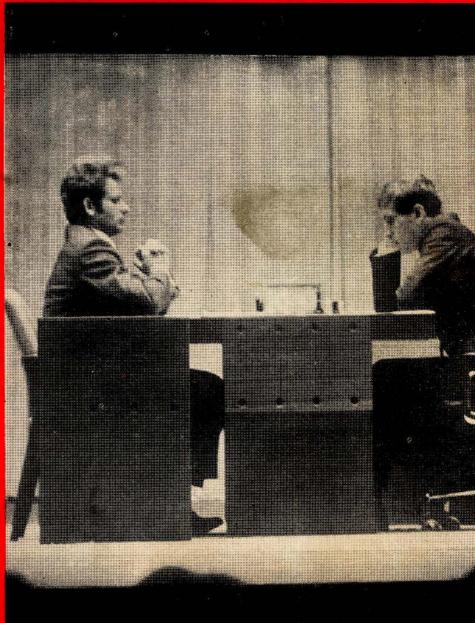
# RIBI

CEYLON NEWS REVIEW

SEPTEMBER 20, 1972

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## Space Skylab Mission and Space Shuttle

Larly in 1973, the US has tentatively scheduled its first Skylab Mission. Three crewmen have been selected to man the 100-ton space station in which the men are to conduct scientific, technological and medical investigation during a 28-day earth orbital flight. This is expected to be followed within 8 months by two 56 day journeys.





Space Shuttle Design - The North American Rockwell Company has been awarded the contract to build the Space Shuttle for the U.S. space agency. This drawing shows the Orbiter using a command-controlled Space Tug to pull a satellite from the cargo-bay. The Orbiter is launched while attached to a trio of re-usable rocket boosters which it drops as it enters Earth orbit to carry out various missions. It then returns to earth, landing like an airplane, to be used again. First test flights are set for 1976.

Launch Configuration — Cutaway drawing shows the Space Shuttle as it will look when launched in the system proposed by North Amercian Rockwell Company. The company was awarded the contract to build five of the spacecraft for the U.S. space agency. Four crewmen ride in the re-usable Orbiter

attached piggy-back to re-usable rocket boosters and launched vertically into space. The cargo area could hold satellites to be released in space or transport scientists for research. The Orbiter then returns to Earth, landing like an airplane, to be used on other missions.

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N SRI LANKA, at the moment, the bank strike overshadows everything else, although the daily papers and the government are playing down the strike to make it appear that the banks were functioning "normally" so far as essentials like imports exports and agricultural cre. dit are concerned. The four by-elections in Kesbewa Ratnapura, Puttalam. and Nuwara Eliya have not yet begun to hot up. It is widely admitted that the Government has a tough uphill task in these by-elections, in view of scarcities of essential commodities and the fantastically high prices fetched by whatever becomes available to the ordinary consumer.

At the WHO Conference which opened in Colombo on



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Tuesday, September 12, the Prime Minister Mrs. Sirimavo Bandaranaike, drew special attention of the population explosion and re-iterated that unless family planning became a reality, the future for countries like Ceylon was bleak. Mr. Maithripala Senanayake. the Minister for Irrigation. Power and Highways, commemorated his twentyfive years in public life on September 13-having been elected to Parliament on that date in 1947. More evidence was led before the Criminal Justice Commission in the first trial of JVP insurgents, and the examination and cross-exami nation of Assistant Superintendent of Police, M. Shanmugam of Kandy, has brought out many interesting details of the JVP movement in the Kandyan region and the Peradeniya University campus. The police have warned parents to have an eve on their small children because over one hundred of them have been reported missing in the last fortnight. Robberies and thefts continue to increase. The Minister of Finance, Dr. N. M. Perera, has already postponed his departure to attend meetings in London and Washington, but in spite of the bank strike he will go to the west to put Cevlon's case before the Commonwealth Finance the World Bank.

Ministers and the meeting of the World Bank.

IN THE WORLD OUT-SIDE, the Munich killings
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and the problem of terrorism has begun to haunt the inter national scene. The Economis-9/9 /72, in a pessimistic leading article stated: "We are going to live with the man in the hood for a long time; certainly until the present generation of terrorists, the Black September men and the Provos and the rest, has expended itself in death or defeat; and very likely longer than that, until the force that drives such men, the calculation that such methods can bring them what they want, has been disproved by repeated failure, and they have no more imitators."

Britain has just emerged from its summer strikes, but General Amin of Uganda has given London more headaches than was envisaged when he decided to expel 80,000 Asians within three months. In the USA, the two major parties have chosen their nominees for the presidential stakes, and although all political forecasters have stressed that Nixon will win, there is no doubt that Mc-Govern will put up a stiff fight. The Middle East which had begun to sober down has flared up with a bang after the Munich killings and the Israeli reprisals. King Husein was ready for a separate peace settlement with Israel and Egypt, after throwing out the Soviet advisers, had appeared willing to consider peace proposals put forward by Israel. The Middle East is now once again in the witches' cauldron. The one thing which the Palestinian Commandos seem to have succeeded in doing by their Munich adventure was to throw a monkey wrench to ruin all peace proposals to solve the Arab-Israeli conflict besides creating problems for West Germany and other European countries desiring to strengthen the detente which had begun to pervade all over Europe.

China by using the veto in regard to Bangla Desh has begun to behave very much like any other great power: "making its policy according to its national interests, picking its friends to balance its enemies, eating its words when its needs to ...... 'he Economist, 9/9, had some very enlightening remarks about China. After speculating whether it was Pakistan which had manoeuverd China into the veto, the Economist commented:.. "But they did it: the first major act, as an almost brand-new member of the UN, of a supposedly revolutionary country devoted to the interests of the poor and the weak has been to turn down its thumb on one of the poorest and weakest countries of all because the power-politics of its alliance with Pakistan required it to. It is a striking illustration of how, despite all its claims to be different, China has recently begun to behave like any other great power .... This change in Chinese foreign policy is only the outward sign of the even greater change that has taken place inside China itself....."

The Olympic Games had ended one day after schedule with the Soviet Union heading the medals table list, with the USA second and the GDR third. Whilst the USSR had scored heavily at the Olympic Games. and had even beaten the Americans in netball which the USA had dominated for the last three score years, the Russians were dethroned in the world chess contest which was recently concluded at Reykjavik in Iceland.

ON THE COVER in this issue we have a picture of the "chess match of this century" which began on July I1, 1972 on a lighted stage, in Reykjas vik, Iceland, when the 35-year old Russian world champion, Boris Spassky, faced the US challenger, 29-year old Bobby Fischer. The competition for the world championship was scheduled for a maximum of 24 games. But the contest had ended with the 21st game when Spassky resigned. At an airport conference Spassky had said that the US champion was "better than me and therefore he won." About the temperamental and difficult Fischer, Spassky had said. "Fischer is a man of art, but he is a rare human being in the everyday life of this century. I like him and I think I understand him". Spassky had also indicated that he would be willing to play the new world champion "any time, any place and under any circumstance." But Spassky had disclosed that he will not

take part in the Olympic Chess Fournament in Yugoslavia later this month.

Fischer's behaviour at the contest did not win him either popularity with the spectators or with sportsmen throughout the world. But in the world today, victory is more important than sportsmanship. And despite the petty posturing and sheer bad manners exhibited by Bobby Fischer, there is no doubt that Fischer was the better player with a touch of genius which marked him out as something special. To what extent the new champion's unpunctuality and cantankerous demands were spontaneous and to what extent they were motivated by the desire to disturb Spassky's mental equilibrium is hard to determine. But he had upset him enough to make the Soviet grandmaster respond with the petty gesture of telephoning his final resignation rather than conceding defeat personally. Fischer has been quoted as comparing chess to war and he had certainty used every weapon available. But it would be wrong to conclude that his victory was undeserved in terms of ability. Bobby Fischer's success was predicted long before the Reykjavik matches began-on the basis of his form. His spectacular victories in recent testified to his genius, whilst Spassky's performance during the last year or so was said to be below par judged on the basis of international grand

master standards. The Reykjavik contest will not be remembered for the actual standard of play: but it will go down in chess history for ending the monopoly Russia has enjoyed in the game, and "even more for the worldwide interest they aroused Jue to the combination of genius and paranoia displayed by the new champion."

The New York Times, in an editorial note on September 2, summed up what was widely felt in the U.S.A. It said that Bobby Fischer, in becoming world champion, 'has done more, however, than simply win the world title he has so long, even so obsessively, considered his right." The paper went on to say that "he has transformed the image and status in the minds of the millions and suggested that, perhaps, his eccentric behaviour in the early stages of the matches may have been 'a calculated public relations poly' designed to stimulate chess interest far beyond the ranks of those normally concerned with the game. Another long term gain, said the New York Times, was increased earnings and prestige for all great chess players who had hitherto been content with miserly awards. From a wider perspective, the Fischer-Spassky match had "a unique political importance", it said. It did not touch off nationalistic rivalry of the kind many had feared. "Instead," the paper said, "Spassky had and chemical substances'.....

many supporters in the United States from among those who were irked by Bobby's mode of psychological warfare and in the Soviet Union. conversely, many hoped for a Fischer victory not the least because they admired his assertiveness and his refusal to be bound by over-restricted rules." The result, said the paper, "was an atmosphere that for, all its tenseness, contributed to improving the broader ambience of Soviet-American relations". And the New York Times concluded that "the Fischer era of chess has begun and it promises a brilliance and excitement this game has never before known."

The Washington Post reported that so great was the interest in the game that books on chess of whatever vintage or quality were selling like hot cakes and they could not be replaced quickly enough. The Economist, 26/8/72, looked at the "business" aspects of the game even before the contest was over. It pointed out that "it is the even more extraordinary showmanship of Bobby Fischer which has set off much of the sudden boom in chess playing in the west. Bobby Fischer is creating an industry by his exertions, and even now the Russians are following his example, getting into headlines by accusing him for nobbling their man by everything from notism to 'electronic devices

Chess is now big money. If Fischer wins he will pick up £ 60,000 of the £ 100,000 prize money— although the Icelandic Government hatching plans to tax some of this and, if the Bank of England refuses to allow Mr. Sim Slater to transfer out of the country the £ 50,000 he has offered to put into the kitty, Fischer's share will shrink to 60 percent of the much smaller £50,000 pool. The prize looks small compared with £ 700,000 for which Fischer's being sued by Mr. Chester Fox over his contracts for the film rights for the match. But even this is small change to what Fischer can earn over the three years to the next world championships by playing on television or in simultamatches. This asneous sumes that Fischer can stand the pace, and that his eccentricities do not become more than even the most enthusiastic sponsor can bear. His manner off-stage is now causing enough comment for there to be doubts whether he will wish to defend the Economist went on to speculate on the "market potential" of chess, and concluded that, as chess players were generally young, "as a marketing age group the chess fans should be the advertising executive's paradise. It will be interesting to see the extent to which the smart boys now start to use chess to promote other products as they have done before with golf and a number of equally unpromising-looking sports."

In Sri Lanka chess takes a back place and even Bobby Fischer does not seem to have created a new interest in it.

### More from the IMF Report: UNP's Disastrous Policies: UF Govt's Policies.

By Pertinax

HE NEW BUDGET must be presented in the National State Assembly before the end of October 1972 and the Minister of Finance and the Government has less than a month before the final touches are given to it. Last vear's budget still stands unbalanced. In this situation it would be pertinent to refer to the IMF Report, to which reference has been made in this column often and at great length, to examine some of the mistakes of the past which have reduced Sri Lanka to its present plight.

In the section dealing with The Recent Past on the question of the Short Term Problems of Long-Term Resource Needs, the Report re-iterates what was already known in a terse and succinct manner. "Another way of evaluating the magnitude of the public savings effort required is from the point of view of the balance of payments. Superimposed upon Ceylon's long-term problem. and complicating it, there has been brewing since 1969 a short-term payments and debt crisis. And its origin lies in previous Government's

attempt to boost production and investment in 1968 and 1969. With aid receipts increasing since 1966 and continued refusal to cut consumption more than was required tooffset the continued fall of export prices after allowing for the higher level of aid receipts, this boost was financed through a major accumulation of short-term foreign debt. In 1968 millions were drawn on the IMF in addition to minor short-term bank borrowing and reserve losses. In 1969. gross reserves fell by \$ 12 million, and the Central Bank borrowed almost \$ 42 million from foreign banks and \$ 2 million from the IMF. In addition, medium and shortterm indebtedness to suppliers increased by \$ 36 million. The total short and medium term net foreign asset position deteriorated by \$ 92 million 1969. In addition aid receipts also resulted in a & 40 million increase in net foreign indebtedness. This exceeds by at least 20 percent the highest possible measure of the public sector's gross investment in that year: and is very likely greater than the net physical increase in productive capacity throughout

the economy. In other words correcting the budget figures for the peculiarities of the exchange system both gross public savings and net domestic savings were negative in 1969."

This, apart from everything else, is a categorical statement by IMF experts on the erroneous and disastraous policies by the UNP coalition govern ment in 1968 and 1969. The Government refused to cut down consumption to the level it should have been cut down in the realities of the situation. And the government had sought to investment by short-term borrowing and this created a situation which had plunged the country into a foreign exchange crisis of the greatest magnitude.

In this context, public and private savings could not be raised to the point necessary to have an adequate impact on the balance of payments. Apart from the long-term foreign exchange balance of payments crisis, which stemmed from falling export prices, the Government had resorted to short term borrowing which superimposed a short-term foreign exchanges payments crisis upon the long-term chronic crisis.

The IMF Report then went on to estimate that the actual deficit in 1969 as \$92 millions (in terms of domestic demand it was Rs 900 million.) This was the measure of the cut in consumption that was required to restore some kind of equilibrium to the economy. Instead, the UNP government had obtained funds by shortterm borrowing: This is how the IMF Report described this aspect of the problem: "While negative net savings certainly not conducive to development, the part of the problem which required the most urgent action was the short-term cash deficit of \$92 million. This had been financed by such short-term means that it not only had to be topsped but, in principle, reservedunless an accommodation could be reached with the creditors. Investment performance was better in 1968 and 1969 than in any previous year, but certainly not over abundant. It was extremely desirable that equilibrium should be re-established without cutting it. The \$92 million short-term deficit which absolutely had to be eliminated corresponds to about Rs 900 million domestic demand. That was the measure of the cut in consumption needed at the end of 1969 to re-establish a tenable balance of payments position by bringing gross public savings and net domestic savings from negatslightly positive to positions."

The IMF Report then came on the year 1970 when everybody was obsessed with the May elections. Tea had fetched higher prices and this helped to ease the foreign exchange position a little in the first half of the year. The following paragraph sets out

the movements of financial transactions in the first part of the elections. Although a little improvement was registered, the gap to be bridged was still very big.

This was the legacy which the new Government received from its predecessor. "1971 was a year of transition. At first everybody was waiting for the May 1970 elections. No strong measures were taken, but the balance of payments nevertheless improved through the combined impact of a temporary recovery of export values by \$14 million (thanks largely to better tea prices) and through a \$ 54 million cutback in imports. This was apparently caused by a combination of licensing and exchange rate measures (extension of FEEC's) a slowdown of private investment before the elections, and revision of Government investment plans after the elections. Even so, reliance on suppliers and net shortterm trade credits continued at \$ 36 million. However though the Central Bank continued to borrow \$ 14 million gross from foreign monetary banks. overall movements turned into a net of \$ 8 million Overall, quite drastic measures were still needed."

The IMF report then went to discuss the steps taken by the new United Front government in its Budget 1970/71. What the IMF Report has to say about this deserves serious consideration.
This is what it said:

"In fact, however, the 1970/ 71 budget went far the other way. In its electoral campaign, the coalition which won the May 1970 elections had its devotion to stressed. promised and socialism improved consumption,-in particular, the restoration of the second measure of ration rice, the suppression of which had been one of the UNP Government's a few substantive fiscal measures. Government had also promised to deal decisively with the unemployment problem. These diverse promises were probably conflicting in any case, but their contradictory nature particularly was the context ralpable in the balance payments of with which the new immediately Government found itself confronted. Despite some strongly worded statements (notably public in the 1970 budget speech) the need for belttightening, the employment program and the future in general, were sacrificed to immediate consumption gains, though these had perforce remain quite modest. to In particular, as proposed on the election platform, the second measure of rice ration was restored albeit at Rs 0, 75 per measure-i.e. about of the domestic percent procurement price-and not free, as many people had been expecting."

The IMF Report then some of the referred to measures adopted by the UF government to meet the financial crisis. The demonetisation exercise had not produced the results expected. And it was only later, in June 1971. that bus and rail fares were increased. But by this time, the insurrection of April 1971 had cast its ominous shadow over everything. What is noteworthy was that the Government was not able to effect a breakthrough. either in cutting down consumption or in increasing production.

"Very little additional revenue effort was made. Large banknotes were exchanged against new ones, but out of the Rs 100 million additional income tax the Government to obtain through hoped this forced disclosure black money only Rs 22 million materialized. Late in the year, in June 1971, bus, rail, and air fares were raised. These measures were highly commendable in themselves. and because they represented a breach in a long-established taboo which had kept bus fares constant since 1953. However, the raise was not enough to eliminate the operating deficits of the C T B (buses) or of the railways but performance in 1971 was affected by the curfew. It is not even clear yet whether they have been reduced substantially. The only major new quasi-tax measure actuallv implemented was

substantial upward revision of provident fund contributions, both of employees and of employers, thanks to which the net current surplus of the provident funds increased from Rs 97 million in 1969/70 to Rs 143 million in 1970/71. Though in the fiscal and national accounts these contributions appear private savings. by their compulsory nature they are truly a tax. In view of the sorry state of the budget, their contribution was extremely welcome but one cannot help noting that they constitute an unselective employment tax. which tends to increase the cost and discourage the use of labor."

The most "lucrative" measure of the new Government in its first year was the increase in EPF contribution and the IMF comments on this measure make very interesting reading.

The IMF devoted only one short paragraph to the April insurrection. Though the Government made the insurrection the major excuse to cover its acts of commission and omission, in 1971 and even in 1972, the IMF did not overstress the significance of the insurrection in the economic perspectives of the year. This is what the Report stated:

"To add to the country's immediate problems and to point to the urgency of dealing with the employment of youth—an insurrection occu-

rred in April 1971. The actual total destruction wrought by the insurrection is not known but destruction in the public sector alone is estimated at Rs. 83 million. Also, economic life was disturbed for about a month and defence and security expenditures doubled, from an admittedly low starting level."

Discussing the production levels of 1971, the IMF Report attributed only a small portion of the shortfall in production to the insurrection. Part of the shortfall in rubber it felt could have been due to the insurrection, but the drop in paddy production it felt was due mainly to the re-orgainsation of the cooperatives and the resulting dislocation which had followed therefrom. It is also likely that the insurrection had caused dislocation in the paddy areas during the Yala season also, but there is no doubt that it would be wrong, as some government apologists tend to do, to trot out the insurrection as a smokescreen for the ineptitude and inefficiency of the administration of the Government.

"Income and production did not do well in 1971. Some shortfall in production can be attributed to the insurrection. This is said to have been particularly heavy in the case for rubber, whose production

was also affected by the very low price level of the year. Paddy production was said to have been hurt by the re-organization of the co-operatives and of the paddy promotion scheme by the new Government. The weather was also rather unfavourable. In industry new private investment came to a standstill, but production of existing units did quite well; and the public sector also improved its performance. All in all, the year was marked by a definite, though not truly exceptional dip below the trend line. It was not particularly favourable to the introduction of the necessary policy changes.

The year 1971 was not a good year so far as production or export prices were concerned. But, says the IMF, the Government had managed to stave off disaster through a combination of measures which just succeeded in keeping the Government above "The Government water. neverthless managed to stave off an economic crisis through a combination of measures which further mortgaged the future. Overall current Government revenues more or less stagnated essentially because the normal buoyancy of internal taxation was offset by the fall of receipts from foreign trade, including **FEECs** sales. Current expenditure grew mostly according to trend, with two exceptions; as noted, defense outlays doubled from Rs. 92 million to Rs. 176 million, and food subsidies increased by about Rs. 44 million.

"In the Budget the increase was from Rs 326 million to Rs. 505 million, but about Rs. 135 million of this increase was due to the inclusion of FEEC's in the cost of sugar purchases for the first time in 1970/71. Of course. if this correction is made. the budget figure for receipts from imports must also be reduced by an equivalent amount. 1970/71 figures are actuals."

The IMF Report there after went on to discus the question of savings, and stated that though the savings level was poor and negative in 1969, it was even lower in 1970/71, in spite of the shouting and government propaganda in favour of savings and also because of the compulsory savings levy which was imposed on tax-payers and other incom e earners. As a result current Government savings as shown in the Central Bank's economic presentation of the Budget, fell by Rs.326 miliion and for the first time, became negative. The fiscal year ended with a net deficit on the

current account of Rs. 142 million as against a surplus of Rs.184 million in 1969/70 Of course, the comparion with previous period is not fully relevant. As noted earlier public savings were really negative in 1969, as part of what is recorded as current revenue, is really attributable to foreign borrowing. Still there can be no doubt that savings were even lower in 1970/71."

And finally in summing up the budget of 1970/71, the IMF struck a pessimistic note about the whole thing. From its point of view, the IMF found that the economy had begun to stagnate and that the investment level was the lowest since 1966/67.

UF government propaganda made it appear that wonders in economic reconstruction were being achieved by the Government. In the jargon and idiom of capitalism, the IMF Report called the bluff of governmental propaganda. Even in socialist terms, the conclusions of the IMF were valid, so far as production and economic development were concerned.

"The budget estimates had provided for a much stepped up investment effort including Rs, 200 million for a crash employment program. In reality the Government drastically reduced its capital expenditure. Acquistion of

real assets by the Government proper fell from Rs. 459 million in 1969/70 to Rs. 337 million in 1970/71, the lowest since 1964/65; in real terms. undoubtedly the lowest in the decade. Considering the incompressible salary and administrative elements in the investment program, real additions to productive capacity must have been negligible. The rupee value of the investments of public corporations and of departmental enterprises were better maintained though in part only because of accounting changes (notable in the treatment of Foreign Exchange Entitlement Certificates, FEECS) All in all, although no reliable figures are available yet, total public sector investment seems have been the lowest since 1966/67 in money terms, and in real terms probably the lowest in the past decade."

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### The Baghdad Conference on Oil Nationalisation

Proctor T. Duraisingam J. P. U. M. has returned to Sri Lanka after attending the International Conference for Solidarity with the Iraqi people in oil nationalisation. This important international conference was held at Baghdad to support the right of the people of Iraq to regain their oil wealth from the domination of the imperialist monopoly companies. The conference was jointly organised by the World Peace Council, the Afro-Asian people's Solidarity Organisation and the National Council for Peace and Solidarity in the Iraqi Repuplic. Mr. Duraisingam, who is a member of the World Peace Council, attended the conference as the delegate of the Sri Lanka Peace Council and Sir Razik Fareed attended it as a delegate of the Afro - Asian Solidarity Association of Sri Lanka. The following is the report he made to Ceylon Peace Council on his return.

THE INTERNATIONAL Conference for Solidarity with the Iraqi people in oil nationalisation was held in Baghdad on 17-18 August 1972, to support the right of the people of Iraq to regain their oil wealth from the domination of the imperialist monopoly companies. The conference was jointly orga-

nised by the World Peace Council, the Afro - Asian People's Solidarity Organisation and the National Council for Peace and Solidarity in the Iraqi Republic.

I attended this conference as the delegate of the Ceylon Peace Council and Sir Razik Fareed attended it as the delegate of the Afro-Asian Solidarity Association of Ceylon and the two of us constituted the delegation from Sri Lanka.

We went to Baghdad via New Delhi. We were in New Delhi on 13th August 1972 Mr. Chitta Biswas, the Secretary of the Indian Peace Movement, and Mr. Kalimulllah of the Indian Afro-Asian Association met me there and discussed with me about General meeting the these two organisations. which they proposed to have this month. They told me that they had invited fraternal delegates only from three or four neighbouring countries like Nepal and Sri Lanka. They discussed with about a delegation from Sri Lanka and said that they were expecting us to send a delegation to their General meeting.

We reached Baghdad on 14th August and on the 16th

the delegates had a preliminary meeting to discuss how should set about the work of the Conference. On 17th August the president of Iraq, Ahmed Hassan al-Bakr. opened the Conference. Delegates from 45 countries of Africa, America, Asia and Europe representing 100 national and 12 international organisations attended this conference. There were delegations representing the world Peace Council, the peace and solidarity movements and the progressive parties and forces in the Soviet Union, the GDR, Bulgaria, Britain, the U.S. A. India, Egypt, Jordan, Leban-Democratic on, Yemen, Syria, Somalia, Eritrea, Morocco, Finland, Kuwait, Italy, Sudan, Democratic Republic of Korea and the Democratic

> ARTICLES HELD OVER

> > \* \* \*

Some of the articles

received this week

have been held over

for the next issue owing

to exigencies of space.

Editor

Republic of Vietnam, the General Federation of Arab workers, the World Federation of Trade Unions, Asian Solidarity Organisation, the Palestine Liberation Organisation and a number of liberation movements in Asia, Africa and Latin America.

AT THE CONFERENCE we were supplied with information material respecting the problems connected with the nationalisation of oil in Iraq. Before the First World War of 1914-1918, Iraq, which was then called Mesopotamia. was under the voke of the Ottoman occupation. The Ottoman Empire was defeated by the Allies and the British occupied Iraq. In June 1920 the Iraqi people rose to lift the voke of British occupation But Britain had already secured the support of the western colonialist countries and was able to suppress the revolt of the people with brute force. It then installed false local government and obtained with the help of its allies in the League of Nations the right of Mandate over Iraq.

President Ahmed Hassan al-Bakr in his speech stated that "the monopolist companies have been following an exorbitant policy against the oil producing countries and exporting their mineral resources in the most hideous manner. Iraq has been one of the oldest countries subjected to this exploitation, and had undergone a bitter experience with the companies, full of

all kinds of oppression and provocation. The companies had completely siezed our oil resources during British mandate over Irag. As a result of the absence of a government representing the people and of consitutional institutions. the British imperialists had imposed upon the puppet regime which they established in Baghdad, an exorbitant agreement in accordance with which the companies obtained the extraction concession in return for insignificant revenues absolutely out of proportion to the profits which they obtained. This has been going on since the twenties of this century up to 1972, the year of oil nationalisation, inspite of the urgent need for money caused by the backward conditions in this country. The companies went on extorting fabulous profits out of our oil resources, from which our people got only a very small part. due to the cunning manipulations employed bv companies, such as imposing unequal agreements, playing with prices and accounts. changing the texts of agreements at will and in their own interests, calculating the expenses and denying our rights in expending the revenues and in partnership, either by following procrastinating and wriggling methods or by reducing output rates and investments to the minimum. at a time when the companies wereincreasing the investments

and output rates in the countries in this area.

"They intensified their policy against us following the July 14 revolution of 1958 and also following the legislation of the Law No. 80 and up to the issuance of nationalisation decision, thus damage inflicting great upon our national economy. by depriving us of large sums which could have been utilized for the work of development and progress for the welfare and prosperity of the people.

"The damage sustained by Iraq as a result of this arbitrary policy in the period falling between 1961 and up to the nationalisation decision, has been estimated at more than a half miliard Iraqi dinars. This enormous loss for a country like Iraq meant a very great deal as well as our deprivation of the opportunities of development and progress of which we This were in utmost need. impelled us to legislate the law nationalising the oil companies in Iraq."

IN MY SPEECH at the conference I stated that one of the major steps taken by the people of Sri Lanka to free themselves from the economic domination by the imperialist powers was to nationalize, in 1961, the importation and distribution of oil. The American and British companies who were having a monopoly of the oil trade until then and were obtaining enormous

profits obstructed the nascent Sri Lanka Petroleum Corporation in many ways. Despite all these difficulties the people of Sri Lanka won through. I further stated that the people of Sri Lanka gave their full support to the undoubted right of Iraq to nationalise its own oil resources.

I also informed the delegates at the conference the practical measures taken by Sri Lanka to help Iraq in their oil nationalisation. The Sri Lanka Petroleum Corporation was served with a warning notice by the Basrah Petroleum Company Limited of England not to purchase oil from the Iraq National Oil Company, Despite the notice the Sri Lanka Petroleum Corporation bought oil from the Iraq National Oil Company. Now the Basrah Oil Company of England has filed two actions aganst the Sri Lanka Petroleum Corporation in the Courts of Sri Lanka claiming Rs. 7,500,000/-as costs of the oil supplied to us by the Iraqi Company and which the British Company claims is payable to them and Rs. 10.500,000/- as damages for interfering with the trade and business of the British Company by buying oil from the Iraq National Oil Company.

I told the conference that Sri Lanka will fight these cases and will continue to purchase oil from the Iraq National Oil Company and make payments to the Iraqi Company which statement was received with prolonged applause. I was elected to the presidium for a session of the conference. I was also taken in to the drafting committee to prepare the document "Programme of Action."

Two important documents were unanimously accepted by the conference. The "Political Declaration" and the other "Programme of Action."

The Political Declaration states in part: Para"3. The Iraq Company, part of the international oil monopoly, has exploited Iraq's oil wealth since Iraq was under Ottoman and Brtish occupation and domination. For many years the IPC manipulated the situation in the political country in order to maintain its exploitation. It used the rate of oil production, and of oil revenues, as a means of exerting pressure on Iraq and of obstructing Iraqi economic independence.

"6. Imperialism, motivated by greed for greater profits and world domination, is vigorously active in trying to prevent Iraq from selling its nationalised oil. The imperialists are increasing their efforts and are using their reactionary allies in the Middle East against Iraq. They are attempting to bring about the failure of Irag's nationalization as a step towards bringing down the national Government and as part of their plot against the Arab liberation movement.

"7. This International Conference considers the nationalisation of the IPC as a major contribution in the struggle against imperialism and calls upon all forces for peace and progress to do their utmost in helping Iraq's historic nationalisation to succeed."

"10. This conference greets . Iraqi people and Government on their victory in nationalizing the IPC and calls upon all progressiveforces and those who care for human dignity, prosperity mutual co - operation and between nations to fulfil the programme of this Conference and give full solidarity to the Iraqi people."

The Programme of Action stated that the participating delegations from international and national organisations from many parts of the world did pledge their solidarity with the people and Government of Iraq in their decision on June 1st to nationalise oil and to resist all attempts in their respective countries to boycott the purchase of nationalised oil from Iraq and to refute and resist the false claims of the foreign oil companies to Iraqi oil.

346346

Soviet Uzbekistan

### Has Developed Advanced Agriculture

by Basil Perera

I HAVE just had the privilege and pleasure of spending the last few days in Soviet Uzbekistan. The impressions they left on me have been altogether favourable.

Before 1917, Uzbekistan, like other economically-backward provinces of Tsarist Russia had only a few factories and plants, mainly handicraft establishments with primitive equipment employing manual labour. Today it is an advanced agrarian. industrial state producing not only cotton for which it holds third place in the world, it also possesses a d v a n c e d engineering, chemical, gas oil, coal, and steel industries Uzbekistan today has more than 1000 plants and factories of over 100 branches industry.

On the basis of collectivisation, large-scale irrigation. rapid mechanisation and application of advanced farming methods, Uzbekistan has also developed an advanagriculture. Today Uzbekistan has 33,000 agronomists, zootechnicians, veterinary surgeons and other professionals, as well as 50,000 operators of agricultural machines. Let me illustrate this development in agriculture from what we ourselves

saw during our stay in Uzbekistan.

We visited the Syrdaryniski region in Uzbekistan where 92,000 people live in an area of 44,000 hectares. Not so long ago this was a wilderness. When development began in 1939, it boasted of only 5-600 tons of cotton per annum. Today it produces 45,000 tons of cotton in addition to 15,000 tons of rice. But this is not the whole story. While this region accounts for 28 million roubles in agricultural products, its industrial products amount million roubles. or nearly twice as much.

THIS INDEED is a splendid example of how agriculture and industry aid each other and contribute to the development of the land and the growing wealth and prosperity of its people.

It may also be of interest to know, especially in view of the approaching fiftieth anniversary celebrations of the formaton of the USSR, that no less than 78 nationalities inhabit this region of Syrdaryniski. Here they live and work in amity and mutual co-operation, Providing a striking example of the success of the Leninist policy relating to nationalise,

which has been implemented in the Soviet Union these last fifty years.

We visited a collective farm in this region. This farm produces cotton and fruits, wheat and grapes, meat and vegetables. Its annual income is 41 million roubles, out of which each member gets an average of 130 roubles per month. When it is taken into consideration that these members also get their provisions in meat, milk, eggs and vegetables free from the farm, the prosperity of the collectve farmers becomes clear indeed. No wonder peasant houses complete with modern amenities like television, are coming up mushrooms. And the demand is growing for cars. motor cycles and other goods.

THIS THEN, is the living reality of socialism. people of Uzbekistan have made a mighty leap from primitive backwardness to the front ranks of modern civilisation. In my humble opinion no people anywhere at any time in history have registered such a spectacular advance so short a time as have the people of Uzbekistan and other Soviet Republics of Asia. Central This advance represents greatest gain achieved by the human race in the course of this twentieth century.

This tremendous advance would not have been possible without the triumph of the October Revolution which

led to the formation of the USSR in 1922. It is well known that Lenin, the founder of the Soviet state, from the very first assisted the former Tsarist colonies in Asia to achieve not only political independence but also rapid economic progress. That is why he took a number of measures to end the age-old backwardness peoples like the Uzbeks. Thanks to extensive financial help from the Soviet Government, the budget of the Uzbek SSR grew at almost twice the rate of the more industrially-developed regions of the Soviet Union, so that by 1940-in less than 20 years-Uzbekistan had built the firm foundations of socialism.

In the course of the struggle for socialism, the people of Uzbekistan achieved genuine cultural advance. It was a surprise for me to see women in particular, formerly relegated to the kitchen or behind the veil, playing a leading part in all spheres of activity. Today Uzbekistan is verily a beacon of socialism to us in the East, giving us new hope and strength in our own struggles that we are waging for a fuller and better life.

THERE ARE no backward peoples in Soviet Central Asia today. There need be no backward peoples at all in any part of Asia, Africa or Latin America if only these peoples too follow the Soviet way. They too, like the Uzbek people, can arrive at socialism which is the final answer to human ills by passing the capitalist stage in their development.

The fraternal relations that bind the various Soviet peop.

les together can be seen in the fact that there is not a single Republic in the Soviet Union which did not heip Uzbekistan to come to her present stage of development. On the other hand, the products of Uzbekistan too are widely used throughout the length and breadth of the Soviet Union. It is this mutual support that lies at the bottom of the -unity and strength of the Soviet State. It not suris prising that the Uzbek people are getting ready to celebrate the great even of the fiftieth anniversary of the formation of the USSR in a fitting manner. The Deputy Chief Editor of "Pravda Vestoka" (the 'Pravda of the East) told me how they had already started publicising the achievements of all the Soviet Republics and of their mutual contribution to each other's advance.

To me as a citizen hailing from the new Republic of Sri Lanka, it was a matter of great personal satisfaction that Uzbekistan maintains the closest ties with my own country. The farm we visited is a colletive member of the Soviet-Cevlon Friend-ship Society. Its Chairman and others had visited Sri Lanka and had the fondest recollections of their stay there. I assured them that I too carry with me the fondest memories of a very pleasant stay in Soviet Uzbekistan, among a friendly people getting ready for their great anniversary.

I told them what I have already told you, namely that their great successes and achievements are an example and inspiration to us in our own march forwards full national liberation and socialism.

Now a Foreign Exchange Earner

### Ceylon Tobacco's Major Achievement

TOBACCO— a non traditional export item—has now become a valuable foreign exchange earner for our country.

Last year, Ceylon Tobacco Company earned nearly seven million' rupees in foreign exchange by exporting locally grown tobacco. The amount of tobacco exported represented one fifth of the total crop.

A spokesman of the Company said that on account of the unprecedented drought early this year, export plans could not be finalised due to a fall of two million pounds below target production. However, the Company was able to maintain the same level of exports despite the shortfall.

For 1973, orders for higher exports have been received and if the weather conditions are suitable, export earnings can increase to about Rs. 10 million, the spokesman added-

REFERRING to the problems facing the export of tobacco, the Chairman of Cevlon Tobacco Company, Mr. S. V. Wanigasekera in his Annual Review states that despite offering the leaf at prices barely covering direct cost, it is becoming difficult to find buyers in the international export markets. "Whilst the leaf is perfectly acceptable as to quality, our prices are not competitive in the world market because of the guaranteed price scheme in operation locally", he says.

Mr. Wanigasekera adds-"We are again faced with demands by farmers for higher prices and once more we have stated that with present prices already unrealistic by world standards, such increases will only put the exporting of tobacco into more jeopardy than at present. In addition to other countries in the East, new areas in Africa and South America are supplying world markets with tobacco at prices much lower than those which we can offer. Government authorities concerned with tobacco price negotiations will have to appreciate that farmers can get more income from better vields than from higher prices per pound and this in turn will lead to our export prices becoming even more uncompetitive. Our efforts to increase the volume of tobacco exports, with a view to earning more foreign exchankeeping with Government's Five Year Plan, will be nullified Government authorities concerned co-operate with us in this respect."

THE AREA under tobacco cultivation now exceed 18,000

acres and over 50,000 persons are in gainful employment in the rural sector. The total payout to farmers last year exceeded Rs. 28 million. This represents an income of between Rs.1500 and Rs.2000 per acre. Meanwhile, the importation of leaf tobacco has now ceased thus helping to conserve foreign exchange. The Company is also conducting extensive trials and expriments with a view to substituting local printing and packaging materials for those normally imported.

According to the Company's Annual Report a sum of Rs. 343 million has been paid to Government during 1971-72 as Excise Duty on Tobacco, Turnover taxes, Income tax and Feecs.



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#### TRIBUNE

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### McGovern and Nixon talk about the Economy

Washington,

By Richard P. Wilson

PRESIDENT Richard Nixon, holding his first post-convention news conference to discus the political scene, and Senator George McGovern going to Wall Street in hopes of changing his "radical" image there, both made news this week with proposals that would profoundly affect the American economy.

Acknowledging that he had begun an all-out campaign to broaden the base of his support, Senator McGovernthe Democratic challenger, measurably moderated his position. The Republican incumbent, promising a hard-fought campaign to create not a coalition but "a new majority, a clear mandate," talked of reforms that would rival those of the 1930's.

A week after the end of the Republican National Convention and less than 70 days before the national election, President Nixon was clearly the favorite but insisted he would wage no "leisurely, complacent, take it-easy campaign."

Contrary to the usual trend which sees a narrowing of the frontrunner's lead as the campaign progresses, Mr. Nixon was pulling ahead of Senator McGovern in the

public opinion polls at a steady rate, currently leading by 34 points. The latest Gallup Poll indicated 64 percent of the voters favored the incumbent, 30 percent were behind Mr. McGovern, and six percent were undecided.

If re-elected on November 7, President Nixon told newsmen at the Western White House in San Clemente, California, the first six months of the next Congress could equal in excitement, in reform, "the 100 days of 1933."

The 1973 reforms would be "very different" from President Franklin D. Roosevelt's, launched in the first 100 days of his new deal, but would include such liberal measures, said Mr. Nixon, as Federal state revenue sharing, welfare-reform, government re-organisation, a new public health program and new legislation to improve the environment.

Recalling the close elections of 1960 and 1968, when no candidate won a majority of the electorate's votes, President Nixon said that "what we need now is a clear majority; that means a clear mandate, a mandate

for what I have described as change that works, for progress."

SENATOR McGOVERN, going to the heart of New York's financial district to announce his "national income insurance" proposal, described a welfare program considerably less radical than his original thousand-dollar for-everybody plan, a new and expanded welfare assistance system that nevertheless was comparable in many respects to President Nixon's family assistance program.

The McGovern plan would be financed largely by broadscale tax reform, and the South Dakota Senator's suggestion to plug existing tax "loopholes" were the most broad reaching ever proposed by a major party's presidential candidate.

Mr. McGovern called for elimination of 22,000 million dollars in tax "loopholes" by 1975 to finance a 14,000-million-dollar welfare program that, among other things, would assure an annual income of at least 4,000 dollars for a family of four with no other income and no member able to work.

Under this program, he promised, "no American whose income comes from wages and salaries would pay one penny more in Federal taxes than he does now." Who would pay more? "Corporations and individuals who are today exempted from paying their fair share by unjustifiedtax loopholes."

According to analysts, the economic philosophy that Mr. McGovern has now adopted as his own is the tradittional, lideral Democratic economic philosophy, although many of the details for implementing it are new.

In a further move to quiet Wall Street's fears that a Me Govern administration would be bad for business. the Democratic nominee said he wanted representative Wilbur D. Mills, the cautious and well-respected chairman of the House Ways and Means · Committee, in his Cabinet as Secretary of the Treasury. (Congressman Mills taken by surprise, said he would consider the offer if Mr. McGovern should become president-elect).

On a later television show, Senator McGovern declared, "I'm not compromising on principle, "but acknowledged that he must broaden his base of support if he is to win in November.

Toward that end he defended ex-president Lyndon B. Johnson's handling of the Vietnam War and turned aside criticisms of his visit Johnson's Texas to Mr. ranch last week. That visit, said Mr. McGovern, was "one of the most treasured moments of my life. He inherited the war. He didn't start it. He gave up his chance for re-election in an effort to end it."

At The United Nations

#### U.S. To Ask For Fair Budget Assessments

By Jamos G. Caravello

New York. THE U.S. delegation will ask the U.N. General Assembly this year to set a new ceiling of 25 percent on the rate of contribution to the regular budget of the United Nations. The United States has borne the highest assessment rate of any member in the 26-year-history of the United Nations. It now is assessed for 31.52 percent of the budget.

SOURCES at the U.S. mission note that the establishment of such ceiling is consistent with U.N. policy that no member nation should assume disportionate of financial responsibiliy. The move does not reflect a lessening of U.S. support for the United Nations. would the requested 25 percent rate unfavorably affect the assessments of other member states.

The mission is distributing a memorandum to all member governments explaining the U.S. proposal for a new ceiling.

As early as 1948 when the United States was paying at a rate of 39.89 percent, the General Assembly recognized that "in normal times no one member state should contribute more than one-third of the ordinary expenses of the United Nations in any

one year." The one-third ceiling was implemented in 1957, the General Assembly reduced it to 30 percent.

The primary consideration for the U.N. scale of assessments has been "the capacity to pay." From the very beginning the United States has pushed for a 25 percent ceiling but temporarily accepted higher assessments to help member states suffering from economic dislocations stemming from World War Two.

THE MEMORANDUM being circulated states: "At that time, the United States made it clear that in an organization of sovereign equals. factors other than capacity to would have be considered in determining assessments for the administrative budget, and further that excessive reliance on the contribution of one member did not serve the interests of the organization."

Because the economic dislocations caused by the war have virtually disappeared and the U. N. membership has more than doubled (132), the United States now seeks a further adjustment in the maximum percentage assessed for any one member state.

On this point the memorandum says: "The position maintained by the United States and a number of other States in 1946, that it is unhealthy for a worldwide organization to be excessively dependent upon the financial contribution of any one member state, continues to be reflected strongly in American public opinion. The view is widely held in the United States that in a virtully universal organization of sovereign equal states, the total membership must share its financial responsibility more equitably."

U.S. sources point out that the proposed ceiling in no way reflects a dwindling interest in the United Nations. U. S. assessed and voluntary contribution amounted to 40 percent of the total in 1970 and last year U. S. contributions, including humanitarian relief, totalled 433,041, 000 dollars. And to date the United States has contributed more than 4000 million dollars to the U. N. system. The U.S. memorandum says. "This record demonstrates continued U. S. support for a more effective and strengthened United Nations, including its intentions to maintain U.S. voluntary contributions at a high level."

U. S. spokesmen feel that American contributions to the specialized agencies, development fund and other voluntary programs of the United Nations might even increase if the General Assembly approves the proposed ceiling.

SUCH ACTION, they say, would certainly affect the mood of the U.S. Congress, which appropriates all U.S. funds and which has the matter of U.S. contributions to the United Nations under consideration.

India.

### Mass Disillusion ?: In-Fighting in Congress: Kashmir: American Atlas on China:

New Delhi,

AS the high tide of Congress popularity passed and a new period of mass disillusion already begun? This is a question which is being debated not only in the opposition camp but among a good section of Congress men. Happenings as far apart as Bombay and Shahdara have been eye-openers to many Congressmen because their magnitude can hardly be ascribed to the strength of opposition parties: only the mass mood in such places seems to be so sullen that it can explode into conflagration, however local be its character.

Talking to congressmenone does get the impression that the Government's inability to check price rise has considerably devalued Congress prestige as compared to what it was six months ago. It would however be a mistake to think that a wave of clashes is about to sweep the country. The people feel embittered, particularly in the urban areas, though this feeling may not break into turbulance.

It is precisely in this period that dissensions inside the Congress have been surfacing on a scale not seen since the great split three years ago. In several states, where Congress Governments are in power, in-fighting and faction quarrels have begun to assume proportions which have begun to cause concern at the Centre. In Mysore, the recently

Spokesmen hold that reduction of the U. S. assesment is feasible and can be accomplished without damage to the assessments of other members. The U. N. committee on contributions will submit to the General Assemby this year its recommendation for a revised scale of assessment covering the years 1973-75. U.S. misson sources says the committee will revise upward the assessment of some members because of their comparative economic

growth. Japan and Australia were mentioned among the most likely candidates.

Admission of the two Germanys could account for 8.8 percent of the regular U. N. budget with the Federal Republic being assessed 6.8 percent. The committee also is studying the possibility of raising the assessment of the People's Republic of China three or four percent more than the rate that had been assessed to the ousted Republic of China.

Hanumanthaiya has begun to give the Urs Ministry many headaches by mobilising his supporters to attack the State Government under cover of a "cleansing" campaign. Though this may not prove fatal to the Government, it can be a continous nuisance with a potential for touching off violent incidents over genuine mass grievances.

In West Bengal too, trouble has begun to erupt within Congress ranks. The crux of the problem is that the Chief Minister, Siddhartha Sankar Ray, does not control the Pradesh Congress organisation. His influence is mainly over the MLAs over whom his majority is assured. But in the last few months distinct factions have emerged and various powerful groups in the PCC have begun to fight for supremacy, and one combination seems to be forging ahead in the bid to capture the PCC and thereafter force the Ray ministry to be reconstituted in its favour. Nor is the situation in Bihar any more promising. All the old factions are once again active and different combinations have emerged. The Chief Minister does not have the dynamism either to implement Ministerial pledges or to effectively run the day-to-day administration. In his helplessness he has succumbed to vested interests and alienated himself from the forces which had brought victory to the Congress.

NEARER HOME in Uttar Pradesh, the revolt led Mr. Saligram Jaiswal is not just an isolated phenomenon. Mr. Kamlapati Tripathi's supreme inaction has practically petrified the administration while the Pradesh Congress leadership is ineffective. as it commands neither authority nor infuence. The in-fight is linked with important personalities at the Centre. The talk of making Mr. Tripathi the next Congress President is not as innocuous as it looks. it ever materialises, it may turn out to be a new move to make the party boss a thorn in the path of the Govleader, a sort of ernment tried strategy once by the Syndicate.

Cohesion at the Centre far from complete. Although Mrs. Indra Gandhi's position continues to be unchallenged. it does not follow that her political line is unswervingly followed. While she has kept up her relentless crusade against the Jana Sangh, it is interesting to find one of her colleagues associating with Jana Sangh and RSS leaders to celebrate the Moonje centenary. On a different plane, the attack on progressives is sought to be mounted by the formation of the so-called Nehru Forum. It is not expected that this freak outfit will function but it is meant to prepare the ground for a move at the next Congress session to get forums inside the party dissolved and thereby put the Congress Forum for Socialist Action in the wrong.

WHILST THE IN-FIGHT-ING in the Congress organi sations in many states has begun to gather momentum, the focus in New Delhi in its external relations is mainly on MAPS. At the time of writing the problem of delineating the actual line of control as on December 17, 1971 in Kashmir has assumed difficult problems with Pakistan Twenty of the twentyfive maps relevant to the border have been delineated, but the line on five maps seem to have created insoluble difficulites. How it will be ultimately resolved is not clear, and only weeks of patient negotiations may provide solution. In the meantime, India's relations with Pakistan are in a parlous stage of stalemate.

India has been recently concerned with MAPS not merely in the Kashmir area but also MAPS published in other countries as well. Sometime ago India had lodged a protest with Moscow about certain maps published in the USSR in which, it was alleged that the boundaries of India in the Northeast had not been properly drawn. It was pointed out that certain areas which India regarded as "Indian" were shown either as disputed areas or as being on the Chinese side. Moscow had replied that these were old maps and did not represent the current position, and India hopefully awaits the time when correct maps will

be produced by Soviet cartographers. Maps and atlases published in China have also been contested by India— the USSR also has vehemently pointed out that these maps were wrong because huge chunks of Soviet territory were shown as Chinese.

Though India is willing to regard the Chinese maps with some degree of equanimity. political circles in New Delhi have been greatly disturbed by a geographical atlas of China which was drawn by the US State Department and evidently the CIA, for the use of President Nixon and his entourage when he paid his official visit to Peking last February. It is said that one copy of the Atlas was given to every American official and correspondent who had accompanied the President on his trip to Peking.

Atlases are essential for travellers especially those on a mission such as the one which went to Peking with President Nixon. This Atlas merits worldwide attention, particularly the attention of China's neighbouring countries. The American Atlas reflected the kind of geography wich China has recently insisted upon showing the frontiers of her "Celestial Empire" in the days gone by. There is no doubt that the past grandeur of Imperial China fascinates Mao-Tsetung and his colleagues, It will be recalled that in the Chinese Revolubook The tion and the Communist Party of China written by Mao and other communist leaders way back in 1939 in Yennan, the authors had included countries like Korea. Burma, Bhutan, Nepal and Annam as being regions which had either belonged to China in the past or had been dependant on China. Even after establishment of the the People's Republic of China Peking had repeatedly printed maps in which Burma, Outer Mongolia and other countries were shown as parts of China. It has been reported that at a meeting of top Chinese leaders in 1958 the logistics of landing troops in Japan and the Philippines were discussed. It had also been reported that in August 1965, Mao in his speech at a Plenary Meeting of the Central Committee, had talked about the necessity for China to "secure for herself" such countries in Southeast Asia as South Vietnam. Thailand, Burma, Malaysia and Singapore.

These hawkish plans of Peking have been talked about and discussed for a long time. Many neighbours of China have kept these plans in mind in regulating their relationships with China. The American Atlas is only a reminder that the Chinese had not presented all their claims, and what has perturbed political circles in New Delhi is the comment in the Atlas that "present frontiers

were established "in conditions unfavourable for China," thereby giving indirect support to China's territorial claims. The American Atlas furthermore reprinted a 1840 map of China from a Chinese manual showing a number of Asian countries, which are now sovereign and independent, as forming part of the "Middle Kingdom".

It is accepted that before and after Nixon's visit to Peking. Americans had persistently claimed that their and detente negotiations with China would not infringe upon the interests of third parties. But this Atlas runs counter to that, and many Asian countries cannot be blamed for thinking that Washington might be inclined both to ignore the rights of these countries as well as to neglect US obligations many Asian countries. The alacrity with which Tanaka government in Japan initiated steps to come to terms with Peking, not only bypassing the US but also by dumping Taiwan, has been noted in New Delhi.

Asian Many countries. including India, had based their foreign policy attitudes towards China on the sheet anchor of avowed US policies to Peking. The Washington-Peking detente was welcomed. as much as the admission of China to the UN, in Delhi and other Asian eapitals, but this US Atlas has caused misgivings in all Asian countries stretching from Japan to India.

Ceylon: Marginal Notes

### Bank Strike: Leaflet War: Loss of Face for LSSP?

By Serendib

THESE NOTES are being written on the eighteenth day of the bank strike. No settlement is yet in sight. In fact, the Minister of Finance pulled out what he thought was his ultimate trump card before his departure London and Washington on the 16th. when a group called itself the which "socialist faction" within Bank Clerks led by a LSSP man, Cyril Jayaratne, issued a leaflet calling upon all LSSP-oriented and other sundry socialists in the Bank Clerks' Union to return to work on Monday the 18th. The strike was called reactionary and it was suggested that it had been inspired by anti-social imperialist elements: that the UNP was behind it and that some of its office intimately were bearers connected with the Tamil United Front which was threatening to launch a peaceful satyagraha on October 2 if the six demands of the TUF were not met before that date.

The statement issued by this group, "The Banks Socialist Group" makes most interesting reading: it was entitled WHY THE BANK STRIKE? "One year ago in April 1971 misguided youth were made use of by scheming reactionaries for an uprising in defence of Capitalism Their propaganda arm then. were the BBC and the Voice of America. The damage caused to the country's economy was around 400 million rupees. One year later in 1972 the leadership of Bank and Technical Unions are in a combined operation to continue where they left.

"What are the for ces behind the current strike?

"(1) Read the 'SIYARATA' the official journal of the UNP. It makes no secret of the UNP's support for these anti-government strikes. Mr. Premadasa has become the spokesman for the strikers in the National Assembly. It is not strange that Mr. Premadasa is the sponsor of the Lanka Foundation-an affiliate of the notorious West German Ebert Foundation.

"(2) The Banks Union Secretary Mr. S. Sivasubramaniam is also an Executive Committee Member of the Tamil United Front. The Tamil United Front has now given notice to the Government of direct action in the North and East. They did so two months ago on the promulgation of the constitution of Sri Lanka.

- (3) CWC Leader, Planter Thondaman also, a notorious opponent of the Government gives unqualified support to the Bank Strike and prepares for a show-down with the Government in the Estates.
- (4) Wilfred Perera the UPTO leader (UPTO affiliated to the ICFTU. American Trade Union Centrel) has endorsed the Bank Union Strike and no w calls for a wage rise to Postal Employees.
- (5) Tampoe, the 'Revolutionary' now turned Gandhian operating through the CMU has pledged unqualified support to the Bank Strike and calls for a day's Hunger Strike against repression, obviously well timed with the Bank Strike.
- (6) The Capitalist News Papers who have a distinguished record of dismissals and strike breaking activity in their establishments (Dawasa, Times and Lake House Groups) today write editorials in defence of the strikers.
- (7) There has never been a strike where such a large number of Bank Executives have joined as in the present strike.
- (8) Big business-men, Borahs in the Pettah, Land-lords and Planters in the outstations are assisting strikers in the form of handsome donations both in cash and kind.
- (9) Another re-actionary organisation calling itself "SODEPAX" is the latest to come to the ASSISTANCE of the Bank Men.

"It is not strange therefore that these reactionary forces are in a "Holy alliance in

an attempt to destroy the People's Victory of 1970 and pave the way for the enthronement of reaction in this country.

"This is their fight against the promulgation of the New Constitution and this their fight against the socialist measures of this Government.

"They were up in arms against: Demonetization in 1970, nationalisation of Trade, Business Acquisition Act, Compulsory Savings Bill, Capital Levy Tax, Income and Expenditure Ceiling, Stoppage of Repatriation of Money abroad by Foreign Banks, Control of Agency Houses, Ceiling on Ownership of Houses, Land Ceiling Take-over of B.C.C. Formation of the Gem Corporation and Shipping Corporation, Re-organization of the Administration and Establishment of Workers' Councils and Janatha Committees. Educational Re forms, Proposal to establish an Import-Export Bank.

"These reactionary forces have engineered the present strike at a time when the Government is in the process of implementing far reaching economic and social reforms in keeping with the Government's pledges to the country. "BANKMEN.

You will now realise the forces behind your 'struggle'. They are fighting their cause through you. In a similar situation in distant Guyana the White Collar Workers were made the tools for the sinister machination of the

imperialists and capitalists to topple the socialist Government of Cheddi Jagan. Don't allow yourselves to re-enact that dastardly crime in this country. Be alive to the situation here. Do not allow yourselves to be a party to the comeback of the UNP-FP Reactionary combine.

"Confronted with this counter revolutionary situation in the country Government will be compelled to resort to firm and drastic action in order to safeguard the historic People's Victory of 1970. In this context the organised working class and the broad masses will not hesitate to join the Government in defence of the people's cherished victory of 1970.

"Reject your leadership who are masquerading as non-political Trade Unionists when in reality they are the hirelings of the reactionaries. Join the rest of the progressive trade Unions in their historic tasks of building Socialist Sri Lanka."

This statement was thought to be the "atom bomb" which would knock the strikers out. It was also believed that a very large number of those on strike would stream back to work on the 18th.

At the time of writing these notes, on the evening of the 18th, the number of strikers, who appear to have returned to work as a result of this "call" from the "socialist group" is from all accounts a very small number.

ON THE OTHER HAND, the Bank Clerks' Union issued a reply to the "socialist group" in their daily bulleting of September 18. It was an indignant and spirited reply. The "socialist group" had tried to make out that the strike was "politically motivat" ed" by reactionary elements. The Bank Union's bulletin had a vigorous heading: THF LSSP SCHOOL OF FALSI-FICATION.

This is what the bulletin said: "The growing desperat. . ion of the Minister of Finance and his political stooges has been reflected in the appeal to scab by Mr. Cyril Jayaratne "on behalf of the Bank's LSSP group' and a scurrilous leaflet put out by an organisation called 'Banks Socialist Group' on the eve of the Finance Minister's quarterly trip abroad at the tax-payers' expense.

"This so-called Socialist Group' was born on Saturday, September 9th, in the canteen of the Ministry of Finance and the midwives were a former president of the GCSU and a member of the personal entourage of the Minister of Finance.

"This canteen meeting which was attended by about fifty people, most of whom were not bank employees. decided to set up the 'Sri Lanka Socialist Bank Service Union.' All of us who have seen their application forms and have seen any government departmental form know exactly where this was printed.

'As stated in our last strike bulletin, we have got concrete evidence that Mr. Jayaratnes' appeal was issued to the daily press by the Ministry of Finance, with instructions that it be published as the lead story on page one. And also, as stated, at least, one newspaper has been requested to publish a banner headline on Monday morning: 'Bank Strike Called Off'. We can expect plenty of this type of false propaganda in the next few days, but no one is going to be fooled by

"Together with these clumsy attempts to intimidate us, the usual outpourings of politically bankrupt minds have already started. We are the agents of the BBC, the Voice of America, the CIA, the Herbert (SIC) Ebert Foundation, the UNP, Mr. Thondaman, Federal Party Borah merchants and landed proprietors in the outstations who are giving us 'handsome contributions in cash and kind.

"In a crude attempt to give the issue a communal twist, the false allegation been made by a pro-government trade unionist and a weekly paper edited by the chair man of a state-owned bank that the General Secretary is a member of the Tamil United Front and that our strike is connected with the threatened action of that organisation. Legal action for defamation has already been instituted against the purveyors of this slander.

"There is nothing new in all this. Even in 1962 when the President and the General Secretary were both Sinhalese, our strike was denounced by the Government as being part of a Federal Party plot to overthrow it.

"There is a Sinhala saying about the wounded wild boar. In their desperation, these people are reacting in the same porcine manner. The overwhelming majority of the strikers, we repeat, are not going to be duped by these childish antics or intimidated by the reported threats of thuggery. With complete faith in the justice of our cause and the unity of our ranks, we are confident that we can face up to any situation the 'golden brains' could devise."

ON THE EVE OF HIS DEPARTURE on September 16, Dr. N. M. Perera, the Minister of Finance, had held a press conference in which he had appealed to the strikers to get back to work, and he had endeavoured to characterise the strike as a "reactionary one". The (Sunday) Observer, 17/9, carried a front page report of this press conference.

For the record we publish this report below: which appeared under the heading NM's EVE OF DEPARTURE APPEAL.

"The Finance Minister Dr. N. M. Perera appealed to the bank strikers to come back to work on the eve of his departure to the IMF World Bank and the Commonwealth Finance Ministers' conference in Washington and London.

"The Government's position regarding the bank strike has been fully endorsed by the vast majority of the people and the working classes who are less privileged than the bank employees.

"Dr. Perera said 'This is an unfair and unjust strike. That is why the bank strike has not got the sympathy of the working classes. It is wrong for a government to give into such unfair demands at a time when the working classes are tightening their belts and

co-operating with the govern-

'As a man who has led strikes in the past I say with a sense of responsibility that the bank strike is most unfair. We are determined not to give in and I can add that the Prime Minister too is quite adamant' Dr. Perera said.

"Those who anticipate the government to give in after my departure are sadly mistaken. The Government will not give into unfair demands Dr. Perera said.

"We are now busy working out a wages policy for everybody - the public servants, corporation sector and the private sector Some enjoy vast benefits - medical facilities, train warrants, fringe benefits, higher scales etcwhile some don't get anything. This is an anomaly and we have to put things right even though we become unpopular with some sections in the process but we will go ahead and evolve a national system which is fair all. Dr. Perera said.

"Dr. Perera also explained the background to the conference he is attending. The linking of the Special Drawing Rights with development, the international monetary reform, parities and a number of such problems were being thrashed out. He was leaving the country reluctantly due to the bank strike but these matters need personal attention as they affect the country vitally, Dr. Perera said.

"Dr. Perera said that he was quite optimistic that the economy was recovering gradully. We have repaid some of the unfunded foreign debt. The Five Year Plan is getting off to a gradual start. There is no reason to

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be pessimistic, Dr. Perera said. Dr. Perera will be away for two weeks."

The Bank Employees' Union did not allow this "appeal" of NM's pass without a vehement reply. It immediately issued a statement under the heading FINANCE MINIS-TER'S PRESSURE TACTICS DEFEATED. The statement appeared under the signature of the General Secretary of the Union, S. Sivasubramaniam, and the statement, concluded with agitational slogans typical of the old LSSP. DOWN WITH THE DISRU-PTORS AND CLASS TRAI-TORS! LONG LIVE THE BANK EMPLOYEES' UNION.....

But the statement itself was polemic of the sharpest of LSSP agitational literature in the days gone by. "Our strike enters its sixteenth day today, with our ranks intact in the face of all the pressure tactics the Ministry of Finance could devise to demoralise us and break our solidarity. The hoped-for break in our ranks on September 5th and 6th, and a subsequent stampede back to work, did not materialise. The psychologi-cal war has been won by us. On the basis of this unprecedented solidarity we have every confidence that we shall win the battle for our just dues as well.

"The Ministry's first damp squib after the strike commenced was the ultimatum to return to work or be deemed to have been dismissed. Only sixteen strikers in five different banks capitulated and of these, three have subsequently walked out again. That tactic having failed, the next move was the widely publicised "fresh recruitment" to the Bank of Ceylon and the People's Bank. Whom does the Ministry of Finance think it is fooling? The members

of our Union, itself or the general public? The so-called recruitment of new hands to replace the "dismissed strikers" started before our strike commenced in order to fill vacancies in the Bank of Ceylon and the People's Bank. The 200 new recruits to the Bank of Ceylon had already been interviewed and selected. In the People's Bank there are 400 vacancies to be filled and in fact, this question of cadre had been discussed between the Union and the management and decided on before the strike. In an attempt to exploit this situation further, some of these new recruits have been posted to outstation branches to decorate premises with their presence and thereby break the morale of the strikers in those places. This manoeuvre too, has ended in total failure.

'In the face of this utter failure to demoralise us and split our ranks, the Ministry of Finance has been compelled to admit the success of our strike. Even the attempt to stampede us by getting stooge unions to denounce us has boomeranged''.

And so the "class struggle" manifests itself in this leaflet war centred on the bank strike. Apart from everything else it is a question of prestige for the Minister of Finance and the LSSP. The two State banks are under his Ministry. The Chairmen of these two banks are LSSP stalwarts. Most of the recruits taken into the bank since May 1970 are LSSP-oriented. And from the very moment the strike was mooted the LSSP launched a major propaganda and political campaign to kill it. The LSSP mobilised the entire Government behind itain Tehe SI FP mote directly involved in the tussle, was drawn into it as the Government could not tolerate a strike to alter the wage structure in a way that would cause an inflationary spiral. The CP too threw in its weight to describe the strike as "reactionary."

Nevertheless, in spite-of all this barrage of UF propaganda, the strike took place. And it has continued for 18 days without the strikers showing any signs of giving in. And the Government is in an unenviable position: it simply cannot afford to concede the demands of the bank clerks.

How this tussle will end is difficult to say. Whatever be the outcome, the Government, and more particularly the LSSP, has lost face and prestige - for an avowedly "socialist" and left government to be challenged in this way. And what is worse is that the attempts to brand the strike as "reactionary" and thus draw a red herring across the trail seems to have misfired. And the final trump card of a socialist" faction, asking strikers to return to work on the 18th. turned out to be a damp squib.

The strike is certainly not in the interests of the common man or the country at large, but impartial observers have noted that the common man is apathetic and even tends to sympathise with the strikers probably because the common man is disillusioned about the Government and the many promises it has not been able to fulfil in regard to providing essential food stuffs and also bringing down the cost of living.

#### Chronicle

#### The Headlines

September 1-15

Ceylon Bank Employees' Union launched its strike at midnight last night defying the Essential Services Order. The Government claimed that the strike was not justified and proclaimed that it would take firm action against the strikers. The Government decided to defer the introduction of the controversial Press Council Bill in the National State Assembly. President Nixon and the Japanese Premier Tanaka began their talks in Honolu in the Hawaii yesterday.

SATURDAY, SEPTEMBER 2: The Bank employees strike went off peacefully on its first day yesterday: nearly 7000 were on strike and staff officers provided service to customers on a restricted basis for an hour. There were no pickets and no incidents. The 21st anniversary of the Sri Lanka Freedom Party was celebrated today. The U K government faced stiff opposition to its decision to admit Asians expelled from Uganda.

SUNDAY, SEPTEMBER 3: The Government last night issued an ultimatum to the striking bank clerks to return to work or face dismissal: the deadline for probationers was September 5 and others September 6. The enlarged 35-member Central Committee of the Ceylon Communist Party, in which the hardliners gained control, meets for the first time today to map out policy and elect key office-bearers. Prime Minister Lee Kuan Yew's Peoples Action Party was swept back into power when it won all 65 seats in the Singapore General Elections today.

MONDAY, SEPTEMBER 4: The Ceylon Bank Employees' Union yesterday decided to continue their strike ignoring the Government's ultimatum to return to work or lose thir jobs. Dr. S. A. Wickremasinghe (President of the party) was elected General Secretary of the Communist Party replacing Mr. Pieter Keuneman-the party is now without a president. The Criminal Justice Commission resumed its sittings today when Bhikkhu Sobita was further cross-examined. The Pakistan Government nationalised 15 private colleges amid a continuing wave of arrests following Christian protests against the takeover. An official Japanese government delegation began talks in Peking with Chinese officials yesterday.

TUESDAY, SEPTEMBER 5: The bank strike entered the fifth day today with no prospect of a settlement: the Union claimed that some staff officers had also joined the strike. The probationers defied the government ultimatum and did not return to work. Mark Spitz, the American swimmer, won his seventh gold medal, the most won by any single competitor in the Olympic Games.

WEDNESDAY, SEPTEMBER 6: The bank strike entered the sixth day: according to the government about 200 strikers had returned to work, but the Union claimed that more had come out and that only 16 had returned. The Minister of Finance appealed to the strikers to return and stated that Government would recruit new hands from tomorrow. Agricultural Productivity Bill was introduced in the National State Assembly today. The Prime Minister made a statement in the Assembly today about the great "letdown" in Georgetown at the non-aligned conference. Black September, Arab Palestinian Commandos, killed two Israelis and took 9 others as hostages, in a spectacular raid yesterday at the Olympic Village: they wanted the release of 200 Arabs in Israeli prisons. In a "shoot out" today all nine hostages were killed and five of the geurillas as well. The Olympic Games were suspended for the day.

THURSDAY, SEPTEMBER 7: Today is the seventh day of the bank strike and there was no prospects of a settlement in sight. The Cabinet at its weekly meeting yesterday gave the okay to bank managements to begin recruitment of new hands. Today is nomination day for the mini-general elections-in Puttalam, Ratnapura, Nuwara Eliya and Kesbewa. The 1972 Olympic Games resumed after a 24-hour suspension because of the Arab guerilla attack on the Israeli team's quarters.

FRIDAY, SEPTEMBER 8: The bank employees Union claimed that more staff officers had resigned from the Bank Officers' Union and joined the strike. The strike of the Technical Officers under the Ministry of Irrigation, Power and Highways, which began on August 1, was called off with effect from today on the Prime Minister's assurance that the Cabinet would appoint a Committee to inquire into their grievances. Twenty two candidates had filed nomination papers for the 4 seats: the elections will be held on October 9. The Agricultural Productivity Bill was unanimously passed. A delegation from North Korea arrived in Colombo yesterday to discuss with the Government the possibilities of re-opening the Embassy

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which had been shut down in April 1971. There was world wide condemnation of the action of the Arab commandos in Munich.

SATURDAY, SEPTEMBER 9: The bank clerks strike continued. Sunethra, daughter of the Prime Minister, was married to Kumar Rupasinghe, at a simple ceremony vesterday. In the National Assembly, yesterday the Government agreed to adjourn the debate on the new Co-operative Societies Bill so that more members could express their views. Israeli jets and troops attacked Arab commando bases in Lebanon and Syria. SU. DAY, SEPTEMBER 10: It was the 10th day of the bank strike and no settlement was in sight. The Minister of Finance assertd that "we will not allow 7000 bank employees to disrupt the plans of the government. The strike is unjustified, ill-timed and illegal." Israel avenged the Munich killings by launching further attacks in Lebanon and Syria. The Zambian government attacked the racist policies of Uganda and Dr. Kaunda of Zambia said that Amin was "mad."

MONDAY, SEPTEMBER 11: The bank strike continued and the bulletin of the Union stated that "all the pressure tactics of the Ministry of Finance to break our solidarity have ended in ignominous failure." ASP Shanmugam of the Kandy police began his evidence before the Criminal Justice Commission today. It was disclosed by the Permanent Secretary to the Ministry of Justice that 12,500 of the detainees had been released up to September 8. Of the remaining 6,000 still in detention about half will be charged for alleged complicity in the April 1971 insurrection and the others will be released before the end of the month. Syria called for an urgent meeting of the Security Council to consider Israeli attacks upon its territory. TUESDAY. SEPTEMBR 12: The bank strike entered the 12th day: about 200 new clerks had been recruited on a minimum salary of Rs 10 a day on a purely temporary basis and daily paid-and their services could be terminated with one day's notice on either side. The International Olympic Committee imposed a lifetime Olympic ban on all eleven members of the Pakistan hockey team for their behaviour when they lost to West Germany in the finals. President Amin of Uganda yesterday ordered the 17man British Military Mission to clear out of the country before mid-day on Friday.

WEDNESDAY, SEPTEMBER 13: Bank strike continues. The Joint Front of Technical Officers Trade Unions has urged the Prime Minister to settle the present bank strike by negotiations and has threatened to call out a general strike in the event of the bank strike not being settled within a reasonable period. In Jaffna a home-made hand grenade was flung at the car in which an Appointed MF was travelling on last Monday night—he was only slightly injured but the front portion of the ear was badly damaged. Henry Kissinger, US Presidential adviser on National Security, began talks today with Soviet leaders in Moscow on current problems. President Salvador Allende warned that Chile was in danger of slipping in to civil war and called for a political dialogue to find a solution.

THURSDAY SEPTEMBER 14. The 14th day of bank strike the Union offered to negotiate with the Government provided negotiations were conducted while the strike was on. The police have warned parents that kidnappers were seizing children; that in the last fortnight 166 children, all under 20, were reported missing. The cabinet at its meeting yesterday decided to defer the Press Council Bill until a new draft without certain objectionable features was drafted. The Warsaw Pact Powers began the biggest ever war manoeuvres yesterday. The US has taken stern security measures at the UN in view of the murder threats received by Arab diplomats. Israel has taken a vow to root out Arab terrorism. The UN Secretary-General Kurt Waldheim had received a message from President Amin of Uganda applauding Hitler's extermination of Jews: and had also suggested that all Israelis should be transported to Britain which Amin said was responsible for settling them in Palestine in the first place.

FRIDAY, SEPTEMER 15: The 15th day of the bank strike: and the Government has decided that it will not negotiate with the Union while the strike was on: arrangements were being made to provide an extended bank service from next week. Dr N.M. Perera, Minister of Finance, wil leave for London tomorrow in spite of the bank strike. The UNP was starting its election campaign in the four electorates this weekend. A United Front led by the controversial former Kashmir Prime Minister, Sheik Abdullah, swept to a massive victory in the elections to the Srinagar Municpal Council: it had captured 25 of the 28 seats, but the final results were yet to Prime Minister Sheik Mujibur Rahman has re-iterated there could be be no talks or meeting with President Bhutto until Bangla Desh was recognised by Pakistan.

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