh had been spiked by China's veto in the UN with the result that Bangla Desh did not press her claim at George'own. And Asia was weaker thereby. And Sri Lanka could not be expected to back Bangladesh without the tacit approval of both Pakistan and China.

INDIA'S APATHY is understandable. Sri Lanka has not shown that degree of warmth and cordiality towards India which New Delhi expected of Sri Lanka after the help India had rendered in April 1971. In fact there is an under-current of animosity and hostility to India among certain sections of Ceylon's ruling hierarchy. An editorial in the *Indian Express* of July 11, 1972 will give some idea of how India feels about this matter. The editorial was

entitled POLICY OF ENCIRCLEMENT? and it read:

"Having failed in its efforts to subvert or undermine India directly, China is resorting to the indirect strategem of encircling this country. Pakistan was the first move in this direction. Lanka, judging by Peking's effusive welcome to Mrs. Bandaranaike, a gesture effusively reciprocated by the Government in Colombo, is the second. Earlier, the Chinese had made efforts to carry Nepal and Burma the same way, though less successfully, Bhutan obviously also figures in this grand design, but the weapon Peking is likely to employ against it will approximate more to the blunderbuss than to blandishment and blarney. The same applies to Sikkim wedged between Nepal and Bhutan.

"What Lanka and its Prime Minister choose to do *vis-a-vis* India is their affair, interestingly, however an opposition leader has pointed out the danger and folly of such equivocal tactics. At a time when India and Pakistan are engaged in mending their fences, it would be inopportune for Lanka to embark on a policy of veiled hostility to India. Nor at this juncture would it accord with Mrs. Bandaranaike declared aim of ensuring that the Indian Ocean is a neutral peace zone. Close though New Delhi is to Moscow today it has refrained from extending any special facilities to the Russians in this sensitive area.

"Russia is not especially interested in India any more than China is in Lanka. Russia and China are primarily interested in themselves and in what concerns their separate interests and aims. In their calculus, India and Lanka, respectively, are of secondary or derivative importance. In a sense both countries are pawns in the Sino-Soviet power struggle. One would wish that Colombo was more consciously aware of this fact.

"For the encirclement of India, China has five countries in mind—Pakistan, Nepal, Burma, Ceylon and Bhutan. Sikkim, as a Himalayan border State, also falls in this category largely because of its geographical situation. Intriguingly enough, China from British days in India has had its so-called five colours which it has insisted should be blended into one. These five colours are China, Tibet, Nepal, Sikkim and Bhutan. Now reverting again to the "five colours" China would like to encircle India with five of its immediate neighbours — Pakistan, Nepal, Burma, Ceylon and Bhutan.

"Eight years ago Chou En-lai embarked on his African Odyssey in an unsuccessful attempt to be the harbinger of revolution on that continent. In Mogadishu, on the last leg of his tour, Chou blithely observed that China was undeservedly getting the credit for revolutions abroad. This frightened the Africans whose reactions to that observation were noticeably cool. Perhaps Chou

might succeed in Colombo, thereby redeeming his failure in Mogadishu."

Tribune cannot agree with nearly everything said in this editorial, but since this *Indian Express* view is typical of what is said and felt in India, serious note must be taken about it. It reflects Indian sentiment. It was undoubtedly a realisation of this that made Mr. J. R. Jayawardena, the leader of the Opposition, stress that it was in Sri Lanka's interest to maintain cordial relations with India, and that suspicion against India must end. Indian papers carried a PTI despatch on Mr. Jayawardena's views and manner of the PTI presentation indicated Indian feelings on this question. The report read as follows:

"LEADER of Sri Lanka's Opposition United National Party J. R. Jayawardena has reiterated his plea for restoration of "cordial" links with India and the establishment of close economic ties between the two countries. Mr. Jayawardena was elaborating in an interview, published today, with the editor of the largest circulated English language *Daily News* his recent statement in the National Assembly that Sri Lanka should not make the mistake of loosening its ties with its great neighbour. Asserting that 'undoubtedly there is not as much cordiality as before' between the two nations, he said, 'just as we must get rid of our traditional suspicion,

India must do its utmost to convince its neighbours that it can be trusted."

"The Indo-Soviet Friendship Treaty. Mr. Jayawardena said, had 'understandably created a great deal of fear and suspicion' among India's neighbours. He suggested that India should abrogate the Treaty. Mr. Jayawardena said that with Pakistan 'accepting the reality' of the situation, the reasons which impelled India to sign the Treaty no longer existed and were not likely to exist. In his view it was imperative that Sri Lanka as well as other neighbours should have close economic links with India as the latter would soon become the centre of an Asian regional economic community. Mr. Jayawardena disagreed with the view that India was 'only verbal and not actual' in its offer of economic co-operation with Sri Lanka.

"At the political level, he said, he saw nothing but co-operation in this respect when he was a Minister under the UNP regimes. He said the causes for weakening of mutual ties were 'our policy and statements,' made particularly by our UN representative during the crisis in the subcontinent, delay (on the part of Sri Lanka) in recognising Bangladesh, passage of Pakistani planes (through the Bandaranaike International airport at the height of the Bangladesh crisis) and so on... It looked as if we were against India. Mr. Jayawardena said although the Minister for Home Affairs, Mr.

F. D. Bandaranaike, had given a "satisfactory" explanation in Parliament on this issue, the damage had already been done and these impressions, could not be erased away, especially public impressions.

"In India, both at official and mass levels, the impression was that Sri Lanka was not neutral at the time of the crisis in the subcontinent, he added. Mr. Jayawardena said Sri Lanka should be friendly with India not only because it was a big neighbour, but because it is clear that India would become one day a major world power 'economically, militarily and in other ways.' He admitted that this created certain fears and prejudices, but we must look to the future, not to the past.

Q: Is it wise to forget the past?

A: It is wiser to look to the future."

WHAT MR. JAYAWARDENA says about this matter will naturally be coloured by his rightwing political attitudes. It is interesting therefore to know what the accredited representative of Sri Lanka in India Mr. N. Q. Dias, has to say on this matter. The *Madras Mail* of July 13 carried a full length write-up about Mr. N. Q. Dias under the heading AN ENVOY SPEAKS OUT. We publish the entirety of the article because of its topicality. "A diplomatic assignment between two close neighbours like India and Ceylon, with longstanding cultural, social and to some extent

linguistic ties, is indeed exacting and delicate. Sri Lanka's High Commissioner in New Delhi, the suave, softspoken N. Q. Dias, brings to bear on his duties rich experience in the foreign ministry in the Island and a robust optimism in the good neighbourly relations between the two countries.

"To Mr. Dias, his work in India's capital is both a challenge and an opportunity. The envoy does not seek to underestimate the feelings of misunderstanding entertained in India, both at official and non official levels about Ceylon's policy towards India. In simple Dhoti worn in traditional style with a white full-arm shirt, Mr. Dias is informal in his meetings with friends and fits well in any company in S. India. He easily disarms the person before him with his frankness and directness of approach to problems. Vagueness and sophistication of language appear to be foreign to him. A fine conversationalist, he exudes genuine warmth and cordiality.

"Meet Mr. Dias, and it does not take time for any to admit the rare 'some misunderstanding' of Ceylon's attitude to India, lately, especially after the India-Pakistan war and the debate in the U.N. on the Bangla Desh issue. He immediately plunges into the subject, saying "we shall clear this misunderstanding," and goes on to explain Ceylon's stand vis a vis India. Mr. Dias understands the nuances of India-Ceylon relations and has no difficulty

in convincing the visitor of his country's bona fides. He does not hesitate to lay emphasis on the many factors which are common to India and Ceylon, the common interests which should bring the two countries closer together in the future.

"Are people in Ceylon really afraid that India might some day attack the Island? 'No, not at all,' comes the reply immediately from the envoy. What then is the cause of the misunderstanding and the anti-Indian attitude of Cey-

lon? 'Nothing, but the chagrin caused by India's record of not honouring the trade pacts.' Says Mr. Dias, 'every year Ceylon and India enter into trade agreement' and invariably the agreement is implemented more in the breach than in its observance. This, he emphasises, causes not a little irritation and misunderstanding.

"Mr. Dias today can think of only this as the irritant in the relations between the two countries. And as a confirmed optimist, he is definite that



A designer of jewellery at a factory in Krasnoye village, Kostroma Region making a bracelet.

that when the Prime Minister of the two countries meet—and they will be meeting sometime during the current year—the differences of opinion and the misunderstanding would surely disappear.

“About Ceylon’s friendship with China, Mr. Dias has a very convincing explanation. China has been helping Ceylon for a long time, it started with Ceylon agreeing to supply rubber to China, and since then China has been maintaining a steady flow of assistance to the Island, which is greatly appreciated. And what is more China has made it clear to Ceylon that it has no aggressive designs or territorial ambitions on Ceylon.

“Mr. Dias feels certain that Ceylon’s friendly relations with China will not come in the way of India and Ceylon moving closer together. He recalls with pride to Ceylon’s co-operative role with India in several international bodies. What then is the truth behind the report that Ceylon may hand over Trincomalee harbour to China: the envoy just dismisses it as mischievous propaganda by anti-Government elements in the Island and adds with emphasis, “Have we driven the British out simply to hand it over to others.”

The 20 months he has been the High Commissioner in India, Mr. Dias has gone round India and Tamilnadu, and is all praise for the warm affection and co-operation of the people, both officials and non-

officials. He admires India’s achievement on the food front, the Green Revolution. He is all praise for the ‘good work done at the Agricultural Research Institute, Coimbatore, in Tamilnadu.”

NOT EVERYBODY in Ceylon will agree with Dias’s explanations for the “misunderstandings” between the two countries. But it is interesting to note what he has to say.

In this state of “misunderstanding” with India, Sri Lanka could not have expected India to have championed her case. That is why the local papers did not say even one word about India. The anger and fury has been turned on the Arab world. Sri Lanka has stuck her neck out for the Arabs. It would be appropriate to quote *in extenso* an editorial in the *Daily Mirror* of August 19 entitled THE UNKINDEST CUT. It is a piece of writing for the record. This is what the editorial stated:

“True to form the unkindest out of all has been unleashed on us in typical style by the Arab world at the Non-aligned Conference at Georgetown, Guyana, from which Mr. Felix Dias Bandaranaike returns today nursing the bleeding gash. Sri Lanka should have been tipped off a long time ago that under-cutting is the Arab stock-in-trade. The trouble, we think, is that our Ministry of External Affairs alias Foreign Relations was no too well acquainted with their internal affairs. For, it is said

that in that part of the world when a Government official says “good morning”, the recipient of the greeting cheeks with the Weather Bureau. It is unfair, however, to tar the Arab people, with the same brush as that with which we tar their governments. Sri Lanka’s lobbyists were, we think, far too native, far too gullible. They should have realized that those men from the land of oil fields were far more slippery customers than the eels in our seas. Like the recipients of the “good morning” greeting, they should have checked and double-checked the Afro-Asian pulse before believing that it beat in our favour.

“Virtue, we are told, is often born out of evil. And the Virtue that lotus-like has blossomed out of the mud of Afro-Arab treachery, is that Sri Lanka must not think it is the cock-of-the-walk. It should not take too much for granted. A speck in the ocean it has no business to think it is the ocean itself. In under-cutting this nation, heinous as their offence is, they—the Afro-Arab countries—have cut it down to real size. On the face of the pre-conference pledges and promises by the Afro-Arab group, Sri Lanka has every reason to take it hard, feel bitter and disillusioned. No one can blame it for the wrathful reaction of teeth-gnashing, fist clenching and hair-tearing. Visions of a showpiece international conference at the new Bandaranaike Memorial Hall have been shot down; dreams

of becoming the focal point of the non-aligned world have been shattered and the debris of both lie at the feet of the visionaries and the dreamers. It is heart-breaking. It is also eye-opening. And this is more important than the first.

“Sri Lanka lived in an ivory tower of its own creation, like the Emperor who wore no clothes but was coaxed and cajoled by his flatterers and jawners into believing that he was garbed in the most resplendent raiment, till he was told by a little child that he was naked. Sri Lanka believed it was a world power till this below-the-belt punch jolted it into reality.

“At the insistence of this self-same Arab world, the Israelis were not merely asked to leave but were summarily booted out of Sri Lanka. And as in human relationship, so in international relationship, those who provoked this Government to cut the Israeli throat have cut ours. Call it retribution. Call it poetic justice. But it is an immutable law of nature—that what you do to others, shall be done to you. This reflection does not mean that we condone Afro-Arab treachery. We condemn it without reserve as we do condemn anyone who violates his promise, who betrays trust. We urge a complete overhaul of our relations with that part of the world.

“Having given vent to our spleen, having exhausted hot air, what now? Let us take a

cold and impassioned look at those who stood by this betrayed land at Georgetown, India—the India whose imperialism we eared, whose expansionism we derided, whose help we scorned; Singapore which we scoffed at as a Capitalist stooge, as a land with an artificial economy; Nepal towards which we hardly raised an eye-brow; and the Calypso singing Carribean Isles, whom we flicked off as lotus-eaters. They rallied round us and saved us from the degradation of utter rout. Could we now stretch out a hand of cordiality towards the lands we thumbed our nose at? In international relationship, the tap of opportunistic friendship cannot be turned on and off at a little Lilliputian nation's whim and fancy. Sri Lanka had better get that straight. As for non-alignment, there is as much of it around as there are feathers on a tortoise. There were four non-aligned rival blocs operating at Georgetown—the Arab, the African, the Carribean and the Asian, All sharpening their knives against each other. And at the end of it all, it was poor Sri Lanka's neck that was ingloriously cut in twain.

“Let's cut the tears out. Open our eyes wide. Know our limitations and for heaven's sake, be realistic.”

All we can add is *Amen*.



POINT OF VIEW

Communism, Socialism, and Capitalism

(1) “A revolution is not a dinner party, or writing an essay, or painting a picture, or doing embroidery; it cannot be so refined, so leisurely and gentle, so temperate, kind, courteous, restrained and magnanimous. A revolution is an insurrection, an act of violence by which one class overthrows another.” (QUOTATIONS FROM CHAIRMAN MAO TSE-TUNG, Foreign Languages Press, Peking 1967, pp. 11 & 12).

(2) “Every Communist must grasp the truth ‘Political power grows out of the barrel of a gun’.” (Ibid., p. 61)

(3) “How are we to judge whether a youth is a revolutionary? How can we tell? There can be only one criterion, namely, whether or not he is willing to integrate himself with the broad masses of workers and peasants and does so in practice. If he is willing to do so and actually does so, he is a revolutionary; otherwise he is a non-revolutionary or counter-revolutionary. If today he integrates himself with the masses of workers and peasants, then today he is a revolutionary; if tomorrow he ceases

to do so or turns round to oppress the common people, then he becomes a non-revolutionary or a counter-revolutionary." (Ibid., pp. 291-2)

(a) "Here is word for you, oppressors of the poor, that bring ruin on your fellow-citizens in their need; you that long for new moon and sabbath to be at an end, for trading to begin and granary to be opened, so that you may be at your shifts again, the scant measure, the high price, the false weights! You that for a debt, though it were but the price of a pair of shoes, will make slaves of poor, honest folk; you that se|refuse for wheat!" (OLD TESTAMENT, Knox translation, AMOS, Chap. 8, verses 4-6)

(b) "Kings a moay, and with no warrant from me; princes a many, that were none of my choosing; idols a many, of their own gold and silver minted; here is cause enough for their undoing. Cast calf, Samaria, is yonder calf of thine: for this burning affront, it shall be long ere thou canst find acquittal. Israel gave birth to it, this calf of Samaria, that came of man's fashioning, and god is none; it shall be beaten fine as filigree." (Ibid., HOSEA or OSEE, Chap. 8 verses 4-6)



Why the clash? The truth is that
Capitalism has unleashed a mighty force
That cannot be contained: the proletariat.
The population explosion stems from here
—Despite the dubious artifices to contain it—
The workers banked in masses,
Their numbers swelling daily,
By those who no more can keep their feet,
The dispossessed raked by industrialism.



The Communists—what is it they want?
Production - that set the capitalists on their way to power
They both are striving for this selfsame thing,
The one to sell, the other to enjoy the fruits and labour
That production brings—the noise and rattle of machinery.



So why the clash? The truth is that they need each other,
These two—the one to keep power by posing a fear of
capitalism,
The other to keep the system going by clash of arms.
Basically they are friends, and like friends beg to disagree.



But at home the forces of the workers must be contained,
And the middle classes must pay the expenses of the poor.
Hence socialism must play its part, while the rulers get
off free



But now another voice is heard, and the workers'
power is past;
The voice of youth is heard, and the events of April
proved it.



They do not know yet what they want, they think in cliches:
They are a sheep without a shepherd.
They need the family.
We're all a family with a one, true God.

Simon Vanniya

INDIA

Lessons from the Destructive Naxalite Movement

by A SPECIAL CORRESPONDENT

Calcutta,

THE five-year-old Naxalite movement is said to have liquidated itself, at least in its present form. But it would perhaps be a mistake not to be prepared for other kinds of extremist agitation. The Naxalite movement could not become a force because it failed singularly to enthuse the masses. The support given to it by Peking sustained it for some time. Now that Peking's revolutionary role is itself devalued, the Naxalites have lost even that attraction.

IT WILL however, be worth while to examine how the agitation was able to draw into its fold some of the really bright young people, many who flung themselves into the movement with an abandon which has not been witnessed since the country's attainment of freedom 25 years ago. The basic reason was the total alienation of the youth, the students and also the rural poor from a society which had lost all its sense of values. Most political leaders appeared to be hypoc-

rites, and the so-called leaders of society were least deserving of regard or faith. All this bred frustration on a large scale. One of the results was the rise of Naxalism.

The dominant characteristic of the situation that existed in the Naxalbari area off Siliguri, in the district of Darjeeling, (where the agitation first started in March, 1967, following the setting up of the first United Front Ministry) was the abject poverty and misery of the people there. Living conditions there were miserable even after two decades of freedom and the establishment of parliamentary democracy. Still no political party in the State had cared to even inquire into these conditions. The people were not merely the most neglected but the most ruthlessly exploited. The group led by Mr. Kanu Sanyal (of all the Naxalite, he was the most successful in identifying himself totally with the downtrodden) went there and kindled a spark of hope, something unprecedented. And this caught the imagination of the people.

CHARU MAJUMDAR was more a creature of accident. He, however, claimed to be the theoretician of the movement and later assumed its supreme leadership—and that was one of the main contributory causes for the disintegration of the movement.

The Naxalbari agitation spread to other areas later. The Debra-Gopiballavpur area of Midnapur district, where it surfaced next, was again an area where the people were as poor and miserable as those in the Naxalbari area, if not more. There again the people had been totally neglected by all political parties. The Naxalites got a foothold there because the young firebrands did try to identify themselves with the ruthlessly exploited people.

The third area which saw the Naxalite agitation was the district of Birbhum, where the contrast between the new rich and the extremely poor is staggering. It may sound fantastic but it is a fact that the rural rich still find usury, practised in the most ruthless form, the main outlet for the investment of their hoarded money. There is not a single industrial unit in the district. Thousands who suffered under their heel found the Naxalites a great source of strength.

In the urban areas, the students formed the backbone of the Naxalite agitation. The examples they set of wanton destruction, chaos and anarchy are still unsurpassed. Not that the mass of students participated in

the orgy of violence and destruction, but then the majority did not actively oppose or resist the attacks. Why? Because no one among the students found anything inspiring in the educational system. Their alienation was complete, total. And so was the case with the other youth.

MOST OF the active Naxalites in West Bengal came from the ranks of the youth—who were largely convinced that they could expect little from the present social set-up.

The number of unemployed in the State is said to be between 28 lakhs to 36 lakhs. The youth had been fed with rosy promises of jobs but precious little had been done to redeem the pledges. One recent instance, illustrates the situation graphically. In Suri, the district headquarters of Birbhum, posters appeared (similar posters were seen later in other districts also) which said in simple Bengali verse: "We had been Naxalites, now we have become New Congress; if we do not get jobs, we will again become Naxalites".

The reasons for the disintegration of the Naxalite movement can be dealt with separately. The point to be noted is that the entire movement was directed along wrong channels. The Naxalbari agitation itself was an example of how not to conduct a class struggle. It has also to be remembered that at the instance of Mr. Charu Majumdar, anti-social

elements were given shelter in the movement when that notorious thesis of individual murder was pre-pounded.

THEN THERE was the ruthless repression that was let loose upon the Naxalites by the law and order machinery of the State. Hundreds of young Naxalites were murdered both by the police and by the CP-M's action squads. Even today there are more than 7,000 Naxalite activists inside the jails.

Mr. Majumdar's style of leadership bred internal squabbles and, at the end, the party was torn asunder. There have been many cases of mutual killings by the Naxalite factions

Appropriate lessons should be drawn from the phenomenon that has caused immense harm to the democratic movement, and to society as a whole. The first important lesson is that snugginess will evoke nothing but contempt from the youth. False promises make them bitter. Hypocrisy will alienate them further.

Reform of the present system of education brooks no delay, not even of a single day. The student community cannot be brought back to sanity with the help of half-hearted measures. And the people must at least feel that they are not being neglected. Jobs have to be found for the unemployed. Every plan that is formulated for the purpose should be discussed with the youth

and the unemployed. Frank exchanges of opinion help a lot.

Methods must be found to ensure the involvement of the people in everything that is being done or sought to be done. Lastly any further dilly-dallying over the implementation of land reform measures will spell disaster.

Unless all these immediate problems receive close and urgent attention, an agitation much more dangerous than the Naxalite movement cannot be ruled out. A better man than Mr. Charu Majumdar can really build up such an agitation, because the conditions for it obtain in today's society.

The Naxalite movement may be on its way out. Its lessons however, cannot be ignored.

IT
PAYS
TO
ADVERTISE
IN
TRIBUNE
★
IT
REACHES
THE
PEOPLE
WHO
MATTER

THE FLOATING POUND

Monetary

Merry-Go-Round

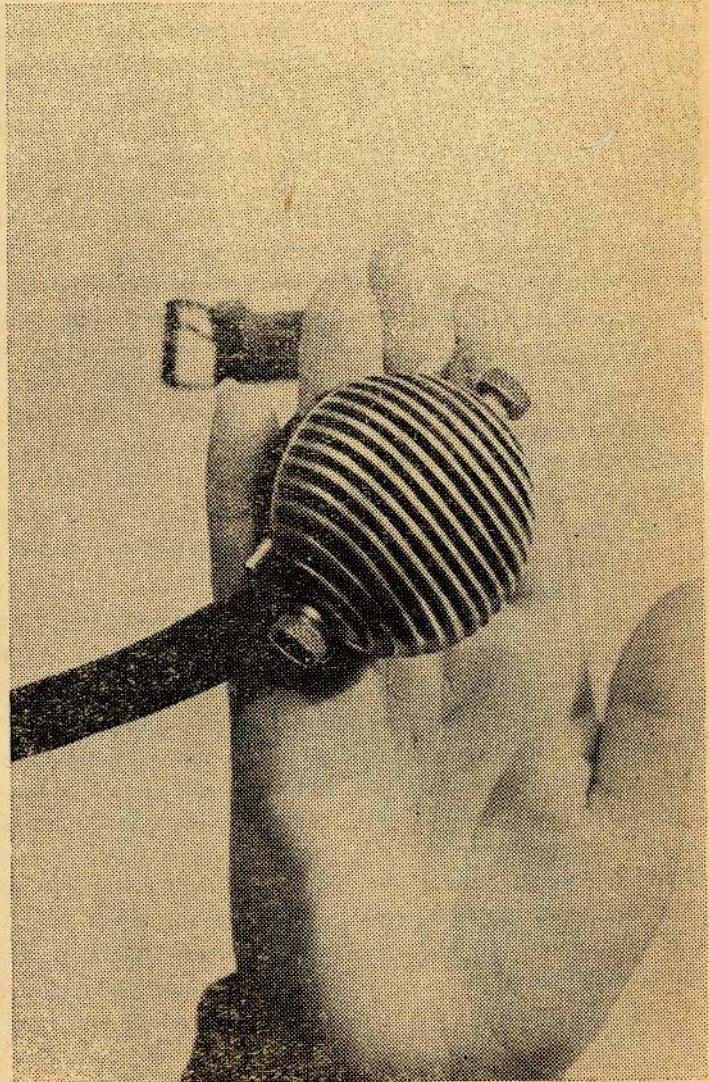
"THE DEVIL take the hindmost" has long been the credo of the City of London. Small wonder, then, that it followed this dictum to save the pound sterling when its exchange rate began to plummet on June 16 and neither the raising of the bank rate by the Bank of England nor the buying of millions of rapidly depreciating pounds by the central banks of the Common Market countries could halt the drop.

ON June 23 the British government decided to float the pound, which meant leaving it to find its own level in relation to other currencies on the basis of demand and supply dependent on currency speculation. As the British Exchequer sees it, this should in time help to establish a realistic rate of exchange against the currencies of other capitalist countries, those of the Common Market included. It is precisely the interests of these countries that London's unilateral decision affects most of all. For under the May agreement of the Six which Britain and the three other new entrants to the EEC joined, the exchange rates of the West European currencies

should not be allowed to fluctuate by more than 2.25 per cent of their official parities.

Thus, without waiting to become a full-fledged member of the European Economic Community, Britain has gone back on the first jointly agreed measure, thereby causing new

strains in the financial relations of the West European countries. London has also violated the wider agreement on the realignment of the rates of exchange of the capitalist currencies reached with so much difficulty in Washington last December. The Swiss *Tribune de*



An electronic refrigerator for the treatment of skin diseases by means of local cooling, developed in the U. S. S. R.

Lausanne commented in this connection that "we are back where we started, at the pre-December 18 zero mark."

BY ALL ACCOUNTS, the British decision will have not only economic but also political repercussions. The Paris *Le Monde* wrote on June 23 that "the most staggering and most alarming thing in European affairs is the thoughtlessness with which countries conclude agreements with one another and the liberties they later take in relation to their commitments." The newspaper described London's decision as a "very bad omen" for the conference of the West European Ten planned for October.

Western observers trace the decline of the sterling rate of exchange primarily to the difficulties experienced by the British economy. For a good two years now it has been plagued by a chronic slump accompanied by high unemployment and inflation rates. In 1971 alone, prices in Britain rose 6.5 per cent on the average, with an attendant sharp decrease in the purchasing power of the pound. Another factor that in no small measure contributed to the decline of the pound was its close connection with the sick U.S. dollar.

ACCORDING to Western commentators, the recent speculation in British currency on the Western foreign exchange markets was caused by American international companies

and banks hurriedly selling pounds in view of rumours about a possible sterling devaluation so as to buy them up at a lower price later. This checked for a time the steady decline of the dollar rate of exchange, but drove the pound sterling into a corner, as the *New York Times* observed.

No sooner had Whitehall floated the pound than the dollar again became the "No. 1 target" for currency speculators, to quote the Paris *Le-Figaro*. Its exchange rate began to decline rapidly, while the price of gold steeply climbed. Before the markets were closed on June 23, gold was quoted at \$63.5 per troy ounce (as against the official price of \$38). As the British *Financial Times* commented on June 26, this crisis demonstrated how vulnerable the international monetary system is on the whole.

The British government's decision, which will almost inevitably lead to devaluation of the pound sterling, was motivated, as many commentators rightly believe by a desire to reduce the price the British Monopolies have to pay for entry into the Common Market. What is more, the reduction of the pound rate of exchange may enhance the competitive capacity of British goods on foreign markets, first and foremost on the European continent.

AND THIS again plays into the hands of the British exporters. That this policy leads

to an increase in the prices of goods imported into Britain and consequently to a rise in the cost of living cannot naturally change the plans of the Tory government. Indeed, ever since it came to power, it has been trying to shift the burden of the country's economic difficulties onto the working people's shoulders.

The West European financial policymakers decided to suspend currency operations at the banks and foreign exchange markets in order to gain time to work out measures to protect their currencies against another inflow of depreciated pounds sterling. The Common Market Monetary Committee met in an emergency conference in Luxemburg on Monday. The Western financiers had quite a few reasons for anxiety. The sinking rate of the pound sterling, as the *New York Times* said, will hardly recover its former level and it is not unlikely that the rates of other relatively weaker currencies will also drop. West European newspapers note with apprehension that the Danish krone, closely connected with the pound sterling, is now in jeopardy. Rumours are afloat about the devaluation of the Italian lira and the floating of the Dutch guilder and other Common Market currencies.

Thus, the vicious circle is about to close. The monetary merry-go-round which slowed down slightly last December is again picking up speed. Britain's decision dictated by the

The Origins of Chess

LIKE the zero, chess is India's gift to the world. It was known—and still is in some parts of the country—as *Chaturanga*, which in Hindu military lore and practice represents the four-fold division of the fighting forces into Ratha (the chariot corps) the Gaja (elephant corps) Toraka (cavalry) and Pada (the foot soldiers). Though the game itself is not mentioned in the epics and early Sanskrit writings, this four fold division of the army is.

Sir William Jones, the great Orientalist, who has written on the subject at some length quotes an interesting legend that the game was invented by Ravana's wife to take his mind off his war with Rama, when it was going badly. The game is believed to have travelled from India to Persia where the name Chaturanga got eventually corrupted into *Shatranj*, which

THE FLOATING POUND

from p. 22

need to find a way out of economic difficulties is causing another escalation of the capitalist monetary and financial crisis. It is hard to disagree with the opinion of the Swiss *La-Suisse* that "not only the British economy but the Western economy as a whole is sick"

name found its way back to India where it is known by this name in the north Indian languages.

THOUGH "Indian Chess" is substantially the same as its international version of the game, there are some variations in the names of pieces and in the way it is played. Thus the queen, the most powerful piece on the board, is the "minister" in Indian chess. The Bishop is the camel in Indian parlance and the Rook the elephant. Not surprisingly, the Knight is referred to as the horse.

According to the international system, the pawn that reaches the eighth rank farthest from its base can at the option of the player who has achieved this feat be replaced by a queen, rook, bishop or knight. In practice, however, one always converts the pawn into a queen which is the reason why the operation is called "queening." In Indian chess, however, this option is not available and the pawn becomes the power that belongs to the square it reaches.

In some parts of India the original position of the queen is not what it is in international chess: it is the kings and not the queens that occupy the square of their colour. Again, in some parts of India, the two steps allowed to a pawn for the first move in the game, can be converted into two pawns moving a step each.

THERE IS evidence that chess was a highly prized intel-

lectual pastime in India especially among those who delight in pure logic. It had also had many adherents among military thinkers, who used chess for much the same purpose as those of the "war games" enthusiasts of modern military establishments, who work out alternatives in escalations and responses in real and hypothetical situations.

Chess was also the "royal game" *par excellence* in India, with many kings playing it "live." Visitors to Fatehpur Sikri would recall the courtyard where such chess is said to have been played. Some of the more eccentric kings have even been said to have taken the rules of the game too literally and cut off the heads of the "live" pawns when they were lost! But this is apocrypha. The royal passion for chess is also well attested by the legend about the Nawabs of Lucknow who were said to have been immersed in a game of chess when the British were knocking at the gates.

Making chessmen is also a highly perfected art. In many parts of India there are magnificent chessmen (both representational and conventional) made in ivory, iron and stone.

By Courtesy *Hindustan Times*



Sales of Vodka Cut Sharply by Soviet

by THEODORE SHABAD

Moscow,

THE Soviet Government has ordered a sharp reduction in the sale of vodka, and expanded output of soft drinks in an intensified drive against heavy drinking. The Government thus acted promptly to curb liquor sales after the ruling Communist party, in a decree by its Central Committee, acknowledged that alcoholism was causing "tremendous harm to the entire Soviet society."

THE TOUGHER actions by the authorities, which fall short of outright prohibition, reflected concern over growing drinking habits among young people and the impact of alcoholism on the productivity of labour, which is fast becoming a crucial index of economic progress in the Soviet Union.

A Government decree published on June 16 on the front pages of all daily newspapers called for reduction in the number of vodka retailing outlets, prohibiting sales altogether near industrial plants, schools, hospitals, theaters, railroad stations, recreational facilities and other heavily fre-

quented places. The sale of vodka is to be entirely banned on weekends and holidays, and the limitation of retailing hours from 11 A.M. to 7 P.M. is to be rigorously enforced. Retailing, like most other sectors of the Soviet economy, is operated by the Government.

PUBLISHED analyses of drinking patterns have shown that absenteeism in industry after holidays and paydays is seriously hurting economic growth. In some factories, 10 to 30 per cent of the workers are said to spend at least one night at a sobering-up station during the year. Alcoholism appears to have been fostered by the advent of a five-day work week in 1967 without provision for adequate recreational activities to reduce boredom and absorb surplus energy on the two days off.

A rise in vodka prices in 1970, episodic antidrinking drives in the press and the public exposure of habitual drunkards on posted "rolls of dishonor" appear to have had little effect.

THE CURRENT campaign was set in motion with publication of a party decree that appeared to focus on an evi-

dent increase in the consumption of alcohol among young people. It called on press, radio and television as well as on motion pictures and the national public-lecture system to "intensify antialcohol propaganda and to make clear the tremendous harm caused by drinking to public health, the rearing of children and teenagers and to the entire Soviet Society."

Educators, trade unions and the Communist youth organizations were instructed to "make recommendations for a system of antialcohol propaganda and the indoctrination of students and working youths and to insure implementation." It is not unusual to see a Muscovite come reeling down a street with his body swaying at angles that seem to defy the law of gravity. The practice of a threesome sharing the cost of a bottle and finishing it off in a quiet corner has become a byword in the Russian language.

Although the social evils of drinking have long been publicized in the Soviet Union, the focus now appears to be shifting to the economic harm caused by alcoholism by reducing the productivity of labor. The gradual depletion of the available manpower pool has ended the practice of expanding production through simple additions to the labor force. For further gains in output, Soviet industry must now rely on greater production per worker.

A YOUNG WOMAN economist, Raisa D. Savranskaya, reported recently that even moderate drinking tended to reduce labor productivity the next day by 4 to 5 per cent, and heavier use of alcohol by as much as 30 per cent.

Writing in the industrial daily, *Sotsialisticheskaya Industriya*, she said a high percentage of below-standard products, idleness of costly equipment and disorganization of the entire process of production, especially in assembly-line operations, posed serious problems for paydays and holidays.

Reporting on another study, Miss Savranskaya stressed the impact of habitual heavy drinking on labor turnover and the loss of work skills. A survey of a group of alcoholics, she said, had shown that 12 per cent were shifted to lower skill categories and about the same percentage frequently changed places of employment.

In the Siberian industrial center of Usolye, one-tenth of the workers of the local plywood and match factory landed in the town's sobering-up station, she wrote, adding that an unidentified plant in Chelyabinsk Province of the Urals had reported three times that number.

New York Times

HOW IT WAS DONE

Poultry Farming Revolution

A JMER which was importing 3,000 to 4,000 eggs per day only seven years ago is now exporting 80,000 eggs a day to other parts of the country. This has been possible through steady and sustained development of poultry farming which has placed Ajmer among the top egg producing centres in the country.

Prior to 1964, poultry farming was a small scale business run by people belonging to a particular community. In 1964-65, the Rajasthan Government established an intensive poultry development block in Ajmer with the object of ensuring allround development of poultry farming by imparting training in the technical know how of this trade to poultry farmers, advancing loans and grants to them, arranging a balanced feed for birds, providing treatment facilities for the diseases which afflict birds and ensuring marketing facilities for eggs on a co-operative basis.

The training programme was initiated in 1965 and the first camp which was exclusively meant for women benefited about 35 trainees. This was followed by a series of similar camps for poultry farmers of 15 to 20 days, duration at the Government Poultry Farm, Ajmer.

The provision for loans and grants during the initial four years also contributed to making this profession more broadbased. Even such communities as considered poultry farming an inferior vocation also developed a liking for it.

The poultry development block arranged to supply a balanced feed for birds on a no-loss-no-profit basis from the very beginning. This was an important aspect of development programme since 60 per cent of the expenditure in this trade goes on feed and the production of eggs also depends on proper feeding.

The development block which had sold 570 quintals of feed in 1964-65 increased its sale to 2,416 quintals in 1968-69 and 5,517 quintals in 1971-72. The poultry block has been paying special attention to eradicate diseases like fowl-pox and as many as 277,130 inoculations were done in 1971-72.

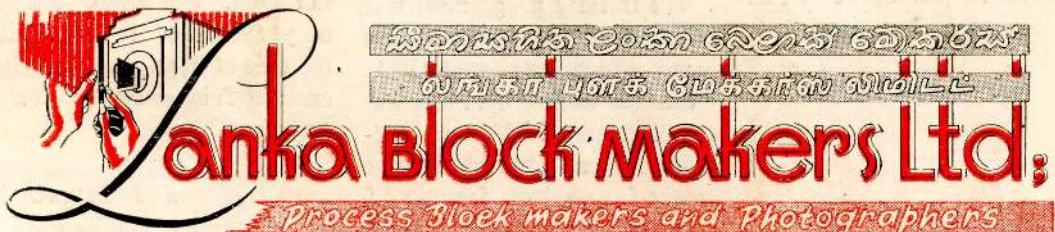
Since phenomenal increase in the production of eggs as a result of all these facilities required adequate arrangements for their marketing, a 20-member Marketing Co-operative Society was formed in December 1964. This agency has not only succeeded in regulating the sale of eggs but has also ensured fair prices to consumers.

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