

TRIBUNE

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BANK STRIKE

ISRAEL AND
TERRORISM

NM'S FUTILE
PLEAS WITH I M F

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CHINA & RUSSIA

INDIAN VIEW ON
CEYLON'S FOREIGN
POLICY

LAPIDARY—SCOPE
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* Bank Strike * Arab Guerillas
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IN SRI LANKA, at the moment, the Bank Strike continues with no prospect of a settlement in sight. Whether the strike will be settled before this issue of *Tribune* is out is a problematic question. At the time of writing there does not seem to be any likelihood of the strike being broken either by the recruitment of new hands by the Government or through demoralisation among the strikers. While this confrontation goes on, the economy of Sri Lanka is taking a severe beating. The Government cannot give in: and the strikers are in no mood to give in. The Government has no option but to be adamant: the strikers seem to be set for a long innings.

But the strike has caused many ripples to arise within the United Front itself. At a time when the Government Parliamentary Party has accepted a formula to take back the four expelled CP members, the *Aththa*, the Communist Party's daily, has once again begun to take a *hard line* against the Government. The *Aththa* does not hide the fact that it has a great deal of sympathy for

the strike and the strikers. This is a virtual reversal of the Keuneman line, but such a change had become inevitable after the last CP Congress, which met on August 20-24, when a new 35-strong Central Committee was elected with the Keuneman group reduced to a small minority. The majority belong to SA Wick-HGS Ratnaweera-KP de Silva group which has been characterised by the daily press as "hardliners": they are for the UF, but they want more socialism more quickly: they resent the snail pace at which the UF government was moving and were bitter that Keuneman and his group were willing to accept this SLFP *hemim hemim*. Once the new Central Committee was elected, the *Aththa* did not appear for a few days, and it came out only after the HGS group were once again firmly in the saddle in the *Aththa* setup and the Keuneman group headed by Arnolis Appuhamy was ousted. The new *Aththa* was *hardline* in every way. The CP English weekly, *Forward*, has not yet made its appearance after the great change in the CP. The Tamil weekly *Navayugam* too has not yet made its appearance. As a compromise, the

new *hardline* CC wanted Pieter Keuneman to continue as General Secretary, but after great hesitation he declined the honour, and Dr. S.A. Wickremasinghe had to step down from being President to take over the job of General Secretary. The post of President continues to remain vacant—until a new General Secretary is found, when Dr. S.A. Wickremasinghe will revert to his earlier post of President.

IN THE MEANTIME, Pieter Keuneman celebrated his twenty five years in Parliament on September 20. But before this, the *Nation*, the LSSP-run paper for the UF, had a swipe at the new *hardline* group which had grabbed power in the CP. In its issue of September 15, in its front-page leading article on the Bank Strike, under the heading REACTIONARY POLITICAL PLOT—AIMS OF THE BANK STRIKE NOW CLEAR, the *Nation* stated that the strike had been engineered by reactionary forces "to prepare the ground for a political assault on the Government," and in detailing the forces which could be regarded as "reactionary" enemies of the Government, the *Nation* included the following: "...on this common ground all opponents of the Government rallied, from UNP and FP reactionaries to

Tampoit ultra-Lefts, with the frustrated wing of the lower-petty-bourgeois Sinhala chauvinists of the Communist Party who are both inside and outside the United Front of the Government at the same time."

The *Nation's* thesis was that this reactionary plot was intended in the first place to create discord in the UF and thereby subvert the Government, and asserted that these reactionary intrigues had proved a total failure as the unity of the UF continued to be intact. The *Nation* however was not satisfied with this frontpage barrage. On the last page, in the *Notes and Comments* column, the paper went on to lash out at all those who had shown some sympathy for the strike, particularly other union leaders, and more especially the Technical Officers of the Irrigation Department who had been on strike from August 1 and had gone back to work only on September 6. The *Nation* was hardest on the *hardline* section of the CP.

This is what it said: "But the noisiest drum-beaters on behalf of the Bank clerks' strike derive from one wing of the Communist Party. Though this wing has recently established its dominance in the party's hierarchy, it has as yet not formulated its attitude to the United Front and

the Government in any clear terms. If one is to go by the ordinary meaning of words, such parts of the Political Resolution of their party as they have as yet made public should mean that these people have as yet a basic commitment to the United Front. Their words and actions, however, do not admit any basic loyalty to the Front or their partners in the Front. They appear to consider that they are obligated to attack every policy decision of the Government publicly, if that is to their sectarian advantage. From this point of view, the Bank clerks' strike provides these Communist Party trade unionists with an opportunity to bid for cheap political support. This is, undoubtedly, a problem for the councils of the United Front to solve."

The *Nation* then went on to philosophise on the situation and even made it out that it was willing to "criticise" the Government, and finally concluded with a sermon" to the Government, What makes this outburst of punditry interesting is that the LSSP had taken over the burden of the strike on itself and had set out to break the strike also by itself.

THE CABINET seems to have consented to all the tactics worked out by the LSSP group—recruiting new

hands and the like — and it intrigued many observers why the *Nation* should deliver this oblique shot at the Government, about not ensuring that trade union leaders were "trained" in making correct decisions, meaning thereby accepting the the political dogmas of the UF on all current matters.

However, this is what the *Nation* stated: "The real lesson that the Bank clerks' strike should teach all those concerned with the working class movement in Sri Lanka is that the trade unions, in their present state of fragmentation, internecine rivalry and opportunistic leadership, are incapable of sustaining a significant further advance towards Socialism. The majority of trade union leaders are unwilling or unable to resist the prospect of temporary and petty gains for themselves, even where it is clear that the longer-term interests of their members lie in the opposite direction. Government, perhaps, is partly responsible for this situation. Its failure to promote responsible attitudes among trade unionists by recognising the importance of their role in the industrial process and consulting them as a matter of right in the making of all decisions concerning wage and working conditions of the working class, has driven many of them to perverse or irresponsible attitudes."

"What is necessary now is not to sermonise to the trade unions but to act to revive their confidence in the Government and win their co-operation and participation in the development of our plans."

The Nation's sermon was to plead that trade unions should not be "sermonised" but that something should be done to win the confidence of the trade unions and secure their participation in the development plans. But after all the leafleteering indulged in by the Ministry of Finance and its supporters, the trade unions cannot be blamed for taking a dismal view of the LSSP and its tactics

ALL THE EFFORTS of the LSSP to break the strike and to intimidate other trade unions into not supporting the bank clerks union by raising the bogey of "a reactionary plot" failed to produce the necessary results. On the other hand, as these notes are being written, more and more trade unions were swinging round to the support of the Bank Clerks. The leadership of the parent GCSU had followed the lead of the Ministry of Finance and had condemned the bank strike as a reactionary plot, but a number of branches of the GCSU have since protested against the statement of

the GCSU head quarters and extended their support to the bank strike. A number of other unions have also supported the bank clerks.

But the most interesting document was a statement by the Central Committee of the Communist Party, a constituent member of the UF. "Recruitment of new workers to replace strikers and interference with the right to peaceful picketing not only makes a settlement more difficult but also negates rights that the trade unions have won after years of struggle" states the Communist Party of Sri Lanka in a statement on the Bank strike. The statement signed by the Secretary of the Party, Dr. S. A. Wickremasinghe states:

"Having discussed the situation resulting from the strike launched by the Ceylon Bank Employees Union, the Central Committee of the Communist Party of Sri Lanka is convinced that a speedy settlement of the strike is in the best interests of the country and all those concerned and therefore urges on the government the need for positive steps to bring about a settlement with the Union on strike.

"Recruitment of new workers to replace the strikers and interference with the right to peaceful picket-

ing not only makes a settlement more difficult, but also negates rights that the trade unions have won after years of struggle.

"Activities by the authorities which undermine these rights can have the effect of alienating the organised working class who played a big part in the victory of the United Front in 1970 and on whom its future advance depends

"The Central Committee is confident that the Bank employees on strike will not be deceived by the crocodile tears shed on their behalf by various reactionary anti-government forces.

"It expresses the conviction that a speedy solution of the strike is the best way to prevent reaction from exploiting working class discontent for their own purposes."

With Dr. N. M. Perera out of the country, and with the LSSP having failed to settle the strike or break the strike, hopes have sprung up in many quarters that the Prime Minister would intervene in the strike and effect a settlement: that she would be able to persuade the Union to call off the strike on the basis of a moratorium — that the Union should put off its wage

demands for a short time, until the government was in a position to pay increased wages. Whether such hopes will materialise is still uncertain: the PM must first decide to intervene, and she will probably do this only when she has certain assurances that her persuasion would be accepted by the Union.

Ministers like Felix Dias Bandaranaike and T. B. Illangaratne are expected to take some initiative in the matter. Whether the Prime Minister and some of her other Ministers will decide to intervene in the strike, or whether they will continue to leave the matter in the hands of the Ministry of Finance and the LSSP, is the burning question of the day. The answers may be forthcoming by the time this issue of *Tribune* is on the newstands, but at the moment everything connected with the strike is very much in the air.

IN THE WORLD OUTSIDE, trouble, violence and even fighting seems to have got the upper hand. In the Middle East, Israel's action in Lebanon and Syria has evoked protests from all countries. The general consensus of opinion is that Israel had over-reacted to the Munich episode. Even those who had condemned the Arab guerilla actions in Munich

have been aghast by what Israel had done in Lebanon and Syria. The UN Secretary General Kurt Waldheim deplored Israel's incursion into Lebanon. A UN spokesman said that "the Secretary General has authorised me to say he deplores the violence and the breach of the cease-fire and he does not consider such acts of violence are helpful in reaching a just and peaceful solution to the Middle East situation".

Arab reaction has been particularly vehement. This is understandable. More than 300 persons including women and old people have been killed as a result of the Israeli reprisals. This is not the full consequence of the policy of "threat and punishment" pursued by the present leadership of Israel towards the Arab countries. It is widely accepted that if Israel had shown restraint and patience, it would have gained much more than by this policy of reprisals. The sympathy, which had spontaneously arisen for Israel no sooner the Arab guerillas had launched their attack in Munich, has now vanished owing to the action Israel took to avenge herself. Impartial observers cannot be blamed if they say that the cruelty which the Israelis inflicted in Lebanon could be compared only to the ruth-

less brutality of the German Nazis who eliminated whole villages to avenge a Jew or an Aryan who had been killed. In the past, certain Israeli leaders had proclaimed that they would take 10 Arab lives for one Israel dead, but today even this ratio does not seem to suit Israeli leaders like Moshe Dayan.

WHAT MANY OBSERVERS have noted is that the Israeli attacks against Syria, Lebanon and Jordan have demonstrated, once again, that the declarations of the Israeli government about its intention to live in amity with neighbouring Arab states and settle all questions by peaceful negotiations seems to be observed only in breach. Furthermore, the Israeli Cabinet does not seem to have any regard for the latest attempts to secure political settlement of the Arab-Israeli conflict, particularly President Sadat's decision to secure the withdrawal of Russian military advisers for the purpose of improving relations with the USA and the countries of Western Europe. Nearly all Arab countries had also begun to re-establish friendly relations with countries in western Europe in order to secure their assistance to bring about a political settlement. Egypt and other Arab countries had also welcomed the resumption of the Jarring Mission.

In these circumstances, many political observers, even in countries which have been friendly to Israeli, have stated that Israel's current military attacks on Syria, Lebanon and Jordan, under the pretext of the Munich events, are really intended to undermine Arab initiative to secure a political settlement. The Israeli reprisals have really set the clock back so far as a political settlement is concerned.

There is not the slightest doubt that the Munich episode did not warrant the severity of the Israeli attacks. In the long run, the killing of innocent civilians in Arab countries and the refugees in Palestinian camps will only breed more extremists. It must be remembered that the Palestinians have a just grievance of having been thrown out of their homes in territories they had occupied for centuries after the Jews had left their original homeland a long time ago. The Israeli cry of "death for death" is infectious and it will certainly infect Palestinian refugees who have no homes and have no place to go. Only a just settlement of the problem on the basis of the decisions of the Security Council will bring this conflict and violence to an end.

IN THIS PHASE of developments in the Middle East, Arab countries are disappointed that the USA had not reacted in a more positive manner to the Israeli attacks on Lebanon, Syria and Jordan. They expected the USA to condemn the actions of Israel much more vigorously than they did—the Munich adventure of the Arab guerillas was bad, but what Israel did thereafter was worse and was out of proportion to the "original sin". Arab countries tend to blame the USA for the aggressive character of the present Israeli leadership and re-iterate that but for the arms from the USA, Israel would tend to deal with its Arab neighbours in a much more humane and realistic manner. The swing to the USA which many noticed in the Arab world, with the culmination in securing the withdrawal of Russian advisers from Egypt, seems to have ended abruptly. Heikal, editor of *Al Ahrām*, who had campaigned for the withdrawal of the Russians from Egypt, has now swung round to the view that Egypt and the Arabs must once again re-inforce their connections with the Soviet Union.

It is probably because of this trend that the US State Department has hastened to reaffirm its "support for Lebanon's territorial integ-

riety." An official communique from Washington had stated: The State Department has reaffirmed U.S. support for the political independence and territorial integrity of Lebanon. It did so on September 18 after Israeli forces had completed 33 hours of search-and-destroy raids against Arab terrorists' bases inside Southern Lebanon. Charles Bray, State Department spokesman, said, Washington regrets, "any and all violence and the loss of innocent lives whether from terrorism or military actions. We also firmly believe that the two phenomena cannot be dealt with separately."

This has been the U.S. position ever since Arab terrorists launched an assault in Munich on September 5 that resulted in the killing of eleven Israeli Olympic participants. Mr. Bray said the United States believes that the Israeli-Lebanese border could be "an area of quiet if the Fedayeen (Arab guerilla) activity were to cease." This view "is completely consistent with our longstanding support for the political independence and territorial integrity of Lebanon", Mr. Bray said. He noted that Washington was in "active diplomatic contact" with Israel and Lebanon while the raids were under way.

THIS EXPLANATION does not seem to have satisfied the Arab world. The attitude of the Arabs and that of many other countries in the Third World was reflected in an editorial of the New Delhi daily *Patriot* under the heading US VETO which read: "The U.S. decision to use the veto against the resolution introduced in the Security Council by Yugoslavia, Somalia and Guinea condemning Israel for abrogating the ceasefire agreement and bombing areas in Syria and Lebanon is the result of Zionist pressure on Mr. Nixon's administration. The Jewish vote and the financial support of Wall Street which is considerably influenced by international Jewry are assets no President seeking a second term dare ignore. The explanation given by Mr. Bush, the American Ambassador to the UN, for the exercise of the veto is extremely unconvincing. He would have the world believe that injustice would be done to the cause of peace and terrorism would be encouraged if open aggression by Israel is condemned and if the Arab Governments are not officially warned against supporting the Palestinian guerrillas. In most countries, Governments, the Press and expressed public opinion have given expression to a sense of revulsion and shock over the cold-blooded mur-

der of innocent Israeli sportsmen. Even spokesmen of the Egyptian Government and the Arab League have given vent to their distress. Perhaps this could have been more specific and more purposeful and certainly sections of the Syrian and Egyptian Press could perhaps have been more human in discussing the monstrous event. That they were not so, does not change the character of the basic issue. Israel with Western capitalist help has for over two decades been hounding out as many Arabs as it can from their homes and seizing land traditionally belonging to them. The fact that because of American participation and guidance it was able to defeat the Arab Governments in their last encounter does not give Israel any moral right to stick on to what was secured through aggression.

"Unless the two issues—terrorism by Palestinian guerrillas and periodic Israeli aggression—are separated and dealt with, there is no likelihood of the UN being able to contribute anything positive to the solution of this problem which has created so much tension in West Asia. American diplomats and Presidential aides who have dealt with it know this very well. Indeed, secret meetings between Arab and American spokesmen have taken place

in spite of the growing weight of Palestinian guerilla violence. Mr. Nixon and his mind-maker, Dr. Kissinger, should know very well by now that terrorism has flourished in direct proportion to the growth of military arrogance in Israel. This process cannot be stopped by Security Council resolutions or other expressions of international criticism as long as those Western powers—specially the USA—continue to pander to aggressive Israeli demands and keep its Government supplied with the latest kinds of arms. Knowing this, the world should draw whatever comfort it can from the fact that the American veto has only identified its Government's interests with those of Israel and not actually made the situation any worse."

It can be argued however that India is at the moment suffering from an overdose of anti-Americanism and that the *Patriot* suffers from such a bias. But a cross section of views culled from newspapers from both sides of the Atlantic also tend to place greater blame on Israel than the US Administration is inclined to do. Israel has only itself to blame if its reprisals for the Munich massacre have invited sharp criticism even from those newspapers which have been

traditionally its supporters, often militantly so.

A telling instance of the unfavourable comments on the Israeli raids on the Lebanese villages last week with the avowed aim of destroying the hideouts of Palestinian guerillas is an editorial in *The New York Post*. The paper has particularly deplored the attack on Rafid in the course of which "many innocent Arabs, including women and children, were killed."

"A policy of reprisals that claims such victims," says the *Post*, "does not honour a cause but disgraces it. That was shamefully apparent at Munich, and it is now equally obvious in the aftermath of Rafid. It is not self-defence involved in these cases but indefensible assault."

This view is shared by *The Washington Evening Star* (which has heartily endorsed the "harsh but valid" criticism of the Israeli action from the pulpit by Mr. Francis Sayre, the highly respected dean of Washington's national cathedral) and *The Christian Science Monitor* which feels, that the reprisals, like the original terror, "are self-defeating."

Interestingly, both *The New York Post* and the *Monitor* have criticised the American

government for its stand on the Munich tragedy and the subsequent Israeli action. While the *Monitor* merely "regrets" the American "refusal to join in condemning the acts of reprisals which can only perpetuate hatred and delay peace", the *Post* is much more blunt. "For Mr. George Bush to describe the Munich massacre as 'so horrible, so brutal so vicious and so detrimental to order in the civilised world' at a time when the United States itself is busy devastating Viet Nam," it says pertinently, "is nothing short of unbearable hypocrisy."

Across the Atlantic, the feeling against the Israeli reprisals is no less strong. In France, for example, these have been denounced not only by the communist daily, *L'Humanite*, which is entirely understandable, but also by various right-wing papers as well, which is unusual. The most outspoken criticism comes, however, from the popular *L'Express* which says: "Ever since the Jews became Israelis they too have learnt to kill. It is not the least sinister thing about them that they have earned the world's respect more by exhibiting their warrior like qualities than by growing radishes in the desert."

Le Nouvel Observateur reminds its readers of the existence of a "new Diaspora—that of the displaced Arabs" while, Mr. Raymond Aron writes in *Le Figaro*, with his characteristic common sense, that there can be no solution of the Arab-Israeli problem without taking care of the Palestinian refugees who "were expelled after the creation of Israel or left on their own." He thinks, however, that no political solution will give the "mass of refugees and their children a chance to return." The only thing that can be done is to "find them homes elsewhere," and this must be done with the "help of Israel as well as financial assistance of other countries."

FINALLY an editorial in the *Herald Tribune* sets out the viewpoint of the US Administration which seems to insist that the two problems of Arab terrorism and Israeli military attacks should be combined in order to arrive at a solution whereas the general consensus of opinion in other countries seems to be that the two problems must be separated if a solution is to be found for the dominant issue of Arab-Israeli confrontation. This is what the *Herald Tribune* stated: "The world has long ceased to expect very much from the United Nations on the Middle East except moral

platitudes. This is despite the fact that the UN, in a very real sense, created the Middle Eastern deadlock as it exists today, both by action, in 1948 and 1956, and by inaction in 1967. But on Sunday even the platitudes failed to gain official expression in the Security Council. That body met to consider the Israeli bombings of Syria and Lebanon. The Soviet Union and China were quite willing to condemn Israel for bombings, but refused to admit any link between the raids and the acts of terror that inspired them. The United States refused to accept a resolution that did not include a condemnation of terrorism. It was, in fact, moved to one of its very rare vetoes. As a result, the council did not condemn the raids, nor the terror, nor did it make any real effort to get at the sources of both the bombing and the terrorist action. The Israeli government has maintained that a policy of stiff retaliation is its only defense against a form of attack that knows no national boundaries, is directed by no nationality or internationally responsible agency and is governed by no rules acceptable to law or reason. Through these raids, it hopes to bring pressure on neighboring governments to keep the fedayeen under control, and to a certain extent it can claim to have succeeded.

"The obvious international answer to the Israeli point of view is to outlaw the exportation of terror, or its nature in national sanctuaries. This has not been done and the Security Council did not even approach the subject in any realistic manner. That part of this reluctance stems from a variety of political and economic consideration is obvious enough; that it also arises from Israeli tactics should not be ignored by the Israeli government, Israel may consider its bombing strikes 'part of a continuous war as Lt. Gen. David Elazar put it, in which it is, 'unfortunately, impossible always to avoid harming civilians.' But to kill, however unintentionally, women and children in attacks of mere retaliation is not easily condoned. There are still avenues through which some solution of the Palestinian refugees problem can be approached. They would not satisfy the fanatical wing of the fedayeen organizations who are vowed to the destruction of Israel. Control of groups of this kind, whether they call themselves Black September or Tupumaros, IRA, or whatever, must be approached at a different level, domestically and internationally. But the nations

of the Middle East can surely find, or be directed toward, some road to agreement that will make acts of terror, on land or in the air repugnant to the overwhelming majority, and offering no advantages to anyone. It is all too clear, however, that those nations will not be helped to find such a road by the United Nations, in Security Council assembled."

WHILE EVENTS in the Middle East have become stickier than they have been for some months now, trouble has flared up in the Uganda area. President Amin has become the exponent of a new kind of racism, of the black against the brown. The Africans have for long been the victims of white racism and apartheid, but it is surprising that even before they have overcome the impact of white racism on the continent, the Uganda blacks should have decided to resort to black racism against the brown Asians. Whilst the Ugandans have the right to protect themselves from economic exploitation, there was no excuse to use the weapon of racism, to expel 80,000 Asians in Uganda many of whom had adopted Ugandan citizenship.

President Amin had sought to cover this racist action under a smokescreen of economic emancipation, and even the *Izvestia* had in the first instance fallen for this logic and it was only after Indian protests and the visit of Foreign Secretary Kaul that Moscow began to take a more realistic and humane view of the situation. Dr. Julius Nyerere of Tanzania was the first African leader to condemn the black racism of Amin, and he was followed much later by Dr. Kenneth Kaunda of Zambia. But all other African and Arab leaders, who have persistently shouted against the racism of the whites, have been silent.

The real content of Amin's racism became apparent when he wrote to the Secretary General of the UN applauding Hitler's extermination of the Jews (Amin, being a Muslim, sympathises with the Arabs especially after Libya gave him financial assistance on condition he threw out the Israelis entrenched in Uganda's army and administration). Amin had wanted all Israelis to be expelled to Britain because the British had first created a "home" for the Jews in Palestine and had thus brought

the state of Israel into being. For the same reason he wanted to send the Asians back to UK because the British had brought them there; or back to their country of their ancestors' origin.

If Amin's thesis and racism is to be accepted, the world will become an impossible place in which to live. Every minority will be in a state of constant migration and even majority groups will become the victims of the racism of bigger groups. "Racism" based on colour is as bad as racism based on religion or language. The term "racism" is probably not the most "correct" one where language and religion are concerned—chauvinism may be a better word—but the consequences are basically the same.

Until people learn to live in peace with other human beings on the basis of tolerance and understanding, this world will be a madhouse where violence will predominate. There is no difficulty about blacks and whites living in peace and friendship. They do in many countries and in many parts of the world. People of different religions have lived in the same land for centuries

without any conflict. And they still can do it.

ON THE COVER we have a picture where black and white young ones are seen in friendship and amity. This can happen in Africa. It can happen in America. It can happen everywhere. What is needed is the spirit of tolerance and understanding.

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NM's Pleas of no Avail: IMF Cuts Off Sri Lanka's SDRs.

THE FINANCE MINISTER, Dr. N. M. Perera, had left on September 15, for the Commonwealth Finance Ministers' Conference in London and the IMF (cum World Bank) meeting in Washington—with our bank strike at its height. He had said that he would make an effort to obtain some financial assistance for Ceylon from the World Bank and the IMF.

A few days after he left, the *Sun* on September 20, proclaimed on its first page: FOLLOWING IMF DECISION — NO PAPER GOLD FOR SRI LANKA NEXT JANUARY: Rs. 60 TO Rs. 80 MILLION INVOLVED. This is what the *Sun* said: "Sri Lanka will have to tide over her balance of payments problems without a fresh allocation of between Rs. 60 to Rs. 80 million by way of special drawing rights from the International Monetary Fund in the coming year. This follows a decision of the Executive Board of the IMF which, has decided against issuing fresh SDRs (Paper Gold)—due for allocation in January 1973.

"This country had in 1970, 1971 and 1972 received three separate allocations of SDRs, aggregating to a sum of about Rs. 200 million, in order to tide over her balance of payments, including urgent debt servicing burdens. While the IMF decision, which has been communicated to the Government, will mean a setback to developing countries in general, it will have a particularly adverse effect on Sri Lanka which is at this stage looking for more generous credit facilities to meet development needs.

"According to a government spokesman, the Sri Lanka delegation to the IMF and World Bank annual meetings to be held in Washington (September 25-29), will muster the support of other developing countries to press for the revocation of the IMF decision not to issue fresh SDRs in January next year. Our delegation to these meetings is being headed by the Minister of Finance, Dr. N. M. Perera.

"The Finance Minister, it is disclosed, has been instructed by the Prime

Minister, Mrs. Sirimavo Bandaranaike, to make a strong plea for the re-allocation of quotas under the Special Drawing Rights system, as this country had been severely affected by dwindling prices for her principal export commodities.

"Meanwhile it is predicted that there will be a 'showdown' at the IMF and World Bank meetings next week, as developing nations are bound to call for a total change in the method of allocation of SDR quotas, by the fund, in pursuance of a decision taken at the "Caracas Parley" early this year.

"At present the developed nations which have made bigger contributions to the fund, are by virtue of this fact entitled to a larger draw-off in the way of SDRs—also known as "paper gold". The developing countries, including Sri Lanka, will make a strong case for this position to be reversed in the spirit of UNCTAD, where it was agreed, in principle, that the developed nations owed it as a duty to come to the aid of developing nations."

The same issue of *Sun* also carried a story under the heading: TIGHT CREDIT SQUEEZE CLAMPED

AGAIN. In addition, further cuts were imposed on import allocations, including many on raw materials for what were regarded as non-essential and semi-essential industries. However, the *Sun* report made it clear that the Sri Lanka Government was compelled to clamp down a further credit squeeze. This is what the report said: "The need to effect certain important policy changes to speed up the implementation of the Five-Year Development Plan, has been stressed by some of the Government's economic advisers. According to reliable Government sources changes have become necessary in view of the conditions laid down by the International Monetary Fund to consider Sri Lanka's application for another stand-by loan of Rs. 25 million.

"A major decision taken by the Finance Minister Dr. N. M. Perera before he left the country for London in line with the IMF conditions was to impose a tight credit squeeze to cut down on consumption expenditure. This credit squeeze is now in operation.

"The recommendations for the changes in the policy were reviewed by Planning Ministry officials.

The Ministry, it is learnt made its own recommendations to the Government, sources in the Ministry said that some of the recommendations did not correspond with the IMF conditions. *But it is felt that the Finance Minister would be able to convince the IMF that complete adherence to the conditions was not necessary in view of the basic changes in policy that were being contemplated.*

"Planning Ministry sources felt that the credit squeeze, which was expected to cut down drastically consumption, was likely to affect a number of private sector development projects. A credit squeeze of this nature was imposed during the latter part of last year as well. The World Bank had earlier recommended a reduction of the consumption expenditure and a freeze in wages.

"How far the present credit squeeze would go to curtail consumption expenditure is still not known since the details have not been worked out by the banking sector in view of the strike.

The country's business sector however feel that any restriction of credit would affect all the investment

programmes undertaken by the private sector. Their main concern, it is said, is due to the Finance Minister not specifically earmarking the details of what is entailed by consumption expenditure. Business sources indicated that even housebuilding by individuals and repairs too could be construed as consumption."

The *Far Eastern Economic Review* commenting on this matter, under the heading COLOMBO IMF CUT OFF, stated: "Sri Lanka will have to tide over its balance-of-payments problems without a fresh allocation of special drawing rights (SDRs) from the International Monetary Fund (IMF) for 1973. The IMF has decided against any new allocation of SDRs, and the decision has been communicated to the Sri Lanka Government. Sri Lanka received separate allocations of SDRs in 1970 and 1971 amounting to a total of Rs. 200 million (about US dollars 35 million) in order to help it with its short-term debt servicing problems. For 1973, Colombo was expecting an allocation of about US dollars 12 million.

"Whether the IMF's decision was a punitive one is not known. But the

IMF has constantly petitioned Sri Lanka to devalue formally and do away with its chaotic system of multiple exchange rates. Sri Lanka did devalue recently but the amount was so marginal it is unlikely to make any difference to its trading or balance of payments. The island nation remains heavily in debt and very dependent on short-term revolving credit just to stay afloat. Finance Minister N. M. Perera was to attend the IMF and World Bank annual meeting this week. Perera was expected to make a renewed effort to gain a fresh allocation of SDRs."

On Wednesday September 28, Dr. N. M. Perera did make a plea before the annual meeting of the World Bank. The *Times of Ceylon* on September 28 published a Reuter message under the heading: NM TELLS WORLD BANK OUR WOES. This is the Reuter version of Dr. N. M. Perera's speech: "Dr. N. M. Perera, Finance Minister of Sri Lanka has, appealed for more sympathetic treatment by the World Bank of countries, where efforts to achieve economic growth run counter to the aim of helping the poorest segment of society.

"In a speech to the annual meeting of the World Bank and the International Monetary Fund released here today Dr. Perera said there were many snags in a proposition that linked development aid with the level of domestic effort being made by the recipient country to live within its means. In some cases, he said: 'despite substantial efforts the recorded performance might fall short of expectations due to international economic factors outside its control.'

"It seemed both unfair and unfortunate, he said, that nations so placed should be called upon to make still further efforts to ensure that aid flows continued. This could conflict with the linking of aid with the development need to help the poorest section of society and the setting of minimum economic and social objectives. If the minimum socially necessary development achievements require a greater savings efforts than is domestically permissible in terms of the country's other minimum objectives, Dr. Perera said, 'there would appear to be a prima facie case for external assistance sufficient to bridge the difference'. The Minister noted that the case for

adopting development need as a criterion for aid allocations did not absolve the World Bank from urging a reasonable degree of performance on aid recipients, but the criteria of good performance had to be applied within the framework of the social and political options open to the Governments.

"Dr. Perera said Sri Lanka's imports of consumer goods would have been reduced to 'rock-bottom' levels by the end of this year and import cuts next year would have to fall on already inadequate imports of intermediate goods and industrial raw materials. Use of foreign exchange to maintain the planned economic growth rate of six per cent, would mean reduction of imports of essential consumer goods to politically and socially unacceptable levels. Further he said, drawings on the International Monetary Funds' compensatory financing facility amounting to 40 million dollars, were due to be repaid this year and next year. Dr. Perera suggested there was therefore a case for some form of programme financing conceivable, in the form of re-financing of Sri Lanka's compensatory financing debts.

"Pointing to the warning of World Bank President, Mr. Robert McNamara that aid must be directed to help the society's poorest members, Dr. Perera said: 'The risk of social rebellion arises in Sri Lanka now, not so much from the absence of social reform, as from the overzealous pursuit of self-help measures which; in the absence of sufficiently imaginative and flexible aid policies, will inevitably have to be carried through to the point of conflicting more or less dramatically with the requirements of development aid.'"

Dr. Perera said developing countries had a claim to an increased share of IMF quotas as a way of meeting their needs for liquidity and increasing their say in monetary questions. The link between quotas and development aid was, he said, associated with the strengthening of the system of special drawing rights. Dr. Perera said he hoped the new committee of 20, charged with thrashing out a new international monetary order, would give a real opportunity to developing countries to participate in the decision-making process. One of the first items for decision would be the nature

and scope of negotiations on trade, money and development finance, so as to include issues of concern to both developing and developed countries."

BUT DR. PERERA's pleas however fell on deaf ears. The World Bank has taken many decisions at its annual meeting to afford greater facilities to developing countries, but this has not brought any relief to Ceylon. Sri Lanka's trouble is not that the methods of the World Bank and its procedures have victimised it, but that the actions and policies of the Sri Lanka government did not conform to the basic imperatives on which the IMF operated. Furthermore, the extent of the credibility gap which hangs over Sri Lanka in international circles is so great that the assurances Dr Perera is now willing to make have not changed the situation for the better.

IMF circles would never have taken seriously the LSSP (and Dr. Perera's) characterisation of the IMF as an "imperialist association" because such sloganising was regarded as part of the demagoguery essential in a developing country, but the Sri Lanka Ministry of Finance has not been able to fulfil its

promises in various matters it had agreed to do. One of the most notable was that the Government withdrew within 24 hours the increase in the price of sugar and flour it had announced last October as part of 1972 budget, and the Budget still remains unbalanced.

It is not necessary to detail the acts of commission and omission of the Government of Sri Lanka which has brought its reputation low in the IMF and the World Bank. There are UF apologists who argue that a Government with a radical programme had to do the things Sri Lanka has done, but in which event it should have made it clear that it was not seeking IMF and World Bank assistance.

Sri Lanka should in fact have pursued Prime Minister Chou En-lai's advice to depend solely on "self-help" and knock off free rice, free education and the like. The Chinese advice is "socialism" at its best and Sri Lanka cannot do better than convert all its economic development plans to turn around on the basis of "self-reliance".

War and Peace: US Wheat for China and Russia: China and the Third World: Peking's zig - zag,

-by ARIEL

WAR AND PEACE seem to be going hand in hand at the present phase of contemporary world history. The *detente* between the Soviet Union and the United States is being extended on many levels, and the *detente* in Europe between the socialist bloc in the eastern part on the one hand and the capitalist countries of western Europe on the other continues to gather momentum. In the Pacific region, the *detente* between China and the USA has set in motion a complete change in the relationships between several countries in the region. Japan and China have arrived at an understanding which is likely to change the the balance of power in the Far East in a very significant manner, and, in anticipation of this, President Nixon journeyed half way across the Pacific to meet the new Japanese Premier Tanaka in Honolulu (after the second world war every new Japanese Prime Minister had gone to Washington to pay homage to the conqueror) and the British Prime Minister has paid the first

ever state visit of a British PM to Japan.

Whilst peaceful efforts to stabilise and extend the *detente* goes on in certain sectors of the world, violence and war continues to erupt in other parts of the world with unflinching regularity. The war in Vietnam has reached a chronic state: the US continues to pound North Vietnam and even battle zones in the South from the air whilst the ground troops from the two halves of Vietnam fight each other in ruthless battle. In the Middle East, the recently peaceful see-saw between the Arabs and the Israelis was disrupted by the Munich episode and the subsequent Israeli reprisals on guerrilla camps in Lebanon and Syria. In Morocco, King Hassan, after the last attempt on his life, has resorted to large-scale repression in a bid to prolong his tottering regime.

But it was in East Africa, that the unexpected has taken place. Ugandans-

in-exile launched a military attack on Amin's regime from across the Tanzanian border. Amin was in the process of expelling the 80,000 Asians in the most barbaric and ruthless manner known in modern times. The Asians were thrown out after they were deprived even of their personal belongings. President Amin had also written to the U. N Secretary General applauding Hitler for exterminating the Jews. Amin's eccentric posturing and ideas had evoked worldwide protest and criticism, but the fighting in Uganda made Amin declare that the invasion was from Tanzania and sent his bombers to attack some Tanzanian border towns. The force which launched the attack seems to have been overwhelmed by the superior forces at Amin's command. Furthermore, Uganda has more planes than Tanzania. It is likely that the attackers will be pushed out of Uganda into Tanzania but it is a moot question whether Amin's forces would pursue them into Tanzanian territory. And the repercussions of this fighting is bound to have wide repercussions in Africa.

THE ELECTIONS in the US have not yet begun

to hot up, but President Nixon's envoy Kissinger has been busy in Bonn, Moscow and Paris seeking to extend the detente with the Soviet Union and at the same time endeavour to effect a peace settlement in Vietnam. In the meantime, the US is pushing ahead its efforts to expand trade with China and the USSR. It is reported that China has signed a contract, believed to be worth \$150 million for ten US-built Boeing 707 airliners. It is said that the contract was formalised on September 8.

Washington on September 14 gave further details of the increased trade with China and the USSR.

The decision of the People's Republic of China to buy 15 million bushels of wheat from the United States was officially welcomed in Washington because it is the first Chinese purchase of grain from the United States since World War Two. The Chinese interest in American wheat comes on the heels of the Soviet Union's recent agreement to buy 900 million dollars to 1000 million dollars worth of U.S. grains in the next three years. The Soviet Union needs the grain

as the result of its worst crop failure since 1963.

Officials of the U.S. Department of Agriculture, as the result of the grain deals made by the Soviet Union and China, expect that total U.S. exports of agricultural commodities in fiscal 1973 will set a new record in value—9,000 million dollars—and possibly achieve President Nixon's goal of 10,000 million dollars in the following year. Value of U.S. agricultural exports in fiscal 1972 totalled 8,000 million dollars, the highest in history.

The US Department of Agriculture on September 14 issued the following statement on the Chinese wheat purchase: "The Export Marketing Service of the U.S. Department of Agriculture confirmed that documentation on export payment registrations under the special wheat export payment program during the period of August 25 to September 1 indicates that about 15 million bushels of wheat are designated for delivery to the People's Republic of China. The booking included 300,000 long tons or 11.2 million bushels of white wheat and 100,000 long tons or 3.8 million bushels of

soft red winter. The fact that the export payment on these quantities was booked does not in itself indicate that sales were made by U.S. exporters directly to China. The sales to third parties for re-export to China would also qualify for U.S. export payments."

China's purchase of U.S. wheat is seen as the opening wedge in the re-opening of trade in important commodities between the two countries. The foundation for a resumption of trade was laid when President Nixon paid an official visit to Mainland China earlier this year.

China's growing trade with the USA is a welcome development in creating a world of co-existence and co-operation. But in spite of China's new friendliness to many countries in its foreign policy postures, there are a great many enigmatic questions which have caused concern especially in Third World Countries.

THE VETO exercised by China on the admission of Bangala Desh to the UN has evoked comment all over the world. The Government of Sri Lanka although it supported the

Bangladesh application for admission to the UN did not make any comment on China's action in vetoing the entry. The organisation known as the Sri Lanka Friends of Bangladesh issued a statement on September 1 which is worthy of being placed on record.

This is what the statement said: "The Sri Lanka Friends of Bangladesh have noted with regret that the application of the People's Republic of Bangladesh for admission into the UNO has been vetoed by the Government of the People's Republic of China in the Security Council. The Sri Lanka Friends of Bangladesh understand that the problems of the Rights of individual nations quite often become complicated by the differences of friendly and peaceful international relationship in a world that is riven with conflicts between rival governments and groups of nations. It is the complexity of these relationships that demand firm adherence to the principles of socialist internationalism as the only basis on which it is possible to establish the widest human solidarity.

"The right of peoples to independence and self-

determination is the foundation of socialist internationalism. The Sri Lanka Friends of Bangladesh are confident that the Government of the People's Republic of China will not permit unfortunate incidents of the past to be erected into a barrier to recognising the rights of the free peoples of Bangladesh as a member of the international community."

Admission of Bangladesh to the UN was undoubtedly one more step towards easing the tension and improving relations between states in South Asia. The *New York Times* very correctly pointed out (even before the draft resolution was submitted for discussion and even before the vote was taken) that China's threat to use the veto against Bangladesh would militate against reconciliation on the Indian subcontinent. The *London Economist* wondered what China's policy really was and suggested that it was adopting super-power postures. The French *Les Echos* asserted that China's action "is a bitter lesson for the Third World".

Political analysts in many countries have been endeavouring to find out what options, dynamics and imperatives underlie Chinese

foreign policy. On the global arena, China continues to re-iterate the thesis about the "hegemony of the two super-powers," but at the moment its chief target of attack is the USSR and not the USA. One does not know when China will shift the emphasis once again against the USA.

For some time now, China was wooing the third world countries to mobilise a group or bloc against the two super-powers, but mainly directly against what it calls the "social imperialism" of the Soviet Union. Recent articles in the *Jenmin Jibao* and the *Hungchi* have stressed that the two "super-powers" are on the decline, and their place would naturally be taken over by China. Earlier, China had concentrated on exclusively wooing third world countries, but today China was also seeking to spread its influence and strengthen its international positions through establishing closer relations with countries belonging to the capitalist system. The manner in which China has wooed Japan is a case in point. Until very recently, Japan was a capitalist *cum* fascist anathema to China, but today Peking

is not only willing to forget the reparations it has always claimed from Japan but is also willing to concede many other matters on which China had held rigid views earlier.

In this quest for world influence, China is now not exclusively wooing Third World countries. China now does not shout against the US and imperialism as vigorously and vehemently as before, and it has been noted in third world and western countries that China has softened its attacks (in fact desists from attacking) such military-political organisations like the NATO, SEATO, ANZUS and the ASPAC.

CHINA says that she is herself yet another developing country and by implication that it is part of the third world. But her latest foreign policy attitudes are only consistent with the position that China considers herself as yet another super-power. China has welcomed the ECC as the European super power which would help to challenge the "hegemony" of the "two super-powers".

China continues to be cynical about the efforts of other countries to bring

about a peaceful detente. The Simla Pact between India and Pakistan was dismissed by Peking as an agreement from which would spring more aggression in the South Asia region. Almost in similar terms Peking had dismissed the agreements reached in Moscow between the USA and the USSR. According to a report in *Jenmin Jibao*, carried by *Hsinhua*, Chou - En - lai had stated that "the so-called strategic nuclear arms limitation agreements recently reached between the USA and the USSR are in no way a step in restraining the arms race, as they make out, but mark the beginning of a new stage in the arms race between them."

At the moment, it is easy to find the direction in which President Nixon or Party leader Brezhnev want to direct the foreign policies of their countries. As long as capitalism and socialism exist as two systems confronting each other, the contemporary clash between the USA and USSR is inevitable. But the period of co-operation and co-existence which has just opened between the two countries (instead of the cold war conflicts) may well lead to peaceful competition

between the two systems. It seems clear to most people that both the USA and the USSR seem willing to settle the "competition" between capitalism and socialism in a peaceful way, and in this process both countries and both systems are bound to influence each other greatly.

But where does China really stand?

One of the best analysis of China's foreign policy is an article by Cheng Huan in the *Far Eastern Economic Review* under the heading "A Consistent zig zag". It is a fairly lengthy article and the excerpts quoted below will indicate what the writer has to say:

"At the heart of China's rapprochement, first with the United States and then now with its ancient enemy, Japan, lies the determination of Peking to isolate Taiwan from the rest of the world. Much of the accelerated diplomatic thrust by China during the past year can be explained in terms of this desire to destroy Taiwan's credibility. As Chiang Kai-shek is forced to lose face, so the smiles of Mao Tse-tung and Chou-En-lai broaden. China in 1972, as during the

centuries of unforgotten history, continues to be obsessed with national and radical unity. This makes it all the harder for Peking to forget that China was denied its UN seat for 22 years because of Chiang Kai-shek's insistence that Taipei is the capital of China until the Communist 'menace' has been removed from Peking.... The Cultural Revolution of 1966-69 finally and effectively enforced Peking's control over all China except perhaps for certain border regions like Tibet, Sinkiang and Inner Mongolia. And China's first veto in the Security Council against the admission of Bangla Desh was primarily intended as a reminder that it would tolerate no local or regional separatism.... With the Cultural Revolution's upheavals ended, Peking was at last able to devote its energies to foreign policies.... The claims behind the two prongs of Chou-En-lai's new diplomacy, disclaiming 'super-power' status while befriending the Third World, are in danger of contradicting each other. To many observers China, already with its veto of Bangla Desh and its ruthless insistence on the removal of Taiwan's name from every UN document, is behaving like a 'super-

power'. Simultaneously, Peking has made increased efforts to expand contacts with countries like Malta, Mauritius, Zambia, Guyana, Ghana, Pakistan, Sri Lanka and Sudan, all of which have found China championing their political aspirations, entertaining them lavishly and providing generous economic aid.... It is also revealing that China's foreign policy offensive has been almost totally aimed at far-away countries to the exclusion of neighbouring Southeast Asia. Somewhat hesitant trade, cultural or diplomatic made by Malaysia, Thailand and Indonesia have been graciously received by Peking with obvious reluctance. Limited support for North Vietnam, the continued presence of Prince Norodom Sihanouk in Peking and support for the re-unification of the Koras look paltry when compared with China's eager involvement in Europe, Africa and Latin American countries.... The rub is that Peking, for all its support of national liberation movements, also wishes to improve relations with the world's thoroughly capitalist states; it can see no reason why one should cancel out the other. Chinese foreign policy, like that of any other country, is essentially based on

principles of self-interest, and if it is in China's interest to lead the Third World away from reliance on the superpowers while simultaneously establishing closer relations with the US, Japan and Europe, nothing will stop Peking pursuing a zig-zag course. Mao himself has written that any ideology—even the very best, even Marxism-Leninism itself—is ineffective unless it is linked with objective realities, meets objectively existing needs and has been grasped by the masses of the people..

This zig-zag foreign policy has naturally left many people in Africa, in South East and South Asia, and in other places, confused. The "instant revolutionaries" who had believed that Maoism would wage continuous war with the superpowers and the capitalist powers are now a bewildered and disillusioned lot. Even in Ceylon, Shanmugathasan and his pro-Peking CP have become sadder and wiser as China disowned the insurgents and has extended ardent support to the UF regime of Mrs. Bandaranaike.

New Phase In Sri Lanka's Foreign Policy

by
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VERY SIGNIFICANT developments took place both within and outside Ceylon (now Sri Lanka) following the assumption of power by the United Front Government after May 1970 elections.

In April 1971, the island-wide insurrection led by 'Che Guevarists' created terror all over. Mrs. Sirimavo Bandaranaike's Government was found to be ill equipped to deal with the situation at home. Military support from the USA, China, the USSR, India, Pakistan, Britain, the UAR, Yugoslavia, the German Democratic Republic and other countries enabled Mrs. Bandaranaike's Government to meet the insurrection. This necessitated a change in the foreign policy postures of Sri Lanka. With the military help coming from the USA a thaw in Sri Lanka-US relations could be discerned. India being the first country to send military support to quell the rebellion was appreciated. This gave Sri Lanka a sense

of having someone who could come to their rescue in a crisis at the first call. One could also note comparatively much less criticism of India in the Government-controlled press. Indian support to the democratically elected Government was certainly much to the dislike of the insurgents themselves for they were taught about Indian expansionism during the course of lectures given to them by their leaders.

While Sri Lanka's Government was still busy dealing with the insurrection, significant developments took place in the Indian sub-continent. The artificial balance of power between India and Pakistan that had been created since 1947 by the big powers, particularly the United States and its allies, crumbled down as a result of the 14-day war between India and Pakistan in December 1971. Finally, Pakistan surrendered to the Indian army and the Bangla Desh emerged as an independent

and sovereign country. Consequently India was elevated to a better position. It became the major power in the sub-continent. During the whole crisis, the USA and the People's Republic of China openly supported Pakistan, whereas the Soviet Union and the other East European countries supported India.

Under the new situation the task of India's smaller neighbours became all the more difficult in so far as relations among themselves and with a big neighbour like India were concerned. Their foreign policies had to be adjusted accordingly both at the regional and the global levels.

SRI LANKA took some time to accept the reality but it could not avoid doing so for a long time. Much to its displeasure it accepted the dismemberment of Pakistan and recognised Bangla Desh in March 1972. In early May this year Mrs. Bandaranaike convened a conference of her country's envoys abroad for a major review of its foreign policy in the context of the fast-changing situation in Asia. The discussions took place in the context of (a) the recent upsurge in the

Indian sub-continent and its impact on the Asian scene (b) the Indian initiative to ensure collective security and peace in the Indian sub-continent and (c) the detente in Sino-American relations following President Nixon's recent visit to China.

After the recent upsurge in the Indian sub-continent, one finds Sri Lanka could feel that the Soviet Union had made a dent in this area through India by concluding a treaty of peace and friendship in August 1971. Natural apprehensions of a small country against a huge big neighbour like India have become all the more deeper. This is not entirely understandable in view of India's role in the emergence of Bangla Desh. However, apprehensions have been played up particularly by the ruling Sri Lanka Freedom Party—which champions the cause of the Majority Sinhalese community—in order to make narrow political gains against the Minority Tamil community which is alleged to have been looking towards India (its Southern State of Tamil Nadu) for lingual and cultural identity. The ex-diplomat of Sri Lanka in the United Nations, Sir Senerath Gunawardena,

denouncing this approach of the Government said that the bogey of Indian expansionism is mischievous. He stated, "If India wanted to take us over they could have done it a hundred times over during the last 2,500 years and not a single nation would have lifted a finger to save us. But we have chosen to be hostile to our closest neighbour. This is the logic of current foreign policy."

OCCUPIED with its apprehensions of India, Sri Lanka's Government is making out its strategy in the changed context of the sub-continent. Pakistan in a way acted as a counterpoise to India, and Sri Lanka also looked towards it as one. Now Pakistan is no longer the same and its significance as a counterpoise to India has been lost almost completely. Another important point is that Sri Lanka does not seem to have relished the line-up between Moscow and New Delhi. More so in the context of renewed interest of the super-powers in the Indian Ocean where Sri Lanka herself is strategically placed.

In view of these considerations, perhaps she, has moved to improve its

hitherto somewhat cold relations with the United States of America. In the Indian Ocean, whereas Ceylon found the Soviet presence irksome and accordingly, it took up a strong position for making the area a "Peace Zone", it has not said a word against the recent US State Department's announcement to strengthen the US position in the Indian Ocean. The United States' response seems to be favourable enough. The United States Pacific Fleets' Commander-in-Chief, Admiral McCain's good-will visit to Sri Lanka early this year is noteworthy in this context.

Coming to China, one finds Sri Lanka's relations with her at their all time best. After the April 1971 insurgency, China gave an interest-free loan of Rs. 150 million in May 1971. Rs. 35 million project of the construction of a well-furnished Bandaranaike Memorial Hall by the Chinese which was not okayed during the UNP regime, is now being completed ahead of schedule. This is a gift from China to Sri Lanka. Moreover, instead of a Charge d' Affairs, China has now in Sri Lanka a full-fledged Ambassador. China also presented six naval gun

boats to Sri Lanka early this year. Now Mrs. Sirimavo Bandaranaike's visit to China is a pointer in the direction of its new foreign policy strategy in the sub-continent. It appears, she will also request China for further aid, since the IMF delegations' visit to Sri Lanka and discussions this month did not prove to be fruitful enough to get sufficient economic assistance for the latter. Sri Lanka turned down IMF's requests to devalue her rupee. It will not be surprising if China comes forward to offer another loan on liberal terms. In the long term, the increasing dependence upon China will certainly have its political repercussions and one can only hope that Sri Lanka's leaders are not unaware of this:

The Indian Ocean Peace Zone proposal of Mrs. Bandaranaike also seems certain to figure in her talks with Chinese Premier, Chou-En-lai, in connection with its implementation. The Sino-American detente makes it easy for Sri Lanka to befriend the United States of America without antagonising China.

Thus what Sri Lanka is attempting is a delicate game of balance. Its success

LAPIDARY—Scope And Potential

by

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SRI LANKA (Ceylon) has been well known and highly reputed for the richness and variety of her gem deposits from time immemorial. With the exception of the diamond, emerald and opal, almost every kind of precious and semi-precious stone is found in Sri Lanka, from Alexandrite to Zircon.

Although the potential is vast, there are many defects in the set-up of our gem industry. One

will depend upon not only the initiatives taken by Sri Lanka but also on the responses.

For example, it remains to be seen as to how long she will be able to use China and the United States against India and the USSR in the fast-changing world scenerio, where all these powers are probing each other for mutually workable adjustments. And in this game, Sri Lanka is but of a very limited consequence to these powers.

could say that the gem industry is one of the most backward of our industries and Ceylon is again one of the most backward among the gem producing countries of the world. The gem industry is in a very primitive and deplorable condition today, whether it be in regard to mining or fashioning or marketing. It is therefore urgent and imperative that every effort should be made to put the industry on a sound and modern footing.

A Report was published on the subject by a Government Committee in 1921 as Sessional Paper XI, but nothing came out of it. A thorough and comprehensive Report appeared again in 1939 as Sessional Paper XVI of Government. Dr. N. M. Perera was the Chairman of the Committee which issued this Report. Many decades passed without any action and it was only last year, again thanks to Dr. N. M. Perera, the Minister of Finance, that the Gem

Corporation was established by Act of Parliament.

One of the many functions of the Corporation is the advancement of the skill of persons employed or engaged in the gem industry. This naturally includes the *Lapidary Art*, namely the cutting and polishing of precious and semi-precious stones, carving and sculpturing of ornamental stones etc. This art can be traced back in history as early as 5000 B.C. to the time of the Pharaohs of Egypt, and it did exist very early in Sri Lanka which exported gems to the court of King Solomon.

Though of great antiquity, the gem industry of Sri Lanka continues to be still traditional in nature, and has remained elusive to modern methods of mining, fashioning and marketing. The cutting and polishing of gem stones is done almost entirely by hand-operated discs of primitive construction; scientific knowledge is hardly used. Automatic, precision and mechanical appliances used elsewhere have yet to make their impact here. Due to ignorance of simple crystallography and optics, the stones are usually cut for

weight rather than for perfection (ie. to bring out their intrinsic optical properties). Hence the fact that many of our stones have to be recut abroad, with commensurate loss of foreign exchange.

THE TRAINING OF LAPIDARIES IS AN URGENT AND VITAL NEED.

Like in many other vocations, lapidary art too is shrouded in a tangle of jargon which imparts an air of mystery to it, but in reality any person with average commonsense and patience can become a lapidary in a relatively short period. What are needed are a trained eye and hand, which comes through constant practice.

The present writer has seen even deaf and blind persons being trained as lapidaries in Thailand, where also delinquent youth are being rehabilitated through lapidary training. In many countries of Europe, as well as in Japan and North America several people take to lapidary as a hobby and it is a very profitable one.

The Gem Corporation will no doubt, in due course set up facilities

not only through a training centre, but also to enable interested persons to get down machinery and equipment for the purpose. They are fairly inexpensive but very efficient and convenient.

THE PRINCIPAL GEM CUTS are: flats, spheres and beads, tumbled stones (smooth but odd shapes), cabochon, facet and combination cuts. The last three are the common cuts. There are six stages and operations involved, namely:- (a) Slabbing or sawing, (b) Trimming (c) Grinding or shaping, (d) Dopping, (e) Sanding and lastly (f) polishing.

Today, inexpensive machines and materials are available for all of the above operations and there is no reason why Sri Lanka should continue to lag behind. The writer had the privilege of visiting several lapidaries and factories in Japan which manufacture the simple inexpensive, as well as the most sophisticated lapidary equipment. In Thailand, it is possible in some lapidaries for the buyer to cut and polish his purchase himself if he so desires! The machinery is supplied with the "Do" and "Don't" instructions to help amateurs and beginners.

In cabochon cutting, various rounded and curved surfaces are aimed at depending on the qualities of the stone. In facet cutting the standard cuts are known as (a) Commercial round, (b) Brilliant and (c) Step or emerald. Others are rose, mixed cut, baguette, briolette, marquise, pendo-loque, square, fancy-star etc. Faceting is done best using a holding device (faceting head) that can be set to various angles and to different radia settings. The faceting Head has displaced the old Jump Peg. Modern faceting heads are of two types: Fixed index and Free-hand.

While vertical wheels and laps are suitable for cabochon cuts, horizontal laps are better for faceting. Unlike in the past where diamond powder had to be used, today we have silicon carbide or boron carbide grits which are very efficient and relatively cheap and they can be used conveniently in a water or oil medium. Certain properties of the facets have to be observed to obtain the best effects; they vary from stone to stone; but indexing tables are invariably provided for almost every case. Thus the whole

process has been relieved of its medium.

Likewise, when it comes to polishing, a variety of equipment and materials is now easily available in the market. Some can even be improvised, eg, the felt wheel, leather wheel and the muslin buff. The agents used with them are tin-oxide, cerium oxide, tripoli powder, chrome-oxide, etc. In all cases what is most important is that the stone should be properly finished before it can be properly polished; otherwise it will need re-sanding.

Special automatic machines are available for sphere and bead-making, as well as ultrasonic devices for fine drilling.

With the artistic talent and manual dexterity of our people as well as the abundance and variety of precious, semi-precious and ornamental stones lying in our rocks, the scope for employment and increased foreign exchange earning by developing a local lapidary industry on modern lines may be reckoned as very considerable, and much to be encouraged.

LETTERS

Ceylon Tea

Sir,

The Hon. Trade Minister has recently announced that Overseas Trade Officers (National Sales Representatives) will be appointed to expand the sale of our products abroad. A national sales representative abroad should not be a swashbuckling and swaggering bureaucrat with over-blown egos, and head (grey matter) too small for his oversized body. He should be one who has the capacity for excellent public relations and selfless dedication to work in order to expand our trade abroad. He should have personal integrity, initiative and enterprise; tact and sound judgement; organizing and executive ability; and a sincere and genuine interest in Sri Lanka to expand the sale of our products abroad. If a national sales representative does not possess the qualities referred to above then he becomes a round peg in a square hole at the expense of the toiling masses. It could be said unequivocally that a graduate with English honours who does not possess the qualities enunciated above cannot become a Trade Officer but he may become a good

teacher of English in a Maha-Vidyalaya.

MAY I have the courtesy of your columns to say something about TEA which is the major foreign exchange earner for Sri Lanka? In view of the excess production of tea and the introduction of various types of flavoured soft drinks pleasing to the palate, tea exports to consuming countries have declined during the past several years. Lanka has been badly hit in terms of foreign exchange earnings. It is therefore imperative that we should go all out to explore the new markets, especially where coffee reigns supreme. Flavoured and instant tea and also tea in bags and packets prepared here will definitely capture the coffee market.

Russian scientists have experimented and discovered medicinal properties in tea which are highly beneficial in the prevention and treatment of nephritis, chronic hepatitis, hypertension, rheumatism, arteriosclerosis, dysentery etc. It has been said that tea stimulates the functioning of the skin, causing perspiration to clean the skin pores. The vitamins tea contains make the skin elastic and rejuvenated. Everyone, especially the ladies, will like the idea

of rejuvenation. The Russian experiments will be an eye opener to all coffee drinkers in the world and food for thought for our tea producers who are eager to market Ceylon tea abroad to earn the valuable foreign exchange which this country badly needs.

ONE MAY think it is difficult to change consumer habits. On the contrary, I must say that dynamic publicity reaching the consumers daily will create the tea-drinking habit. Mass persuasion will always bring good results. In two different countries and during a period of nearly nine years I have observed how unknown products have been made to become household consumer products through ingenious promotional and propaganda work carried out by the producers and their advertising agencies.

In coffee-drinking countries we should carry out intensive promotional work through the media of television, radio, newspapers, billboards and by the free distribution of inexpensive "DRINK CEYLON TEA" advertising materials such as picture postcards, pennants, emblems, stickers, bookmarks, book matches, calendars, ash trays, leaflets, miniature tea caddies etc.

By regular intensive propaganda through the mass

media etc. coffee drinkers could be made to understand about the medicinal properties of tea and that "CEYLON TEA IS THE BEST" with the slogan "FIVE CUPS OF CEYLON TEA A DAY KEEP THE DOCTOR AWAY". Ceylon Missions Abroad can and should motivate themselves and play an important role in promoting our tea industry.

IT IS IRONICAL that in a certain Asian country (38 million population) the words "CEYLON TEA" are deliberately printed on the packets in very large bold capitals. At the rear corner of the packet they have ingeniously printed in very small letters the words "Produce of...and packed in...". This tea was never produced in Ceylon. It has not even seen the shores of Lanka. The small letters are so inconspicuous that the consumers fail to read it and are deceived. This modus operandi indicates that it is only Ceylon tea that has a QUALITY IMAGE.

To obtain the maximum benefits in every way Sri Lanka should export only packaged tea and prohibit altogether the export of tea in bulk.

V. T. SARAVANAPAVAN

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